

JOINT COMMUNITY COLLEGE AND FINANCE COMMITTEE MEETING
SEPTEMBER 8, 2017

COMMUNITY COLLEGE COMMITTEE MEMBERS PRESENT: Idleman, Campbell, Moore
COMMUNITY COLLEGE COMMITTEE MEMBERS ABSENT: Armstrong, Gang
FINANCE COMMITTEE MEMBERS PRESENT: Campbell, LaPointe, Idleman, O'Brien
FINANCE COMMITTEE MEMBERS ABSENT: Shay, Suprenant, Haff, Pitts, Fedler, Shaw,
Hogan
SUPERVISORS: Henke, Hicks
Debra Prehoda, Clerk
Al Nolette, County Treasurer
SUNY Adirondack President Duffy and Staff
Warren County Supervisors
Chris DeBolt, County Administrator
Larry Paltrowitz, Esq.

AGENDA AS PRESENTED IN COMMITTEE NOTICE:

1. Call to Order
2. Accept Minutes – June 2, 2017
3. Educational Support Personnel Contract Negotiations
4. 2018 -2019 Capital Request
5. Capital Project Update
6. 2017 – 2018 Budget
7. Other Business
8. Adjournment

Chair Idleman called the Community College Committee meeting to order at 9:39 AM and Chairman Campbell stated the Finance Committee does not have a quorum. Warren County Finance, Personnel and Higher Education Committee was called to order.

A motion to enter an executive session to discuss negotiations, SUNY Adirondack and Educational Support Personnel, was moved by Mr. Campbell, seconded by Mr. Moore and adopted. A motion to return to regular session was moved by Mr. Campbell, seconded by Mr. Moore and adopted. No action was taken in the executive session.

A motion to move resolution to approve Educational Support Personnel contract to full Board for consideration was moved by Mr. Moore, seconded by Mr. Campbell and adopted. Warren County voted and approved.

A motion to accept the minutes of the June 2, 2017 Community College Committee meeting was moved by Mr. Campbell, seconded by Mr. Moore and adopted.

President Duffy addressed the following items with the committee:

- Classes started on Wednesday
- New student enrollment is up and they expect to meet budget.
- Housing - 412 students in housing with 408 capacity.
- Excelsior Scholarship - 110 students eligible and still some in the application process, approximately 20. Higher number than they expected.
- Started a new program this fall in Cybersecurity with 26 students enrolled.
- Agricultural Business Program – After two years of paperwork, this new program has gone to the Governor for signature. Possibly officially start this program in January.

2018 – 2019 Capital Request – Presentation by Ann Marie Somma, Vice President Administrative Services, presentation slides attached.

This is SUNY Adirondack's annual request to the State of New York. Capital projects are generally funded with capital chargebacks 50% and 50% State. Typically, capital chargebacks are used to address critical maintenance needs and they receive about \$400,000 per year. This year's request addresses the following areas:

- \$330,000 Critical/Deferred Maintenance - replace old phone system
- Rehabilitation of Washington Hall - \$468,760 renovate space into IT classrooms, Sysco space
- Proposed Culinary Center move - \$300,000 furniture, fixtures and equipment

These projects total \$1,098,760. Remaining funds will be acquired through fund raising; \$150,000. This uses all of next year's chargebacks. The college has \$2M in approved projects that have not been started.

A motion to approve 2018-2019 Capital Projects was moved by Mr. Campbell, seconded by Mr. Moore and adopted. (Proposed resolution attached.) Warren County voted and approved.

Capital Project Update:

Adirondack Hall/NSTEM/WORC – open in January – Thanked the Boards for their support.

Warren Hall/Center for Student Success – mostly done at the end of the fall semester.

Scoville Renovation, Phase II – finished.

Culinary – moving to downtown Glens Falls possibly moving in the spring semester

Long Term Capital Plan – The Master Plan was updated in 2015. Projects have to be in the Master Plan to get the 50% capital chargebacks. The updated Master Plan has \$76.7M in projects and over the last two years reduced investment by \$11.1M added \$1.3M in projects with net result \$66.5M and they have identified 60% of that funding.

On average SUNY Adirondack has 12.75 years' worth of unaddressed deferred maintenance. \$800k to spend each year, 50% in chargebacks and 50% State match.

Funding sources identified for the following projects:

- NSTEM/WORC
- Scoville Renovations
- Warren Hall/Student Success Center
- Phone System Replacement
- Humanities Renovations (light)
- Wilson Science Labs Upgrades
- Continued Critical Maintenance

Funding sources not yet identified for the following projects:

- New Athletic Fields
- Renovation of and addition to gymnasium
- Exterior Stairs between Upper and Lower Quad
- New Maintenance Facility

- Relocation of the North Entry Drive

Long Term Financial Planning – The College has been working on long term financial planning for the facility and actively manages their fiscal concerns. She addressed the sponsors' contribution. Recently each year they have been receiving a 2% increase. Sponsors' contribution is about 11.5% of operating revenue and their peer community colleges are around 15.6%. That percentage of revenue that they do not receive from their local sponsors goes directly on to the student tuition. They do maintain the 7th lowest tuition in the NYS Community College System.

Recommend having two months of fund balance available but SUNY Adirondack has one month. They would like to work with the sponsoring counties to determine what a proper fund balance for the college is so they can work through their long term financial process. Their goal is once they finalize their strategic plan; they have a long term financial plan to go with their strategic plan. The college's fund balance is currently at \$2.17M

Regarding the sponsor's contribution, Warren/Washington counties contribute about 3% less than their peer community colleges sponsors'; 11.5% of operating revenue and their peer community colleges 15.6%. Mr. Campbell stated that equates to the counties having to increase their contribution 30%. He does not see the counties moving quicker than the 2% especially with the 2% tax cap and he does not see the Board supporting a greater increase. She would like to continue dialogue on increasing the sponsor's contribution. She stressed otherwise the only other source of revenue is student tuition and if the counties contribution continues to lag behind then the student tuition will have to increase. She stated if the sponsors' contribution increased 1% per year over the next seven years by 2024-2025 the total sponsors' cash would increase by \$1.6M; \$900,000 Warren County and \$711,000 Washington County. The percentage would grow by 1% each year from the current 2% to 3% next year, 4% the following year and so on. That would bring the sponsors' contribution in line with the peer community colleges. The sponsors' contribution has a direct impact on the chargeback amount. The \$300 capital chargeback is consistent across the state but the operation chargeback is dependent upon the sponsor's contribution; currently rate is \$2,790 per FTE which is in the bottom 25% of all SUNY Community Colleges.

Long Term Financial Planning: Goals to Discuss

- Reduce the % of total revenue derived from students.
- Increase the Sponsor Contribution as a % of total revenue.
- Grow the Fund Balance to meet GFOA guidelines.
- Continue to control the college's expenses.

President Duffy stated the counties will be invited to attend a work session on the future of the college. She stated they do advocate with the State all the time for more funding.

The meeting adjourned at 11:01 A.M.



SUNY ADIRONDACK

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September 8th, 2017 Joint County Meeting

Agenda:

- Educational Support Personnel Contract Negotiations
- College Update
- 2018-2019 Capital Request
- Capital Projects Update
- Long-Term Capital Plan
- Long-Term Financial Plan
- Other



2018-2019 Capital Request

Project:	Funding Source:	Local Share:	Total Cost:
Culinary Center FF&E	Third Party Donations	\$ 150,000	\$ 300,000
Washington Hall	Capital Chargebacks	234,380	468,760
Phone System	Capital Chargebacks	<u>165,000</u>	<u>330,000</u>
		\$ 549,380	\$ 1,098,760

Funding:

Local Share Capital Chargebacks Required (Budget \$400k)	\$ (399,380)
Third Party Donations	<u>\$ (150,000)</u>
	\$ (549,380)

Unfunded:

\$ 0

Capital Projects Update

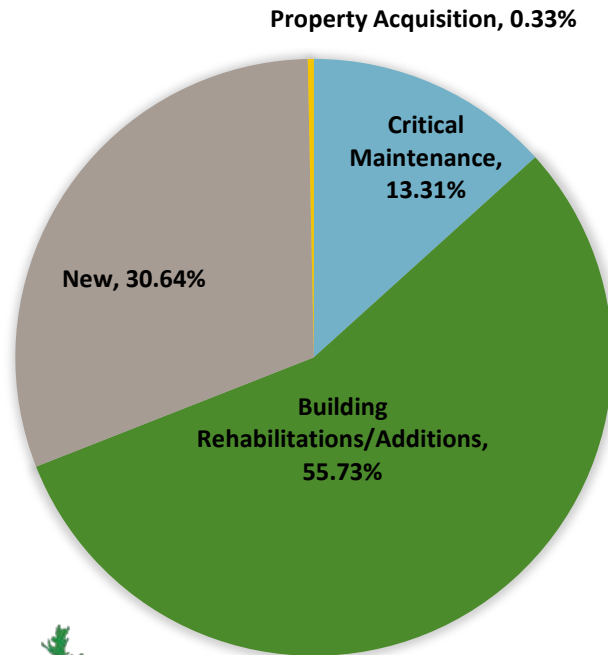
- Adirondack Hall/NSTEM/WORC
- Warren Hall/Center for Student Success
- Scoville Renovation, Phase II
- Culinary

Long-Term Capital Plan

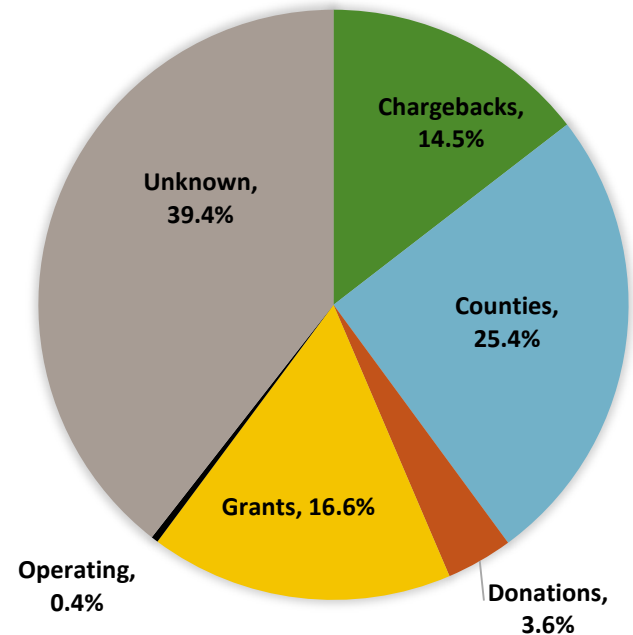
The 2015 Facilities Master Plan details \$76.7M in projects:

To date we have reduced the needed investment by \$11.1M and added \$1.3M in projects. The net result is \$66.9M of projects.

CAPITAL PROJECTS BY TYPE



FUNDING SOURCE FOR CAPITAL PROJECTS



Long-Term Capital Plan, cont.

- On average SUNY Adirondack has 12.75 years worth of unaddressed deferred maintenance projects.
- \$800k in chargebacks each year to fund critical maintenance work.
- Funding sources identified for:
 - NSTEM/WORC
 - Scoville Renovation
 - Warren Hall/Student Success Center
 - Phone system replacement
 - Humanities Renovation (light)
 - Wilson Science Lab Upgrades
 - Continued Critical Maintenance

Long-Term Capital Plan, cont.

- Funding sources not yet identified for:
 - New athletic fields
 - Renovation of and addition to the gymnasium
 - Exterior stairs between upper and lower quad
 - New Maintenance facility
 - Relocation of the North entry drive

Possible additional revenue from AHA not yet accounted for.



Long-Term Financial Planning



Sponsor's Contribution 2017-18

Sponsors' Contribution (2% Increase)*

Warren County \$1,968,221; 56% (\$38,593)

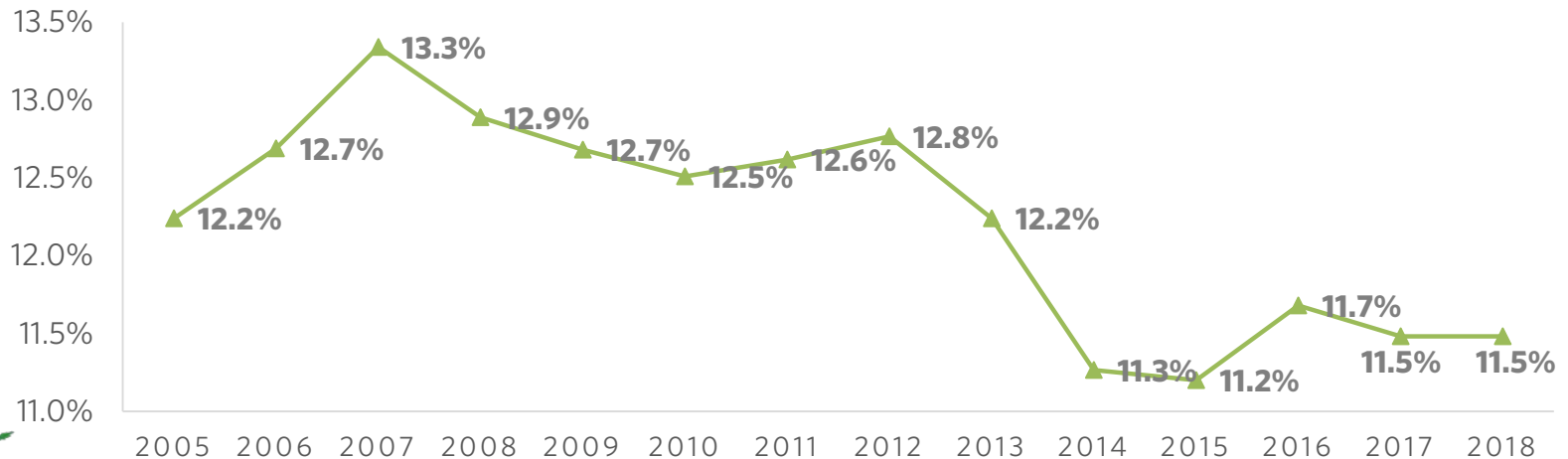
Washington County \$1,461,228; 44% (\$28,652)

*Split based on Fall 2015 actual enrollments

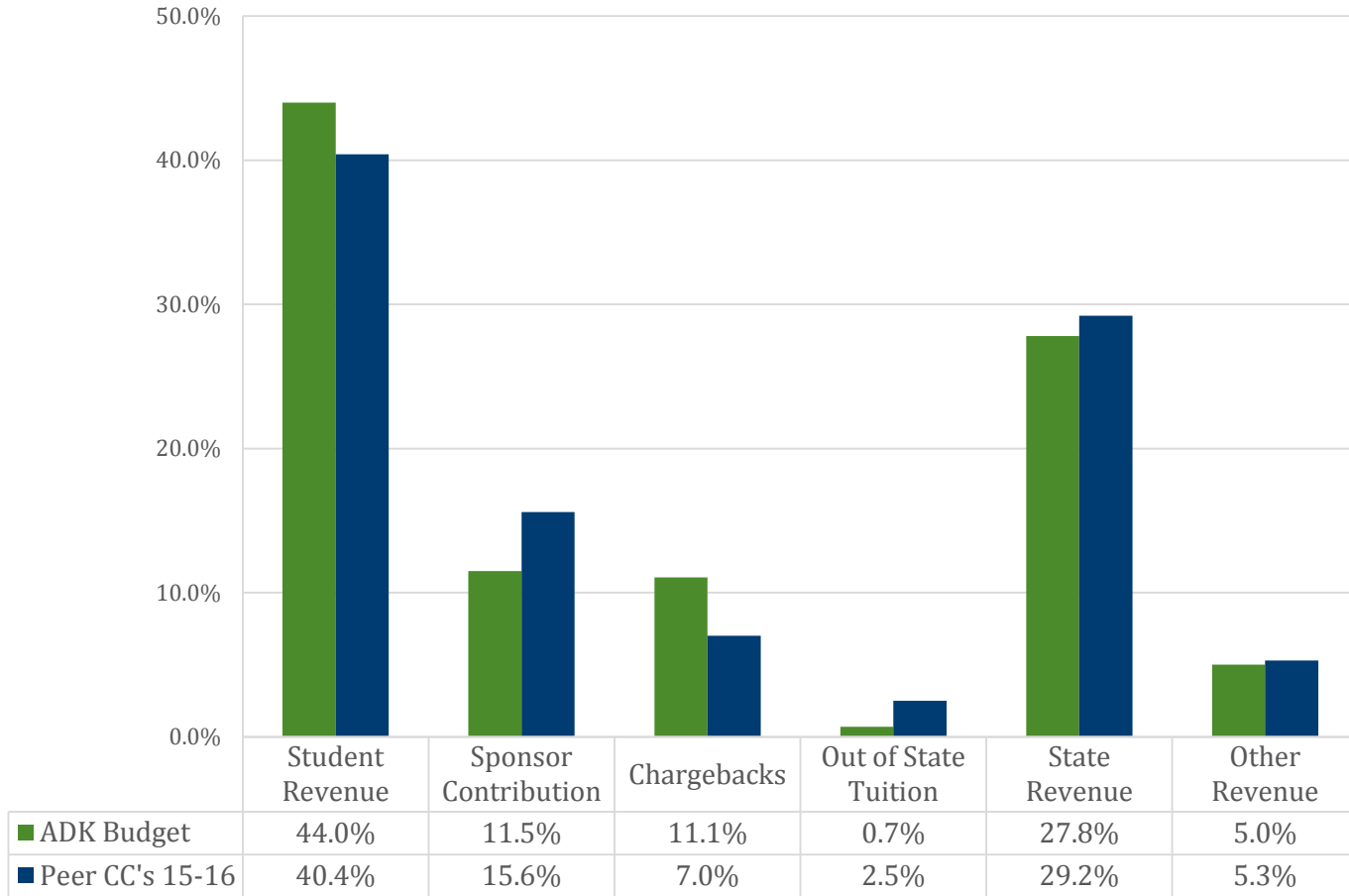
Total Sponsors' Contribution: 11.5% of Operating Revenue

Our Peer Community Colleges Sponsors' 15.6% of Operating Revenue

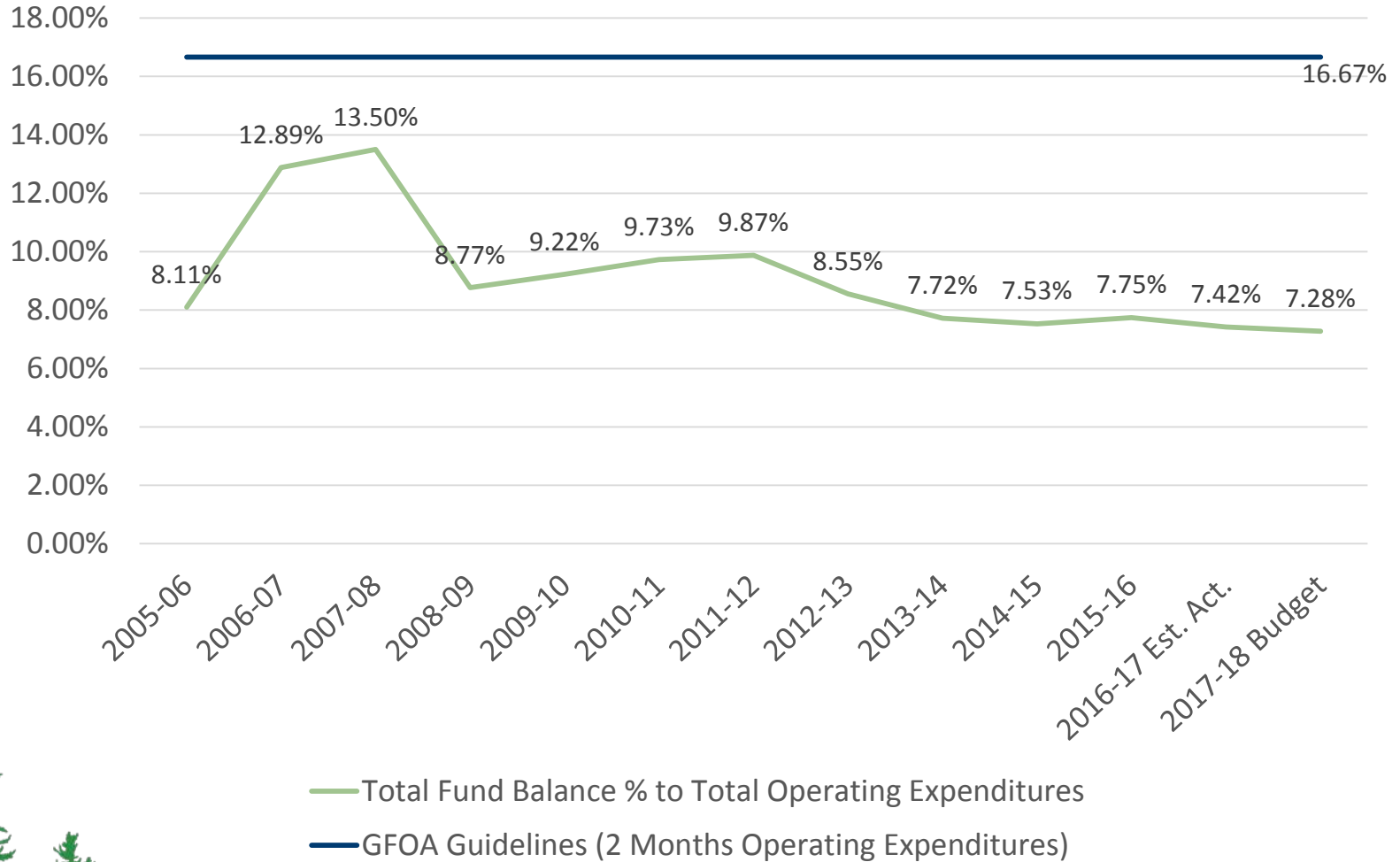
SPONSORS' CONTRIBUTION % OF OPERATING REVENUE



Operating Revenue by Source

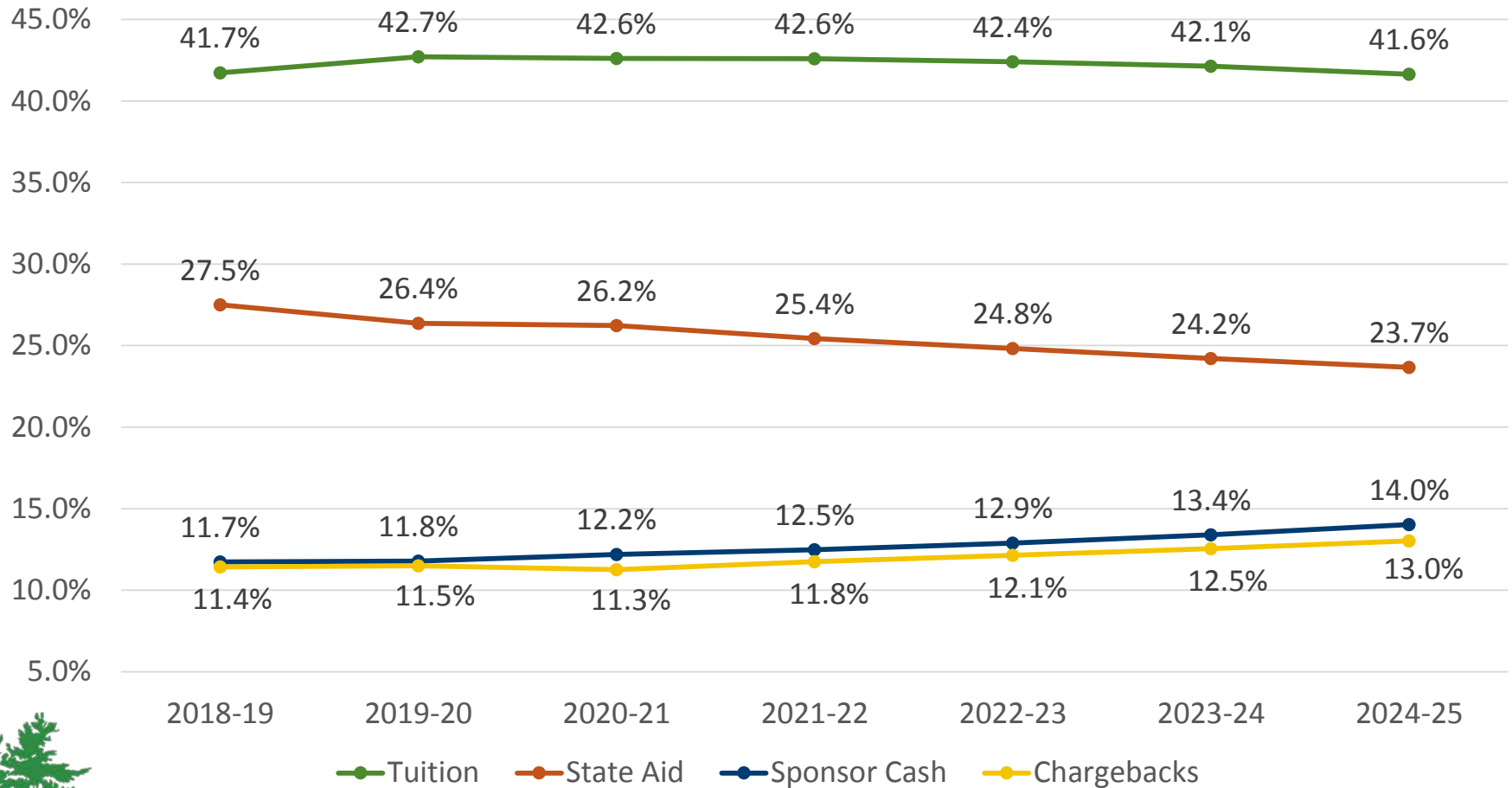


Fund Balance as a % of Operating Expenditures



Long-Term Financial Plan, cont.

Funding Sources as a % of Revenue



Long-Term Financial Planning: Goals to Discuss

- Reduce the % of total revenue derived from students
- Increase the Sponsor Contribution as a % of total revenue
- Grow the Fund Balance to meet GFOA guidelines
- Continue to control the college's expenses



Other/Questions



**ADIRONDACK COMMUNITY COLLEGE
WASHINGTON COUNTY BOARD OF SUPERVISORS
RESOLUTION
2018-2019 Capital Projects**

**TITLE: Support Adirondack Community College Capital Improvement Plan
for 2018-2019 in the Total Amount of \$1,098,760**

WHEREAS, the need for improvements to the College's facilities is necessary to provide an improved learning environment, necessary repairs to old equipment, purchases of new equipment, upgrades to existing facilities which have deteriorated; and

WHEREAS, the following capital needs are required for the Campus:

<u>Capital Expenditure</u>	<u>Building/Area</u>	<u>Category</u>	<u>Estimated Cost</u>
Critical / Deferred Maintenance	Campus Wide	Instruction and Support Services	\$330,000
Rehabilitation	Washington Hall	Instruction and Support Services	\$468,760
Furniture, Fixtures & Equipment	Culinary Center	Program Enhancement	\$300,000

; and

WHEREAS, the total cost of the above capital needs projects is One Million Ninety-Eight Thousand Seven Hundred Sixty Dollars and no/100 (\$1,098,760), of which fifty percent (50%) will be funded by the State of New York and the remaining fifty percent (50%) is funded by the Sponsors; and

WHEREAS, the Sponsor share in the amount of Five Hundred Forty-Nine Thousand Three Hundred Eighty Dollars and no/100 (\$549,380) shall be borne by the capital chargebacks collected by the College and/or other resources, including donations the College may receive; now therefore be it

RESOLVED, that the Washington County Board of Supervisors authorizes the above capital projects; and be it further

RESOLVED, that the Sponsor's share of the cost of the projects of \$549,380 shall be paid from the accumulated capital chargeback funds and/or other resources.