

## BCC Auxiliary Enterprises Corporation (AEC) Thursday, November 12, 2020 Minutes

The meeting was called to order at 12:00 p.m. and was adjourned at 1:10 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 (had some technical issues & was on & off line), external member; Priscilla Tokor, SGA President; Gabriel Morillo, SGA Legislator; Lennin Charalla-Quintanilla, SGA Senator; Cristopher Soto-Soto, SGA Vice President; Katherine McGuire, External Board Member, Faculty member Sharmila Mukherjee and Mikayla Sumter-Malone, SGA Treasurer.

**GUESTS:** Manny Lopez, Associate Dean for Student Development and Dr. Debra Gonsler, CAS Faculty Member.

**ABSENT:**

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Chair Isekenegbe welcomed members to the meeting and responded to a question regarding students returning to campus by advising that the students will not be back on campus until Fall 2021. He noted that the Board approved distance learning for the winter and spring sessions because of public health concerns.

Cristopher Soto-Soto, SGA President advised that students are doing well but a lot of them are worried about their grades for the semester and are calling for the grade-no grade policy to return this semester. Chair Isekenegbe advised that it is something that must go through a board resolution and is not something that can just be done at BCC. He noted it would have to be a university wide policy and that it was done last semester because of the emergency to transition to an online mode.

Priscilla Tokor, SGA Vice President advised that the grade – no grade policy was implemented on the local level by Hunter and so the policy was extended to this Fall semester. Brooklyn College created a resolution for the same policy and SGA is working on a resolution as well. She noted that she has been speaking to Dr. Ott and the Pass/Fall option does not include the career courses (Nursing & Rad Tech) and so it will not be as effective as credit – no credit policy. Most of the students reaching out to SGA are Nursing students and they are really worried about their grades. Chair Isekenegbe advised that there were special considerations regarding these programs and the conversation would have to be continued with Provost, Dean and faculty would have to be involved.

Chair Isekenegbe asked if everyone reviewed the minutes and if there were any questions. He asked that a typo in his name be corrected. With no other questions or comments, he asked for a motion to approve the minutes. It was so moved by Ryan McCarthy and Kathy McGuire and unanimously approved by members present. Michael Williams was having technical difficulty and so we did not hear/see a vote from him.

Chair Isekenegbe announced student elections for Vice Chair, 2<sup>nd</sup> Vice Chair as well as a student election for the AEC Audit Committee. SGA VP Priscilla Tokor nominated SGA President Soto-Soto and he accepted the nomination. There were no other nominations from the group. The motion was closed, and it was unanimously approved. Chair Isekenegbe congratulated and advised Mr. Soto-Soto that he would also be part of the

Executive Committee. SGA VP Priscilla Tokor nominated herself to be second Vice Chair. Gabriel Morillo seconded the motion, and it was unanimously approved. Chair Isekenegbe congratulated and advised Ms. Tokor that she would also be a part of the Executive Committee. Chair Isekenegbe advised that the Audit Committee consists of the two external members (Michael Williams and Kathy McGuire) and a student member who review all of the finances and who work with the auditors. Cristopher Soto-Soto nominated Gabriel Morillo and it was seconded by Lennin Charalla and unanimously approved.

Treasurer Taylor walked us through the 2020-2021 proposed budget. There was a correction on the proposed budget that needs to be made: Under Revenues in the Category of Campus Services – Facility Rental & Events under Columns FY20 the approved budget was 100,000, under Column FY 20 Actual the spreadsheet shows 0 when in fact it should be corrected to \$100,00. For FY 21 Proposed \$30,000 because that is what is in the general account and will be transferred over. He noted funds are only realized the funds once they are received and then we bring them into Auxiliary.

Regarding the EOC, \$75,000 generally comes in every year at year end. It was discovered that we did not receive last year's revenue and that was because the paperwork was submitted somewhat untimely by the EEOC. We verified that we will be paid for last year, and for this year, so we can expect \$150,000 which represents last year's revenue and this year's revenue. In total we expect to bring in this year \$256,450.

Vending machines are not being restocked at this time. Treasurer Taylor advised that there was a meeting with the vending machine company just this morning to see if there are some areas where the vending machines can be consolidated. They will come back with a new format and proposals to see if some revenue can still be collected. Chair Isekenegbe advised that Auxiliary is losing almost half of our revenue due to due to the pandemic. If you do quick calculation here.

Question on why the interest revenue was so low was asked. The bank interest is very low (about 1%). That was a figure giving to us by the Business Office but that can be reviewed. It was advised that the \$5000 for the interest revenue could be easily increased to say \$15,000 if the funds were moved into a CD. Chair Isekenegbe advised that there may be times, especially now, where we may need the money, so putting them in CD may not be feasible. Treasurer Taylor advised that he does not believe we would have that kind of flexibility because it would require the University's approval. It was noted that Auxiliary's revenue is about 24% of what it was last year.

As far as operating costs, the administrative fees are what we paid for legal services, audit services insurance, and filing. He advised that it is slightly higher this year because he believes the business office is behind on a payment on legal fees, so that was to account for that additional payment. He advised the administrative software card management is what we pay for transact for Financial Edge which was \$ 23,000. Financial Edge was the accounting software that the business office is using to account for our non-tax levy entities which we have all now moved to CUNYFirst so there is some savings there. He advised that expenses were reduced to \$11,500 so we put forward 12,000 for this year.

He advised that the Campus Service Center merchandise and inventory/slash parking support has been reduced to \$10,000 for this year. He noted that some inventory stock is kept for when we return to campus because we will have students and we will need some stock to accommodate sales. He noted that the campus

was doing excellent with fuel on the tax levy side so there are no expenses for fuel put forward for this year. He noted that the campus will still have to pay music copyright fees and that \$5,000 was allotted for that this year. He advised that for Personnel and Staffing, the Bursar is still performing parking support for an operating cost of \$15,000. A change from \$140,000 that had been approved in FY 20 because we were assuming that our event staff would bring in all kinds of revenue but that has not happened because of COVID so we are only including the amount for Bursar.

Clarification was asked regarding the Administrative Fees (Legal, Audit, Insurance, Filing) under Operating Costs, specifically, where actual was \$11,543, and AEC is proposing \$25,000. Treasurer Taylor advised that the Business Office was behind on a payment to Central so we had to make up for an additional payment so that's why I was in at 25,000 for FY 21. Chair Isekenegbe advised that for operating costs, if we do not spend the money it will go back into the budget.

As far as Initiatives and Services (Expenses), Academic Support budget was used to fund Study Abroad Programs. We went from \$60,000 in FY 20 to \$13,450. No funds were allocated for this for FY 21.

He noted for campus functions for FY 20 23,000 was allocated for things such as the Theatre Workshop and pinning ceremony, and some commencement related expenses. \$5000 was put forward for FY 21 for a type of service award which we expect to have this year, which would be virtual. Honoraria went from allocating \$40,000 in FY 20 to \$13,450 in actual to zero funds allocated for FY 21. For Presidential initiatives. We budgeted \$60,000 for FY 20 to \$14,453 in actual and this year we are proposing \$20,000. For presidential grants, we went from \$100,000 that was budgeted and approved in FY 20 to only spending \$7,315 and this year we are allocating \$20,000. For Public Relations and Marketing, we budgeted \$20,000 in FY 20, spent \$7,155 and in this environment, we will still do some marketing and are allocating \$10,000. For Meeting Membership and Dues, we are paying some basic memberships. We put forward \$20,000 last year we spent \$6,082 and this year we put forward \$5,000. He explained that with regard to the Student Services Support, we had anticipated at one point, taking over the shuttle bus contract for FY 20 at \$69,000, we did not have a shuttle bus contract and service for this year so that is put forward at zero. Additionally, we are hopeful that we will get shuttles so that is another reason why that contract has disappeared. He concluded by stating that between operating costs and initiatives and services we expect \$142,000 in expenses against our revenue projected up 256,450 and thereby resulting in an operating balance surplus at the end of the year, which, as you rightfully note \$75,000 of that is EEOC funds so we're not looking to tap into those.

A question was asked whether the music copyright fees of \$5,000 was for the cafeteria. Treasurer Taylor advised that there are a couple of programs, particularly around commencement that require us to pay some copyright fees. Chair Isekenegbe advised that some of the work done in the Music Department requires paying copyright fees.

Clarification was asked as to why some areas are budgeted higher this year vs how much was spent last year and used music as an example and initiatives and grants. Chair Isekenegbe noted that most of the presidential grants that were awarded were never spent because of COVID. He advised that If the budget is approved today, an announcement will go out for people to apply for grants, but they will have to be related to working in an online environment.

Treasurer Taylor noted that the Reserve Balance for FY 20 was is cash in bank 3,173,120. He noted that if members wanted to trace that they could look at the financial statements on page eight, and if you had back

deposit held in custody for others that would give you the amounts that you see there so that represents the bank balance for both of those years. He advised for BCC Healthy Initiatives a whole lot more was budgeted (184,123) than what was spent (\$57,453) and proposes \$50,000 for this year. He advised for Campus Beautification: Landscaping, Banners, Seating and Signage, a lot of money was not spent because of COVID and the "Pause" in March but we are putting forward \$75,000 this year because we do recognize that we have to change our way of activity and we have to put in for a lot of signage and COVID related expenses. Treasurer Taylor advised that the campus shuttles is a new item, and that is to be reimbursed by the SAM Grant funding. At our last meeting we were not sure whether the State would be reimbursing us for that but since that time we have found out that since this has been paid for through non-tax levy funds, the State will pay us back so that's why that's included in proposed budget for FY 21 in the amount of \$175,000. He noted that for commencement activities we have no expenses expected for that for this year. He noted that the Design Studio funds of \$30,000 was accounted for at an earlier meeting. He noted that Employee Recognition is covered in campus functions so there are no expenses, coming against the unexpected balance for this year, likewise for holiday festival, likewise for mission and vision. For Havemeyer Bathrooms/Campus Elevators this was a previous approval, we are holding on to \$210,000 because we are going out for what's call and information for bid for our campus wide elevators. In addition to what we currently have, we have two more that's supposed to be coming online, and that would require us to go to a new contract and that will account for what that new contract amount could be because it has to go to bid and that's being procured through purchasing. He advised the Campus-Wide Water Restoration/Bathroom Upgrades (previously approved by the Board) is being carried over because there are certain buildings right now which do not have hot water accessibility and flowing water so this is there to help us move through the procurement process, and make sure that these items are purchase and implemented. Now that there is very few faculty, staff, and students, it is a good time to do the Flooring Replacement – North Hall /Build. Intensive Clean Program. Last Year, we did the floor in North Hall and that came in at 78,715. This year we are working in Bliss Hall and we are accounting for a \$50,000 estimate for that area. There are no funds allocated for parking and pavement for this year. With regard to the heavy-duty vehicle replacements so again this is for two vehicles, it is in the bid process we're hoping that it comes within that amount, because we have to make sure that these trucks are fitted with snow gear so we can still plow the campus as we will have to when it snows. What was reduced this year so far has been the electric vehicles for public safety. The 236,212 is showing up as an Actual because it went in as an encumbrance on the report. It was encumbered but not actually spent. For outdoor seating and fixtures, we have expanded our outdoor seating, figuring that that is going to help us as we eventually go into later phases and bring students and faculty back and we'll need outdoor areas to have them sit in the proper social distancing and so forth. The next item represents the close out of various facility projects that happened over last year that will not be repeated this year so that is zero. Likewise, this NCCHC mentioned support will not be repeated this year so that is zero, and printing services because there is not a lot of printing going on that has been substantially reduced to \$75,000. Therefore, the total fund balance initiatives for this year is 1,030,000 against the balance of 3,130,109 and that is the balance that should be remaining assuming everything is spent as planned. Anything that is not spent goes back to reserve. He noted that the process to spend money entails going to purchasing, it must be approved, and the City must release the money. The City has been holding onto funds for at least 30 days so there are a lot of vendors who are not even willing to deal with us now because they are not getting their money. It is a real process to try to spend some much-needed funds in the areas that you want to. Chair Isekenegbe advised that the biggest in this list is the two F 150 vehicles for snow removal.

There was clarification being sought but due to time limits, it will be brought up separately. There was a question as to the charge of Auxiliary Ent. Corp. Chair Isekenegbe clarified that the mission of AEC is to support the mission of the College. Chair Isekenegbe advised that last year, in the midst of the fiscal crisis, one of the areas that needed to be reduced from tax levy was the printing costs. We took over all the printing expenses for the college and it is not uncommon. The number has been reduced because people are not on campus. If the buildings need fixing are in bad shape and tax levy cannot support it, somebody must pay to have them fixed.

A question was asked on whether capital expenditures, can wait until the path to in person classroom is clear. Chair Isekenegbe advised that when there is no one on campus it is easier to fix them.

Chair asked for a motion to approve the budget. The motion was so moved by Treasurer Taylor and seconded by Lennin Charalla. There were no abstentions and passed unanimously. Chair Isekenegbe advised that for people who want to apply for Presidential grants for the Spring only and the criteria would be for people doing online teaching and work to support the current atmosphere we are in. It was suggested to include that people who had grants or put in for grants and due to the pandemic they could not be carried out, perhaps they can modify their request for online learning so that they can resubmit their request.

Chair Isekenegbe asked for a motion to adjourn. Neil Hwang moved the motion and Kathy McGuire seconded the motion and it passed unanimously.

1:10 pm