Board of Directors Meeting Minutes
Thursday April 20, 2017 - 12:00 noon; Student Center Reading Room

Directors Present were:
Richard Bentley, Administration
Meg O’Sullivan, Administration
Tailin Brecher, Administration
William Gerdes, Administration (proxy to R. Bentley)
Lorraine Terracina, Administration (proxy to M. O’Sullivan)
Joanne Katz, CHRP Faculty (proxy to R. Bentley)
Shirley Eisner, COM Faculty
Maria Rosario-Sims, CON Faculty (proxy to M. O’Sullivan)
Julie Rushbrook, GS Faculty
Krystal Ealy, COM Student
Omid Amidi, COM Student (proxy to Krystal Ealy)
Tziporah Kay, CHRP Student (proxy to Meg O’Sullivan)

Kristin Whitney, GS Student
Peggy Chen, CON Student (proxy to Meg O’Sullivan)
Caroline Dolce, PH Student (proxy to Meg O’Sullivan)

Directors Absent Were:
Vacant

Invited Guests Present Were:
James Fuccio, Counsel
Timothy Stockmar, Bookstore Manager
Bob Jahelka, FSA Interim Controller
Schuyler Hooke, Recording Secretary

1) CALL TO ORDER: Mr. Bentley called the meeting to order at 12:04 p.m. with quorum being present and a roundtable introduction.

2) SECRETARY’S REPORT:
   a) The draft minutes from the prior meeting held January 18, 2016 had been posted/resented.
      
      MOTION: To approve the January 18, 2016 minutes as presented. Motion carried unanimously.

   b) Mr. Bentley once again reminded all that the FSA BOD Handbook (link) is on the FSA Forms and Documents webpage. Board members, especially new members are urged to read it and familiarize themselves with the role and responsibilities of being a not-for-profit corporation board member.

3) PRESIDENT’S REPORT Richard Bentley
   a) In furtherance of Bookstore Manager, Ken Carlton’s stated intent to retire, a search committee was formed and a candidate was chosen. An Board e-mail vote was undertaken to offer the position to Timothy Stockmar. A motion to ratify this eMail vote was moved by Ms. O’Sullivan and seconded by Ms. Brecher.
      
      MOTION: To ratify the Board’s 3/9/17 eMail vote unanimously approving "To accept the search committee's recommendation to hire Timothy Stockmar as Campus Store Manager with a starting salary of $45,000 effective as soon as possible”.

   b) Operations Report: See Attachment 1. Mr. Jahelka highlighted activities since last Board meeting. He also mentioned that FSA office is finalizing the annual letter/forms to be sent to all SAF clubs and organizations to report their annual budgets to be sent out in the next week. Mr. Jahelka reviewed efforts to better organize MUCH older documents. It was explained that FSA has been to keep documents available, but that some files can be discarded/shredded. The FSA office is determining documents to be scanned in new Papersave software, and will then propose revisions to the FSA document retention policy. It’s know some documents such as cancelled checks from the 1970s, etc. are no longer required to be saved and may be shredded.

   c) Bookstore Update: See Attachment 2. Mr. Stockmar reviewed. Top priority is purchase of new POS system, Mr. Stockmar recommended Lightspeed. Ms. O’Sullivan moved and Dr. Rushbrook seconded:

      MOTION: When budget is determined, to approve the purchase and installation of POS system Lightspeed, which includes eCommerce capabilities. Motion carried unanimously.

Faculty Student Association of Downstate Medical Center, Inc.
Mail Stop 1219; 450 Clarkson Avenue; Brooklyn, NY 11203-2098 Telephone: 718-270-3187
www.downstate.edu/fsa
Renderings of store layout/design concepts were reviewed. Efforts to get summer 2017 booklists on line are underway, in compliance with NYS law. Store hours need to be reviewed and standardized, and employee schedules need to be revised to maximize payroll efficiency, such as no need to have three employees in the store at any one time. Suggestion to move the store again brought up, but there is no room in main buildings right now and has not been a past campus administration priority, but future opportunities exist with new administration. It was noted that new President Dr. Wayne Riley has been to the store and has shown interest in making sure that the store be a viable business, and making needed funding available. It was clarified that once 2018 FSA and store budget is approved, store management has the ability to make decisions within that budget; Board has ample input but does not vote on all operational issues. Also bookstore website access/prominence will be addressed by the Manager.

d) Vending contract. Mr. Bentley gave a brief overview on vending commissions. An imminent matter is the new BSB 450 Clarkson lobby improvements, requiring vending machines near elevator to be relocated. Plans to move forward with move to old student mailbox/room on the main corridor across from bursar’s office will begin. Our vending contract with Compass USA/Canteen will expire, and until move is completed, and the permanent location for this major vending site sales and commission; Now is not optimal to solicit new bids for vending contracts. Questions were raised about other new potential locations to install vending: Library? See Attachment 3:A plan for a vending alcove in defunct student mailbox area has not been approved, nor is it clear whose will approve that plan and fund the renovation needed to implement it. After discussion, a motion to extend current contract with Compass USA/Canteen to July 2018 was moved by Ms. O’Sullivan and seconded by Ms. Rushbrook.

MOTION: To extend contract with Compass USA/Canteen to July 2018. Motion carried unanimously.

4) TREASURER’S REPORT: Tailin Brecher/Bob Jahelka
a) Year to Date Status: Based on the approved 2016/17 budget, $104K was requested from the Foundation as a subsidy to see FSA through this fiscal challenge. This request is possible because of the synergy between the FSA and the HSCB Foundation shared business office, allowing for the stability of both entities. The budgeted HSCBF subsidy was requested, but nothing as been paid as yet. Also, this $104K deficit was an estimate, and due to expenses, etc., it turns out that it estimation is approximately $30K lower than the actual deficit. In meantime, funding is from the FSA’s operating monies, which are already very tight.

b) Discussion of Open FSA-HSCBF matters: See attachment 4. Points have been spelled out to bring to the attention of the new administration, and explain the current situation and impending financial issues between FSA and HSCBF. AS the mix of services FSA runs have become less profitable, discussions must including identifying any new potential new auxiliary operations that can meet the level of funding for business office overhead. Report identifies the current requested HSCBF subsidy payment.

5) NEW BUSINESS:
 a) Congratulations: Congratulations were offered to our four graduation members: Omid Amidi, Peggy Chen, Caroline Dolce, and Tziporah Kay.

b) Budget votes: Noted that it is likely that once the Open OItems with HSCBF are clarified, FSA can proceed with finalizing a 2018 FSA Budget. Given time constraints, the 2018 FSA Budget is likely to require a Board eVote prior to the next regularly scheduled quarterly Board meeting.

6) ADJOURNMENT: With all business before the board concluded, Dr. Eisner moved and Ms. Whitney seconded that:

MOTION: The meeting be adjourned at 1:12 p.m. Motion carried unanimously.

Respectfully submitted by,
Meg O’Sullivan, Secretary

Reminder: Next Quarterly Board meeting will be on Wednesday July 19, 2017 (noon; Student Center Reading Room)
FSA Board of Directors  
Operations Report for April 20, 2017

1. **Business Office Activities**  
   a. **Blackbaud Financial Edge:** The office continues to use and become fully acclimated to the new software. HSCBF funded Blackbaud training was not scheduled this past quarter as planned due to scheduling conflicts. We again hope to coordinate complete training on this new software this quarter so that account holder report formats can be made more user-friendly.

   b. **Papersave Software:** The office completed their final training on this new cloud based scanning software which works hand in hand with Blackbaud Financial Edge. All supporting documentation for all transactions are currently being scanned into this new software and linked to Blackbaud. Original documentation is still being maintained by the office and the FSA retention policy can soon be re-evaluated.

   c. **SAF & TA Monthly Reports:** Have been issued through March 31, 2017. As reported last meeting, our reporting goal remains to issues reports by 15th day after the close of each month. FSA Account holders can continue to obtain daily balances or specific transaction inquiries by contacting the FSA Business Office.

   d. **FSA Office File Clean-up:** FSA Staff continues to go through the file cabinets to box up old documentation. FSA Office has added file cabinets obtained through the DMC Surplus Equipment program. Plans are for these newer, more efficient file cabinets to replace the existing cabinets.

   e. **FSA Financial Statement Budget to Actual:** We been issuing year to date Budget to Actual Financial Statements for the FSA Office and the Bookstore separately, starting with the month ended January 2017. We are able to utilize the new Blackbaud Financial Edge software to produce this information. **For the period June 2016 through March 2017** highlights will be discussed under Treasurer’s Report.

2. **FSA Controller position:** DSJ continues to perform this role. We again recommend that recruitment be initiated as soon as possible for a full time on site Controller.

Respectfully submitted by,

Bob Jahelka CPA, Partner of DSJCPA  
as Co-Interim Controller
As the Board knows, it has been many years since its last major update and is in dire need of a top to bottom makeover. The POS system that is running is on its last legs, the old paint is peeling off and its look and energy is uninviting to the DMC community. The bookstore has great potential and the following are my transition plans to make the store all it can be:

1. **POS System** – A most important urgent matter. POS systems have been researched and explored on what many college campus bookstores are using. This set up will provide us with all the equipment we will need to properly transition the store into a well-functioning cog for reports, inventory, and sales. This will help us save time and energy when it comes to placing orders, keeping a track of our real time data, what we have in the store at all times, and most importantly give us easier access to improving the revenue of the store.

   Here’s what you get with Lightspeed: $99 a month – One time installation and Equipment ecommerce site, Multistore inventory management, Offline functionality, Customer-facing displays, Purchase order management, Employee management, Work order management, CRM, Gift cards and store credit, Integrations for email marketing, accounting, loyalty programs, 24/7 technical support

2. **Store Merchandizing and Displays** – The stores fixtures are decades old, yellow, and unappealing. Bringing in a more modern look and creating a better flow to the floor plan will improve the look and energy. Work is already in progress to remove older fixtures and create space for new items that will create new revenue streams and better enable the store to cater to changing needs of the customers. Currently there are large dated shelving units blocking all the natural light from entering the store which is in the process of moving. To properly display the clothing in the store they will be removed from plastic wrapping and displayed by hanging and shown off on mannequins. New logos and more up to date clothing will also be introduced. The items needed include: New shelving units, display kiosks, counter tops, paint + equipment, and miscellaneous items such as (mirror for students to try on uniforms and clothing, hangers, etc.) Estimated budget: $4,000-$5,000.

3. **DMC’s summer 2017 Course Booklist**: will be posted shortly on our Website and updated on the book rental Kiosk system. In the past, Colleges have not met the deadline for their book lists; starting in the fall efforts will better ensure compliance meeting the NYS Law: 60 days in advance of classes.

4. **Commencement** is Tues May 17th, 2017 and the Bookstore is in gear to handle all graduating student’s cap and gowns.

5. **Fiscal year-end**: Planned to take place on May 26th. With the current system in place, inventory is time consuming and irregular, but hopefully it can evaluate what needs to stay and what should go. With new items lines already in place to come in this inventory list will be changing soon and with the new POS system inventory will be much simpler. Current Bookstore Financial Status: “FSA's Bookstore budget for current FYE 5/31/17 had not anticipated Mr. Carlton's retirement. His final separation payment of accrued annual leave is anticipated to be near $9K. ”

6. **Store Hours and Employees**: The store hours are very unaccommodating to many students from what I’ve gathered from day in and day out of chatting with students and staff. We have a very tight budget as is and cannot support three separate salaries. Analyzing sales and hours with view to maximize payroll efficiency and effectiveness this must change.

7. **Summary**: With a new POS system in place, new items introduced, a more inviting atmosphere, and better margins on items in store I believe the financials of the store will turn around. Examples – Large portion of items in the store are at a 35% sales margin getting that closer to 50% will drastically improve sales. Along with bringing in items the people have requested for years will give a boost to sales.
Below is an Expanded view of area behind existing defunct student mailboxes. Student mailboxes removed to new create vending machine alcove, reloacting 4 existing machines from the BSB elevator lobby, and palcing them in this new alcove.
Summary: FSA – HSCBF Issues

Background of FSA Office – Relationship with HSCBF: For 3+ decades, the FSA and HSCBF have shared a common business office under a uniform structure reporting structure, led by a Director of Finance that has recently been renamed to “Controller”, pending recruitment. The Interim role of Controller has for the past year been provided by an independent accounting firm (DSJ). Auxiliary Services on the campus were consolidated under the FSA, while HSCBF consolidated the philanthropic and campus/local economic ventures that have provided the ability to sustain the overhead of a shared business office model. Historically, independent of each other neither corporation warranted a full time year round workload and back-up workflow capacity of a business office, but the synergy of both corporations together have more efficiently provided the campus with a full time, year round business office operation. This single business office structure has provided the ability to consolidate all staff under a single employer for purposes of payroll and benefit management, and management of daily workflow of both corporations. The Presidents of both corporations have traditionally maintained a strong level of communication and working relationship, and shared a common Treasurer of both corporations. A period of significant growth in HSCBF daily operational activities occurred at the onset of the LICH acquisition in 2011 and its subsequent divestiture in 2013/14 that has to a degree returned to its prior level. During this period, the Treasurer of FSA remained vacant until 2016 when the Treasurer roles have been separated with incumbents from within the campus Chief Financial Office to thereby maintain a close inter-organizational working relationship.

FSA Expense Recovery from HSCBF

Two staff members on FSA Payroll are directly funded by HSCBF. Prior to April 1, 2017, FSA had invoiced HSCBF for reimbursement of the payroll and related expenses on or about the date of payroll. To improve cash flow, starting with April 1st, 2017 FSA now invoices HSCBF at the first of each month, in advance for the entire month of payroll and related expenses. At the conclusion of each month any additional compensation and related tax expenses paid will be invoiced. In sum:

- $387,792 Budgeted Payroll and related expense recovery
- $21,613 Other Than Personal Services (OTPS): HSCBF is invoiced for a percentage of the overhead associated with their employees and office use Budgeted OTPS expense recovery.
- $409,405 Total annual budgeted recovery from HSCBF

June 2016 thru May 2017 FSA Budget

Starting with the FSA 2016 2017 Budget, M Gehan requested that the FSA quantify any annual deficit and reflect as a one line item labeled “Requested subsidy from HSCBF”. For the FYE May 2017 the budgeted deficit is $104,124. To date none of this subsidy has been received by FSA from HSCBF, thereby straining FSAs current cash flow.

Financial Statements June 2016 through March 2017 & FSA Cash Flow Needs

For the period June 2016 through March 2017 the FSA Office has sustained a loss of approximately $125,000. A significant amount of the loss can be attributed to the cost of implementation of the new Blackbaud Financial Edge and Papersave software(s) as well as use of temporary workers and consultants to fill the bookkeeping role, accountant and controller positions within the FSA office. Currently the Blackbaud and Papersave software(s) have been fully implemented and are being utilized by both FSA and HSCBF. FSA hired Deshawn Hilliard as a full time bookkeeper in September 2016 and is awaiting discussion with the HSCBF BOD in regards to how to proceed with the FSA Office Controller’s position.

Request for Payment of Subsidy

The FSA cannot sustain the losses that they are currently incurring and therefore request a payment from the HSCBF of $95,447 [eleven (11) months of the subsidy], in order for them to be able to continue to operate and provide the valuable services to the DMC.