

Minutes of the MassBay Community College Board of Trustees Meeting Tuesday, November 2, 2021, by Webex and Facebook livestream

Board Members Present: Robert Huttig, Matt Kahn, Sandy Lish, Mikael Pyrtel, Rodolpho Sanz, Diane Schmalensee, Lili Silva, Dune Thorne, and Wendy Vincent

Trustee Huttig arrived at 8:35 am, and Trustee Sanz left the meeting at 8:55 am.

Guests Present: David DiIulis and Lisa DiGusto, O'Connor and Drew

Staff Present: Yvonne Anthony, Interim Director of Grants Development; Steve Baccari, Comptroller; Elizabeth Blumberg, Vice President for Student Development and Dean of Students; Elizabeth Borg, Special Assistant to the President/Capital Campaign Director; Karen Britton, Executive Director, Office of the President; Neil Buckley, Vice President for Finance and Administration; Lauren Curley, Director of Procurement and Business Operations; Lynne Davis, Dean of Health Sciences; Mishawn Davis-Eyen, Executive Director of Development; Joe DeLisle, Director of Facilities; Marcus Edward, Assistant Vice President for Finance and Administration; Lynn Hunter, Vice President for Academic Affairs and Provost; Courtney Jackson, Vice President for Institutional Effectiveness and Strategic Initiatives; Chitra Javdekar, Dean of STEM; Nina Keery, Dean of Humanities and Social Sciences; Chris LaBarbera, Assistant Provost; Michael Lyons, Chief Information Officer; Sue Maggioni, Dean of Business and Professional Studies; Alison McCarty, Associate Dean for Admissions and Community Learning; Lynn Moore, Chief Diversity Officer; Vinny O'Connell, Director of Public Safety; David Podell, President; David Protano, Dean of Automotive Technology; Lisa Slavin, Assistant Vice President for Enrollment Management; and Jeremy Solomon, Assistant Vice President for Institutional Advancement, Marketing, and Communications

CALL TO ORDER & INTRODUCTIONS

Interim Chair Schmalensee called the meeting to order and declared that a quorum was present. She acknowledged and praised former Chair Peisch's leadership of the Board, and indicated she will be following Robert's Rules of Order as Chair Peisch did.

PRIOR MEETING MINUTES

MOTION: Trustee Pyrtel moved to approve the minutes of the October 4, 2021, meeting, and Trustee Lish seconded.

The motion passed via the following roll call vote: Trustee Kahn – YES; Trustee Lish – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Interim Chair Schmalensee – YES; Trustee Silva – YES; Trustee Thorne – YES; Trustee Vincent – YES

COMMITTEE REPORTS

October 27 Finance, Compliance, Personnel, & Audit (FCP&A) Meeting

Interim Chair Schmalensee introduced Trustee Matt Kahn as Interim Chair of the FCP&A Committee.

FY2021 Audit Report

President Podell introduced David DiIulis, Principal, and Lisa DiGusto, Manager, from O'Connor and Drew, the auditors of all 15 community colleges, who provided a report on the FY2021 audit.

Required Communications & Management Discussion and Analysis (MD&A)

Dave DiIulis reported that O'Connor & Drew has a responsibility to report on required communications and

financial statements each year. A draft of the financial statements was submitted to the State on October 15, as required. In terms of required communications, the auditors reviewed a PowerPoint, beginning with a description of how the audit engagement is performed. O'Connor and Drew has issued an unmodified opinion on MassBay's FY2021 financial statements, which is the highest level of assurance. In terms of the internal control environment, O'Connor and Drew looked at payroll, receipts, disbursements, and financial aid, and found no weaknesses or deficiencies. The auditors performed limited procedures on the Management Discussion and Analysis (MD&A) to make sure that the numbers contained in the MD&A tie to the financial statements. The MD&A is prepared by management and is not audited by the auditors. O'Connor & Drew is an independent company focusing solely on the audit. MassBay's Finance Office must help perform the audit, and O'Connor & Drew must follow accounting policies and inform the College of any additions and changes. The financial statements do include some estimates (i.e., net pension liability, and other postemployment benefits [OPEB] liability). Significant transactions that transpired included more money being awarded from the federal government for Higher Education Emergency Relief Fund (HEERF) as well as more HEERF funding being carried forward to FY2022. There were no major disagreements or issues with MassBay management in performing the audit. There were also no issues related to past entries or fraud. Next year, GASBE 87 will be implemented related to leases, which will be more of an issue for the net positions of state colleges and their dormitories but not community colleges.

Vice President Buckley reported that the Management Discussion and Analysis includes a three-year revenue comparison. State appropriation has helped compensate for declining enrollment. The biggest increase in capital asset additions is related to capital expenditures due to construction of the new building in Framingham. In terms of functional expenses, the largest expenses fall in the instruction and academic support categories.

Financial Statements

Lisa DiGusto praised Assistant Vice President Edward and Comptroller Baccari for their work on the audits. Ms. DiGusto reviewed the asset side of MassBay's balance sheet. As of June 30, 2021, the College has \$51.3 million in assets, up \$14.6 million from last year. The increase is mainly due to increases in cash equivalents and capital assets. Cash equivalents include HEERF (Higher Education Emergency Relief Fund) funds and net reserve put aside but not utilized. The College has \$17.6 million in liabilities. In terms of liabilities, the majority is sitting in unearned grant and contract revenue of \$6.3 million. Unearned grant and contract revenue is made up of mainly unearned HEERF funds to be spent in future years. MassBay's total net position is \$27.4 million, up \$10.5 million from last year. This \$10.5 million represents the change in net position (profit) for this past year. Total operating revenues are \$20.6 million, a \$3.63 million decrease overall. The decrease is mainly due to a decrease in tuition and fees revenue as a result of a decline in enrollment. Total operating expenses of \$44 million also declined by \$2.8 million over last year. The overall decrease is due to fewer expenses, given remote learning. All community colleges operated at a loss, and State appropriations, grants, and HEERF funds brought them back in the black. MassBay's capital appropriation from the State of \$6.6 million for the Framingham Health Sciences Center also helped.

The College received \$13.3 million in awards from HEERF, \$404,000 and \$3.2 million having been recognized as revenue, in FY2020 and FY2021, respectively. There are \$9.7 million of HEERF left to be recognized as revenue in future years.

Major additions to the College's capital assets balance include capital appropriation costs associated with the new building in Framingham, a network upgrade, and paving work.

If the College were to implement GASBE 87 now for June 30, 2021, it has \$1.1 million in operating leases. The \$1.1 million will be presented on the balance sheet as an asset and a liability.

Vice President Buckley reported that, of the \$10 million increase in cash, \$7 million was from the CARES Act, and \$3 million was from positive operations. Foundation numbers are also incorporated in these financial statements, for which there was also an unmodified opinion.

College Fiscal Year 2021 Audit Update & Report

MOTION: Trustee Kahn moved to approve the College Fiscal Year 2021 Audit Update & Report, and Trustee Pyrtel seconded.

The motion passed via the following roll call vote: Trustee Kahn – YES; Trustee Lish – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Interim Chair Schmalensee – YES; Trustee Silva – YES; Trustee Thorne – YES; Trustee Vincent – YES

Finance Items

Vice President Buckley reported on the following:

FY2021 Budget vs Actual Comparison Report

The College is doing well as of the first quarter. It had projected an enrollment decline of 15% for the year and is only down 7.6% for the fall semester. There is a \$46,000 positive variance in tuition and fee revenues. Total net revenue shows a positive variance of \$577,000. Expenses are under budget by \$628,000. The largest decrease is in permanent staffing, due in part to difficulty filling vacancies. Expenses should rise and items such as transportation should flatten out in Phase III (January 2022 onwards) once more people are on campus.

MOTION: Trustee Vincent moved to approve the FY2021 Budget vs. Actual Comparison Report, and Trustee Lish seconded.

The motion passed via the following roll call vote: Trustee Huttig – YES; Trustee Kahn – YES; Trustee Lish – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Interim Chair Schmalensee – YES; Trustee Silva – YES; Trustee Thorne – YES; Trustee Vincent – YES

Revised FY2022 Budget

The revised FY2022 budget is based on a 10% enrollment decline and indicates that MassBay has \$1 million additional revenue. The College's state appropriation is the same. Unionized employees (AFSCME and MCCC) are receiving a similar increase to that which was received by Non-Unionized Professionals (NUPs). There has been an increase in local fringe benefits. Contingency has increased, so there are reserves. Capital expenditures have increased as well, given a number of big projects on campus. The revised budget is balanced.

Trustee Kahn expressed concern about retaining employees, given low compensation. He observed that more funds seem to go to UMass than the community colleges.

MOTION: Trustee Lish moved to approve the revised FY2022 Budget, and Trustee Thorne seconded.

The motion passed via the following roll call vote: Trustee Huttig – YES; Trustee Kahn – YES; Trustee Lish – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Interim Chair Schmalensee – YES; Trustee Silva – YES; Trustee Thorne – YES; Trustee Vincent – YES

Student Accounts Receivable and Cash Comparison Reports

The College is down 1% in Student Accounts Receivables. Its cash position is up \$9.5 million from last year, due to positive budget operations (\$3 million) and CARES Act funding (\$6.5 million). The best the College is doing in terms of interest revenue is 9 basis points.

Cash Position by Month

MassBay has doubled its cash position since September 2018.

Contracts Report

There is currently one contract for the Carey Roof Replacement (\$433,650).

Personnel Items

Executive Director Stallings reported the following:

Personnel Actions Report

Three former employees have returned: Mike Lyons as Chief Information Officer, Naomi Lansing as Student Success Coach, and Sophia Vargas as Executive Assistant to the Provost. Several employees have also left.

Recruitment Report

There is only one applicant for the EMS position, 24 for the Chief of Police, and 11 for the Registrar.

Investment Committee

Committee Chair Kahn reported that the Investment Committee will be reviewing revised projections at its meeting later this week. At the last meeting, members reviewed the survey and draft RFP for the selection of an investment advising firm. The committee is looking at the annual draw and right way to invest from an allocation point of view, including considering companies that invest using Environmental, Social, and Governance (ESG) considerations, and how much can be invested to make money but also give the College access to the funds. A report will be given at the December Board meeting.

ENROLLMENT REPORT

Assistant Vice President Slavin reported that fall 2021 enrollment is 7% down in FTE. Admissions is focused on recruiting for the spring semester, which begins January 18. Registration for spring semester opens on Monday. The 4th virtual Open House takes place on Saturday. Over 200 people have registered. Most colleges are facing similar or larger enrollment declines, a topic that may be discussed at a Board retreat in the spring. President Podell indicated that some of the decline is due to COVID but also due to keeping class sizes smaller.

FOUNDATION AND CAPITAL CAMPAIGN REPORT

Assistant Vice President Solomon introduced Executive Director Mishawn Davis-Eyen who manages scholarships. There were fewer scholarship applications this year, but the Foundation gave out more funds than usual (\$125,000 to 144 students). MassBay had a volunteer run the Boston Marathon for the Foundation who raised money for food insecurity. Many donations were also received. Assistant Vice President Solomon showed the video of the September 29 Groundbreaking ceremony.

Campaign Director Borg reported the Capital Campaign has raised nearly \$2.2 million. The new building represents a new chapter, and MassBay is in a wonderful position to capitalize and build on the Groundbreaking Ceremony with banks, large companies in Framingham, and Metrowest organizations. The list of the College's vendors is being reviewed for naming opportunities. An affinity group of Nursing alumni/ae has also been put together. President Podell reported that the Economic Development Administration (EDA) grant is being finalized. MassBay hopes to be awarded \$1.5 million.

EXECUTIVE REPORTS

Student Trustee

Student Trustee Huttig reported the following three priorities for SGA:

- *Communications – SGA is looking at new ways of communicating with students, such as TikTok and texts.
- *Equity and Inclusion – SGA wants to reach as broad a group of students as possible, including those in Ashland and Framingham. There are a fair number of positions for elections unfilled. Having a cross-section of majors and viewpoints is vital to SGA's mission.
- *Return to Campus – SGA is seeking student input regarding concerns, process, etc. Trustee Huttig has joined the Re-opening Committee to keep open the lines of communication with students.

Interim Chair

Interim Chair Schmalensee reported the following:

- *Tom Peisch was acknowledged for the wonderful job he did as Chairman of the Board. Interim Chair Schmalensee is happy to be working with such an engaged and positive Board.
- *Trustees were reminded that DHE trainings must be completed by December 1.
- *The Board of Trustees has fiduciary and strategic responsibility. Any communication to faculty and staff should be through Interim Chair Schmalensee to President Podell.
- *Trustee Kahn is taking over as Interim Chair of the Finance, Compliance, Personnel, and Audit Committee (FCP&A). Current members are Trustees Kahn, Silva, and Thorne. A fourth member is needed. Trustees are asked to please let Interim Chair Schmalensee know if they are interested in joining.

President

President Podell reported the following:

- *Staff are returning to campus in November and December for Phase II of re-populating the campuses. MassBay is currently preparing for Phase III, which begins in January. At that time, proof of vaccination will be required, pending agreement by the unions. The College will require masks and three-feet distancing. People can apply for religious and medical accommodations, students to Student Development and employees to Human Resources, respectively. The requirement for external visitors is still being determined. Executive Director Stallings is leading an initiative to create a telework policy.
- *A recent article about MassBay's highest salaries appeared yesterday in MetroWest Daily News article. Framingham State University's salaries were highlighted last week.
- *A new Strategic Risk Management Committee has been created at the College. Having a Strategic Risk Management Plan to identify risks (including cyber security, Title IX, and weather damage) and their costs and interventions will be useful in mitigating such risks.
- *Two grants have recently been awarded to MassBay: \$75,000 for a Higher Education Innovation Fund (HEIF) grant, focusing on Equity Agenda training for staff and students, and \$40,000 for the Commonwealth Dual Enrollment Partnership (CDEP), focusing on dual enrollment classes.
- *The community college presidents have been discussing the current policy of withholding transcripts if students have not paid their balances in full, which can prevent students from transferring. A fallback to collect money is the Intercept program, which allows the state to take money from tax returns. A rise in Accounts Receivable may occur if the policy is changed.

Interim Chair Schmalensee reported that the format for future Board meetings (virtual, hybrid, or in-person) has not yet been determined, and she is looking for feedback from Trustees.

COMMUNICATIONS

October 2021 Clery and State Police Reports

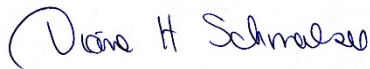
Director O'Connell reported that the Clery and State Police reports for the month of October show all zeros.

ADJOURNMENT

MOTION: Trustee Pyrtel moved to adjourn the meeting, and Trustee Thorne seconded.

The motion passed via the following roll call vote: Trustee Huttig - YES; Trustee Kahn – YES; Trustee Lish – YES; Trustee Pyrtel – YES; Interim Chair Schmalensee – YES; Trustee Silva – YES; Trustee Thorne – YES; Trustee Vincent – YES

The meeting adjourned at 9:44 am.



12/14/21

Diane Schmalensee, Interim Chair
MassBay Community College
Board of Trustees

Date



12/14/21

David Podell, President
MassBay Community College

Date