

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of January 9, 2018

Finance & Capital Committee members 2017-2018:

John DeGrace, Chair

Linda Green

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 Vice Chair Weiss on the eleventh floor of the Administrative Tower at approximately 5:05 p.m.

Finance & Capital
Committee members
Present:

John DeGrace, Chair
Linda Green
Wanda Jackson

Trustees also
in attendance:

Jorge Gardyn, Ex-Officio
Therese Russell, Student Trustee
Kathy Weiss, Vice Chair

Also in attendance:

President Keen
VPs Collins, Conzatti, Murray, Muscarella, Reznik
Procurement Director Cappello
AVP Friedman
Treasurer Hahn
Comptroller Izquierdo

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of December 12, 2017 were presented for approval. Trustee Green made a motion, seconded by Chair Gardyn. The minutes were approved.

2. Pending College Procurement Agreement—VP Reznik advised that Item A (Follett Higher Education Group) is an outside management company that will operate the bookstore. This is a revenue producing agreement which normally requires no Board of Trustees approval, but the vendor will be making capital improvements on the facility. In case the contract is terminated early, any unamortized amount of the vendor's investment will be reimbursed to the vendor. The amount of the improvement, depending on how NCC decides to proceed with the improvements, will range from \$300,000 to \$1.6 million.

Trustee Green made a motion, seconded by Trustee Jackson. All were in favor of presenting Item A to the full Board of Trustees for approval.

Addendum Procurement Agreement—VP Reznik advised that Item A-1 (NICE Bus Company) is a one semester professional service agreement in the amount of \$25,000.00 as requested by VP of Academic Student Services Conzatti. Trustee Jackson made a motion, seconded by Trustee Green. All were in favor of presenting to the full Board of Trustees for approval.

3. Comptroller's Report—November, 2017. Comptroller Izquierdo advised that the audit of OTPS disbursements and Personal Service Contracts for November 2017 were reviewed with no findings. The Accounts Receivable report indicates that NCC continues to collect receivables from the fall semester.

4. Discussion: 2018 Projected Operating Results. VP Reznik distributed a hand out and presented a short overview of the projected 2018 operating results.

At this time, enrollment and expenditures for fall 2017 are the only finalized amounts.

Expenses: There is \$1.6 million in savings that comes from the renegotiated debt service agreement with NIFA and Nassau County. When the budget was originally presented to the Board of Trustees, the debt service was included at the original repayment schedule rate just in case Nassau County and NIFA did not agree to extend the debt period, there would have been sufficient money in the budget. It is reflected as a positive variance here. This is also reflected on the revenue side.

It is too early in the year to be able to annualize salary and health benefits expenses, but it is projected at this time that these items will be better than anticipated in the budget. The health benefits were previously budgeted at 9.6% (best estimate at the time the budget was prepared); the actual rate is approximately 8.6%.

Revenues: student revenues are doing better than projected in the budget. The winter session enrollment was more than 10% down; the spring semester enrollment thus far is almost 7% down. In the fall, enrollment was down approximately 5.5% with 6% budgeted. Therefore, there is a positive variance here. Due to positive variances in expenses and revenues, Fund Balance may not have to be used this year.

The State is considering changing the operating aid formula. This may not occur during this legislative season. To be conservative, the old operating formula will be used.

If there is a decrease in FTE enrollment, there will also be a decrease in state aid. It has been 10 years with no increase in the County (sponsor) share. NCC is not anticipating any savings from additional retirements as there is no incentive this year.

In order to be in compliance with Middle States standards, the 2019 budget will continue to be developed with allocation of assets linked to the College Strategic Plans and Goals.

The meeting adjourned at 5:25 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance