

BCC Auxiliary Enterprises Corporation (AEC) Thursday, October 15, 2020 Minutes

The meeting was called to order at 12:00 p.m. and was adjourned at 1:00 p.m.

- MEMBER ATTENDEES VIA ZOOM:** President Thomas Isekenegbe, Chair; Grisselle Nadal, Secretary; Assistant Vice President David Taylor, Treasurer; Ryan McCarthy, Athletics Director; Faculty member Neil Hwang, Michael Williams, external member; Priscilla Tokor, SGA President; Gabriel Morillo, SGA Legislator and Lennin Charalla-Quintanilla, SGA Senator, Katherine McGuire, External Board Member and Faculty member Sharmila Mukherjee
- GUESTS:** Gregory Rosenberg, Finance Specialist; Manny Lopez, Associate Dean for Student Development; Dr. Debra Gonsler, CAS Faculty Member; Dr. Howard Clampman, Chair Business & Info Systems, Kay Ellis, Vice President of Administration & Finance.
- ABSENT:** Mikayla Sumter-Malone, SGA Treasurer.

President Thomas Isekenegbe, AEC Chair, called the meeting to order at 12:01 pm via ZOOM virtual conference call. AEC Chair, President Isekenegbe extended greetings to the AEC Board. President Isekenegbe advised that the AEC elections for Vice Chairs (one Vice Chair and one 2nd Vice Chair [both student members] and the election of three Independent Directors for the Audit Committee (two Independent Directors and one student member) will be moved to the November meeting. Chair Isekenegbe asked for a motion to approve the minutes of October 15th. The motion was so moved by Treasurer David Taylor, Kathy McGuire seconded the motion. There were no abstentions and no objections, and the minutes were unanimously approved.

There were no public comments. Two resolutions were discussed. One, to waive parking fees for employees and students due to COVID 19 for the Fall 2020 semester and two, implement parking fees for external parties during COVID 19. During the pandemic, the labor unions, particularly, DC 37 asked that the parking fees be waived, noting that essential workers had to report to the campus to work. That was done. The request is to extend the waiver of parking fees through the Fall 2020 semester. As a formality, Chair Isekenegbe is bringing the request to AEC. Chair Iskenegbe asked if anyone was opposed to this action. Chair Isekenegbe asked for motion to approve. The motion was moved by Neil Hwang and seconded by Lenin Charalla-Quintanilla, SGA Senator. There were no abstentions or objections and the motion passed unanimously. External constituents expressed concern about taking public transportation during the pandemic (public school across the street from the campus as well as the contractors) and asked if they could park in the college parking lot (Paterson parking lot across the street from the campus). VP Kay Ellis established the fee of \$135 per month for external parties which they agreed to pay and this rental of parking space is only occurring during the period of the COVID pandemic. This has been on going and we are bringing it to AEC to formalize it. Right now, there are about 15 external parties paying for parking. There may be more after the word gets out. Chair Isekenegbe asked for a motion to approve. Treasurer Taylor so moved the motion, and it was seconded by Michael Williams. There were no abstentions or objections, and the motion was unanimously approved.

Chair Isekenegbe advised that the budget that was sent out by Treasurer David Taylor should have “DRAFT” on it. He noted the budget is overly optimistic considering where we are right now. Treasurer Taylor went through the budget line by line. Treasurer Taylor advised that AEC has now shifted to CUNYFirst and a whole transfer of the accounting function from what has been our legacy system into CUNYFirst system. The University is gearing up on the number of accounting entrees. This is all that has been transferred yet through September 30th and this is what is reflected on this report. Treasurer Taylor went through the budget line by line. He noted

that one of the items that is overly optimistic is item #3 (parking and ID) which we hope to get \$50,000. Parking fees and parking support, that number could be a little softer because we are not doing the same amount of parking. Another line item in the budget that should be particularly pay attention to is regarding fuel, we put in an amount to offset the cost but as we move more towards electric vehicles, that amount we can also look at. He also went through the line items in Initiatives and Services. Chair Isekenegebe advised that when he looked at the budget, he found it to not be sustainable. Dr. Clampman posed two questions. One was regarding Akademos. He noted that he understands that the \$4,981 is what was put through CUNYFirst but wanted to know if we have an idea of what has actually come in through CUNYFirst and has not posted yet because he would think students would have purchased their books by now. Treasurer Taylor advised that he does not have an idea yet as he is waiting for CUNY to advise on the actual numbers. President Isekenegebe noted that he was surprised that only \$4,981 was collected yet \$75,000 was projected. He asked what is the volume of books we are selling? Understanding that we are in a pandemic, but we are in mid-October and if we collected only \$4,981 and we are projecting \$75,000 does not seem reasonable. Kay Ellis advised that there was a separate report for Akademos. There will be a presentation, next week on Adademos, the sales and the use. Kay advised she would share that with the group. This \$75,000 is down from what was on the budget originally (over \$100,000). Chair Isekenegebe advised that this is one of the reasons why AEC will not vote to adopt this budget today, again, because the numbers do not tell the story. Dr. Clampman's second question was regarding the facilities rental and asked Treasurer Taylor to confirm that this number was an actual number and that it had already been finalized because it all comes from last year. Treasurer Taylor confirmed and advised that in Facilities Rentals, we realize the monies before we account for it on our books. Dr. Clampman asked if that should be in the actuals since it has already been received. Treasurer Taylor responded yes.

Dr. Gonsler asked for clarification on when the initiatives and services expenses were reduced and were, they reduced from last year. Dr. Gonsler advised that she is trying to figure out the difference between the budget from September and this budget. She noted that in September, Treasurer Taylor had mentioned that the budget submitted was not the most up to date budget and that there were some most recent modifications that had not been sent out yet. Dr. Gonsler wanted to know when those modifications were made, and does this budget include those modifications. Treasurer Taylor advised that those modifications would be on the next page of the budget under the fund balance initiatives. Chair Isekenegebe noted that AEC does not have a budget for 20-21 yet and that AEC has not adopted a budget yet. The document from September was a projection of what he thought the budget was going to look like this year. Dr. Gonsler asked whether the numbers for the service center and the fuel reductions were from last year under Operating Costs. Treasurer Taylor advised that for the fuel, that was a carry over amount. As far as spirit wear, the Chair advised he did not think we would get \$1,000 in revenue. He also advised that he believe we would get \$50,000 from parking fees. He also noted that the \$30,000 should be moved to Actuals. The vending machines were zeroed out. Chair Isekenegebe advised that he did not know how we were going to get money from royalties, because people are not buying. Chair Isekenegebe advised that in his opinion the sure thing in terms of revenue is the \$75,000 grant for the EOC, the interest made from the bank, the bookstore; are we going to make the \$75,000, that's a question, we will see. He noted, under Operating Costs, if we are not making much money do, we have to pay the Business Office \$15,000 for less volume of work we are going to be doing. We must pay CUNY \$25,000, that is a given, all of the Auxiliary from all of the institutions are charged an overhead. Regarding the software for \$20,000, if we are doing less business because we are doing less transactions, do we have to pay \$20,000. The campus service center, what are we stocking for \$10,000 if there are no students here and asked for more answers on that. If we are not making a whole lot of money, do we want to spend \$15,000 for fuel. The same concept applies for campus initiatives and functions in the amount of \$10,000. Those are questions, he would like Treasurer Taylor to go back and answer. Chair Isekenegebe advised that he wants to support the Presidential Initiative for \$20,000 for One Book, One College but he does not know the full details yet, but he will look at that. We are getting a lot of requests for presidential grants. We did not really spend all of they money allocated because of COVID which began in March. Again, if we are not making a lot of money, do I

want to spend \$150,000 on Presidential grants, not sure, and will have to take another look at that. Amirah Cousins-Melendez is compiling a list of requests that we have received. In the Public Relations category, that is the money we gave for advertising and marketing during these crucial times, he can see himself asking AEC to vote for that. Questions will need to be answered before we adopt this budget. Professor Neil Hwang suggested we see what the assumptions are to get us to the numbers on the budget and then the board members would review and see if they believe the assumptions to get to the dollar amount. He noted that this method would be helpful to assess the reasonableness of the projections. Chair Isekenegbe agreed with Professor Hwang and advised that this method is used with parking permits and to project the total funds for that area. Professor Hwang noted that if we charge the fifteen (15) external constituents \$135 per month, for let us say, 8 months, that will give us about \$16,000. We would have to sell a lot more parking spots to come up with the average of \$50,000 on the budget. Chair Isekenegbe also believes \$50,000 will most likely not be made in parking fees during COVID. Chair Isekenegbe advised that Professor Hwang's suggestion was a great idea. He noted that looking at the assumptions and how you arrive at the numbers should also be done in other areas and should be done for every category. He also noted that last year AEC generated about \$400,000 in revenue, because of the current circumstances this year, AEC may not even make a ¼ of what we made last year. Chair Isekenegbe will ask to table the budget until the next AEC meeting. The expenses here is \$301,000 and we are projecting a revenue of \$237,000 which is not obtainable. We need to look at revenue and operating costs that we can easily justify before we look at what we are going to spend. Professor Hwang added that we should follow Professor Clampman's suggestion to add on the prior actuals to the budget to give us some perspective on how the numbers are expected to change. Chair Isekenegbe asked about the purchase of the shuttle buses that we were to get reimbursed for. Kay Ellis, VP of Administration & Finance advised that she received notice from the Controller's Office is putting a freeze on the purchase of any vehicles. She reminded the committee that with the SAM grant, we were to spend the money for the buses first and get reimbursed but with the moratorium, we will not get reimbursed. The advice is not to up front the money for the shuttle bus. Kay Ellis advised that she would like Auxiliary to purchase the pick-up trucks, on the other hand, because we need them for campus snow removal. Kay Ellis advised that she is waiting on clarification on whether Auxiliary funds is also frozen. It may be frozen because it goes through the same contract process. She noted that they did confirm that the moratorium is also on the electric vehicles so they cannot be replaced with Tax Levy funds either. Chair Isekenegbe advised that he is not worried about the electric vehicles but that we do need the trucks for snow removal and that we need to do what we can to try and get them. Perhaps we can call someone. Next meeting, we have to talk about the adoption of the budget. We need to adopt a budget at our next meeting in November. President Isekenegbe asked Kay and David for clarification on the trucks for snow removal because we need them.

On October 26, 2020, an electronic vote was cast by AEC members to approve the 2019-2020 audit report conducted by CUNY Independent auditors. The audit report was distributed last Fall semester as well as in January of 2020 to AEC members at that time. On October 26, 2020, prior to the AEC Board Members vote, the AEC Audit Committee consisting of Treasurer David Taylor, external Board members Michael Williams and Katherine McGuire voted to approve the CUNY Independent Auditors Report. Although the student Audit Committee member for the 2019-2020 academic year was no longer an active member, the Audit Committee had quorum with the three members mentioned voting in favor of approving the budget. AEC Board members voted as follows: 8 yes and 2 abstentions, resulting in the budget being approved.

ADJOURNMENT:

Chair Isekenegbe asked for a motion to adjourn. Sharmila Mukherjee so moved the motion and it was seconded by Michael Williams. There were no objections or abstentions and the motion passed unanimously.

Minutes submitted by Grisselle Nadal