
Regrets: William Marcello, Harvey Hill, and David Paquette.

Also in attendance: Steve Caccia, Sara Sawyer, Bruce Baker, Alice Mowery, Melanie Kirby, Joanne Berry, Tim Fontaine, Gloria Bacon, Kelly Chapman, Sarah Wicklund, Amber Wheeler, Naomi Butterfield, Michael Marr, and Shannon Reid.

The meeting was called to order at 10:00 a.m. at NHTI, Grappone Hall, Concord, NH.

1. Approval of Minutes of September 23, October 6 and October 22, 2010 Meetings

   VOTE: The Committee, on motion by Mr. Mallat, seconded by Mr. Lawler, Committee voted unanimously to approve the September 23, October 6 and October 22, 2010 meetings minutes as presented.

2. Contracts: NHTI – Christian Delivery & Chair Service

   NHTI requested approval of a five-year contract for tent, chairs etc. for commencement.

   VOTE: The Committee, on motion of Mr. Mallat, seconded by Mr. Lawler, voted unanimously to approve the NHTI five-year contract with Christian Delivery & Chair Service for May commencements in the amount of $120,610.

   NHTI has also requested an amendment to an existing contract with Janitech, Inc. for cleaning services. Currently, this company cleans Grappone Hall, the Child & Family Development Center and the Library. Due to four recent
unexpected resignations of NHTI maintenance personnel, it has been decided to contract with Janitech for additional services in classrooms of the academic buildings. This would increase the existing contract amount of $35,988 to $129,228 ($93,240 increase).

VOTE: The Committee, on motion of Mr. Mallat, seconded by Mr. Lawler, voted unanimously to approve the contract with Janitech in the amount of $129,228 for cleaning services of the Grappone Hall, the Child & Family Development center, the Library and classrooms of the academic buildings.

3. By-Law Change – Separation of the Finance & Audit Committee

Mr. Rioux indicated that the current structure of the Finance and Audit Committee is not defective. It is, however, a best practice model to separate these two functions. Currently, the audit reports do not get enough time at meetings to appropriately cover subject areas. This change would enable the function to have an independent committee providing oversight. The current trustee membership on the F&A Committee would be the same on both of the separated committees at least until next April.

Mr. Rioux explained the relationship of the auditors to the Audit Committee. The auditors would report directly to the Audit Committee with a dotted line to the Chancellor. The current audit procedures are fine and will continue. Presidents will have an opportunity to review audit drafts to resolve any issues prior to the final report going to the Audit Committee.

This change has been reviewed by the Governance and Executive Committees and will be discussed for vote at the December 9 meeting. This is provided for information to the Finance Committee.

4. Nonlapse Fund Request - Marketing

Dr. Gustafson requested approval of a transfer of $75,000 from the Nonlapse account for state-wide marketing over the next 8 months to augment our public messaging around our role supporting NH industries, providing opportunities for retraining and workforce development.

Background of the establishment of the Nonlapse fund was explained by Mr. Marr.

VOTE: The Committee on motion of Mr. Mallat, seconded by Mr. Lawler, voted unanimously to approve a transfer of $75,000 from the Nonlapse account for state-wide marketing.
5. **Contract Approval and Nonlapse Fund Request – Executive Alliance**

The CCSNH requested approval of a sole source service contract with Executive Alliance to support the ADP implementation in the amount of not more than $225,000. The services are needed to provide guidance throughout the payroll implementation process including processing and converting the existing payroll data from the State’s GHRS system to the new ADP system. It also requests approval of a transfer of $225,000 from the Nonlapse account to support this service.

Ms. Sawyer explained that Executive Alliance was recommended by ADP. They did this same work with other colleges. They will work with the State to begin the data conversion.

**VOTE:** The Committee, on motion of Mr. Mallat, seconded by Ms. Shields, voted unanimously approve the contract with Executive Alliance to support the ADP implementation in the amount of no more than $225,000

**VOTE:** The Committee, on motion of Mr. Lawler, seconded by Mr. Hitchcock, voted unanimously approve the transfer of $225,000 from the nonlapse account to cover the contract with Executive Alliance to support the ADP implementation.

6. **Lakes Region Community College – ASEP Tuition Request**

Lakes Region CC requests authorization to charge the in-state tuition rather than the New England Regional rate for all New England residents enrolling in the General Motors ASEP program.

Dr. Edelstein explained that enrollments have been declining mainly due to our tuition rate. We are not competitive with other New England programs, especially Maine. He felt LRCC can increase enrollment over the next four years with this rate change. Nashua CC currently offers in-state tuition for its Honda program.

**VOTE:** The Committee, on motion of Mr. Mallat, seconded by Mr. Hitchcock, voted unanimously to approve Lakes Region CC charging the in-state tuition rate rather than the New England regional rate for all New England residents enrolling in the General Motors ASEP automotive program, effective fall 2011.
7. Nonlapse and Risk and Retirement (R&R) Fund Update

Mr. Marr circulated a report indicating the balance of the nonlapse account. As of 11/15/10, the nonlapse account had a balance of $1,259,283. The nonlapse account is considered reserves and is used to provide evidence of financial stability to the accreditation board, provide for emergencies and fund new initiatives as the market requires. The Risk and Retirement account, funded with an amount equal to 2% of net revenue from the prior fiscal year, is used to fund payouts related to retirements and to cover increases in health and dental insurance. When the nonlapse account was established, CCSNH lost the ability to access the State's salary and benefit adjustment funds. In FY 2010 we had to pay an additional $580,000 for half a year's increases in health and dental insurance and approximately $700,000 in retirement payouts. We will pay the full annual amount of last year's increase in FY 11, $1,160,000, and thus far we have paid $320,135 in retirement related costs. The balance as of 11/15/10 is $2,481,759.

Dr. Gustafson noted that the key to this fund is the fact that now that we are on our own, we need to plan for the future. Beginning July 1, 2011, we will pay our own liability insurance and deductibles which will come out of the R&R fund.

Question was raised regarding the $1.5 million we currently pay to the State. Effective July 1, 2011, we will no longer be paying that fee. It will be used for operational costs we are taking on, various insurances etc.

It was also noted that NEAS&C accreditation teams look for reserve account balances.

8. Financial Status

The CCSNH Unrestricted Funds report dated November 15, 2010 was reviewed and explained by Mr. Marr.

The Credit Comparison Fall 2010 Term report was also reviewed. Credits sold comparison reflects an 11% overall increase from fall 2009 to fall 2010. This also reflects a cumulative increase of 34% over the past three years. Since the general fund appropriation received from the State has remained essentially level, the general funds per FTE is decreasing.

Employee health care benefit costs were discussed.
It was explained that the first payment for the long term disability insurance binder in the amount of $11,000 is due. Approval was requested for use of Nonlapse funds in the amount of $11,000 for this binder. This will allow us time to get contract finalized and approved by the Board.

VOTE The Board, on motion of Mr. Mallat, seconded by Mr. Lawler, voted unanimously to approve the use of Nonlapse funds in the amount of $11,000 for one month of long term disability insurance binder.

9. LBA Update

Mr. Marr reported on the internal controls and areas of improvement that have taken place in response to the LBA audit of 2007.

We have implemented a number of new systems – banking, Banner finance and accounts payable. We are now documenting internal controls. We have created some policies based on priorities - banking and direct lending for example. We are working on an operations manual to demonstrate internal control used as part of our processes.

For FY11, CCSNH will be part of the State single audit. We will go out to bid next summer for an audit firm for the FY12 audit.

10. Audit Update

Ms. Wicklund reported as follows:

Internal Audit will be starting an audit on BTC (Business Training Centers) after the holidays. This was put to the top of the list because of some grant funds being allocated to workforce development. Student Activity policies are being finalized and internal audit appreciates the effort put forth by all to complete the policies.

Internal audit reports 32 audits on the list to be completed and is constantly restructuring as issues arise and need attention. However, 3 to 4 audits are consistently being done along with the recurring audits.

The 14 day student refund audit is complete with 100% being audited. There were no issues and the process which was used will be sent to the colleges for self-monitoring.

Chair Rioux noted that all audits will be thoroughly reviewed by the college(s) prior to presentation to the Audit Committee. He explained the manner in which these meetings will be conducted.
11. __ Non-Public Session

Not required

12. __ Other

Next Meeting – Finance Committee: April 5, 2011

The meeting adjourned at 11:10 a.m.

Respectfully submitted,

Marie Anne Mills
Assistant to the Chancellor