

BOARD OF TRUSTEES
THE CITY UNIVERSITY OF NEW YORK

COMMITTEE ON
FISCAL AFFAIRS

MINUTES OF THE MEETING
APRIL 7, 2014

The meeting was called to order at 6:01 p.m.

There were present:

Committee Members:

Hon. Joseph J. Lhota, Chair
Hon. Peter S. Pantaleo, Vice Chair
Hon. Valerie L. Beal
Hon Terrence F. Martell, faculty member
Mr. David Rosenberg, student member

Ex-officio:

Vice Chairperson Philip Alfonso Berry

Observers:

Hon. Muhammad Arshad
Prof. Kay Conway

Trustee Staff:

Senior Vice Chancellor and Secretary of the
Board Jay Hershenson
General Counsel and Senior Vice Chancellor
Frederick P. Schaffer
Deputy to the Secretary Hourig Messerlian
Ms. Doris Wang

University Staff:

Executive Vice Chancellor and Chief Operating
Officer Allan H. Dobrin
Vice Chancellor Matthew Sapienza
Associate Vice Chancellor and Chief Information
Officer Brian Cohen
Chief Operating Officer Janet Krone
Deputy Chief Operating Officer Burt Sacks
University Controller Leonard Zinnanti
University Deputy Controller Miriam Katowitz
Senior Counsel Jane Davis

Cal. No.	DISPOSITION
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The agenda items were considered and acted upon in the following order:

I. ACTION ITEMS:

- A. **APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 3, 2014.** The minutes were approved as submitted.

- B. The City University of New York (Central Office) – University Initiative for the Purchase of Technology and Related Services. Committee Chair Lhota asked that the Committee approve this resolution to authorize the colleges to purchase mobile and desktop computers, servers, networking, telephone and telecommunications equipment and cabling, related peripheral devices, software, including software as a service, maintenance, professional and other technology related services and training in accordance with the law and University regulations. Such purchases shall not exceed a total cost of \$350 million over the term of this resolution, and such amounts shall be inclusive of the student technology fee. Single proposed acquisitions with a one-time or annual recurring value of \$5 million or more shall be excluded from this resolution and shall be subject to a separate approval by the Board of Trustees. This resolution remains in effect until June 30, 2019. Similar resolutions were authorized by the Board of Trustees in January of 2005, and then again in September of 2009.

Following discussion, this item was approved for submission to the Board.

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- C. The City University of New York – Konica Minolta Business Solutions U.S.A., Inc. Committee Chair Lhota asked that the Committee approve this resolution to authorize the General Counsel to execute a University-wide agreement to provide maintenance for CUNY's existing fleet of Konica copiers. Such purchase shall not exceed \$8,458,357.80, for a period of July 1, 2014 through June 30, 2019. CUNY has approximately 2,000 Konica copiers throughout the University. The continued operation of this copier fleet is critical to the day-to-day operations of the University.

In response to a question from Committee Chair Lhota, Vice Chancellor Matthew Sapienza stated that at the January 6th meeting of the Committee on Fiscal Affairs a resolution was approved by its members to extend the current year's contract because CUNY was using a state-wide contract that had expired, and which was not subject to an RFP. The current resolution will now permit the University to move forward from July 1st.

In response to a question from University Faculty Chair (UFS) and Trustee Terrence Martell, Vice Chancellor Sapienza stated that the Committee extended the current contract with Konica, and a Request for Proposal (RFP) was done. As a result, Konica was the winner of the RFP process.

Following discussion, this item was approved for submission to the Board.

- D. The City University of New York – Award of Vending Operations Agreement for Participating Schools by Request for Proposals. Committee Chair Lhota asked that the Committee approve this resolution to authorize the University to choose a vending services company to provide, operate, and maintain snacks and beverages and vending equipment at some or all of the colleges and the Central Office in exchange for payment of royalties and a commission on sales. The term of the contract resulting from the solicitation process shall be five years with one three-year and one two-year renewal options, as determined in the best interest of the University. The contracts may be executed by the University and/or College or Auxiliary Enterprise Corporation. To provide greater efficiencies and to maximize the funds generated for college and University purposes, CUNY would like to replace the current agreements, which involve different vending operators, and grant vending operation rights to a single operator. This arrangement will not involve the expenditure of any tax levy revenues. It is expected that the exclusive nature of the contracts along with the rights to a significant number of CUNY colleges will provide higher revenues for each of the participating colleges and the Central Office, than they currently have with individual negotiated agreements. In the event that it does not, no contracts will be executed.

In response to a question from UFS Chair and Trustee Martell, Vice Chancellor Sapienza stated that it is not mandatory for colleges to opt-in or opt-out; however, if colleges opt-in the revenue sharing will be worked out once a formal agreement is put in place. He added that Deputy Chief Operating Officer Burt Sacks and Special Counsel Jane Davis did a terrific job in modeling this after last year's study. CUNY did a Pouring Rights RFP and Pepsi was awarded a \$22 million contract over 10 years and since it was a successful initiative. CUNY decided to try vending. Under the Pouring Rights, CUNY developed a formula by which the royalties were shared with the campuses and once the vending process plays out, CUNY will develop a similar type of allocation for the colleges. Four and a half million Pepsi cans throughout the metropolitan area have the CUNY Value Plus logo on it.

In response to a question from Mr. David Rosenberg, Special Counsel Davis stated that the colleges will have the option to opt-in upfront or not. When the RFP is released there will be a list of about eleven colleges that have already indicated to the University that they wish to participate. Other colleges have chosen to opt-out at this time; they could choose to opt-in at

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a later date if they see it is fairly successful. She added that the colleges would only be able to opt-in after their existing contracts expire, or if there is a way to terminate those contracts earlier.

In response to a question from Trustee Valerie Beal, Special Counsel Davis stated that the University will be considering the First Lady's Healthy Vending policies as part of the RFP process. CUNY will start with an evaluation committee and the RFP will request a lot of information about what sort of healthy and low sugar snacks and beverages that will be provided.

Following discussion, this item was approved for submission to the Board.

- E. The City University of New York (Central Office) – University-wide Employee Assistance Program. Committee Chair Lhota asked that the Committee approve this resolution to authorize the General Counsel to execute a contract on behalf of the University to provide a University-wide Employee Assistance program. The initial term shall be three years and the contract shall include up to two one-year options for the University to renew in its best interest. Such purchase shall not exceed a total cost of \$3 million. The Employee Assistance program will provide employees with a range of confidential and cost effective programs, services, referrals, and/or information designed to help employees balance the needs of their personal life with the requirements of work, and to address personal problems that may affect an employee's work performance.

Following discussion, this item was approved for submission to the Board.

- F. Baruch College – Escalator Maintenance Service. Committee Chair Lhota asked that the Committee approve this resolution to authorize the General Counsel to execute a contract on behalf of Baruch College to purchase escalator maintenance service. Such purchase shall not exceed a total estimated cost of \$220,000 for the first year of a five-year contract. Baruch College will use these services to provide preventative maintenance and repair to its escalators.

Vice Chancellor Sapienza stated that CUNY is trying to do more University-wide contracts to have contracts in place that could be used to get better pricing. CUNY is trying to enter into a contract that all of the colleges can use on escalator services. It is expected that CUNY is going to get better pricing on that and hopes to have that contract in place by 2016. There is an out-clause in this contract for Baruch College so that if the University gets better pricing, the College can opt-out of this contract and go into the University contract.

Following discussion, this item was approved for submission to the Board.

- G. Baruch College – Creative Services. Committee Chair Lhota asked that the Committee approve this resolution to authorize the General Counsel to execute a contract on behalf of Baruch College to provide creative services. The initial term shall be one year and such purchase shall not exceed a total estimated cost of \$360,000. The College will have a one-year renewal option to provide creative services for the re-branding of the Zicklin School of Business.

Following discussion, this item was approved for submission to the Board.

- H. Baruch College – Revised Schedule of Academic Excellence Fees. Committee Chair Lhota asked that the Committee approve this resolution to authorize Baruch College to adopt a revised schedule of academic excellence fees by removing the maximum on the total amount

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of fees charged for students in the College's business programs. The current fee structure caps the maximum fee collected regardless of how many semesters a student requires to complete the degree. The support needed by and offered to the students does not diminish at the end of the several semesters, but remains and is offered through the entire duration of their studies. The College will continue to administer financial aid to assist those students who cannot afford the increase in the cost.

Following discussion, this item was approved for submission to the Board.

- I. The City University of New York (Central Office) – University-wide Contract to Purchase the JSTOR Digital Library. Committee Chair Lhota asked that the Committee approve this resolution to authorize the General Counsel to execute a University-wide contract to purchase the JSTOR digital library on behalf of participating colleges from ITHAKA. Such purchase shall not exceed \$2.5 million payable in five annual installments. The University will have the right to terminate the contract at any time in its best interest. The University will use this contract with ITHAKA to provide access to the JSTOR digital library. JSTOR provides full access to almost 2,000 journals from more than 900 publishers and is subscribed to by more than 8,000 institutions worldwide.

Following discussion, this item was approved for submission to the Board.

- J. The City University of New York (Central Office) – University-wide Contract to Purchase Electronic Access to Digital Commons. Committee Chair Lhota asked that the Committee approve this resolution to authorize the General Counsel to execute a University-wide contract to purchase electronic access to Digital Commons on behalf of participating colleges. Such purchase shall not exceed \$1.25 million payable in five annual installments. The University will have the right to terminate this contract at any time in its best interest. The University will use this contract to establish University-wide repository of faculty publications, research and presentations, and graduate student theses, dissertations and other papers published while at The City University of New York.

Following discussion, this item was approved for submission to the Board.

II. INFORMATION ITEMS:

A. FY 2014-2015 New York State Adopted Budget

REPORT BY VICE CHANCELLOR MATTHEW SAPIENZA

In response to a question from Trustee Beal, Vice Chancellor Sapienza stated that the Black Male Initiative (BMI) has historically been funded solely by the city and in this year's Budget Request, CUNY asked for a state match to expand the BMI program. That was part of its lobbying efforts, but unfortunately it was not included in the final state budget, so CUNY has \$2.5 million from the city and will be lobbying the city for additional funding. The funding for the BMI program is base-lined in the budget. This was the first year that the city put those funds in permanently so the University is really grateful.

In response to another question from Trustee Beal, Vice Chancellor Sapienza stated that CUNY Prep is a program that has also been historically funded 100 percent by the city—about \$3.5 million. In the current year's budget, that funding was cut by \$900,000, about a 25% reduction, which was a significant reduction compared to the baseline. The Mayor's Commission on Economic Opportunities (CEO) runs the program and CUNY has been in discussions with the new administration about it. In addition, the University testified at the City

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Council last month about the condition of its budget, which included concerns about CUNY Prep. The University is hoping to get a positive result in the Mayor's Executive Budget.

In response to a question from Vice Chairperson Philip Berry, Vice Chancellor Sapienza stated that CUNY is not prohibited from using private funding outside of the city and state. Some of CUNY's successful programs—the ASAP program, or the Single Stop Initiative—have been funded partially with private funds and grants. If the private sector would like to support some of the terrific programs like BMI or CUNY Prep, the University would certainly be open to that.

Trustee Beal stated that the BMI program was initially designed to address the underserved who were not participating in college and because of the historical legacy, and CUNY Prep, that is the population that they serve. To not fund, or have the pipeline that serves that community close, is very troubling. She added that she would gladly give any assistance, working diligently to get those funds restored, especially for a program that has had such great success.

Senior Vice Chancellor and Secretary Jay Hershenson stated that the University has invited the City Council Higher Education Committee leadership to visit CUNY Prep in the Bronx based on questions that were asked at their last hearing. They are very favorable to making this happen and the University will stay in touch with Trustees with respect to that visit.

The public meeting was adjourned at 6:26 p.m.