

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: JOINT MEETING OF THE COMMUNITY COLLEGE/FINANCE COMMITTEES

DATE: JUNE 8, 2015

COMMUNITY COLLEGE COMMITTEE

MEMBERS PRESENT:

SUPERVISORS: SEEBER
MCDEVITT
DICKINSON
BROCK

MEMBER ABSENT:

SUPERVISORS: WESTCOTT

FINANCE COMMITTEE MEMBERS PRESENT:

SUPERVISORS: TAYLOR
SOKOL
MONROE
WOOD
KENNY
DICKINSON

MEMBERS ABSENT:

SUPERVISORS: CONOVER
MERLINO
FRASIER

OTHERS PRESENT:

REPRESENTING SUNY ADIRONDACK:

DR. KRISTINE DUFFY, PRESIDENT
ANN MARIE SOMMA, VICE PRESIDENT FOR ADMINISTRATIVE SERVICES
AND TREASURER
KAREN MOSHER, ADMINISTRATIVE ASSISTANT TO VICE PRESIDENT FOR
ADMINISTRATIVE SERVICES
LARRY PALTROWITZ, LEGAL COUNSEL FOR SUNY ADIRONDACK

KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR
AMANDA ALLEN, CLERK OF THE BOARD
FRANK E. THOMAS, BUDGET OFFICER
DEB PREHODA, WASHINGTON COUNTY CLERK OF THE BOARD
KEVIN HAYES, WASHINGTON COUNTY ADMINISTRATOR
ALBERT NOLETTE, WASHINGTON COUNTY TREASURER
BRIAN CAMPBELL, WASHINGTON COUNTY BUDGET OFFICER
MEMBERS OF THE WASHINGTON COUNTY BOARD OF SUPERVISORS
SARAH MCLENITHAN, DEPUTY CLERK OF THE BOARD

In the absence of the Committee Chairman, Vice-Chairman McDevitt called the meeting of the Community College Committee to order at 9:35 a.m.

In the absence of the Committee Chairman, Vice-Chairman Taylor called the Finance Committee to order at 9:35 a.m.

Ms. Seeber entered the meeting at 9:36 a.m.

Privilege of the floor was extended to Dr. Kristine Duffy, President of SUNY (State University of New York) Adirondack, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes*. Dr. Duffy requested that Ann Marie Somma, Vice President for Administrative Services and Treasurer, provide an overview of the proposed 2015-2016 SUNY Adirondack operating budget. Ms. Somma proceeded to provide a detailed review of a PowerPoint presentation outlining the proposed budget; a copy of which is on file with the minutes.

Robert Henke, Chairman of the Washington County Community College Committee, noted that the State Aid per FTE (Full Time Equivalent) decreased substantially in 2006 and he asked

whether it had increased back to where it had been prior to 2006. Ms. Somma replied in the negative, explaining that although the State Aid per FTE had increased significantly over the last few years, it remained below the funding level in 2006. She apprised the State had indicated it was not likely that the funding would return to the 2006 level in the foreseeable future.

In regards to an inquiry by a Washington County Supervisor, Ms. Somma apprised that factoring in the increase in tuition they were projecting to receive about \$219,000 in tuition during the fiscal year for 2015-2016. Mr. McDevitt asked what the decrease in enrollment per County was and Ms. Somma replied she was unsure of the decrease in each County; however, she said, she would look into this and report back to Mr. McDevitt. She said the figure she provided related to all students in general. Dr. Duffy advised that the figures presented were a projection based upon a formula they utilized, which had depicted about a 1% decline in overall enrollment. She noted they did not do projections on a per County or per high school basis.

A Washington County Supervisor pointed out it appeared that the largest decline related to the enrollment of part-time students. Dr. Duffy advised that part-time enrollment included high school students participating in the early college program that allowed them to earn up to 28 college credits. She noted the number of high school students participating in this program had increased substantially over the last few years.

In response to a question by a Washington County Supervisor, Dr. Duffy stated that part-time enrollment decreased slightly as the economy improved. She advised that their institution was more dependent upon full-time enrollment than other community colleges across the nation. She noted they had experienced a small decline in enrollment of full-time equivalent students.

Brian Campbell, Washington County Budget Officer, asked how close their projections had been to actual figures in previous years and Dr. Duffy replied that the projected figures were relatively close to the actual figures. Mr. Campbell queried whether there had been a decline in enrollment for online courses. Dr. Duffy advised that enrollment in online courses was included in the total figures, as they were not broken down by the type of course. She pointed out enrollment in online courses had increased over the years, but noted it had stabilized at this point.

A Washington County Supervisor queried whether the enrollment for the campus in Saratoga County had increased or decreased and Ms. Somma replied that enrollment at the campus in Wilton, New York had increased. She explained that the non-sponsor share of revenue of \$195,000 was obtained through enrollment at the Saratoga County campus, as well as from students who resided in the student housing from counties other than Warren and Washington.

Mr. Taylor apprised that student housing was constructed in the hopes of increasing the enrollment of full-time students and he asked whether this had occur. Dr. Duffy replied that enrollment had increased; however, she said, it offset, to a certain extent, what they were experiencing in the service region as a decline in the number of high school graduates. She pointed out if they had not built the student housing they may have been in a different

situation enrollment-wise compared to their peers. She stated they were one of the two community colleges across New York State that had a flat enrollment or a slight increase, which was not the norm for many of their sister institutions. She credited this to the construction of the student housing.

Mr. McDevitt questioned how the \$80,000 increase in utility expenses compared to last year's figures and Ms. Somma replied that she did not have those figures available today but that she would be sure to provide them to him.

Ms. Seeber asked for clarification regarding Ms. Somma's statement that rent was paid for classroom space in the student housing building. Ms. Somma advised that the college rented some classroom space at the student housing building, as well as the business center and some office space for employees located there. Dr. Duffy suggested that Ms. Somma clarify why space was rented there, as she was unsure of whether everyone in attendance was aware of the Adirondack Housing Association (AHA). Ms. Somma advised that the AHA was a subsidiary of the Faculty-Student Association. She explained, to help alleviate some of the classroom space needs that the college had when the student housing was constructed some classrooms were built there and the college rented back from the AHA, which was allowed and prescribed by the State Education Law. Ms. Duffy apprised that the AHA was a separate entity and noted as per State Education Law the college was not permitted to own a residential hall. She continued, in order to construct student housing they had to create a separate entity, which was why they had rental expenses.

Ronald Montesi, Deputy Supervisor for the Town of Queensbury, queried whether they were in a better position than other community colleges in relation to the non-sponsor chargebacks they received and Ms. Somma replied affirmatively. She explained that they received less revenue from their sponsor counties because it was offset by the revenue received from the chargebacks for Saratoga County. She stated the operating chargebacks they received from Saratoga County were almost equal to the sponsor cash they received per County.

Mr. Montesi queried whether Warren and Washington Counties were still paying a significant amount of chargebacks to other counties for students enrolled in colleges located out of the area such as Hudson Valley Community College and Ms. Somma responded that the County Treasurer would have to provide these figures to them. Ms. Seeber advised she just recently requested that the Warren County Treasurer's Office look into this and she believed they had discovered a number of duplications in billing that they would be reviewing. She said the total was about \$390,000, which was a significant decrease. She noted the majority of Warren County college students attending schools outside of Warren County were enrolled at Hudson Valley Community College.

In regards to FTE, Ms. Somma apprised that Washington County had seen a significant increase over the last few years. She noted Warren County had experienced a substantial increase in FTE in 2010.

Kevin Hayes, Washington County Administrator, queried what type of effect the pending legislation regarding the chargeback rates would have. Ms. Somma explained that the proposed legislation was meant to make the chargeback rate match the sponsor's contribution per their FTE. She noted their chargeback rate was slightly less than the sponsor contribution per FTE right now; therefore, she said, this would have a relatively small impact. Mr. Hayes interjected that he would like to have a discussion regarding the sponsor contribution per FTE prior to the meeting adjourning today.

Mr. Campbell questioned whether Ms. Somma was projecting the chargebacks from Saratoga County to be more than 50% for next year and she replied in the negative. Albert Nollette, Washington County Treasurer, inquired whether Ms. Somma considered utilizing funding from the fund balance to ensure the sponsor Counties' cash contributions remained the same as the prior year because they were looking at a 1% tax cap for 2016 and she replied in the negative. She stated they had considered several different options; however, she said, based upon the level of their fund balance, which was 7% of their total operating budget, they did not feel it was prudent to continue to rely on that as a funding source.

Mr. Monroe queried why there was no interest income generated from the fund balance and Ms. Somma replied that as per the State Education law if any interest was earned on the fund balance it was included in the sponsors cash contribution equation at the end of the year. She noted due to the low interest rates a very minimal amount of revenue was generated from the interest rate on their fund balance. Ms. Somma apprised the interest earned per month on the fund balance was about \$300. A Washington County Supervisor inquired what the interest rate was for the fund balance and Ms. Somma replied that it was one-tenth of 1%.

Dr. Duffy advised the next item on the agenda was to discuss the NSTEM (Nursing, Science, Technology, Engineering and Math) Building funding proposal. She reminded the Committees that their application for grant funding through the SUNY 20/20 program had been denied and noted that the project would not qualify for funding in this year's SUNY 20/20 program. She apprised they had decided to take a different approach to secure funding for the NSTEM building. She proceeded to provide a detailed review of a PowerPoint presentation relative to the NSTEM project; a copy of which is on file with the minutes.

Dr. Duffy introduced Larry Paltrowitz, Special Counsel for SUNY Adirondack, to discuss possible funding scenarios for the project. Mr. Paltrowitz distributed a document outlining these scenarios which he proceeded to review in detail; a copy of which is on file with the minutes. In summary, Mr. Paltrowitz indicated Warren County's share of the \$10 million local share of the project would be \$6,764,200 and Washington County's share would be \$3,235,800, based upon assessed value figures. He also reviewed the two different bonding scenarios outlined in his handout.

Mr. Paltrowitz advised that Warren and Washington Counties would incur no costs during 2015 because the chargebacks that were identified for other projects would be deferred so that cash would be available to pay for the upfront costs in 2015. He explained that the chargebacks

would have to be paid back in 2016. Mr. Montesi asked how much funding was available through the chargebacks to utilize for the upfront costs and Mr. Paltrowitz replied it was his understanding that \$1.2 million was available. He estimated the costs in 2015 to be about \$500,000; therefore, he said, there was enough funding available to meet the financial needs of the project in 2015 without incurring any cost to the Counties.

Dr. Duffy advised the first thing that needed to be addressed was whether the data provided thus far warranted moving the project forward to meet the needs of the students, the workforce and the region. She continued, the next item that required consideration was the proposed funding for the project, as she recognized the financial challenges both Counties were facing. She stated since this project had been a priority of the college for a number of years she believed it was necessary to discuss it further. She thanked the Committees for allowing her to share the information with them and she welcomed any questions they may have. She noted the sooner they were able to obtain some level of commitment from the Counties the faster they could meet the ideal timeline for the project.

Mr. Hayes asked Dr. Duffy to clarify some of the issues with the timeline they had discussed during their meeting last week. Dr. Duffy advised in order to maintain the classes the first phase of the project would be to construct the new addition, as this would be the least disruptive route to take. She said if the project moved forward in their preferred timeline the construction would commence in March of 2016. She continued, once the addition was completed they would move their current classrooms into the new space while the renovations were being completed. She mentioned since the renovations would include asbestos removal and other disruptive items that would require the building to be sealed off, they felt the most favorable time frame to complete this work would be during the summer of 2017.

Mr. Campbell asked whether the two different financing scenarios presented utilized the same time frame for the work to be completed and Dr. Duffy replied affirmatively. Mr. McDevitt inquired whether New York State had approved their share of the funding and Dr. Duffy replied affirmatively. She explained it had been approved in the Executive Budget; therefore, she said, the funding was set aside for the project until the local shares portion became available. Ms. Somma interjected it was important to note that the State funding was based upon reimbursement; therefore, she said, each month they would submit an accounting of their costs for reimbursement.

A Washington County Supervisor questioned when they anticipated completing the WORC (Workforce Readiness Center) addition to the building, as this was separate from the NSTEM project. Ms. Duffy advised they submitted an application for SUNY 20/20 Grant funding for the WORC addition on May 1st. She said she anticipated receiving notification as to whether their application was selected for funding in the fall of this year.

Mr. Campbell apprised it was his understanding that the addition was required in order for the college to offer a competitive program for NSTEM students, as many local high schools had recently renovated their facilities to offer more state of the art classrooms than the current

science building had. Dr. Duffy stated that as the demographics shifted and there were less high school graduates for colleges to recruit, the recruitment process for colleges became much more competitive. She pointed out when prospective students toured campuses they were comparing not only the programs offered, but also the facilities. She said she believed that facilities played a major role in students determining where they were going to enroll in college. She stated having a facility that was outdated was a disadvantage for them, as they could not compete with other institutions with renovated facilities nor could they provide the same state of the art classrooms as some of the local high schools did. She pointed out many students preferred to take their science courses at the Saratoga County Facility, as it was more modern, well equipped and larger than the Science Building at the Queensbury Campus. She pointed out the current lab facility on the Queensbury Campus could handle 18 students, whereas the Saratoga County Campus could manage 24.

Mr. Campbell asked Dr. Duffy to explain how the renovation would assist the local hospital and health care providers with expanding their training. Dr. Duffy advised that this project would assist them with expanding their assimilation labs footprint to better serve their nursing program and educate their students; she added that GFH (Glens Falls Hospital) and HHHN (Hudson Headwaters Health Network) would also be able to utilize the facility to train their nurses. She stated that they had approached GFH and HHHN to inquire whether there was a need for them to utilize the college's assimilation lab and they indicated they would be eager to do so, as they did not have access to such a training facility within their own facilities. She pointed out healthcare was changing dramatically; therefore, she stated, the need for retraining was rather important. She noted that GFH indicated it took up to 12 months to bring a recent associates degree level nurse up to speed to be able to work effectively in specialized areas. She continued, if the college was able to offer them more opportunities to utilize their assimilation lab, GFH had projected training time would decrease to about 3 months. She noted from an employment perspective this meant the nurses could be brought on to the floor in specialized areas that much quicker, which equated to a savings for them.

In regards to the 15% job growth that was projected in nursing, Mr. Hayes apprised this related to the fact that the average age of a nurse was 58 years old. He said many of these nurses would be retiring, which was why there was such a high demand for education in this area.

A Washington County Supervisor queried when the deferred maintenance would have to be completed on the building if they chose not to move forward with the project. Ms. Somma advised the college had a plan that entailed completing the deferred maintenance over a 10-year period. She stated, as was presented earlier, they received about \$400,000 in capital chargebacks per year, which was the only funding available to spend on deferred maintenance. She noted historically the college had spent that funding on health and safety issues, as well as ADA (Americans with Disabilities Act) compliance. She reported they were aware they could not tackle the funding on their own, which was one of the reasons why they were present today.

A Washington County Supervisor inquired whether the \$49.7 million in projects discussed earlier had been completed and Ms. Somma replied affirmatively. She said the packet

distributed earlier reported how these particular projects were funded, the majority of which had utilized creative financing with support from the Faculty-Student Association, the SUNY Adirondack Foundation, etc. She commented they did not feel they were in a place to tackle such a large project with creative financing, although the SUNY Adirondack Foundation had committed to raising up to \$2 million for furnishings, fixtures and equipment for the NSTEM and WORC facilities.

A Washington County Supervisor inquired as to whether they had reached out to the local health care providers to seek financial assistance for the project since the college would be providing them with qualified candidates. Dr. Duffy apprised in terms of contributing capital, she felt this may be difficult for them to do; however, she said, they would be providing revenue by renting the assimilation lab for training purposes. She added this did not mean it would be unfeasible to obtain revenue for the project from them, but she felt it may be challenging.

A Washington County Supervisor commented that he thought he had heard that some of the community colleges in New York State were reducing their nursing programs and asked whether this was factual; Dr. Duffy replied that she was unaware of this. She stated the proposed legislation requiring students to obtain a bachelors degree for nursing would expand the need for education in the nursing field. She pointed out states such as Florida enacted legislation to allow community colleges to offer bachelor degree programs in areas with high needs, such as nursing. She said she was unsure if this would be the case in New York State; however, she said, completion programs such as the one offered by SUNY Plattsburg on their campus would be the way to address the need for nursing facilities on multiple campuses. She noted almost all community colleges offered nursing programs. She commented the concern with the legislation was that it related to an area that already had difficulty meeting the needs right now; therefore, she stated, requiring a bachelors degree for nursing could magnify this issue.

In response to a Washington County Supervisor's question, Dr. Duffy advised that the college had recently signed a transfer agreement with the College of St. Rose. She explained this meant that SUNY Adirondack students enrolled in a corresponding program could transfer a maximum of 62 credits seamlessly to St. Rose. She noted this was a different type of partnership than what they had with SUNY Plattsburg, as St. Rose would not be located on their campus.

Mr. Montesi voiced his concern that since Warren County was already financing the court space expansion project, which was rather substantial, the annual payment of \$497,722 would push them over the 2% tax cap that was required by the State. Dr. Duffy advised she was aware that the County would have to assess and determine whether they would like to commit to their share of the funding for the project.

Mr. Campbell advised that one of Washington County's complaints had been that Warren County received the majority of the sales tax. He said he felt the fact that Warren County's

share for the Capital Project was much larger due to their assessed value being much greater than Washington County could offset the argument about the sales tax.

A motion was made and seconded by the Washington County Community Committee to support the requests made. A Washington County Supervisor queried whether the motion was for support of the proposed capital project and Mr. Henke replied affirmatively. Mr. Hayes queried whether the motion was for support of the budget or the capital plan and Mr. Henke responded that the motion was for support of the capital plan, as they had already voted on the budget. Ms. Somma interjected that they had not voted on the operating budget yet.

Ms. Seeber inquired whether anyone on the Warren County Community College Committee would like to make a motion to move forward with the Capital Project. Mr. Monroe asked Paul Dusek, County Administrator, whether moving forward with this project would have an impact on the Multi-Year Plan for the County and Mr. Dusek replied affirmatively. He said they were preparing to re-evaluate their Multi-Year Plan and they could take this under consideration if that was the Committee's desire.

Motion was made by Mr. McDevitt and seconded by Mr. Dickinson to support the NSTEM Capital Project for SUNY Adirondack.

Mr. McDevitt commented he felt this matter warranted consideration by the full Board; therefore; he said, he believed the Community College and Finance Committees should move the matter forward for discussion at the June 19th Board Meeting. Mr. Brock pointed out that it was important to note that members of the Community College Committee would be voting on the educational aspect of the matter, not the financial piece. Ms. Seeber mentioned it was her understanding this piece would be discussed by the Finance Committee.

Mr. Montesi asked whether there was a deadline as to when the college would need to know whether Warren County would support the project. Dr. Duffy advised that ideally, in order to maintain the timeline they anticipated being in the best interest of the college and its students, they would need an answer by August at the latest. She said once they went beyond that they would have to adjust the timeline further back. She noted the timeline they established took into consideration interest rates and construction costs, as it was projected they would be going up within the foreseeable future and the timeline they established allowed for the County to take advantage of the lower interest rates. In regards to the State funding, she advised there was no deadline because the money had been allocated to a certain extent.

Ms. Seeber asked Mr. Thomas for some feedback on the matter. Mr. Thomas stated that he felt it was a worthwhile project; however, he said, financing it would be a significant challenge for Warren County. Mr. Taylor queried whether there was a quorum for the Warren County Community College Committee and Ms. Seeber replied affirmatively. Mr. Brock commented he felt they should move the project forward to the Finance Committee to discuss, as he was not concerned with the educational aspect of the matter but rather the financial piece.

Ms. Seeber called the question and the motion was carried unanimously for the Community College Committee to support the NSTEM Project for SUNY Adirondack and refer same to Finance Committee to determine a source of funding.

A motion was made and seconded by the Washington County Community Committee to approve the 2015-2016 the tentative Adirondack Community College operating budget for Fiscal Year 2015-2016.

A motion was made and seconded by the Washington County Finance Committee to approve the 2015-2016 the tentative Adirondack Community College operating budget for Fiscal Year 2015-2016.

Mr. Taylor commented since all of the members of the Finance Committee were not present today he felt they should delay voting on the SUNY Adirondacks 2015-2016 Operating Budget and the NSTEM Project until their regularly scheduled meeting this Wednesday, June 10th.

Ms. Seeber advised if it was the pleasure of the Community College Committee they would vote on the operating budget today, as well, so that the Finance Committee could discuss these matters at their meeting on Wednesday. Mr. Dickinson queried why both matters could not be addressed by the Finance Committee today since the majority of the Committee members were present.

Motion was made by Mr. Dickinson, seconded by Mr. Brock and carried unanimously to approve the tentative Adirondack Community College operating budget for Fiscal Year 2015-2016 and providing for the necessary public hearing and forward same to the Finance Committee.

Mr. Taylor asked whether the members of the Finance Committee felt the need to move forward with voting on the operating budget and the NSTEM Project, as he believed they should wait until Wednesday when the Chairman of the Committee and the other members were present to discuss the matter. Mr. Monroe commented he would like to see the impact on the Multi-Year Plan before he voted on the NSTEM Project. Mr. Taylor asked Mr. Dusek whether he would be able to prepare something to present to the Finance Committee on Wednesday and Mr. Dusek replied that he was doubtful that he could have something prepared in such a short period of time. He said he could attempt to come up with some figures; however, he stated, since there was a substantial amount of work involved, he was not confident he would be able to have the full impact on the Multi-Year plan and the County Budget available by Wednesday.

Mr. Paltrowitz asked whether Mr. Dusek felt they could move forward with voting on the operating budget today and Mr. Dusek replied affirmatively. Ms. Wood reminded the Committee that the Operating Budget was the initial presentation they had today, which she felt they could move forward with and wait until Wednesday to discuss the NSTEM Project.

Motion was made by Mr. Monroe, seconded by Ms. Wood and carried unanimously to approve the tentative Adirondack Community College operating budget for Fiscal Year 2015-2016 and providing for the necessary public hearing. The necessary resolution was approved for the June 19th Board Meeting.

Dr. Duffy advised that she had met with Ms. Seeber and Mr. Henke to discuss having the Community College Committees meet more often throughout the year to ensure that the Committee members were fully informed of what was occurring on campus. She said that Ms. Seeber and Mr. Henke could determine when to discuss the proposed meeting schedule they had created with their Committees. She stated the College was open to discussing other topics that the Committees felt should be addressed.

Dr. Duffy apprised she wanted to ensure the Committees were aware of legislation that had passed this year in the executive budget concerning community colleges. She said this legislation specifically talked about the creation of Regional Community College Councils. She stated this required the creation of Regional Community College Councils where the Chancellor of SUNY appointed one of the Presidents from the region to act as President of this Council. She continued, the legislative language includes things such as "these Councils would determine enrollment goals, the programs offered and ways in which the colleges would collaborate". She commented that she believed that it was important for Supervisors to understand that if that language turned out to be the way she interpreted it, the manner in which community colleges were governed would change significantly. She explained currently to a large extent, community colleges were governed by their local Board of Trustees and their local sponsors. She mentioned it was imperative that they were aware of the legislative language indicating this may change. She reported at this point the community college presidents had not received any notification of what this legislation would look like; she noted they were anxious to learn more about this. She reiterated this was a very different structure from how community colleges were currently governed. She apprised they were concerned this was an overstep into what had always been the control aspect of how community colleges were governed. She stated she would keep the Committees updated as she learned more about this legislation.

Ms. Seeber inquired whether this would have an impact on how community colleges were funded, as well, and Dr. Duffy replied she was unsure. She said there was discussion about convening some type of working group to review how community colleges were funded. She commented a change in the way they were funded may not necessarily be a bad thing, as all community colleges were struggling to figure out how to continue to support their importance and what they provided for communities given the limitations the counties and colleges had, etc. She advised looking at it from the long term perspective it would probably change the way community colleges were funded, which could be good or bad.

Ms. Somma apprised that representatives from the College attempted to attend both Counties' Board meetings when they were voting on matters that related to the college. She requested that Warren or Washington County place them on the agenda at opposite ends so that they

could attend both meetings. Chairman Geraghty advised he would work with Washington County to schedule the meeting accordingly.

Ms. Somma stated another topic she would like to discuss was custody of the college's capital cash, which, she said, was currently maintained by Washington County. She advised she recently learned that they were only one of three community colleges in the State that had one of their sponsoring Counties maintain their capital cash account. She suggested that the college take over the maintenance of their capital cash to streamline the process as much as possible and not duplicate services. She apprised it was her understanding that when the college was formed as part of the split Warren County agreed to maintain an account for all of the college's capital spending. She continued, since the college was required to account for their capital cash for auditing purposes she foresaw no reason why Washington County should have to continue to duplicate what the college was already doing. She said this matter could be discussed further at a future meeting if that was the Committies' desire. She noted they were unsure whether a resolution was adopted to establish this relationship so she did not know what type of action was required in order for the college to take over maintaining the capital cash from Washington County. She said no action was needed today, she just wanted to bring it to the Committees attention.

Mr. Nolette advised if the college were to take this over he would like them to supply the Counties with minimum quarterly reports on the project. In regards to the duplication of efforts, he agreed it made very little sense for Washington County to continue to duplicate what the college was already doing, as there were two records being kept for the same projects. Mr. Hayes stated they would discuss the matter in Washington County and determine whether it was something they were interested in pursuing. He continued, if they decided to proceed in this direction they would refer the matter to Warren County for further discussion.

Ms. Somma indicated that the college was attempting to negotiate a lease with Verizon to establish 2 small antennas on 2 of their buildings to increase the availability of cell phone reception for the students and staff. As an example, she stated the Public Safety Officers were unable to get cell phone reception in the basement of the Scoville Building which presented a safety issue. She said installing these 2 towers would assist with alleviating the issue.

Mr. Paltrowitz advised that both Counties owned the property that the college was located on as trustees for the benefit of the college; therefore, he said, any lease that was entered into was between the Counties and Verizon in this particular place. He explained there were two leases involved, one was for the college building and the other was for the LLC that operated the housing. He stated he had reviewed the leases and Verizon made the changes he requested. He suggested that the Counties take this matter up with their appropriate Committees so that the process could move forward.

Mr. McDevitt questioned whether the revenue from the lease would belong to the Counties and Mr. Paltrowitz replied in the negative. He explained that the revenue for the student housing building would be allocated to the LLC and the revenue received for the lease on the

college building would be allocated to the college. He said the total amount of revenue generated from the leases would be \$6,000 a year. Mr. McDevitt asked whether the LLC included a group of private investors and Mr. Paltrowitz replied in the negative. He explained that the LLC was the AHA which consisted of representatives of the College; however, he said, the only private entity involved was Citizens Bank which loaned the money for the construction of the housing. He noted no private investors were involved.

Mr. Dickinson advised that the Town of Lake George received a substantial amount of revenue from Verizon for the rental of a tower and he queried why the dollar amount involved with this lease was so low. Mr. Paltrowitz apprised that these were not towers, they were small antennas that would be placed on top of the buildings. Ms. Somma stated that they had compared the lease to one that another community college had with Verizon; she noted the terms were identical. She added the lease stated that if the roofs ever had to be replaced Verizon would temporarily remove the antennas at their own expense.

Ms. Somma stated the final item that needed to be addressed was a request by Mr. Hayes to discuss cash contribution split and fund balance ownership pertaining to Warren and Washington Counties. She reminded the Committees there was the Counties' cash contribution towards the colleges' annual operating budget which was based upon the prior year's actual fall FTE split between the two Counties. She continued, then there was the Counties' ownership of the fund balance, which was slightly different. She said the college made a projection of the Counties' cash at the beginning of the year and the actual FTE was different so therefore, she said, they utilized something they referred to as a true-up. She said each year they true-up budget FTE to the actual FTE by utilizing funds from the fund balance. She commented she believed Mr. Hayes wanted to discuss possibly implementing a better procedure for accounting purposes and she advised the college would implement whatever procedure the 2 Counties agreed upon.

Mr. Hayes apprised he had made the suggestion a few years ago to the Washington County Board of Supervisors to change the methodology of how they account for the Counties' cash contribution to the College. He stated the percentages were based upon projected enrollment and at the end of the year they reviewed the actual enrollment and adjusted the figures accordingly; he added that he did not feel this was practical, as adjustments would always be required. He continued, because of these adjustments the fund balance would ebb and flow as the modifications were made. He proposed utilizing two years actual enrollment and a three, five or ten-year average of enrollment to calculate the Counties' contribution to the college's annual operating budget. He said one of the advantages of utilizing actual enrollment over a period of time for the calculation was that it would eliminate some of the ebbs and flows where one County had to pay a much larger percentage than the other. He suggested prior to voting on the Operating Budget at the July Board Meeting they attempt to come up with a new methodology that was agreeable to both Counties. He mentioned he would like to review the last several years actual FTE and calculate the contributions for this year's operating budget to display what the different figures would be. He commented although he doubted there would be much of a difference in this year's contribution, he felt if they utilized a 10-year average the

increase on a year to year basis would be a lower figure and eliminate the true-up. He said he would confer with Mr. Dusek and they would present their suggestions at a future meeting.

A discussion ensued.

Dr. Duffy reminded the Committees about the legislation that was passed 2 years ago asking SUNY to develop a new methodology for how chargebacks were created. She said SUNY made a recommendation that the State Legislators rejected; therefore, she stated, SUNY had to develop a different scenario, which was due June 1st. She apprised the methodology submitted was developed by a group of community college presidents and business officers. She advised she had not heard what had transpired since the plan was submitted to SUNY but regardless of that it would not impact this coming year's operating budget, as it would be enacted for the 2016-2017 operating budget. She stated she hoped to have a better idea of how chargebacks would be managed by August 1st so she could provide a full report on what had transpired to the Committees then.

Dr. Duffy thanked the Committee members for taking the time to meet today and at least provide philosophical support of their request for the NSTEM Project. She stated she recognized the financial implications the project would place on the Counties; she noted they were open to continuing discussions on how to creatively finance the project to continue to move the college forward, as she believed everyone agreed it was in the best interest of the students and the community to get the project completed.

There being no further business to come before the Community College Committee, on motion made by Mr. Brock and seconded by Mr. McDevitt, Ms. Seeber adjourned the meeting at 11:33 a.m.

There being no further business to come before the Finance Committee, on motion made by Ms. Wood and seconded by Mr. Kenny, Mr. Taylor adjourned the meeting at 11:33 a.m.

Respectfully submitted,
Sarah McLenithan, Deputy Clerk of the Board