Members present: Richard Heath, Ned Densmore, Scott Kalicki, David Paquette, Jack Calhoun, Paul Holloway, Kathy Shields, Susan Huard (by phone), Alison Stebbins (by phone), Claudie Mahar, Susan Siegel, Will Arvelo, Ron Rioux, Lucille Jordan, Tricia Lucas, Alicia Harvey-Smith, Matt Wood, John Stevens, Susan Dunton, and Allen Damren

Regrets: Gayle Price and Jeremy Hitchcock

Also in attendance: Kristen Van Ostern, Shannon Reid, Lynn Moore, Sarah Tilton, Cindy LaCasce, Melanie Kirby, and John Harrington

The meeting was called to order at 10:23 a.m. at NHTI, Grappone Hall, Concord, NH.

1. Approval of Minutes of the July 31, 2014 Meeting Minutes

VOTE: The Committee, on motion by Mr. Damren, seconded by Ms. Shields, voted unanimously to approve the July 31, 2014 meetings minutes as presented.

2. FY16/17 General Fund Request Discussion and Approval

Trustee Densmore presented the FY16-17 operating budget request and asked Ms. Van Ostern to provide the explanation of the request.

Ms. Van Ostern explained that the operating fund request of $45.7 million for FY16 and $46,975,000 for FY17 will support achievement of the vision of doubling the number of workforce-aligned degrees and certificated awarded by 2025 by: reducing tuition to $190 per credit for both years; using innovation and technology to broaden access to pathways, programs, and courses across NH; and addressing the unique
needs of our rural community colleges. She reviewed the assumptions that were made when preparing the budgets. This is a maintenance budget.

Discussion followed.

After today’s Board approval, the budget will be submitted on September 18 to Administrative Services. Governor’s budget hearings will begin in November and the Governor’s Budget will be submitted in February 2015. Hearings will begin in March.

We are projecting an enrollment growth of 3.5% in credits sold in FY16 and a 3.7% growth in FY17. We are pleased to report that the health care benefit costs will increase by 3% for calendar year 2015, less than anticipated.

Mr. Densmore added that extensive work was done to submit this budget. Each college budget drafts were reviewed with the college president and CFO along with chancellor office administrators. This is a new and more detailed process than in years past.

It was asked if the college budgets are shared with faculty/staff. Presidents reported they do report on budgets.

Question was raised about the retirees’ health benefits. We have included this cost in the FY16-17 budget.

VOTE: The Board, on motion of Mr. Heath, seconded by Mr. Damren, voted unanimously to approve the operating fund request of $45.7 million for FY16 and $46,975,000 for FY17 for recommendation to the Board.

3 Contracts

Mr. Densmore noted that all the contracts coming to the Finance Committee were approved by the Facilities and Capital Budget Committee.

- Contract with JSA Architects– Capital Budget Student Bonded Funds

Mr. Densmore noted that there was extensive discussion of this contract change by the Facilities Committee.

President Arvelo explained that building on the west side of the campus became too costly and it was recommended that we build on the east side, requiring a redesign. The architects are not charging for their services but the additional request is for subs.
VOTE: The Committee, on motion of Mr. Calhoun, seconded by Ms. Lucas, voted unanimously to approve the contract increase with JSA Architects for architectural and construction design consulting services fees for Great Bay CC for $62,000 from capital budget student bonded funds for a new total contract not-to-exceed the amount of $514,973.

- NHTI, modular building adjacent to parking lot:

President Dunton indicated that we have had a lease on this building since 2006. Half the building will be used for classrooms and the other half will be used by CCSNH chancellor’s office.

VOTE: The Committee, on motion of Mr. Heath, seconded by Mr. Damren, voted unanimously to approve to extend the contract with Schiavi Leasing Corp. from September 30, 2014 to September 30, 2015 for the NHTI modular building for an additional yearly fee of $16,200.

- RVCC Security

CFO Cindy LaCasce explained the college is contracting for the installation and maintenance of all components for the security management system. This vendor is used by LRCC which has been satisfied with its services. Ms. Tilton added that the college worked with local police as well as with the Fire Marshall guidelines. Emergency call stations are being installed.

VOTE: The Committee, on motion of Ms. Shields, seconded by Mr. Calhoun, voted unanimously to approve the contract with Minuteman Security Technologies for service and maintenance contract and construction for River Valley CC on the Keene and Claremont campuses for a total of $112,071 from capital budget critical maintenance funds.

Mr. Densmore recessed the meeting at 10:55 a.m. and reconvened at 11:31 a.m.

4. Lakes Region CC Housing Presentation and Contract Approval

President Kalicki explained that a developer who abuts the LRCC property approached the college to operate apartment-style dorm housing for LRCC students. This would primarily be utilized by non-Belknap County students, and county residents on a space available basis who would like to have a “residential college experience.” It can also be used to accommodate students seeking summer college enrollment. Under the three year lease, the college would have
complete control/management of the building, hiring a full-time staff to manage the facility and provide security. It is felt that this would increase enrollment by enabling the recruitment of students outside the traditional commuting range in general but also for unique programs such as Fire Science/ Marine/ GM-Automotive.

Concern was expressed with the risk of not being able to fill the 48 apartment units. It was explained that the college, at its sole discretion, may terminate the lease. Each August, it will know how many students have secured housing.

Mr. Rioux noted that the system office was involved in the process and felt it an excellent opportunity. RVCC is pursuing a similar arrangement. Recently, a half day workshop was held on exploring student housing opportunities. The Facilities Committee requested a presentation with this information at the next meeting.

Mr. Densmore added that this represents a shift of how we do business as well as addressing one of our priority initiatives – addressing the needs of rural community colleges.

Dr. Kalicki indicated that this will also enhance the activities offered to the LRCC students. President Harvey-Smith said that RVCC is researching a similar model.

**VOTE:** The Committee, on motion of Mr. Damren, seconded by Ms. Shields, voted unanimously to approve the lease with Double D Development, LLC for 48 apartment units for use as Lakes Region CC student housing for a total of $1,296,000 from operating funds generated from student housing revenue

5. **Reserve Discussion**

Ms. Van Ostern requested this item be tabled. She is researching the best practices/policies of other institutions of higher education and will report at the next meeting.

The item was tabled.

6. **Committee By-Laws**

**VOTE:** The Committee, on motion of Ms. Shields, seconded by Mr. Damren, voted unanimously to approve the Finance Committee by-laws as presented and amended as follows:
Statement of Purpose
The role of the Finance Committee is to monitor the fiscal affairs of the Community College System of New Hampshire (CCSNH) and to advise the Board of Trustees and College administration regarding fiscal policies. The Committee shall assist the Board in fulfilling their financial oversight responsibilities for CCSNH and the respective community colleges.

Membership
The Finance Committee shall consist of at least 7 members. The members and chair shall be appointed by the chair of the CCSNH Board of Trustees. At any meeting, 4 members shall constitute a meeting and a vote of 4 members shall be required to authorize action by the Committee.

At least one member of the Committee shall have past or current employment experience in finance or accounting or other comparable experience.

Meetings
The Committee shall meet at least quarterly and at any such other times at the call of the Committee Chair, the Chair of the Board, the Chancellor, or any 3 Committee members.

Responsibilities
The Finance Committee, in accordance with Board policies, shall have the responsibility to:

1. Monitor financial planning and reporting.
2. Review in depth the proposed biennial operating and capital budgets and make recommendations to the full Board.
3. Approve certain budget transfers and special expenditures as outlined in the Board and System policies.
4. Approval of contracts and purchasing as outlined in the Board and System policies
5. Monitor the management and the investment of operating and reserve funds.

Special Authorities
In order to effectively carry out its responsibilities, the Finance Committee shall be authorized to access internal and external resources as required and in accordance with good management practice.
7. Other

Mr. Densmore noted that the Finance Committee will hold an additional meeting on October 2, following the Board meeting.

Next meeting: November 25, 2014 at 11:53

The meeting adjourned at 11:53 a.m.

Respectfully submitted,

Marie Anne Mills
Assistant to the Chancellor