

FINANCE & CAPITAL COMMITTEE MINUTES
Meeting of March 8, 2022

Finance & Capital Committee members 2021-2022

John DeGrace, Chair

John Durso

Wanda Jackson

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Chair DeGrace.

Committee members present: John DeGrace, Chair
 Carl Denaud (ad hoc)
 George Siberon (ad hoc)
 Kathy Weiss (ad hoc)

Committee members absent: John Durso
 Wanda Jackson
 Jorge Gardyn, ex-officio

Also in attendance: Officer in Charge – Donna Haugen
 VP Izquierdo
 AVP's Hahn, Cappello, Friedman, Kerrigan

AGENDA ITEMS

1. **Minutes** – Minutes of the February 8, 2022 Finance and Capital meetings were approved. Motion was made by Trustee Weiss and seconded by Trustee Siberon. Motion carried.
2. **Pending College Procurement Agreement for Board Approval.** No pending Procurement Agreements were presented for Board Approval.
3. **Final Tuition and Fees Schedule Academic Year 2022 – 2023.**

RESOLVED, that the Nassau Community College Board of Trustees establishes a Tuition and Fees schedule to be effective for the academic year 2022-2023 wherein there shall be no increase in full-time and per credit part-time commencing with the fall 2022 semester.

FURTHER RESOLVED, that this Tuition and Fees schedule be forwarded to the State University of New York for approval.

Motion made by Trustee Weiss and seconded by Student Trustee Carl Denaud, motion carried. No discussion.

4. **Comptroller's Office Report** – Presented by VP Izquierdo
 - The Office of the Comptroller performed an examination of OTPS (Other than Personal Services) expenditures based on accounts payable for 2022. Reviews were in conformity with the criteria.
 - a. **Accounts Receivable (AR) Aging Report:**
 - We have collected 71.2% as of now, previous years were 72.5% and 73.3%.
 - We will continue to report on "Nassau County Audit" balances because County auditors requested an update.

5. Preliminary Projections and Fund Balance

Projections for 2022 - 2025

- 2023 as of right now has \$19.1 million loss.
- If we maintain current expenses without increasing revenues our Fund Balance will be depleted by FY 2025.
- We have been using the HEERF Funds to maintain Fund Balance, we have HEERF funds remaining for us in FY23 and FY24.
- Projecting 8,600 FTEs for 2023, with current expenditure levels our breakeven FTE is 13,950.
- Personnel expenses are 86% of our budget, OTPS is 14%, 10% is variable, 4% is fixed.

Revenue Initiatives

- Phoenix Cell Tower -The College has been offered \$1M upfront for increasing the lease terms by 10 years. Present value calculations indicate the value of the lease is about \$1.4M, we are negotiating for \$1.2 Million.
- Rental of Endo Building to BOCES –In discussion for multi-year sublease for annual rental \$500,000 Impact to revenue.
- Increase facility rentals as the pandemic restrictions are eased.
- Increase Tuition is not an option, would decrease enrollment. The following represents tuition levels of nearby colleges:
NCC \$5,800; Suffolk \$5,470; Queensborough \$4,800, Westchester \$4,730; Farmingdale \$7,070; Old Westbury \$7,070
- Increase in State Aid (Low Possibility) – State Aid revert back to 2019 level. Being pushed at the State level. It would be \$5.6M increase in FY 23 revenues.

Expenditure Reduction Initiatives

- Hiring Freeze - Use personnel efficiently through reallocation of resources. Reduce salaries through efficient use of personnel, reduce part-time contracts, reduce overtime and natural attrition. 2023 Budget Impact TBD
- Travel freeze unless the travel brings a positive financial return on investment. Budget impact is \$50,000.
- Effective use of Capital funds to fund projects that would have required operating funds.
- Reduce expenses by fixing core issues within our plant. We continue fixing the plant and repair items. For example, we are currently working on a major electric underground cable on the West campus which was compromised due to deterioration. We are putting a new cable in that will work for the next 30-50 years.

Updates: HEERF Grants, Other

- HEERF Funds – The award has been extended through June 2023, this would require us to draw all funds down by this date.
- Total awards \$78 million, used \$27 million for Institutional, \$21 million to students. Expect to finish using the students by April. We will send out more money to students based on the \$10 million balance we still have.

Facilities Update – A capital project was started in 2020-2021 to review our heating, ventilation and air conditioning (HVAC), repairing current systems and concluding with upgrading our systems where needed. This will be done in three phases, of which the first phase is complete.

Phase 1 - Assess all campus buildings HVAC systems to verify functionality and amount of outdoor air ventilation provided by mechanical or natural ventilation (windows). Prior to completing the report, a survey was taken of all deficiencies that would not allow for proper results, a punch list was developed for facilities

to address issues, which have been addressed. The resulting report included verification of balancing, recommendation of deficiencies and recommended occupancy by space. Administration has used this report to relocate classes based on occupancy levels recommended and seek alternate methods of ventilation for those classes.

Phase 2 - Improve ventilation in buildings outlined in Phase 1 that relied on natural ventilation (windows) by providing mechanical outdoor ventilation to each space within the building to maximize comfort, efficiency and occupancy based on ASHRAE recommended levels. (12-18 months)

Phase 3 - Energy audits and retro-commissioning to improve equipment and system performance. The scope will include upgrading building automation, heating, cooling and humidification controls prioritizing occupant comfort and energy efficiency. (18-24 months)

- Setbacks to phase 1 – The College maintained outdated information, engineers were relying on this information and had to redo calculations as data got updated.
- Portable Air Purifying Systems using HEPA filters are being purchased for rooms with little or no ventilation, on order now.
- Environmental safety department is looking into specifications of the air purifiers, will test them before deployment to make sure they meet specification including decibel levels to not disrupt instruction.
- Everything takes time and we are addressing issues as quickly as possible, but ensuring we get to the root of the problems and not just putting band aids on issues.

Trustee Siberon – Did we address the issues that were presented by the professors?

VP Izquierdo – we are addressing as outlined above we have purchased some air purifiers and will start deploying them.

Next month we will have a Capital Committee presentation by Phil Cappello and his group.

County Audit –

The audit will be moving to an on-site audit, this is a continuation of financial audit started February 2021. They have increased their scope due to allegations of missing equipment in athletic department. They also want to review payments to coaches, the College does not pay coaches salaries, this is under FSA purview. They will also want to see process and procedures surrounding use of grants including HEERF funds. They are inquiring about enrollment decline, student collection procedures and facility expenditures.

Weiss: Enrollment decline. What are they looking at?

VP Izquierdo – They are looking at it in terms of the fiscal situation. They want to see what actions we are taking to offset the lack of revenue due to enrollment decline.

The meeting adjourned at 5:27pm

Respectively submitted,

Julio Izquierdo
Vice President of Finance and Administration