

**Minutes of the MassBay Community College Board of Trustees Meeting – 8:00 am to 10:00 am
Tuesday, November 7, 2023, by Webex and Facebook livestream**

Board Members Present: Tobey Choate, Matt Kahn, Sandy Lish, Ilissa Povich, Mikael Pyrtel, Rod Sanz, Derin Saunders, Diane Schmalensee, Lili Silva, Wendy Vincent

Board Members Not Present: Dune Thorne

Trustee Lish left the meeting at 9:48 am, and Trustee Pyrtel at 9:53 am.

Guests Present: David DiIulis and Joseph Messina, Withum Smith & Brown, PC; Howard Ferris, Foundation Board Member; Anthony Neptune, Student Development Specialist

Trustee Pyrtel departed at 9:20 am.

Staff Present: Yvonne Anthony, Director of Grants Development; Steve Baccari, Comptroller; Liz Blumberg, Vice President for Student Development and Dean of Students; Liz Borg, Capital Campaign Director and Special Assistant to the President; Karen Britton, Executive Director, Office of the President; Lauren Curley, Director of Procurement and Business Operations; Lynne Davis, Dean of Health Sciences; Mishawn Davis-Eyene, Executive Director of Development; Phil DiBlasi, Director of Public Safety; Marcus Edward, Vice President for Finance and Administration; Courtney Jackson, Vice President for Academic Affairs and Provost; Nina Keery, Dean of Humanities and Social Sciences; Mike Lyons, Chief Information Officer; Lisa MacDonald, Director of Equity Compliance; Sue Maggioni, Assistant Provost; Alison McCarty, Associate Dean for Admissions and Community Learning; Lynn Moore, Chief Diversity Officer; Dan Pace, Interim Assistant Vice President for Human Resources; David Podell, President; David Protano, Dean of Automotive Technology and Interim Dean of STEM; Lisa Slavin, Associate Vice President for Enrollment Management; Jeremy Solomon, Associate Vice President for Institutional Advancement, Marketing, and Communications; Richard Williams, Interim Dean of Business and Professional Studies

CALL TO ORDER & INTRODUCTIONS

Chair Schmalensee called the meeting to order and declared that a quorum was present.

OCTOBER 10, 2023, MINUTES

MOTION: Trustee Vincent moved to approve the minutes of the October 10, 2023, meeting, and Trustee Lish seconded the motion.

The motion passed via the following roll call vote: Trustee Choate – YES; Trustee Kahn – YES; Trustee Lish – ABSTAINED; Trustee Povich – ABSTAINED; Trustee Pyrtel – YES; Trustee Sanz – YES; Trustee Saunders – Yes; Trustee Schmalensee - YES; Trustee Silva – YES; Trustee Vincent – YES.

COMMITTEE REPORTS

October 31, 2023, Finance and Administration (F&A) Meeting

Trustee Kahn reported that O’Conner and Drew has merged with Withum Smith & Brown. A revised budget is included in today’s meeting materials. Vice President Edward reported that the MassBay and MassBay Foundation audits are also being presented, and the Uniform Guidance and the State Financial Aid audits will be presented at a future meeting. He thanked everyone in Fiscal Affairs for their work on these audits and budgets. David DiIulis and Joseph Messina of Withum Smith & Brown, PC, reported that everything was turned around for the auditors quickly and on time.

College Fiscal Year 2023 Audit Update & Report

Required Communications

Mr. Messina reviewed the Required Communications, including the following:

*Auditors' Responsibility Under GAAS – An unmodified (good, clean) opinion on the financial statements was issued, and no material weaknesses/deficiencies within the Report on Internal Control over Financial Reporting and on Compliance and Other Matters were noted.

*Independence – Not aware of relationships would impair the auditor's independence. The audits were supervised by Vice President Edward and Comptroller Baccari.

*Management's Responsibility – This includes the selection and use of appropriate accounting policies. During FY2023, GASB 96 (Subscription-Based Information Technology Arrangements) was adopted. It also includes the selection and use of appropriate accounting estimates, based on management's knowledge and experience about past and current events and assumptions about future events.

*Accounting for Significant Transactions – This includes recording of right of use asset and offsetting SBITA liability of \$491,120 as of July 1, 2022.

*Significant Communications, Findings, or Issues and Financial Statement Fraud Risks – There were none.

Financial Statements

Mr. DiIulis reviewed the Financial Statements, including the following:

Statement of Net Position – This is an overview of the College's assets and liabilities as of June 30. The major portions of assets are \$10.5 million in cash, \$21.5 million in investments, and \$69 million in capital assets. There was a significant increase in capital assets due to capital appropriations from the State. The College's new investment portfolio with a balance of \$21.5 million resulted in additional investment income this year. Liabilities are not substantial, somewhat higher this year at \$19.8 million due to leases. The difference between assets and liabilities, also referred to as net position or equity, is \$85 million, a significant increase from last year.

Statement of Revenues and Expenses – There has been a \$25 million net operating loss, an increase from last year. The most significant change is in investment income, which is now \$2.5 million, much more than last year. There were substantial capital appropriations of \$33 million. The change in net assets was \$38.6 million. Trustee Kahn praised the MassBay Finance team for its work on the audits. The College is in a great financial position, with no audit adjustments or internal control issues.

MOTION: Trustee Kahn moved to approve the FY2023 Audit Report, and Trustee Povich seconded the motion.

The motion passed via the following roll call vote: Trustee Choate – YES; Trustee Kahn – YES; Trustee Lish – YES; Trustee Povich – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Trustee Saunders – Yes; Trustee Schmalensee - YES; Trustee Silva – YES; Trustee Vincent – YES.

Finance Items

Vice President Edward reported the following:

Budget vs. Actual Comparison Report

The FY2024 Operating Budget Results through September 30, 2023, are included in today's meeting materials. The September budget-to-actual report shows a favorable variance of approximately \$1,033,000. It was noted that the budget-to-actual numbers were based on the budget the Board approved in June and that next month's numbers will be based on the new revised budget.

MOTION: Trustee Pyrtel moved to approve the Budget vs. Actual Comparison Report, and Trustee Choate seconded the motion.

The motion passed via the following roll call vote: Trustee Choate – YES; Trustee Kahn – YES; Trustee Lish – YES; Trustee Povich – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Trustee Saunders – Yes; Trustee Schmalensee - YES; Trustee Silva – YES; Trustee Vincent – YES.

Student Accounts Receivable and Cash & Investment Comparison Reports

An increase of approximately \$968,000 (19%) is driven by an increase in enrollment. Normalization of receivables is expected once the financial aid disbursement takes place.

Cash & Investment Position by Month Report

The Cash Comparison Report shows an increase of \$3.4 million in cash year-over-year. MassBay has approximately \$8.9 million at MMDT earning 5.5%, \$4.2 million at Bank of America earning 3.2%, and an investment balance of \$20.6 million.

Contracts Report

A contract with Boston Digital for \$275,000 for a website refresh is being paid for with local funds. Associate Vice President for Institutional Advancement, Marketing, and Communications Solomon explained that the software MassBay has been using is becoming obsolete, and the website needs to be simplified and modernized. Boston Digital has overseen several college website restructurings and will be seeking input from the entire community.

Revised FY2024 Budget

President Podell reported that the State allocation is now known and fall semester enrollment is up at 17.4%. The Trustees have encouraged putting more funds into meeting students' needs. There has been a change of paradigm in Massachusetts, with the Healey administration's commitment to community colleges in particular and public higher education in general. He is cautiously optimistic that there is not as high of a need at this time for as much protection of finances. Enrollment is likely going to continue to increase with MassReConnect, a program that meets workforce demands and changes the trajectories of the lives of many people 25 and older, which will help when the "enrollment cliff" of 18 years olds occurs in a few years. The proposed revised budget focuses on student needs, with particular attention being paid to retention, given the experience of other states that have had programs similar to MassReconnect. Next year, it will be necessary to add instructional capacity, by increasing full time faculty by 11. Currently there are 70 full-time faculty, and the College relies heavily on adjuncts.

Vice President Edward then reviewed revenues and expenses. The revised budget totals \$44.8 million, an increase in revenue of approximately \$3,971,000 (9.7%), compared to the preliminary budget that the Board approved in the spring.

The budget has been revised taking into account greater knowledge of both enrollment and the State allocation. This year, fall enrollment increased significantly, by 17.4%, and the State allocation was also greater than anticipated. These increases are due to the policies of the new State administration and lessening of the pandemic.

Revenue

The tuition and fees budget is based on an assumed 14% increase in enrollment year over year.

The state appropriation came in at just over \$2 million higher than the amount in the original budget approved by the Board, due mainly to unpaid salary increases for prior years rolling over into fiscal year 2024.

Contracts, commissions, and other revenue increased by \$333,000, due primarily to interest on the \$9 million cash balance at MMDT currently paying 5.5%. It was noted that MassBay's investments with Prime Buchholz are earning -3.3% for the month of October.

Reserves that originated from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Federal Emergency Management Agency (FEMA), and the American Rescue Plan Act (ARPA), were removed from the budget as they are no longer necessary to balance the budget.

The revised budget for the Administrative Expense line shows a decrease of approximately \$121,000. It was noted that the contingency budget is part of the Administrative Expense line. Approximately \$600,000 has been transferred out of contingency, most of which went to fund costs associated with the new building. Contingency is currently \$994,000.

There is a line for capital reserves which is the \$466,000 of unused capital funds from FY2023 that, at the request of the College administration, the Board agreed to carry over to FY2024. The College has a list of projects to be paid for with these reserves. If State money becomes available, it will be used first.

Expenses:

The \$2 million increase in the Permanent staff line includes the MCCC increases not paid last year. AFSCME and Non-Unit Professional increases are also included.

The Adjunct Faculty line increased \$158,000, primarily to cover course release for full-time faculty for professional development.

The Part-Time line increased by approximately \$241,000 given increased staffing in a number of departments.

Administrative expenses decreased by approximately \$121,000.

The revised Contingency budget, included in Administrative Expenses, remains at \$994,000, which is approximately 2% of the budget.

The Consultant budget increased by \$550,000, due mainly to a website refresh which is underway.

The revised budget for the Information Technology Line shows an increase of approximately \$224,000. This increase can be mostly attributed to funds set aside to purchase a higher education enterprise-level Student Success Management System built to improve student success, and the student experience and the purchase of 100 laptops to loan to students. These laptops will replace existing Chromebooks.

MOTION: Trustee Kahn moved to approve the Revised FY2024 Budget, and Trustee Lish seconded the motion.

The motion passed via the following roll call vote: Trustee Choate – YES; Trustee Kahn – YES; Trustee Lish – YES; Trustee Povich – YES; Trustee Pyrtel – YES; Trustee Sanz – YES; Trustee Saunders – Yes; Trustee Schmalensee - YES; Trustee Silva – YES; Trustee Vincent – YES.

Investment Items

Trustee Kahn reported Mass Bay is happy with Prime Buchholtz, and the audit went smoothly. Vice President Edward reported that as of October 31, 2023, the investment balance is \$20.1 million. The October month-to-date return was -2.8%. The market value of investment has decreased by roughly \$680,000 during October. Year-to-date return as of October 31 is 2.7%. At the end of September, the return since inception is 13%.

Personnel Items

Interim Assistant Vice President Pace reported the following:

Personnel Actions Report

Three new employees have been hired, as follows:

*Erica Meyer, Academic Advisor and Coach for SUCCESS Initiative in the Academic Advising, Coaching, and Transfer Center. Reports to the Assistant Dean for Academic Advising, Coaching, and Transfer.

*Danielle Harding, Manager of Special Events in the Office of Procurement and Business Operations. Reports to the Director of Procurement and Business Operations.

*Feby Sesar has returned as Senior Director of Grants Administration in the Chief Academic Officer's Office.

Six employees are in new roles having been given well-deserved promotions, and one employee left the College.

Recruitment Report

The College is recruiting for seven positions, including Assistant Professors of Cybersecurity and Emergency Medical Service; Assistant Dean of Health Sciences; Associate Dean of Enrollment Management; and Deans of Business and Professional Studies and of STEM. Two candidates have been identified for second round interviews for the Assistant Vice President of Human Resources and Payroll position.

ENROLLMENT REPORT

Assistant Vice President Slavin reported enrollment for fall semester is up 17.4%. January and spring enrollment registration are open, and currently January applications are up 82% compared to this time last year. This past weekend's Open House was very well attended. Over 350 guests were on campus. Many students have already committed, including 40 who applied as a result of MassReconnect. She thanked Admissions and Marketing for their work promoting MassReconnect during the mere three weeks between the approval of the State budget and the beginning of classes. The upward trend of applications from the 25+ population is continuing, also given the State's advertising campaign. Enrollment for the fall 2023 semester also looks good due to another excellent marketing campaign directed to this specific population. The State has also advertised the program. Trustees were asked to spread the word about the program, as this is the best way to reach people.

FOUNDATION AND CAPITAL CAMPAIGN REPORTS

Foundation Board Member Ferris reported the following:

*\$9000 was raised for the Back-to-School appeal to support the Emergency Grant Textbook Fund and General Scholarship funds.

*The annual appeal for the Indigenous Peoples' Scholarship is in process.

*The Annual Appeal is being prepared.

*The Foundation Board newsletter is coming out soon.

*\$91,000 has been awarded in scholarships to 126 students. He thanked all committee members and reviewers.

*The Foundation received a clean audit.

Capital Campaign Director Borg reported the Campaign has raised \$5.4 million towards its \$5.7 million goal. The ribbon cutting will take place in January. The major donor event on October 18 with Larry Summers was successful. She thanked the Schmalensees for hosting and Trustees Choate, Lish, and Povich for their introductions. Chair Schmalensee reported that a one-page summary of Dr. Summers' talk can be shared. All

attendees were impressed with the campus. President Podell thanked the Schmalensees for connecting MassBay to Larry Summers and many of the attendees.

SPECIAL REPORT

The question of whether to arm the MassBay police

Chair Schmalensee reported that the MassBay administration is looking at what safety means to employees and students. Chief DiBlasi reported on the workshops and trainings for employees and students his department is offering, focusing on actions and steps to take in different scenarios. To enhance safety, an escort service to the parking lot in Wellesley is provided. The local fire and police departments work closely with MassBay's Public Safety. All MassBay officers go through mental health evaluations, with practices and role-playing to create a culture of awareness and respect. When this issue came up years ago, there was not such training. The officers are diverse, reflecting the community. Trustee Saunders reported that the students he has spoken with are concerned about the lack of weapons. Student Development Specialist Neptune reported that the issue of arming only came up twice in the focus groups on safety, once positively and once negatively. If the officers were armed, the storage of weapons would need to be addressed. President Podell noted that most of officers at the other community colleges are armed. Two are not. This topic will be on a future Board meeting agenda.

EXECUTIVE REPORTS

Student Trustee

Student Trustee Saunders reported the following:

- *Six SGA members attended the Association of Campus Activities conference.
- *Students enjoyed last week's Halloween get together. Activities are quieter this week, given midterms.
- *There will be a Blood Drive soon.
- *Various LGBTQ initiatives took place a few weeks ago for Pride Week.
- *One women's volleyball player and one men's soccer player were named to the NJCAA Region 21 All-Region teams
- *ESports is growing.
- *The Men's basketball team won its first game.
- *Student Engagement will be hosting an Activities Fair soon.

Board Chair

Chair Schmalensee reported that the Department of Higher Education (DHE) Trustee Conference scheduled for November has been postponed.

President

President Podell reported the following:

- *November is Cybersecurity Awareness month. Details are on the web site:
<https://www.massbay.edu/massbay-cybersecurity>.
- *The Cyber Range, funded by the State, has been installed. The Opening Event took place on campus, and Secretary Tutwiler attended. MassBay's is the first of three cyber ranges across the state to be installed.
- *The increases for MCCC employees look positive. We await the Legislature passing a supplemental budget bill. Faculty in the meantime are on Work to Rule. NUP employees should also be receiving increases later.

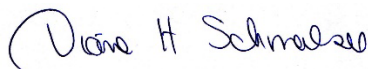
*The College takes ownership of the new building and receives the keys to new building tomorrow.

ADJOURNMENT

MOTION: Trustee Povich moved to adjourn the meeting, and Trustee Choate seconded the motion.

The motion passed via the following roll call vote: Trustee Choate – YES; Trustee Kahn – YES; Trustee Povich – YES; Trustee Sanz – YES; Trustee Saunders – Yes; Trustee Schmalensee - YES; Trustee Silva – YES; Trustee Vincent – YES.

The meeting adjourned at 9: am.



12/12/23

Diane Schmalensee, Chair
MassBay Community College

Date



12/12/23

David Podell, President

Date