

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the May 10, 2022, Finance & Administration Committee meeting
Webex Meeting – Facebook Livestream at massbay.edu

Committee members participating: Matthew Kahn, Chair; Ilissa Povich, Trustee; Diane Schmalensee, Ex-officio; Dune Thorne, Trustee.

Staff members participating: David Podell, President; Marcus Edward, Vice President for Finance & Administration; Steve Baccari, Controller; Lauren Curley, Director of Procurement & Business Operations; Lynn Hunter, Vice President for Academic Affairs and Provost; Courtney Jackson, Vice President for Institutional Effectiveness and Strategic Initiatives; Samaria Stallings, Assistant Vice President for Human Resources & Payroll; Jeremy Solomon, Associate Vice President for Institutional Advancement, Marketing, and Communications; Deborah Georgopoulos, Executive Assistant for Finance & Administration.

Call to Order and Introductions

Committee Chair Matthew Kahn confirmed quorum and called the meeting to order at 8:06 a.m.

Approval of Prior Meeting Minutes

The Chair asked for the review of the prior committee meeting minutes.

MOTION: Trustee Schmalensee made the motion to approve the minutes of the April 5, 2022, Committee meeting as presented. Trustee Kahn seconded. Motion passed.

ROLL CALL:

Matthew Kahn YES; Diane Schmalensee YES; Ilissa Povich YES; Dune Thorne YES.

FINANCE ITEMS

FY2022 Budget vs. Actual Comparison Report

Vice President Marcus Edward reviewed the report.

The March budget to actual report shows a favorable variance of approximately \$2,508,000. The variance is due to better performance on revenue and expenses when compared to budget.

Revenue

- Vice President Edward noted the biggest positive variance in revenue was from tuition and fees. The College budgeted for a 10% decrease in enrollment, but has realized a decrease of approximately 6% at this time: a 7.7% decline in the Fall, a 2.4% decline in the Spring, and at the time of this report, enrollment is down 8.4% for the Summer.
- The state maintenance appropriation will receive approximately \$200,000 above the \$18,400,000 budgeted in order to fund payroll increases for AFSCME and NUP employees.

- President Podell clarified the three categories of employees at the College:
 - American Federation of State, County and Municipal Employees (AFSCME) -trade union
 - Massachusetts Community College Council (MCCC) - includes the Division of Continuing Education (DCE) – full-time faculty, professional staff, and adjunct faculty – trade union
 - Non-Unit Professional (NUP) - staff and administration – ununionized

The state typically funds the union increases, except DCE. The additional allocation from the state will fund AFSCME and, due to special circumstances, NUP increases. Negotiations are ongoing for the MCCC increases. The MCCC increases for fiscal year 2022 will likely be paid in fiscal year 2023.

As a point of information, President Podell explained the Massachusetts Association for Community Colleges (MAACC) represents the fifteen Community Colleges. President Podell sits as Chair of this group. Selected Presidents, Vice Presidents and Deans from across the system, along with attorneys from the Department of Higher Education (DHE) and MCCC are assigned to negotiate contracts with the unions.

- Vice President Edward reviewed Tuition Remission & Waivers, noting that day tuition is remitted to the state. Waivers will be discussed later in the Agenda.

Expenses

- The College continues to see a positive variance in permanent staff. Unpaid increases will be paid to AFSCME and NUPs before the end of the fiscal year. It is unlikely MCCC will finalize negotiations this fiscal year, therefore, those increases will be added to next year's budget.
- Adjunct Faculty will be receiving two years of outstanding increases amounting to approximately \$450,000 which will erase the positive variance in that line.
- Maintenance & construction shows a favorable expense of \$174,000. The College anticipates a significant increase in expenses before the end of the fiscal year.
- The entire \$800,000 Capital Budget will be used. The paving project will account for a large portion of the spending.

Vice President Edward explained to the group that the budget has robust internal controls in place which makes it impossible for a department to overspend their budget. The PeopleSoft System will not allow an expense if funds are not available, and a budget transfer must be requested to cover such expenses. In the event a budget manager has a need to exceed their budget, they may reach out to the Vice President and request funds from the contingency. Contingency is usually about 2% of the budget.

A discussion regarding the impact of inflation followed. Costs have decreased at MassBay as a result of being hybrid. Expenses required for use of the physical space decreased significantly. However, the College will incur all the costs of returning to campus. It was also noted that salary is the biggest expense. The Committee was reminded that the (former) CARES money will act as a cushion. Most, if not all of the \$2.8M requested for the FY2022 Budget will not be needed, but the College will need to rely on those funds for the future.

President Podell acknowledged the difficulty of preparing a budget in June not knowing the state appropriation or enrollment. The FY2023 Budget will be presented at the June meeting.

Vice President Edward also noted that for the third consecutive year, the College will not recommend to the Trustees a fee increase for students.

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

ROLL CALL:

Matthew Kahn YES; Ilissa Povich YES, Diane Schmalensee YES; Dune Thorne YES.

Student Accounts Receivable and Cash Report

Marcus Edward presented the report which shows receivables are up \$89,000 (about 5%) compared to last year at this time. A review of the April report shows that receivables are back in line.

The Cash Comparison Report shows that Mass Municipal Depositor Trust (MMDT) only returns 10 basis points.

Cash Position by Month

Vice President Marcus Edward presented the report which is a monthly cash comparison report over 5 years. The College is doing \$8,900,000 better than a year ago. The graph reflects 2022 Cash with and without CARES Act reserve. The CARES money is essentially part of the full reserve, and could be spent at the Board's discretion, however, the College is relying on it to cover gaps for future years budget.

Contracts Report

Vice President Edward presented the report on two contracts greater than \$50,000.

- Sierra Cedar, \$75,000 for PeopleSoft maintenance renewal.
- Sunshine paving \$620,000 (\$275,000 is coming from the state) for the student parking lot.

Categorical Waivers Survey

Vice President Edward explained the negative revenue line for Tuition Remission & Waivers on the budget to actual report resulted partly from a benefit provided by the College. Full-time MassBay employees, spouses, and dependent children age 25 and under are eligible to attend MassBay with 100% of tuition and fees waived. Waivers that are mandated by the state (Armed Forces, Mass Rehab, etc.) will reduce the amount of day tuition we need to remit to the state. The waivers and tuition remission account for an average of \$500,000 per year.

PERSONNEL ITEMS

Personnel Actions Report

Assistant Vice President Samaria Stallings presented the new hires:

- Pierre Edwards, Senior Accountant for Grants and Budget
- Stephanie Jean Pierre, Associate Director of Financial Aid
- Dorsey Weber, STEM Laboratory Manager and Safety Compliance Officer

Employees in new roles:

Eva Chu, *Accountant V, Fiscal Affairs Office*

Dara Semprucci, *Accountant IV, Fiscal Affairs Office*

Cynthia Fox, *SUCCESS Outreach Specialist*

Bernadette Monaghan, *Director of Online Learning*

Lisa Armstrong Smith, *Accessibility Resources Learning Specialist*

Lisa Slavin, *Associate Vice President of Enrollment Management*

Gregory Friedlander, *Accountant IV, Human Resources and Payroll Office*

Jeremy Solomon, *Associate Vice President for Institutional Advancement, Marketing, and Communications*

Nicole Seifert, *Associate Registrar*

Kathryn Basch, *Assistant Director, Career Services*

Two employees left the College.

Recruitment Report

Several full-time faculty positions are open, with searches ongoing, including Assistant Professor, Emergency Medical Services; Assistant Professor, Sociology.

INVESTMENTS

The College's legal department is reviewing the draft agreement with Prime Buchholz. The draft has also been sent to AlderBrook for their review. Matthew Kahn will be provided with a copy. The agreement is expected to start on June 1, 2022.

A discussion regarding Environmental, Social and Governance (ESG) considerations followed. The College may want to place restrictions on investments (gun manufacturers, tobacco, etc.). Prime Buchholz will be making some recommendations. The importance, from a fiduciary standpoint, to incorporate ESG into investments is critical to the Mission of the school and for future generations. Trustee Throne noted that this is a great opportunity for the Committee to be good stewards of the endowment.

Prime Buchholz will be asked for materials to help educate the Committee in terms of ESG decision making.

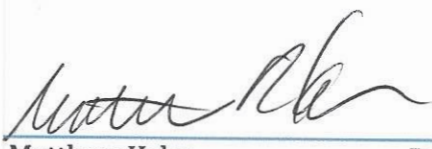
Diane Schmalensee reminded the group that the Board approved Prime Buchholz. It is management's responsibility to enter into a contract with Prime Buchholz. Management will share a copy of the final contract with the Board. Once the contract is finalized, discussion of criteria for the Investment Policy will be brought to the Board.

Adjournment

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

ROLL CALL:

Matthew Kahn YES; Ilissa Povich YES. Diane Schmalensee YES; Dune Thorne YES.
Chair Kahn adjourned the meeting at 8:54 a.m.

 9/18/22

Matthew Kahn
Committee Chair
Board of Trustees

Date



9/19/2022

David Podell
President
Massachusetts Bay Community College

Date