Call to Order and Approval of Prior Meeting Minutes – Committee Chair Diane Schmalensee confirmed quorum and called the meeting to order at 8:04 a.m. Ms. Schmalensee asked for a review of the prior committee meeting minutes. (Item 1).

MOTION: Trustee Tim Clifford made the motion to approve the minutes of the February 23, 2021 Committee meeting. Trustee Matt Kahn seconded. Motion passed unanimously.

ROLL CALL:
Tim Clifford YES; Matthew Kahn YES; Tom Peisch YES; Dune Thorne YES; Diane Schmalensee YES.

FINANCE ITEMS

FY2021 Budget vs. Actual Comparison Report. (Item 2)
Vice President Neil Buckley presented the report as of March 31, 2021. The College continues to do very well and is right on target with revenue. The Vice President reviewed the revenue and noted that since this report was prepared, the College will receive $357K addition to the state appropriation as a Performance Incentive.

Vice President Buckley reported on the CARES Act funding, also known as the Higher Education Emergency Relief Fund (HEERF).
CARES Act I – The College received nearly $2M which has been spent equally between students and the College.
CARES Act II – The College received nearly $4M and has until December 2021 to spend (two fiscal years). The College is projecting nearly $900K to be spent this year mainly upgrading the computer network. Remaining funds will be spent in FY2022.
CARES Act III – No guidelines have been issued yet.

Vice President Buckley reviewed the expenses, noting the largest change is in debt service which increased by $140K. This expense is for upgrading the network which will be financed over a 5-year period.
The budget to actual report shows a favorable surplus of $956K through the end of March. Increased state appropriation and likely better than anticipated summer enrollment could mean the surplus will be higher by fiscal year end.

Upgrading the network prompted a brief discussion regarding cybersecurity. It was noted that while we have not received specific guidance from the state, the Commissioner of Higher Education has indicated that cybersecurity will become a focus. The State Auditors mandated cybersecurity training for all employees. Vice President Buckley reported that MassBay is constantly vigilant and has been very proactive. The IT Department backs up data frequently and has safeguards in place. It was noted that several outside companies have performed security audits, and this will be a continuous exercise. It was suggested that ongoing systemic internal testing by the Office of Information Technology (OIT) can be an effective form of training.

A discussion regarding enrollment revealed that the College did a little better than our expected enrollment for the year. A 15% decline was initially budgeted, and approximately a 12.5% average was realized. The college budgeted a 12.5% decline in the revised board approved budget. President Podell reported that the College is still working on the FY2022 budget, but will conservatively project a 13-14% decline for FY2022.

**MOTION:** Trustee Tom Peisch made the motion to accept the FY2021 Budget vs. Actual Report and recommend approval to the Full Board. Trustee Dune Thorne seconded. Motion passed unanimously.

**ROLL CALL:**
Tim Clifford YES; Matthew Kahn YES; Tom Peisch YES; Dune Thorne YES; Diane Schmalensee YES.

**Student Accounts Receivable and Cash Report (Item 4)**
Vice President Neil Buckley reported that year to date comparisons of student receivables are up, which is the result of a timing issue. The comparisons are expected to level off moving forward. The College is nearly $4.7M better off than we were last year in terms of cash.

**Cash Position by Month** (Item 5)
Vice President Neil Buckley presented a graph representing the historical comparison of cash.

**Contracts Report** *(Item 6)*
Vice President Neil Buckley presented the report on six contracts greater than $35K which included three contracts funded by the Division of Capital Asset Management & Maintenance (DCAMM): construction administration, engineering services, and HVAC replacement; a contract for campaign counseling services, funded with local funds from the Foundation’s allocation to the President; and the IT Network project which will be funded from the CARES Act.

**COMPLIANCE ITEMS**

- **Audit**
  Steve Baccari reported on the State Audit that was recently conducted. The College received findings regarding the inventory policy related to IT equipment, and a finding that the College had not implemented policies to ensure compliance with Chapter 647 (lost or missing property). The College is taking appropriate actions to resolve the findings.
Additionally, the auditors recommended the College mandate a cybersecurity training program for all employees.

Vice President Buckley reported that the Uniform Guidance Audit (federal funds), being performed by O’Connor & Drew, has been extended until September, pending guidance on the CARES Act funding.

Tim Clifford left the meeting at 8:52

PERSONNEL ITEMS

Personnel Actions Report
Executive Director for Human Resources Samaria Stallings reported there were no personnel changes since the last meeting.

Recruitment Report (Item 8)
Executive Director Samaria Stallings presented the report for informational purposes. The College is actively recruiting for four faculty positions: Practical Nursing, Communication, English and Biology. Additionally, the position of Executive Director of Development is being recruited.

Positions to be reported on at the next meeting include the Dean of Automotive position has been accepted. David Protano will start June 1, 2021. The College also received a resignation for a PN staff member.

OTHER ITEMS

Investment Committee Update (Item 7)
Matt Kahn, Chair of the Investment Committee, presented the report. Trustee Dune Thorne, along with members of the MassBay Team will be reviewing lists of advisors (consultants) who will be solicited to help the Committee with the process for selecting an investment advisor.

Matt Kahn will be working with the MassBay Team on projections for cash needs and determining availability of funds.

An update from the Investment Committee to be presented at the full Board Meeting will include an outline of the timeline and the process to make sure the Board understands the steps: 1) creation of the financial plan; 2) selection of a consultant to help lead the search; and 3) actually conducting the search where the College will choose an Investment Advisor with the help of that consultant. The goal would be to have an investment advisor by September.

President Podell noted that projections for financial needs included funding for a Student Center on the Wellesley Hills Campus. It seems the original plan for borrowing from the Massachusetts State College Building Authority (MSCBA) may not be wise because of the interest charges that would accrue amid declining enrollments.
However, the President also reported that there is an infrastructure bill coming out of Washington that may include construction money for the community colleges. President Podell suggested that creating a Cybersecurity Center that might sit atop the Student Center could increase the possibility of obtaining federal funding. This enterprise could create a better opportunity to have a large portion of the Center paid for by the federal government.

It was clarified that the Finance Committee should be making the decision around what the cash scenarios are and what direction the Finance Committee wants to give the Investment Committee in terms of the assets that are available to invest.

Adjournment

**MOTION:** Trustee Matt Kahn moved to adjourn the meeting, seconded by Trustee Dune Thorne.

**ROLL CALL:**
Matthew Kahn YES; Dune Thorne YES; Diane Schmalensee YES.
Chair Schmalensee adjourned the meeting at 9:06 a.m.

Diane Schmalensee 9/9/21
Committee Chair
Board of Trustees

David Podell 9/29/21
President
Massachusetts Bay Community College