

**Minutes of the MassBay Community College Board of Trustees Meeting
Tuesday, November 10, 2020, by Webex and Facebook livestream**

Board Members Present: Matt Kahn, Pam Lassiter, Sandy Lish, Tom Peisch, Mikael Pyrtel, Rodolpho Sanz, Diane Schmalensee, Lili Silva

Board Members Not Present: Tim Clifford, Dune Thorne

Special Guests Present: David DiIulis, O'Conner & Drew; Becky Kannam, MassBay Foundation Board Member; Nelia Kruger, O'Conner & Drew; Paolo Machado, Student Trustee-Elect; Matt Noyes, Director of Trustee Relations, Department of Higher Education

Staff Present: Steve Baccari, Comptroller; Elizabeth Blumberg, Vice President for Student Development and Dean of Students; Elizabeth Borg, Special Assistant to the President/Capital Campaign Director; Phara Boyer, Director of Corporate Partnerships and Workforce Development; Karen Britton, Executive Director, Office of the President; Josh Cheney, Associate Dean of Students; Don Copson, Interim Chief Information Officer; Curtis Cormier, Chief Information Officer; Lynne Davis, Dean of Health Sciences; Joe DeLisle, Director of Facilities; Sheila Donlon, Director of Student Accounts; Marcus Edward, Assistant Vice President for Finance and Administration; Howie Ferris, Interim Dean of Automotive Technology; Lynn Hunter, Vice President for Academic Affairs and Provost; Sean Fortney, Academic and Transfer Counselor; Courtney Jackson, Vice President for Institutional Effectiveness and Strategic Initiatives; Chitra Javdekar, Dean of STEM; Nina Keery, Dean of Humanities and Social Sciences; Chris LaBarbera, Assistant Provost; Lisa MacDonald, Director of Equity Compliance; Sue Maggioni, Dean of Business and Professional Studies; Lynn Moore, Chief Diversity Officer; Adam Nelson, Director of Athletics; Vincent O'Connell, Director of Public Safety; David Podell, President; Sarah Salerno, Director of Advising; Lisa Slavin, Assistant Vice President for Enrollment Management; Jeremy Solomon, Interim Director of Marketing; Samaria Stallings, Executive Director of Human Resources; Sunny Stich, Director of Grants Development; Fielding Vaughn, Assistant Director of Athletics; Richard Williams, Associate Dean for Student Success

CALL TO ORDER & INTRODUCTIONS

Chair Peisch called the meeting to order and declared that a quorum was present.

INTRODUCTION OF NEW STUDENT TRUSTEE-ELECT

Chair Peisch introduced Paulo Machado, who will be sworn in shortly as Student Trustee. Mr. Machado is from Brazil and majoring in Criminal Justice. He hopes to transfer next year to UMass Boston to study Political Science.

PRIOR MEETING MINUTES

MOTION: Trustee Lassiter moved to approve the minutes of the October 6, 2020, meeting, and Trustee Schmalensee seconded the motion.

The motion passed via the following roll call vote: Trustee Kahn – YES; Trustee Lassiter – YES; Trustee Lish – YES; Chair Peisch – YES; Trustee Pyrtel – YES; Trustee Sanz – ABSTAINED; Trustee Schmalensee – YES; Trustee Silva – YES.

**OCTOBER 27, 2020, FINANCE, COMPLIANCE, PERSONNEL, & AUDIT (FCP&A) MEETING
CONSENT AGENDA**

FY2020 Audit Report

President Podell introduced the regular finance topics and audit which were reviewed at the October 27 FCP&A Committee meeting and turned over the report to Vice President Buckley. Mr. Buckley reported that there are currently five audits ongoing or recently completed: the College, Foundation, Massachusetts State Financial Audit (MASSOFSA), Uniform Guidance (Federal funds - Financial Aid and Title III), and Focused (State Auditors). Mr. Buckley introduced David DiIulis, Principal, and Nelia Kruger, Manager, from the accounting firm O'Connor & Drew. Their report had three segments: Required Communications, Review of Statements, and Management Decision.

Mr. DiIulis noted that challenges with performing the audits this year included 1) working remotely, 2) notification from the state in August that there was an error in the *Other Post-Employment Benefits* (OPEB) calculation from the prior year reflected in the Financial Statements, and 3) the receipt of \$1.8 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. He reported that despite this the audit has been uneventful. Mr. DiIulis reviewed the Required Communications, including how the audit was performed, the auditors are independent, who they worked with, no accounting policies having changed, and management responsibilities. There were no issues related to fraud or risk assessment, and O'Connor & Drew issued an unmodified opinion as to the financial statements. In the future, the Government Auditing Standards Board (GASB) will change how leases are reflected as assets and liabilities on the financial statements. No material weaknesses or significant deficiencies were noted within the Report on Internal Control over Financial Reporting and on Compliance and Other Matters. This is the highest level of assurance that can be issued.

Vice President Buckley reported that the state rather than the college pays OPEB, so OPEB are in fact the state's liabilities. Last year, the state's actuary had mis-stated the numbers, resulting in the State Comptroller not giving MassBay the correct numbers. MassBay had to note an adjustment in extra expense as the result of this error. This year, a mathematical error resulted in double counting a number on the OPEB report. The error was on the state's financials, and was only reported on the College's financials because MassBay is a component of the state.

Ms. Kruger presented the Financial Statement of the FY2020 Audit. Again, O'Connor and Drew issued an unmodified opinion. She reviewed the Statement of Net Positions. Last year's total assets and deferred outflows were \$34 million, and this year's are \$36 million due to additional cash in the bank, greater accounts receivable, and some fixed asset purchases. Total liabilities and net positions went up to \$2 million due to net income, changes in OPEB pension and liabilities, and unearned revenue from the CARES Act. (The College did not recognize or spend all of its funds and can use the remaining funds next year.) She reviewed the income statement (revenues and expenses), and cash flow from year to year. Ms. Kruger reviewed the major changes in the notes, including disclosures due to the pandemic. Although a number of colleges have been sued by students in connection to remote learning, MassBay is not one of them. Classes are currently being held on line, and the College's enrollment after the pandemic will be quantified later. She reiterated that there are no internal control issues. Trustee Schmalensee emphasized that Mr. DiIulis and Ms. Kruger went through the audit's Required Communications and statements in detail at last week's FCP&A Committee meeting, and the committee voted unanimously to approve it.

MOTION: Trustee Kahn moved to approve the College Fiscal Year 2020 Audit Update & Report, and Trustee Schmalensee seconded the motion.

The motion passed via the following roll call vote: Trustee Kahn – YES; Trustee Lassiter – YES; Trustee Lish – YES; Chair Peisch – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Trustee Schmalensee – YES; Trustee Silva – YES.

FINANCE ITEMS

FY2021 Budget vs. Actual Comparison Report

Vice President Buckley reported that revenues are holding up. The budgeted 15% decline in enrollment turned out to be 9.8%.

The College budgeted a 10% (\$16 million) decline in state appropriation over the prior year, but the Governor's budget contains the same appropriation as last year through end of November, which is \$1.7 million more than what was budgeted for. Vice President Buckley pointed out that FY2022 and FY2023 will be tough years. As of September 30, 2020, the College is showing \$523,000 better than projected on the revenue side. Vice President Buckley reported that the College is also doing better than projected on the expense side by nearly \$575,000. Until the final state budget is approved, it is not possible to know what to expect in terms of our state appropriation. Massachusetts has a constitutional amendment stating that the budget has to be balanced.

MOTION: Trustee Schmalensee moved to approve the FY2021 Budget vs. Actual Report, and Trustee Khan seconded the motion.

The motion passed via the following roll call vote: Trustee Kahn – YES; Trustee Lassiter – YES; Trustee Lish – YES; Chair Peisch – YES; Trustee Pyrtel – YES; Trustee Sanz – ABSTAINED; Trustee Schmalensee – YES; Trustee Silva – YES

Student Accounts Receivable Report and Cash Comparison Report

The College is doing well and is on track with student collections. Receivables are 2% down compared to the same time last year. As of September 30, the College's cash position has improved by nearly \$2.6 million year to date, from \$18.1 million to \$20.7 million.

Cash Position by Month

Vice President Buckley presented the Cash Position report as of September 30, 2020. The College has had growth from \$15.5 million to \$20.7 million within the last three years.

State Appropriation & Enrollment Financial Analysis

Vice President Buckley presented the State Appropriation & Enrollment Financial Analysis, which is essentially a set of "what if" financial impact scenarios. As noted earlier, the amount of the College's final appropriation remains unknown, as the final FY2021 budget has not yet been passed by the Legislature. MassBay has made conservative assumptions in this budget in case things change, and will know better once the state appropriation and spring 2021 enrollment numbers are clearer.

PERSONNEL ITEMS

Executive Director Stallings reviewed the following reports:

Personnel Actions Report

Curtis Cormier has been appointed as the new Chief Information Officer.

Recruitment Report

The College is looking for an Assistant or Associate Director of Admissions to replace Phara Boyer, who is now Director of Corporate Partnerships and Workforce Development. The Director of Financial Aid position has been posted.

COMPLIANCE REPORT

Comptroller Baccari and Vice President Jackson reported that the Executive Team is prioritizing compliance items. They reviewed items on the Compliance Calendar that have been completed, including audit items at today's meeting, enrollment and degree reporting.

ENROLLMENT REPORT

Assistant Vice President Slavin reported that the College is down in enrollment for Fall 2020 by just under 10% from last year. Registration for the Winter and Spring 2021 semesters has just opened. The Advising Office is working with current students. The Admissions and Marketing Offices have been working hard to promote and prepare for the virtual Open House taking place this weekend.

DASHBOARD REPORT

Vice President Jackson reported that the Fall 2020 numbers have been established. She reviewed the number of new applications by race and ethnicity, full- and part-time status, and academic division. Applications for the Nursing program are 13% of the total, up from 6% last year. Ms. Jackson also reviewed data on currently enrolled students. The number of Latino students is up. There has been a slight decline in African American and White students, as well as in retention for both full- and part-time students.

FOUNDATION AND CAPITAL CAMPAIGN REPORT

President Podell introduced Foundation Board Member Becky Kannam and Special Assistant to the President/Capital Campaign Director Elizabeth Borg.

Ms. Kannam reported the following:

- *October income was \$40,340. \$28,000 came from one large gift to fund several new STEM scholarships.
- *Three new members were added to the Foundation Board in the past few months.
- *Almost \$138,000 in scholarships was awarded in the Fall, and the application for Spring scholarships is open.
- *The Donor and Scholarship Celebration will be held remotely this evening at 5:30 pm.
- *The Annual Report is in production and will be distributed digitally only.
- *The year-end fundraising mailer will be distributed by November 15.

Special Assistant/Capital Campaign Director Borg reported the following:

- *\$680K has been raised for the Capital Campaign thus far. This is 14% of the \$5 million goal.
- *Recent donations include \$20,000 from Avidia Bank and \$50,000 from the Phil Gamma Delta of MIT Fund.
- *The groundbreaking ceremony for the Framingham campus will take place in September 2021.
- *Current areas of the Campaign's focus include:
 - Building the Steering Committee
 - Prospecting various individuals and organizations
 - Solicitations, with a focus on banks
 - Research and materials
 - Employee Campaign
 - Connecting Alumni Campaign with the 60th Anniversary

Ms. Borg stressed the importance of having 100% of the College's Trustees as donors to the Campaign. The Foundation has achieved this goal already. Many prospective donors ask about Trustee participation. Ms. Borg will send each Trustee a giving history and giving link.

SPECIAL REPORT

Food Scholarship

Vice President and Dean of Students Blumberg reported that the College has made much progress with food insecurity initiatives during the past four years, given the work of the Student Nourishment and Care Committee (SNACC). She shared data on the positive impact the meal scholarship programs, including distribution of meal cards, have had on students' retention and GPA. President Podell stated that it is rare to see such significant progress in this short of a time. This semester, MassBay is partnering with Imperfect Food, an online grocer that aims to eliminate food waste and build a better food system for everyone by sourcing surplus food and imperfect produce from farmers and producers and delivering these goods to customers at an affordable price. Trustee Lish encouraged the College to seek additional media coverage of this effort and also applying to family foundations for grants. Academic and Transfer Counselor Fortney reported that applications for scholarships are submitted to a committee, which does its best to award everyone who applies. The cost to sponsor a semester of food for a student is \$528.

EXECUTIVE REPORTS

Board Chair

Chair Peisch reported that he learned recently that back in 2015 General Counsel Tashjy recommended that all Trustees be given college email address and accounts, and that all emails related to college business be conducted through college accounts. This advice followed an incident at another institution during which private and business emails by Trustees were deemed public records. Executive Director Britton will work with the College's IT department to implement this recommendation. It may be possible to forward emails to another address for the sake of convenience.

Chair Peisch then summarized the Statewide Trustees Convening which was held on October 27 and which several Trustees attended. Department of Higher Education (DHE) Commissioner Santiago discussed the current state of public education in light of the pandemic, the role played by Trustees in the success of institutions, and the status of the Equity Agenda. The Commissioner stated that the pandemic would not stall progress on the Agenda, and that he intended to "double down" in achieving it. He then brought up a recently executed state law requiring Trustees of public higher education institutions to complete training in a variety of areas. A failure to do so will result in a Trustee's service on a Board be terminated. Chair Peisch then introduced Matt Noyes, Director of Trustee Relations at the DHE and thanked him for agreeing on short notice to attend the meeting.

Mr. Noyes reported that in 2019, the Legislature passed a law mandating that all Trustees receive training in several areas: fraud prevention, open meeting law, state finances, conflict of interest, public records, procurement and fundraising responsibility. The DHE added a module on governance. This initiative was part of a response to a series of abuses some years ago at one of the state universities and to the abrupt closure/acquisition of Mt. Ida College. The seven sessions, lasting an hour each, will be offered on a UMass web platform in three cycles. The sessions are not being recorded, and each Trustee must attend them all. The governance module will be recorded and made available remotely, and Trustees who attended the October 27 Convening will be given credit for having completed it. The DHE intends to keep attendance records by means of a log.

Chair Peisch expressed concerns about a number of points. He indicated that the first notice he had received of the new requirement came at the October 27 Convening and it did not appear that the DHE sought input from the Boards of Trustees prior to rolling out the program. Chair Peisch added the law merely required the DHE to consult with the Inspector General and Attorney General as to the training. Instead, the DHE appears to have turned over full responsibility for it to these agencies. He pointed out that MassBay's (and other institution's) Trustees are being significantly inconvenienced for the conduct of others. He pointed out that many Trustees have day jobs, so that requiring attendance at 11:00 am, with no opportunity to take the training session at another time, was a significant hardship. Finally, Chair Peisch pointed out that the total length of the training program appeared excessive.

Mr. Noyes responded that others had articulated similar complaints, and that the DHE was aware of Trustees' other commitments and did not wish to burden them unnecessarily. He stated that training programs to date have been optional and poorly attended. He concluded by saying that the DHE will likely change the dates and times of future training sessions, and plans to make them asynchronous so that Trustees can attend at their convenience.

He emphasized the DHE desire to work with individual Trustees on any compliance issues that arise.

Executive Director Britton will send links and scheduling information and will be available to assist individual Trustees.

President

President Podell reported the following:

*MassBay was awarded re-accreditation by NECHE in a very positive report.

*MassBay has earned two National Council for Marketing and Public Relations (NCMPR) District 1 Medallion Awards. The *"This is MassBay"* promotional video won a Bronze Medallion for long-form video, and bus driver Clayton Ward's inspirational story won a Gold Medallion for communication success story.

*To address employee mental health, the College has created a series of sessions to de-stress and unwind called *Fall Fridays*.

*A report on the recent Equity Retreat for multiple MassBay equity and diversity related committees will be presented at the next Student Success Committee meeting.

President Podell introduced Director of Athletics Nelson to report on the College's Esports program. Director Nelson reported that Esports is "Competitive online video gaming," a growing industry in which junior varsity and varsity teams are sponsored. MassBay has gotten involved to build community and keep students engaged. Assistant Director of Athletics Vaughn reported that the MassBay teams are co-ed and diverse and practice every night. There are also scholarships available.

COMMUNICATIONS

Director O'Connell reviewed the October 2020 Clery and State Police Reports. There was a reported assault, but the reporter declined further campus police involvement.

ADJOURNMENT

MOTION: Trustee Lassiter moved to adjourn the meeting, and Trustee Schmalensee seconded the motion.

The motion passed via the following roll call vote: Trustee Kahn - YES; Trustee Lassiter – YES; Trustee Lish – YES; Chair Peisch – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Trustee Schmalensee – YES; Trustee Silva – YES.

The meeting adjourned at 10:06 am.



Thomas Peisch, Chairman of the Board 12/9/20



David Podell, President 12/9/20