COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE
Board of Trustees

JOINT FACILITIES/CAPITAL BUDGET AND FINANCE COMMITTEES
May 5, 2014


Regrets: Jeremy Hitchcock, Kim Trisciani, Steve Ellis, Alison Stebbins, and David Paquette

Also in attendance: Matt Moore, Mike Marr, John Harrington, Bettejean Neveux, Amber Wheeler, Kelly Chapman, and Melanie Kirby.

The meeting was called to order at 9:07 a.m. at NHTI, MacRury Hall, Concord, NH.

Gayle Price was introduced and welcomed.

1 Projects, Seeking Approval

- Great Bay Community College: GBC14-03 Student Success Center for North Branch Corporation, Construction Manager – Capital Funds reimbursed by student fees

Mr. Moore explained that this is a construction manager project for a 30,000 sq. foot building. Three were interviewed and North Branch Corporation selected.

President Arvelo added that this is a capital fund bonded project. A $16 per credit fee will be charged to students. This is an increase of $13 which was approved by the Board. The current $3 fee is for an existing bond which is in its fifth year. This is multifunctional use facility - student success center in addition to athletic activities. The college is also looking for additional revenue such as renting to offset operational costs.
VOTE: The Committee, on motion of Mr. Damren, seconded by Ms. Shields voted unanimously to approve the Great Bay CC contract with North Branch Construction, Inc. for the construction management services for the student success center in the amount not to exceed $3,850,000 from capital funds.

- Lakes Region Community College: LRC14-07 New Automotive Building, Milestone Engineering and Construction, Construction Manager FY 15 thru 17 – Capital Funds

Mr. Moore indicated that seventeen companies expressed interest and four were interviewed. This is also a construction management project. Milestone was selected.

Dr. Kalicki explained that a master site plan work has been performed. The mobile diesel would be a separate building.

VOTE: The Committee, on motion of Mr. Damren seconded by Ms. Lucas, voted unanimously to approve the Lakes Region CC contract with Milestone Engineering & Construction, Inc. for the construction management services for the new automotive building and various projects through FY17, not to exceed $2,500,000 capital funds

- White Mountains Community College: WMC14-04CM Construction Management Services FY 15 thru 17 for Hutter Construction– Capital Funds

Mr. Moore noted that there were three applicants. One declined to submit a proposal and one company did not have the required bonding authority. Hutter is doing an excellent job in Nashua and has an excellent team.

Projects include automotive and welding lab renovations, fire marshal findings, restroom ADA compliance, electronic exterior door locks, 1992 roof replacement over automotive and welding

VOTE: The Committee, on motion of Mr. Calhoun, seconded by Ms. Lucas, voted unanimously to approve the White Mountains CC contract with Hutter Construction Corporation for the construction management services for various projects identified through FY17 in the amount not to exceed $1,155,000 from capital funds.
2. **Projects, Seeking Amendments**

- **River Valley Community College: RVC14-04CM Keene Boiler/HVAC replacement - Amendment with Construction Manager MacMillin Construction—Capital Funds**

  Mr. Moore explained that this amendment will enable MacMillin to replace the boiler at the Keene campus of RVCC. We were appropriated $500,000 for replacement of the boiler only due to the cost.

  Trustee Calhoun asked if the college was considering long range planning for this building due to age and condition. Mr. Rioux indicated that these discussions are underway. Parking there is also an issue.

  **VOTE:** The Committee, on motion of Mr. Damren, seconded by Ms. Shields, voted unanimously to approve the amendment to the River Valley CC construction management services contract with MacMillin Company, LLC increasing the contract by $495,356 for a new total not to exceed $3,447,846 for the boiler replacement at RVCC Keene campus from capital funds.

- **Nashua CC: Amendment with construction manager Hutter Construction for culinary renovations**

  President Jordan explained that the culinary space we are using at Nashua North HS will no longer be available. These funds will be used to renovate the existing kitchen at NCC for fall classes. The existing café will also be renovated. This will allow for teaching competencies. We will pursue future capital appropriations.

  **VOTE:** The Committee, on motion of Mr. Calhoun, seconded by Mrs. Mahar voted unanimously to approve the amendment to the Nashua CC construction management services contract with Hutter Construction Company increasing the contract by $150,000 for a new total not to exceed $950,000 for café/culinary renovations from operating funds.

3. **Lease, Seeking Approval**

- **Great Bay Community College: Rochester Lilac Mall expansion - Amendment. State Funds**

  Dr. Arvelo provided background information on the activities at the Rochester facility, ATAC, which includes training through the TAACCCT grant in partnership with Safran and Albany International as well as other programming. We currently have MOUs with the two companies, both of which have ramped up their training
needs and schedules. We are looking now at an unplanned expansion from 45 students to up to 200. We are the only institution in the state offering advanced composites courses. Space is needed and we have an opportunity to obtain an additional 10,098 sq. ft. at the same rate we are paying now. This additional space will be part of the initial 5 year lease. The current lease is for 17,000 sq. ft. We are also looking at additional course offerings to meet future needs.

**VOTE:** The Committee, on motion of Mr. Calhoun seconded by Mr. Damren, voted unanimously to amend the lease agreement between Great Bay CC (Rochester campus) and Lilac Mall Associates, LLC for a new total of $1,200,000 from TAACCT funds and state-appropriated funds for an additional 10,098 sq feet.

4. **Discussion – Great Bay Community College: Rochester Lilac Mall additional expansion**

The Committee approved amending the Rochester center lease with Lilac Mall to include 10,098 sq. ft. which space will be part of the current lease that expires December 31, 2017. Dr. Arvelo noted that Safran and Albany have agreed to participate in a build out design that will total $1,200,000. Source of funds is from the special appropriation made to CCSNH in the partnership with Safran and Albany and to support their relocation to New Hampshire.

There is a liquor store that occupies 7000 sq. ft. which might not be renewing. Discussion on this space was delayed until June 10, 2014.

5. **White Mountains CC Request to use Reserve Funds – M. Marr**

Mr. Marr requested approval of the use of WMCC FY13 reserve funds in the amount of $140,000 for a new college sign, marketing, flooring for the child development center, equipment and lab renovations at Littleton.

**VOTE:** The Committee, on motion of Mr. Damren, seconded by Ms. Shields, voted unanimously to approve the White Mountains CC FY13 reserve fund request of $140,000 for college sign, marketing, flooring in the child development center, equipment and lab renovation in Littleton

6. **Follow-up on BerryDunn Presentation to Board – M. Marr**

Mr. Marr made additional comments on the Berry Dunn observation regarding equipment and buildings being first recorded as expenses rather than assets. We do record those assets as expenses at first by design. We later move them to the appropriate asset category. We do so because of the following:
• It allows us to track the expenditures by budget, actual expenditure, amount committed and by remaining balance. It allows personnel to quickly determine the status of budgeted expenditures in those terms. This is especially helpful the capital area where we have numerous projects with multiple sources of funding.

• For those expenditures for which we receive reimbursement, federal grant expenditures and capital budget expenditures, the process of first recording them as expenses allows us to generate a second automated accounting entry that debits accounts receivable and credits revenue. This then allows us to track our billing to the federal government and the State of New Hampshire by reviewing the amounts in the related accounts receivable accounts. This is a very efficient way for us to track that billing and does not require any additional analysis at the time the expenditure is made.

The main thrust of the observation is that we did not reclassify the items from expenses to assets in a timely fashion. We will improve on that for FY 14.

7. Stratham Property Update – R. Rioux

Mr. Rioux reported that we received approval from the Long Range Capital Planning and Utilization Committee to extend the due diligence period through September, 2014. Both parties still consider this sale a priority. We are managing the mold issue, monitoring weekly for the next five months. As part of the extension agreement, the buyer will repair all demolition due to mold remediation. Their deposit will become non-refundable.


Mr. Rioux reported on this issue which has been unresolved for two years. He suggested that this committee make a strong statement to the contracted legal counsel to bring this to a closure

ACTION: It was requested that we have Attorney Herrick draft the statement and then we will send it to the committee for vote.


Mr. Rioux announced that $20 million has been transferred to Fidelity. We are already earning more funds than anticipated.

Mr. Rioux reported that 20 firms responded to the RFP. Three were identified and interviewed last week. One has been selected and is now in the process of developing the contract. This company has experience working with postsecondary institutions to lower their energy costs. We are charged on a fee basis. Currently, we spend $20 million as a system for all forms of utility expenses.

11. **Chancellor’s Office Space Utilization – R. Rioux**

Mr. Rioux indicated that the chancellor’s office is exceeding capacity. We are in the process of reviewing existing space. We have 5,000 sq. ft. at Barrell Court but no other space is available. There is value in having the office on campus including being tax exempt.

12. **Other**

Next meeting: June 10, 2014 at NE Delta Dental. Facilities at 9; Finance at 10.

The meeting adjourned at 10:55 a.m.

Respectfully submitted,

Marie Anne Mills
Assistant to the Chancellor