

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the August 31, 2021, Finance, Compliance, Personnel, & Audit Committee meeting – Webex Meeting – Facebook Livestream at massbay.edu

Committee members participating: Roll Call: Diane Schmalensee, Chair - present; Tom Peisch, Ex-Officio - present; Matthew Kahn, Trustee – present; Dune Thorne, Trustee - present.

Staff members participating: David Podell, President; Neil Buckley, Vice President for Finance & Administration; Marcus Edward, Assistant Vice President for Finance & Administration; Lynn Hunter, Vice President for Academic Affairs and Provost; Courtney Jackson, Vice President for Institutional Effectiveness and Strategic Initiatives; Samaria Stallings, Executive Director for Human Resources; Jeremy Solomon, Assistant Vice President for Institutional Advancement, Marketing, and Communications; Deborah Georgopoulos, Executive Assistant for Finance & Administration.

Guest: Mikael Pyrtel, Trustee

Call to Order and Approval of Prior Meeting Minutes –Committee Chair Diane Schmalensee confirmed quorum and called the meeting to order at 8:00 a.m. The Chair asked for the review of the prior committee meeting minutes.

MOTION: Trustee Peisch made the motion to approve the minutes of the June 8, 2021, Committee meeting as presented. Trustee Kahn seconded. Motion passed unanimously.

ROLL CALL:

Tom Peisch YES; Matthew Kahn YES; Dune Thorne YES; Diane Schmalensee YES.

FINANCE ITEMS

FY2021 Budget vs. Actual Comparison Report

President Podell noted the report is as of June 30, 2021. The College is in a very good position financially with a favorable variance of approximately \$2.9M.

Vice President Neil Buckley reviewed the report, noting that the positive variance is due to better performance on revenue and expenses when compared to budget. The College budgeted conservatively based on the uncertainty caused by the pandemic.

Assistant Vice President Marcus Edward added that while the report includes one-time revenue items of approximately \$1.2M related to CARES Act, the College surpassed revenue targets in tuition and fees, and expenses came in under budget by approximately \$2.5M. The College would still have a favorable variance without the CARES funds.

The College did \$588K better than expected in revenue, mostly from tuition and fees, and an increase in the state appropriation.

Vice President Buckley explained that CARES Act funding has two components, one for students and one for institutional use. CARES Act I is fully spent. Remaining Cares Act funds will roll over to next fiscal years. These funds are currently building up the College's cash reserves.

In reviewing the expenses, Vice President Buckley reported the College saved nearly \$2.5M in expenses. One-time Non-Unit Professionals (NUP) bonuses were paid out in May. It was noted that the State lifted the 50-day cap on vacation time, so NUP vacations were not paid out. Savings from administrative expenses, vacant full-time positions, part time/stipends, local fringe payments, operational expenses, energy savings, faculty operational supplies, and Information Technology also contributed to the positive variance. Better than expected enrollments resulted in a higher expense for Adjunct faculty and training for remote learning.

Vice President Buckley reported on improvements to the campus from the Capital Budget. The network has been completely upgraded. There is a new roof on the Tech Tower, a new Campus Police Office, new Admissions Operations area, re-carpeting through the entire building, and a new elevator in the Carey Building. The pavement project has been completed.

Operationally, the College ended the year with nearly \$3M positive variance.

President Podell expressed gratitude to Joe DeLisle and the Facilities staff for the quality of work and the outstanding job they have done on campus.

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

ROLL CALL:

Tom Peisch YES; Matthew Kahn YES; Dune Thorne YES; Diane Schmalensee YES.

Student Accounts Receivable and Cash Report

Vice President Neil Buckley presented the report, noting that Student Accounts is doing a wonderful job following up with students.

Chair Schmalensee noted that some Community Colleges are using the CARES funds to pay off all student debt.

President Podell explained that CARES money came in two categories: institutional money and student money. Some colleges used institutional money to pay off student debt. MassBay did not. It was determined this practice would be unfair to students who paid their bills. MassBay instead distributed the funds to the students who could use the funds to pay off student debt, pay for current tuition, or pay for College expenses. This option presented a much fairer way to help all the students. Enrollment Management has a rigorous process in place for notifying students of what's available and how to apply.

Cash Position by Month

Vice President Neil Buckley presented the report which shows a dramatic improvement cash, in part due to our excellent performance in 2021 and the receipt of CARES Act Money. The cash

position increased by almost \$10.3M (nearly \$3 M from operations plus \$7M from CARES funds). Since 2018 the College has more than doubled the cash reserves.

The footnotes in the report explains CARES Act money included in the cash balance.

Also, the 5-year cash projection that was presented to the Investment committee will be updated to reflect actual FY2021 cash amounts. The initial cash projection was based on conservative assumptions.

Contracts Report *(Item 5)*

Vice President Neil Buckley reviewed the list of eight contracts greater than \$35,000.

PERSONNEL ITEMS

Personnel Actions Report *(Item 6)*

President Podell noted MassBay has had a lot of turnover. While this presents challenges, it also offers an opportunity for restructuring and adding new people.

Executive Director for Human Resources, Samaria Stallings presented the report for informational purposes, and reviewed the Personnel Actions.

- Nine new staff hires, including six faculty members.
- Three employees in new roles.
- Eleven departures.

It was noted the new hires are very diverse.

Recruitment Report *(Item 7)*

Samaria Stallings presented the report for informational purposes.

The College is currently recruiting for three senior positions.

UPDATES

Vice President Buckley will bring the FY2022 Budget revisions to the Committee in October. The FY2022 Budget is looking very favorable. MassBay budgeted for a 15% decline in enrollment. Currently MassBay is at about a 3% decline. The average decline among the fifteen Community Colleges is just over 7%.

Audit Update

Vice President Neil Buckley provided an update on Audits.

- The Foundation Audit is complete, with no issues, but still in draft form. The Foundation did well this year due to the investment markets.
- The College Audit is ongoing. The Committee will be provided a draft report by October 15, 2021.
- The College is working on issues related to the State Audit, particularly related to the inventory finding. The College hopes to have a staff member hired by early Fall.

Investment Committee Report

Mr. Peisch recused himself and temporarily left the meeting because of a relationship with AlderBrook Advisors, the company selected to assist the Investment Committee.

Trustee Matthew Kahn provided an update on the Investment Committee.

A questionnaire was distributed to the FCP&A and Investment Committees and to involved administrators. It was determined the questionnaire was restrictive and a request to revise will be submitted to AlderBrook.

Trustee Peisch returned to the meeting.

Compliance Committee Report

Courtney Jackson, Vice President for Institutional Effectiveness and Strategic Initiatives, provided an update on Compliance, noting the Committee has continued to meet with various departments to identify their concerns.

The Compliance Calendar document has been updated to include audit issues and accreditation issues. Vice President Jackson reported that there are nearly 90 reports that different offices around the College are responsible for filing at different times throughout the year. The Compliance Committee uses that document to ensure that people are submitting those required reports in a timely manner.

Adjournment

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

ROLL CALL:

Matthew Kahn YES; Tom Peisch YES; Dune Thorne YES; Diane Schmalensee YES.
Chair Schmalensee adjourned the meeting at 8:59 a.m.

Diane H Schmalensee 11.3.21

Diane Schmalensee Date
Committee Chair
Board of Trustees



11/3/2021

David Podell Date
President
Massachusetts Bay Community College