

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **COMMUNITY COLLEGE**

DATE: **DECEMBER 6, 2007**

Committee Members Present:

Supervisors Champagne
Stec

Committee Members Absent:

Supervisors Sheehan
Tessier
Gabriels

Others Present:

Representing Adirondack Community College:
William Long, Vice President;
Administrative Services
Kevin Rielly, Director of Student Accounts,
Business & Operational
Services
Representing JMZ Architects & Planners, P.C.
Bob Joy, President
Karin Kilgore-Green, Senior Associate
William Thomas, Chairman
Hal Payne, Commissioner of Administrative &
Fiscal Services
JoAnn McKinstry, Deputy Commissioner of
Administrative & Fiscal Services
Joan Sady, Clerk of the Board
Kevin Hayes, Washington County Administrator
Phyllis Cooper, Washington County Treasurer
Members of the Washington County Board of
Supervisors
Debra L. Schreiber, Legislative Office Specialist

Mr. Champagne called the joint meeting of the Community College Committee with Washington County to order at 1:00 p.m. in the Bishop Conference Room at the Scoville Learning Center.

Mr. W. Thomas, Chairman of the Board of Supervisors, made the quorum along with Supervisors Champagne and Stec.

Privilege of the floor was extended to Bob Joy, President of JMZ Architects and Planners, P.C., who apprised that the Regional Higher Education Center Budget was established in October 2006, bids were accepted in September of 2007 and on September 19, 2007 the Community College Board of Trustees awarded four contracts. He noted the total accepted bids by the Board of Trustees were approximately \$84,000 below the Adirondack Community College (ACC) estimated budget. Mr. Joy said there were construction changes, field order allowances, as well as some contingencies that were available and built into the contract price. He stated they were tracking not only construction costs but the soft-costs, fees for their consultant, building permits, et cetera. Mr. Joy added it was a real pleasure to work with the Town of Queensbury Building Department. He said he was confident the Regional Higher Education Center project would be completed on time and within budget.

Upon the recommendation of William Long, Vice President for Administrative Services, Mr. Joy apprised that Karin Kilgore-Green, Senior Associate, updated the cash flow

projection that was done approximately a year ago. He further stated the November requisitions had been approved and submitted. Mr. Joy said three of the four contractors provided them with their left over estimated billings, which allowed them to forecast expenditures through September 2008 when the project would be completed and final payment would be disbursed. In response to an inquiry by Mr. Caimano, Mr. Joy indicated the HVAC contractor declined to provide their estimated billings; therefore, he said, the figure reflected on the Revised Project Budget & Cash Flow Report was calculated by JMZ. He stated this report was only an average of the fourth quarter payments and not the actual amount the contractors would be paid. Mr. Caimano queried whether a fifteen percent contingency fee was considered "standard" and Mr. Joy replied that over the past year, many of the costs became "actual" rather than "estimated", thereby reducing the soft costs approximately \$50,000.

Mr. Champagne queried whether the \$88,000 savings was reflected in the Revised Project Budget & Cash Flow Report and Mr. Joy responded that amount was included in the Technology, Equipment & Furnishing line item. Mr. Long stated the ACC Foundation had applied for the final payment of \$277,500 that was promised by New York State (NYS) but not guaranteed. This final payment of \$277,500 had not been officially approved; however, Mr. Joy related it was part of the \$2 million of State funds awarded on behalf of Senator Betty Little. There were resolutions from the ACC Foundation that requested New York State match the ACC share of \$277,500, said Mr. Long. While they were hopefully optimistic that New York State would approve these funds, Mr. Joy said he did not anticipate a response until the 2008 State Budget was passed.

Mr. Payne asked whether there was a scheduled date of completion for the new Regional Higher Education Center building as the payments reduced significantly in July and August 2008. Mr. Long replied the building would be available for classes in the Fall of 2008. The amounts reflected for September 2008 were the balances owed when the project was completed, commented Mr. Joy.

Kevin Hayes, Washington County Administrator, explained this Capital Project that was established had a design and construction phase. He noted that Washington County agreed to borrow the funds to finance the project; however, he said, upon a review of the project expenditures and duration of repayment by New York State, he suggested increasing the amount to be financed from \$2 million to \$2.5 million to eliminate a potential shortfall with the cash flow. If Washington County borrowed an additional half million dollars, he said, the net cost between the borrowed amount and the interest earned should be relatively equal.

Phyllis Cooper, Washington County Treasurer, distributed to the Community College Committee notes she compiled based on resolutions and agreements adopted by the Washington/Warren County Board of Supervisors, *a copy of which is on file with the minutes.*

Ms. Cooper expounded that the ACC Foundation contributed \$157,500 towards the design phase of the Regional Higher Education Center while \$1,342,500 was expended on the construction phase for a total of \$1.5 million. As reflected in the

Revenue/Appropriation Analysis Report (Design), she stated, all monies (\$315,000) had been expended from this budget for the design phase. She noted the project would be closed upon their submission for State Aid in the amount of \$157,500.

According to the Revenue/Appropriation Analysis Report, Ms. Cooper stated the Regional Higher Education Center had a budgeted amount of \$6,685,000; \$300,896.78 had been expended and \$4.5 million had been encumbered. She further noted there was a cash balance in this project of \$1.3 million and \$9,959.01 of interest had accrued. According to the ACC Foundation agreement, she said, any earned interest must be utilized to offset their (Foundation) contribution. Based on these reports, Mr. Hayes said they anticipated borrowing their share of this project in February 2008. Mr. Joy said they would determine the total funds to be borrowed by comparing the figures calculated by JMZ and the analysis Washington County prepared. Mr. Hayes emphasized that any increase in borrowed funds would be utilized to cover the State share for cash flow purposes only. Mr. Caimano asked whether Warren County was required to provide any funding and Mr. Hayes replied Washington County would borrow the entire amount.

Discussion ensued.

Mr. Hayes queried whether construction had commenced on the new Regional Higher Education Center. Ms. Kilgore-Green responded that prior to commencing foundation excavation, some fill was needed to level one corner of the building. When construction on the parking lot was completed, she stated they had commenced site preparation for the new Regional Higher Education Center in mid-November 2007.

Referring to the Revised Project Budget & Cash Flow Report, Mr. Champagne queried how the figures were derived under "Pending Sources of Funding". According to the agreement, Mr. Hayes said there was a 60/40 (Warren/Washington County) split. On the Revenue/Appropriation Analysis Report, he said, the local share for Washington County was \$400,000 while \$933,333 was the contribution for Warren County and \$666,667 was pledged by the ACC Foundation. In addition, he stated, it was his recollection a resolution was passed acknowledging the two Counties and the ACC Foundation would equally split the interest payments. If the borrowing schedule commenced in February 2008, Mr. Hayes indicated the first interest payment on the BAN (bond anticipation note) would be due in February 2009. In response to an inquiry by Mr. Payne, Mr. Hayes clarified that according to the agreement, the split between the two counties was 70/30 and not 60/40. By the Fall of 2008, Mr. Hayes said he anticipated the project would be complete, the State would have approved/disapproved the \$277,500 and many questions would be answered.

Ms. Cooper referred the Committee to the balance sheet that reflected eight open projects that she requested to close:

- the Master Plan 2000 account with an unexpended budget balance of \$1,601.65;
- the Eisenhart Hall Renovation - Design project that had a zero balance; and
- the Master Plan Study that had expended all its funds.

She asked Kevin Rielly, Director of Student Accounts, Business & Operational Services, to forward her a letter acknowledging the above-mentioned accounts be closed.

For informational purposes, Ms. Cooper advised that all capital projects were treated as separate accounts and that any chargebacks were deposited into the project account to which the funds were being spent. Ms. Cooper distributed copies of her notes that reflected all open Community College Capital Projects, *a copy of which is on file with the minutes*. Referring to page 2 of her notes, she indicated there was an uncommitted chargeback fund balance of \$160,802.02 that was available for other projects.

As a result of a request by SUNY, Mr. Long asked JMZ to amend their current Master Plan to include three new buildings and any fees associated with this request be taken from the chargeback account. Mr. Champagne queried whether all deferred maintenance projects were combined and included in this Master Plan and Mr. Long answered affirmatively.

Mr. Joy explained that SUNY had two requirements for funding capital projects: 1) the project must be mentioned in the Master Plan; and 2) there must be a County-sponsored resolution. He said Governor Eliot Spitzer encouraged all colleges to put forth their project requests as no additional changes would be considered for the next five years. While there was no guarantee the funds would be available for the projects requested, he said, they (projects) must be included in the Master Plan should ACC decide to undertake another capital project.

Mr. Joy advised there were significant on-going discussions to increase the State share of funding for smaller community colleges that did not have the sufficient resources available. He said SUNY recognized the increase in student enrollment in smaller colleges was greater than larger universities and it seemed unfair that they received significantly more funds. Mr. Joy commented Warren and Washington Counties had been wonderful supporters of ACC and he was unsure whether the State would be as dedicated in keeping the facility up-to-date. He said Counties were fiscally more responsible of their Community College buildings and campuses. For these reasons, Mr. Joy stated it made good funding sense for ACC to include these additional projects in the updated Master Plan so all requirements of SUNY were met.

A discussion ensued.

In response to an inquiry by Mr. Champagne, Mr. Joy replied they anticipated amending the Master Plan that incorporated these modifications during the first quarter of 2008 and the funds required for this update had been requested from SUNY.

A discussion ensued.

Mr. Caimano asked what affect the FTE's (Full Time Enrollments) had on the Master Plan. Mr. Joy explained that was the method previously used by SUNY to justify space; however, he said, they now consider the matching funds and requested projects. Furthermore, he stated, SUNY reviewed the needs of ACC and not the amount of funds

they received. When this Regional Higher Education Center was being considered, he said, ACC only requested 60 percent of the space that SUNY said they were justified in asking for.

A lengthy discussion ensued about the demographics on the national and State level as it related to the student population of ACC compared to other colleges and universities.

In the past, Mr. Champagne commented the Committee was involved in discussions concerning the deferred maintenance and Master Plan; however, he queried, whether the new project requests that had been submitted to SUNY were established without Committee input. Mr. Long stated this new procedure was initiated when Governor Spitzer was elected in 2006, and it was their intention to include these additional projects in the Master Plan update that would be presented to the Community College Committee. In response to an inquiry by Mr. Champagne, Mr. Joy clarified that no Master Plan had been submitted to SUNY, just project descriptions and estimated costs. Based on the funds awarded, Mr. Long said the Community College Committee would decide which project was a high priority. Mr. Champagne queried what future projects were being considered. Mr. Long replied they were contemplating an economic development, science and an allied health building in addition to the other projects that had been approved by the Community College Committee and forwarded to SUNY for consideration. He further stated that many of the remaining projects that were included in the Master Plan involved renovations to existing buildings that were thirty and forty years old. Mr. Long commented there was no definitive amount of funding awarded to each college and university.

Mr. Hayes stated it was his recollection that the various projects that had recently been completed were included in the last five year capital plan. He suggested utilizing the remaining \$11,000 from the current Update Master Plan Budget to pay the costs associated with including these additional project requests in the new ACC Master Plan. Mr. Hayes asked whether they anticipated establishing another Capital Project that would encompass the next five years, 2008 through 2013, and Mr. Joy replied affirmatively. Mr. Long said they had two Master Plans: one that authorized this work and the second one that was comprised of an ACC project wish list for the next ten to fifteen years. Mr. Joy suggested that ACC align their Master Plan with the New York State five-year plan. He said it was their intention to amend the current Master Plan incorporating these modifications and then update the entire Master Plan to a more comprehensive plan for years 2008 through 2013.

There being no further business before the Committee, on motion by Mr. Stec and seconded by Mr. W. Thomas, Mr. Champagne adjourned the meeting at 2:05 p.m.

Respectfully submitted,

Debra L. Schreiber
Legislative Office Specialist