

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of February 14, 2017

Finance & Capital Committee members 2016-2017:

Linda Green, Chair
John DeGrace
Wanda Jackson
Edward Powers

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Chair Gardyn on the eleventh floor of the Administrative Tower at approximately 5:05 p.m.

Trustees Present: Dr. Jorge Gardyn, Chair
Kathy Weiss, Vice Chair, appointed ad hoc to the Finance & Capital Committee
Linda Green, Chair, Finance & Capital Committee
Anthony Cornachio
John DeGrace
Donna Tuman, appointed ad hoc to the Finance & Capital Committee
Michael Hilt, Student Trustee

Also in attendance: President Keen
VPs Collins, Conzatti, Muscarella, Reznik
General Counsel/Government & Media Relations Murray
Comptroller Izquierdo
Procurement Director Cappello
CIO Lawless
Treasurer Hahn

* Chair Gardyn appointed Trustees Weiss and Tuman ad hoc to the Finance & Capital Committee for the February 14, 2017 meeting.

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of November 15, 2016, December 13, 2016, and January 10, 2017 were presented for approval. A motion was made and all minutes were approved.
2. Pending College Procurement Agreement—There were no Pending College Procurement Agreements to be presented at the February 14, 2017 Finance and Capital Committee meeting.
3. Comptroller's Report—December, 2016. Comptroller Izquierdo reported that an audit of Other Than Personal Services (OTPS) disbursements and Personal Service Contracts for December showed all items in compliance with policies and procedures. Regarding the Accounts Receivable Report, \$1.2 million of “old receivables” has been collected. Short discussion followed regarding Fall receivables. Comptroller Izquierdo advised that to date 94% has been collected. Trustee Weiss inquired about the status of collection from summer 2016 semester. Comptroller Izquierdo advised that to date 97.44% has been collected. The balance of summer receivables as of 1/31/2016 is \$82,149.

4. Travel Requests— There were ten (10) travel requests in the amount of \$27,245.78 to be presented for approval at the February 14, 2017 Finance & Capital Committee meeting. VP Reznik advised that the reason for the amount of travel requests this month is that there are seven (7) people traveling to Florida for the Ellucian conference. This is an annual conference necessary for individuals to maintain and expand their knowledge in the use of the Banner system. IT personnel as well as administrators who extensively use the Banner system will be in attendance. CIO Lawless was present should Board members have any questions on the travel. A motion was made and all travel requests were approved.

5. Donation—Sunrise Labs—A motion was made and all were in favor of presenting the donation to the full Board of Trustees for approval.

6. Discussion—2017 Projected Operating Results. 2018 Budget Process - As part of the budget process for 2018, we accumulate the results of the current year operations. In compiling the budget, there are some unknowns such as the final rates for health insurance and the contributions and the defined benefit plan for the NCCFT.

VP Reznik advised that in January or the beginning of February the Finance Department has most of the enrollment numbers for the fall and spring semesters, and most of the payroll data can actually be projected. When the projection is compiled, each semester is looked at separately since we are in a cyclical business.

VP Reznik continued with a Power Point presentation.

Salaries are approximately \$675,000 over budget; fringe benefits are lower; overall salaries & fringe benefits are lower by 1.29%.

OTPS (equipment and utilities) are on or close to budget. The debt service payment includes interest on the NCCFT bond and interest and principal for the VSIP (CSEA) retirement bond.

Short discussion followed. Vice Chair Weiss inquired about final expenses. Some expenses are still projections, for example, the first payment for the Adjunct faculty is not until late February; adjuncts are paid in seven (7) checks during the semester. We will be able to have more solid numbers at the next meeting.

Revenues were presented line by line. Use of Fund Balance was not budgeted in the 2017 budget. Investment income is projected to be in budget. Rents and Recoveries are an average amount and are anticipated to be approximately this amount. Revenue offset to expenses which includes Life Long Learning, Barnes & Noble, and Cafeteria services is projected to be close to budget.

Service Fees (fees associated with tuition) if the number is down, it is due to the decrease in enrollment. We anticipated a 5% decrease however, fall decreased by 6.9%, winter decreased by 7%, and spring decreased by 7.7%. Traditionally the enrollment for the spring semester is lower than the fall semester.

Short discussion followed. Trustees asked for a comparison report with other community colleges to be presented at the March Finance & Capital Committee meeting.

VP Reznik advised that NCC numbers may also have been affected by the negative publicity with the Middle States Report, however, the number proposed by SUNY indicates that all community colleges have had a decrease in enrollment across the State.

Dr. Keen advised that the 2015/2016 year numbers were used to project for the following year. NCC has higher financial impact from decreased enrollment due to its size.

Further discussion followed regarding retention. Board members would like a formal report from the Retention Committee at the March meeting.

Discussion regarding the governor's proposal followed.

Fund Balance – We are going to have \$1.2 million of operating loss for FY 2017. This will leave Fund Balance at about 5.6%.

In March, more information will become available on expenses, salaries and assumptions. VP Reznik will be able to present some scenarios for the 2018 Budget.

The meeting adjourned at 5:55 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance