

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the October 26, 2021, combined Finance, Compliance, Personnel, & Audit Committee and Investment Committee meeting –

Webex Meeting – Facebook Livestream at massbay.edu

Committee members participating: Diane Schmalensee, Chair; Tom Peisch, Ex-officio; Matthew Kahn, Lily Silva, Dune Thorne.

Staff members participating: David Podell, President; Neil Buckley, Vice President for Finance & Administration; Marcus Edward, Assistant Vice President for Finance & Administration; Steve Baccari, Controller; 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; Lauren Curley, Director of Purchasing and Business Operations; Deborah Georgopoulos, Executive Assistant for Finance & Administration.

Guests: David Dilulis, Principal, and Lisa DiGiusto, Manager, from O'Connor & Drew.

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. (*Item 1*).

Noting that the meeting would be a combined FCP&A / Investment Committee Meeting, the Chair moved:

MOTION: Trustee Schmalensee made the motion to amend the Agenda to hold the investment discussion as soon as Trustee Thorne was able to attend. Trustee Kahn seconded the motion.

ROLL CALL:

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

MOTION: Trustee Kahn made the motion to approve the Minutes of the August 31, 2021, FCP&A Committee meeting. Trustee Schmalensee seconded. Motion passed unanimously.

ROLL CALL:

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

INVESTMENT COMMITTEE

Members of the Investment Committee met during the Finance, Compliance, Personnel, & Audit Meeting. A suggestion was put forth to combine the Committees going forward. The Committee reviewed the Survey and Draft RFP for selection of an Investment Firm. Minutes of this portion of the meeting have been approved at the November 5, 2021 Investment Committee Meeting.

FY2021 AUDIT REPORT (Item 2)

David DiIulis, Principal, from O'Connor & Drew and Lisa DiGiusto, Manager, presented the Required Communications and Financial Statements to the Committee.

Mr. DiIulis reported that the Audit was submitted in draft form to the state by the required October 15 deadline.

O'Connor & Drew issued an unmodified opinion on the financial statements. No material weaknesses/significant deficiencies were noted within the Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Required Communications were reviewed.

Mr. DiIulis advised the Committee of an upcoming GASB Pronouncement – GASB Statement 87, effective for periods beginning after June 15, 2021 (FY 2022), GASB 87 requires lessees be recorded on the statement of net position as an asset and a liability. The College currently holds operating leases for classroom space and office equipment.

Vice President Buckley provided a brief overview of the Management Discussion & Analysis (MD&A) section of the financial statements. It was noted that the Foundation Audit was accepted by the Foundation Board with an unmodified opinion and no findings.

Vice President Buckley introduced Lisa DiGiusto, Manager, from O'Connor & Drew. Ms. DiGiusto restated that the College received an unmodified opinion which is the best opinion you can get.

The College currently holds \$48.9M in assets as of June 30, 2021, which is an increase of about \$15.6M from the prior year. Ms. DiGiusto reviewed the Financial Statements in more detail.

MOTION: Trustee Kahn made the motion to accept the Fiscal Year 2021 Audit Update and Report and recommend approval to the Full Board. Trustee Peisch seconded. Motion passed unanimously.

ROLL CALL:

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

FINANCE ITEMS

FY2022 Budget vs. Actual Comparison Report. *(Item 3)*

Vice President Neil Buckley presented and reviewed the report as of September 30, 2021. The report shows a favorable variance of \$1.2M.

It was noted that the College budgeted for a 15% decline in enrollment over last year. As of September 30, 2021, enrollment was down 7.7%. At this time, spring and summer enrollments are unknown. The budget vs. actual total revenue, as of September 30, 2021 reflects a favorable variance of \$557K.

The budget vs. actual total expense as of September 30, 2021 resulted in a favorable variance of approximately \$629K. Significant positive variances included Permanent Staff, Part-Time/Stipends, Administrative Expenses, and Maintenance/Construction. Unfavorable variances were noted under Consultants (due to consultants hired to help out the Registrar and Financial Aid departments), and Information Technology (due to the timing of expenses.)

Vice President Buckley reported that the College saved much money being remote. Phase 1 was all remote (pre-November), Phase 2 (November and December) will result in a gradual increase of on-campus activities, and Phase 3 (beginning in January) will have more faculty, staff and students on campus.

MOTION: Trustee Kahn made the motion to accept the FY2022 Budget vs. Actual Report and recommend approval to the Full Board. Trustee Peisch seconded. Motion passed unanimously.

ROLL CALL:

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

Revised FY2022 Budget *(Item 4)*

Vice President Neil Buckley presented the report, noting that a conservative budget was presented to the Board for approval. Enrollment has been better than expected. The College now has a better picture of where the expenses are headed and presents a revised budget based on current information.

The revised budget is based on a 10% decline in enrollment while the original board approved budget is based on a 15% decline in enrollment. The lower projected decline in enrollment leads to a projected increase in tuition and fees revenue of approximately \$983,000. Fall enrollment came in at 7.7% down compared to last fall. At this time, spring and summer enrollments are unknown.

Vice President Buckley reviewed the anticipated revised revenue and expenses.

A brief discussion regarding salary increases followed. Concern regarding increases for personnel who may be lured into higher paying positions elsewhere was voiced. President Podell acknowledged that this is already happening, however, notably, several former employees are returning to MassBay. The challenge is acknowledged, however, morale at MassBay is high relative to our sister colleges.

The local capital budget was increased by \$300K.

The revised budget is balanced and presents a realistic picture as of today.

MOTION: Trustee Kahn made the motion to accept the Revised FY2022 Budget and recommend approval to the Full Board. Trustee Peisch seconded. Motion passed unanimously

ROLL CALL:

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

Student Accounts Receivable and Cash Report *(Item 5)*

Vice President Neil Buckley presented the report.

The College is right on target as of September 30, 2021.

Cash Position by Month *(Item 6)*

Vice President Neil Buckley presented the report.

Year to date as of September 30, 2020, to September 30, 2021, the College is up \$9.5M in cash.

Contracts Report *(Item 7)*

Vice President Neil Buckley presented the report.

There is one contract – a state funded project from DCAMM, for \$433K to do a roofing replacement. The project is currently in progress.

PERSONNEL ITEMS

Personnel Actions Report *(Item 8)*

Samaria Stallings presented the report for informational purposes.

New hires include: Mike Lyons, CIO; Sofia Vargas, Executive Assistant for VP for Academic Affairs and Provost; and Naomi Lansing, Success Coach.

Departures included Charmaine Jemison, Chris Lewis, and Tyler Gmerek, and Adjunct Faculty member Indira Thimmiah, who recently passed away.

Recruitment Report (Item 9)

Samaria Stallings presented the report for informational purposes.
Emergency Service faculty, Chief of Police, and Registrar are being recruited.

OTHER BUSINESS

President Podell acknowledged this would be Tom Peisch's last meeting.
Chair Schmalensee thanked Mr. Peisch for his leadership and contributions to the College.

Adjournment

MOTION: Trustee Peisch 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 9:48 a.m.

Diane H Schmalensee

Diane Schmalensee Date
Committee Chair 12.22/21
Board of Trustees

David Podell

12/22/2021

David Podell Date
President 12/22/2021
Massachusetts Bay Community College