

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the December 6, 2022, Board Finance & Administration Committee meeting
Webex Meeting – Facebook Livestream at massbay.edu

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

Not Participating: Dune Thorne, Trustee

Staff members participating: David Podell, President; Marcus Edward, Vice President for Finance & Administration; Steve Baccari, Controller; Jeremy Solomon, Associate Vice President for Institutional Advancement, Marketing, and Communications; Samaria Stallings, Assistant Vice President for Human Resources and Payroll; Deborah Georgopoulos, Executive Assistant for Finance & Administration.

Guests:

From Prime Buchholz: Timothy Jarry, Nathan Reid.

From O'Connor & Drew: David Dilulis, Principal, & Joseph Messina, Supervisor.

Call to Order and Introductions

Committee Chair Matthew Kahn called the meeting to order at 8:01 a.m.

Approval of Prior Meeting Minutes *(Item 1)*.

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

MOTION: Trustee Kahn made the motion to approve the minutes of the October 25, 2022, Board of Trustees' Finance & Administration Committee meeting as presented. Trustee Schmalensee seconded. Motion passed.

ROLL CALL:

Matthew Kahn YES; Ilissa Povich ABSTAIN; Diane Schmalensee YES.

Investment Items *(Item 2)*

Vice President Edward introduced Timothy Jarry and Nathan Reid from Prime Buchholz.

Tim Jarry reported on the performance of the investment portfolio as of October 31, 2022. The portfolio is now fully invested in the market. The timing of getting the portfolio invested resulted in a good outcome.

Trustee Kahn recognized the materials provided were very helpful to the Committee, but suggested the Full Board does not need such detailed information. Vice President Edward noted that the Cash Report contained a summary of investments, and he will work with Prime Buchholz to develop a summary report for the Full Board prior to the Board Meeting on December 13.

Nathan Reid reported on the performance through October 31, 2022, noting the portfolio is up 4.1% for the month. Estimated performance for November is up approximately 6%.

A brief discussion followed regarding the Environmental, Social, and Corporate Governance (ESG) and Diversity, Equity, and Inclusion (DEI) statements within the Investment Policy. Prime Buchholz will provide an annual review of the Policy Statement compliance.

Approval of the Fiscal Year 2022 Uniform Guidance Audit *(Item 3)*

Vice President Edward introduced David DiIulis and Joe Messina from O'Connor & Drew who presented the College's FY2022 Uniform Guidance Audit. The Vice President explained this report, formerly known as the A-133 Audit, is an audit of the spending of federal funds, including Financial Aid, Federal Grants, COVID Relief in the form of the Higher Education Emergency Relief Fund (HEERF) and CARES Act.

This year, the College spent \$10.5M of federal funds. A clean audit (unmodified opinion) has been issued with no findings. No material deficiencies or material weaknesses were identified. President Podell noted that in his 24 years in academic administration, he has never seen a clean A-133 Audit.

David DiIulis reviewed the report, noting the majority of the testing was on the HEERF funds which was approximately 50% of the total expenditures. Typically, Financial Aid is the major focus of the audit and will be next year. The audit of financial aid concentrated on the two areas (240 days return of federal aid and NSLDS reporting) of prior year findings.

MOTION: Trustee Kahn made the motion to accept the FY2022 Uniform Guidance Audit Report and recommend approval to the Full Board. Trustee Povich seconded. Motion passed unanimously.

ROLL CALL:

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

O'Connor & Drew will attend the Full Board Meeting on December 13, 2022.

FINANCE ITEMS

FY2023 Budget vs. Actual Comparison Report *(Item 4)*

Vice President Edward reviewed the report through October 31, 2022. The Budget-to-Actual report shows a favorable variance of approximately \$479,000.

Revenue

- The College is doing better than projected on tuition and fees. The College had assumed a 5% decline in enrollment over the prior year; however, enrollment was better than anticipated, down only 2.4% in the Fall.
- None of the reserve revenue which include Cares Act, American Rescue Plan Act (ARPA), and Federal Emergency Management Agency (FEMA) funds have been added to the budget. It is likely that in November, the \$700,000 of ARPA funding will be allocated.
- Contracts, Commissions, and Other Revenue did better than budget. The Massachusetts Municipal Depository Trust (MMDT) interest rate is up to over 4%, which produced over \$90K in interest income for the College.

Expenses

- The positive variance in Permanent Staff is due to a number of unfilled vacancies. It was noted that the permanent staff budget had been decreased by 2%. Increases for MCCC employees have not been disbursed yet, and the budget includes 24 months (16 months have been realized) of increases that will be paid once the faculty and professional staff contract is settled.
- The Adjunct faculty line shows a negative variance. Enrollment is better than we budgeted for, resulting in additional sections, and adjunct faculty received increases at the end of last fiscal year. While it is likely the College will be over budget in this line, we anticipate other lines will be doing better than budget which will balance the budget.
- Other lines with negative variances, such as IT and consultants, are due to the timing of expenses.
- Overall, the College is doing better than budget by \$479K.
- A brief discussion of course assignments between full-time and adjunct faculty followed.

MOTION: Trustee Kahn made the motion to accept the FY2023 Budget vs. Actual Comparison Report and recommend approval to the Full Board. Trustee Povich seconded. Motion passed unanimously

ROLL CALL:

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

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

Vice President Edward reported that Receivables are up by approximately \$266,000 (14%) over last year. It was noted that last year Cares Act funds and greater Financial Aid allowed students to pay down their receivable balances. The College will continue to monitor receivables.

Cash & Investment Report by Month (*Item 6*)

The Cash & Investment Report through October 31 shows a decrease of approximately \$2.8M. Vice President Edward noted that over the past two years, the College has seen a drastic increase in cash. The College saved money during the pandemic on typical expenses such as snow removal, conferences, heat, electricity, catering, etc. Additionally, the College received in excess of \$13M of Cares Act funds, half of which was for the Institution and the other half for students. The College was able to build reserves, and has a healthy cash and investment balance, however, the increase in cash is not sustainable and a decrease is expected as we plan in dipping in CARES Act reserves on a yearly basis.

President Podell noted there is an effort by the Board of Higher Education to advocate for an increase in the state allocation to the public institutions of higher education. The recent passing of the Millionaires' Tax ("Question One") and the incoming governor and legislature are likely to improve state funding.

The comparison of cash and investments report with and without Cares money was discussed. It was determined the report will be revised to reflect the actual cash balance, with a footnote that the balance includes Cares funds. It will be helpful for the Board to remember that reserves are being used to help balance the budget.

Contracts Report (Item 7)

Vice President Edward reported on three contracts that were over \$50,000.

- Kenny Masonry, repairs and replacement - \$186K
- Tower Construction, - ADA connector lifts and railings - \$294K
- Sierra Cedar, PeopleSoft upgrade - \$205K

It was noted that PeopleSoft consultants are very expensive. A suggestion was made to offer PeopleSoft training for employees and create an in-house team.

PERSONNEL ITEMS

Personnel Actions Report (Item 8)

Samaria Stallings presented the report to the Committee. New hires include:

- Anata Bista, Financial Aid Counselor for Student Financial Services in the Office of Financial Aid, reports to the Associate Director of Financial Aid.
- Sydney Johnson, Alumni Relations and Volunteer Coordinator for the Office of Institutional Advancement and Alumni Relations, reports to the Executive Director of Development.
- Amy Scott, SUCCESS Coach for the ECE Career Pathways Grant in the Office of the Dean of Business & Professional Studies, reports to the Dean of Business and Professional Studies.
- Correction: Catherine Gildae, Assistant Dean for Institutional Research in the Office of Institutional Effectiveness & Strategic Initiatives.

Recruitment Report (Item 9)

- Assistant Dean of Nursing – offer has been accepted.
- Assistant Director of Facilities

Two employees moved into new roles.

Two full time employees left the College.

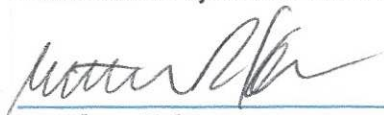
ADJOURNMENT

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

ROLL CALL:

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

Chair Kahn adjourned the meeting at 9:19 a.m.


Matthew Kahn
Committee Chair
Board of Trustees

2/9/2023
Date


David Podell
President
Massachusetts Bay Community College

2/9/2023
Date