

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COMMUNITY COLLEGE

DATE: APRIL 21, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS CHAMPAGNE
STEC
TAYLOR
PITKIN

COMMITTEE MEMBER ABSENT:

SUPERVISOR SIMMES

OTHERS PRESENT:

REPRESENTING ADIRONDACK COMMUNITY COLLEGE:

DR. RONALD HEACOCK, PRESIDENT

JOSEPH CUTSHALL-KING, VICE PRESIDENT, ACC FOUNDATION

WILLIAM LONG, VICE PRESIDENT FOR ADMINISTRATIVE SERVICES

KEVIN RIELLY, CHIEF EXECUTIVE OFFICER

ANN MARIE SOMMA, DIRECTOR OF BUSINESS AFFAIRS

KAREN MOSHER, ADMINISTRATIVE ASSISTANT

FREDERICK MONROE, CHAIRMAN

JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &
FISCAL SERVICES

JOAN SADY, CLERK, BOARD OF SUPERVISORS

REPRESENTING WASHINGTON COUNTY:

KEVIN HAYES, ADMINISTRATOR

DEBRA PREHODA, CLERK OF THE BOARD

MEMBERS OF THE BOARD OF SUPERVISORS

JOANNE COLLINS, LEGISLATIVE OFFICE SPECIALIST

The joint meeting of Warren and Washington Counties Community College Committees was called to order at 10:06 a.m. in the Bishop Conference Center at Adirondack Community College.

Dr. Ronald Heacock, President of Adirondack Community College (ACC), stated that the agenda included an update on the Regional Higher Education Center (RHEC) financing, the Budget update, and the Capital Projects update. He noted that the next meeting of the ACC Board of Trustees would be held on Thursday.

Commencing the agenda review, Kevin Hayes, Washington County Administrator, stated that a letter had been received from the ACC Foundation which reported a contribution of \$750,000 towards the \$2 million bond. He noted that \$2.5 million had been borrowed, of which \$500,000 was used for cash flow to pay down the Bond Anticipation Note (BAN), and renew the \$1.25 million BAN which had a May 22nd due date. He apprised that the Washington County Treasurer was in the process of completing the necessary paperwork. Pertaining to construction costs, Mr. Hayes stated that the construction costs with encumbrances were approximately \$17,000 over budget for both construction and the equipment needed for construction.

William Long, Vice President for Administrative Services, stated that one or two items remained before the completion of work by the contractors. He stated that a transfer of funds would be necessary to move funds out of equipment into other areas, which would be determined at a point further into the capital campaign fundraising effort. Mr. Long noted that some of the money would be recognized by the Kresge Foundation Award which could yield another \$350,000.

Mr. Hayes inquired about the status of the lawsuit and Dr. Heacock stated that a bill of particulars had been submitted to the surveyor which detailed each item and raised the cost attributing to the error. He said that the entire list had been reviewed with the Architect and the builders, to determine what additional costs would have been incurred regardless of the completion of the survey. Further, he stated, an attempt to settle had not been

successful and litigation had begun. Chairman Monroe asked if a settlement offer had been made and Dr. Heacock stated that the expectation and the offer were quite disparate, and the defendant claimed to have no insurance or assets. Mr. Champagne asked with what reasoning or analysis was such an individual awarded the project, and Dr. Heacock affirmed his question and stated that an effort would now be made to maintain balance with the Board with regard to litigation and expenses.

Responding to a question from Mr. Hayes, Dr. Heacock asserted that the new building was operating exceedingly well and he said that a Memorandum of Understanding (MOU) with Paul Smith's College had been signed. Further, he stated, a utilization analysis had been completed and showed available daytime space. He said that the State University of New York (SUNY) at Plattsburgh was using the building in the evening hours.

Aspiring to growth in terms of program offerings within the RHEC, Dr. Heacock stated that ACC was in the process of reviewing the details of the existing MOU's. He recognized the positive working relationship with SUNY Plattsburgh and he reported that both Onondaga Community College and Jefferson County Community College visited the ACC campus with the purpose of following the RHEC model.

Dr. Heacock expounded the goal of bringing more programs to the RHEC such as engineering courses out of Albany in light of the medical device industry in the region. He suggested that the next joint meeting of the Warren and Washington Counties Community College Committee be held in the RHEC.

Privilege of the floor was extended to Joseph Cutshall-King, ACC Foundation Vice-President, who stated that the capital campaign had progressed successfully in spite of the state of the economy. He noted the positive response from the ACC campus community. He reported that over \$70,000 had been received over the last several months with \$321,000 to be raised in order to meet the Kresge Foundation goal which would yield an additional \$350,000. Mr. Champagne urged that the members of the Warren County Board of Supervisors be included in the campaign request mailings and efforts.

Dr. Heacock reported that a faculty member of ACC had launched an effort to recruit campaign donors. He said that in addition to meeting the original monetary goal, the award from the Kresge Foundation would be sufficient to create a reserve fund with which to finance the upkeep of the building. Mr. Cutshall-King noted that donations had been received from the industry sector, which he said, was impressive in the current economic climate. Dr. Heacock apprised that contracts had been signed with SUNY Plattsburgh and Empire State College, and had been delayed at the State level; however, he said, there were no issues with the respective College's.

According to Mr. Cutshall-King, several years ago the feasibility of the campaign seemed daunting to the community and he was pleased to report that the campaign was approaching the goal. Mr. Cutshall-King thanked Mr. Champagne for requesting that campaign donation requests be addressed to each member of the Warren County Board of Supervisors.

Moving to the second agenda item, the ACC Budget Update, Dr. Heacock expounded that each year, he and Mr. Long, along with Kevin Rielly, Chief Financial Officer, presented their requests to the ACC Board. In the past, he noted, the financial management duties had been shared and he stated that Mr. Reilly would now handle all matters of finance. He introduced Ann Marie Somma, Director of Business Affairs, who had taken on some of Mr. Reilly's former responsibilities. Dr. Heacock stated that he had received approval from the Board for changes, and received parameters within which to operate which were the same as in the past with personnel costs not to exceed 75% of the budget and equipment expenditures at 5%. On the expense side, he credited Mr. Long and Mr. Reilly for a decrease in healthcare costs for the previous year, and he noted, the cost would increase by 14-15%, as a result of State budget mandates. He stated that the largest challenge was with regard to revenues. He stated that the

Governor's Office had mandated that Community College's be levied with a 10% reduction in State aid. He noted that the expected outcome from the State had been an increase in mandates and a reduction in funding, where it had been decided to use federal dollars from the American Recovery Fund to finance the 10% reduction. Further, he stated, there was \$600,000 in stimulus funding for which the College must report in detail. He apprised that in the following year, the budget challenge would begin anew, unless additional stimulus money was received.

Dr. Heacock expounded that ACC had reviewed the options for decreasing the budget which included either a dramatic tuition increase and staff layoffs or heavy borrowing from the fund balance. He stated the request for a 3% increase from the Counties was the result of much analysis and deemed reasonable. He noted that tuition would increase by 4%, and a small amount would be borrowed from the fund balance. He stated that after the tuition increase, and with an increase in Federal PELL grant dollars, students would be shouldering 44% of the cost of their education. Dr. Heacock noted that the College was continuously seeking and considering ways to fund necessary expenses. He noted that Full Time Enrollment (FTE) for last year totaled 2,375 with a projected increase to just under 2,500 FTE for the current year.

Dr. Heacock apprised that a decision had been made to eliminate the position of Dean of the ACC Professional Center. Additionally, he said, the realignment of responsibilities had been considered, as well as holding some vacant positions open for further analysis.

Mr. Champagne stated that it would be very difficult for Warren County to provide the 3% increase, as the County was currently in a position of determining areas in which to make extreme cuts in order to keep the doors open, without doing a disservice to the taxpayers.

Mr. Stec stated that currently Warren County was facing a \$6 million deficit (or a 17% increase) and had mandated a freeze on non-union salaries. He said the County was currently discussing the need to make cuts or to find new revenue sources. He apprised that the proposed sales tax increase was not popular and the public wanted to solve the budget dilemma with less spending. He noted that many layoffs in Warren County would be possible and the 3% request from ACC may not be feasible this year. JoAnn Trinkle, Washington County Supervisor, stated that the increase was viewed by Washington County in much the same way, as they faced similar challenges.

Dr. Heacock acknowledged the fiscal challenges facing the Counties. He noted that the previous College Administrations had not made requests to the Counties over many years, and in his obligation to the College and the students, the process needed to begin. Dr. Heacock acknowledged that the County Boards, as elected officials, held the responsibility to make judgements and decisions and he expressed his understanding for their positions.

Presenting the final agenda item, the Capital Projects update, Dr. Heacock apprised that the County resolutions which supported the Capital Projects had been presented to the State and a list of the Capital Improvement Projects was distributed to the Committee members, a copy of which is on file with the minutes. Dr. Heacock apprised that at his request, Senator Elizabeth Little sent a letter to Governor Paterson supporting the requests, and Dr. Heacock announced that ACC received \$634,000 in money for projects which was included in the budget.

Mr. Long cautioned that bonding must take place prior to moving forward on the capital projects. In the meantime, he said, progress on the master plan would continue. Mr. Champagne inquired if the construction of the Childcare Center at ACC was completed with grant funds. Mr. Long apprised that the college had the Childcare Center built and provided the necessary maintenance to the building. He said the Faculty Student Association (FSA) of ACC provided the fiscal management services for the Center which could change in the near future as a result of forthcoming grant funds. He noted that ACC had replaced the roof and had completed all of the facilities work for the building since it's inception. Responding to a question, Mr. Long stated that the revenues generated by the

Childcare Center were shared between ACC and Warren County Head Start.

Regarding the Childcare Center and other auxiliary services at ACC, Dr. Heacock reiterated that they were run by the FSA of ACC who placed part of their capital dollars into the College and part to operate their facilities. Mr. Long added that two boilers would be installed in the Childcare Center.

Pertaining to the Capital Improvement Plan, Mr. Long stated that the time frame was uncertain at this time and that the Request for Quotation (RFQ) would be prepared over the summer for the facilities master plan, followed by the Request for Proposal (RFP). He apprised that the list of Capital Improvement Plan projects would be handled as five capital projects with one RFP for each (master plan, parking lot lighting, upgrade fire alarm system, elevator upgrade and roof replacement).

Mr. Cutshall-King conveyed the inherent challenge in campaigning for money, however valuable the cause, and he thanked Mr. Champagne for inviting donation requests for the Warren County Board of Supervisors. He apprised that requests had been sent to both the ACC Board of Trustees and the Foundation Board and he underscored the sentiment conveyed as "let it be the gift itself", and he urged that the significance was not the amount of the gift but in the full participation of giving among both Boards that was most powerful.

As there was no further business to come before the Community College Committee, Mr. Champagne adjourned the meeting at 10:53 a.m.

Respectfully submitted,

Joanne Collins, Legislative Office Specialist