Minutes of the October 27, 2015 Board of Trustees’ Meeting – Wellesley Hills Campus

Board members present: Tom Peisch, Lyris Bauduy-Liatuad, Sylvia Beville, Amanda Cataldo, Ken Der, Jamie Hoag, Dan Juliani, and Katherine Tonnelli.

Executive Team members present: Yves Salomon-Fernandez, Interim President; Lynn Hunter, Vice President for Academic Affairs; Kathleen Kirleis, Vice President for Finance & Administrative Services; Robin Nelson-Bailey, Vice President of Human Resources, Labor Relations, Compliance and Affirmative Action Officer; Mary Shia, Vice President for Institutional Advancement & Alumni Relations and Executive Director of the MassBay Foundation.

Staff members present: Liz Blumberg, Dean of Students Eileen Gerenz, Controller; Chitra Javdekar, Dean for Science, Technology, Engineering & Mathematics; Nina Keerey, Professor; Sue Maggione, Dean of Business & Professional Studies; Robert O’Connell, Professor; Lisa Slavin, Assistant Vice President of Enrollment Management; Robert Tarutis, President MCCC Professional Association; Karen Britton, Executive Assistant to the President; Debbie Georgopoulos, Staff Associate for Finance & Administrative Services.

Call to Order and Approval of Prior Meeting Minutes – Interim Chair Tom Peisch called the meeting to order at 8:04 p.m. After introductions, Interim Chair Peisch asked for the review of the prior committee meeting minutes (Item 1).

MOTION: Ken Der made the motion to approve the minutes of the October 7, 2015 Special Meeting of the Board of Trustees meeting as presented. Sylvia Beville seconded and the motion passed unanimously.

MOTION: Ken Der made the motion to approve the minutes of the October 9, 2015 Special Meeting of the Board of Trustees meeting as presented. Amanda Cataldo seconded and the motion passed unanimously.

MOTION: Ken Der made the motion to approve the minutes of the September 15, 2015 Meeting of the Board of Trustees meeting as presented. Dan Juliani seconded and the motion passed unanimously.

Review and Approval of the Consent Agenda (Item 2)
Items that are reflected in the Consent Agenda were discussed in some detail at Finance, Compliance, Personnel and Audit Committee (FCP&A) Meeting on October 23, 2015. No Trustee requested that any items from the Consent Agenda (Item 2) be removed for discussion.

- Local Funds Cash Position Report (Item 2a)
- Ten Year Cash Balances Report Contracts Report (Item 2b)
- Cash Projection Report (Item 2c)
- Student Accounts Receivable Report (Item 2d)
- Contracts Report (Item 2e)
- Personnel Report (Item 2f)
Ken Der, FCP&A Chair, noted that the College will require a revised budget given the enrollment issues. Interim President Yves Salomon-Fernandez reported that the Executive Team would be meeting today and would discuss budget revisions. The College has reduced the budget by approximately $179K with non-personnel items. Personnel decisions are now the main item. Spring enrollment will be available by the end of February.

FCP&A Chair Der reported that the Committee recognizes that simple cuts will not make the College successful. 70 programs are offered at MassBay, and a review must be undertaken to determine viability. The College cannot afford to support programs that are draining resources.

The Interim President reported that Vice President Hunter and the Deans have begun reviewing programs. The Evening Nursing Program has not run for two years and is being put on hold rather than eliminated. A critical mass is necessary to run the program. A systematic evaluation of programs that have low enrollment and low student success rates has already started. The College is also reviewing programs that have potential for growth.

**MOTION:** Trustee Sylvia Beville made the motion to approve the Consent Agenda forwarded from the Finance, Compliance, Personnel, and Audit Committee Meeting which was held on October 20, 2015; Trustee Lyris Baudy-Liatuad seconded. The motion was unanimously approved.

**AUDIT ITEMS**

**Presentation of the FY15 Financial Audit**

Interim Chair Tom Peisch introduced Ray Lofstrom, Partner; and Brendan McGuiness, Manager from the Audit Firm O’Connor & Drew.

- **Required Communications**
  
  Mr. Lofstrom reviewed the required communications with the Board. An unmodified opinion was issued. There are no material weaknesses or deficiencies.

  This year statements are presented for one year only — for the year ended June 30, 2015 — due to the implementation of GASB 68. Mr. Lofstrom explained GASB 68 (Governmental Accounting Standards Board) affected all public colleges. This is a requirement to include pensions as a liability on the College books. Pensions are currently funded by state appropriation, but now must be carried by Colleges as liabilities. Mr. Lofstrom further cautioned that there is a new requirement to report post-retirement benefits that will be implemented in three years.

- **Financial Statements and Management Discussion & Analysis (MD&A) (Item 3)**

  Brendan McGuiness reported that the Management Discussion and Analysis has been updated this year. The background information on the College has been updated and expanded. There is an in-depth description of each of the financial statements, its purpose and the results of this year as compared to last year’s.
One change that resulted from the implementation of GASB 68 was to split what the Statement of Revenues, Expenses and Changes in Net Position into 2 separate statements – the Statement of Revenues and Expenses and the Statement of Changes in Net Position. The purpose of this change was to be able to present the changes in net position as a result of GASB 68 in a more detailed fashion.

1. Statement of Net Position (page 5) – overall assets increased by $800K this year, primarily due to an increase in the College’s cash position. Liabilities decreased due to decreased amount of long-term debt owed. Net position increased due to a positive Statement of Revenues and Expenses.

2. Statement of Revenues and Expenses (page 8) – overall, the College ended the year with a $1.1M increase in net position.


Mr. Lofstrom reported that the Independent Auditors’ Report on Internal Control found no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

FCP&A Chair Der noted that as a result of GASB68 the College is now reflecting a $2.5K unfunded liability, and owes expenses beyond its capability to pay them. It was noted that the income stream is variable, and fixed costs are significant. Interim President Salomon-Fernandez noted that the College relies heavily on funds received from the federal and state government which makes compliance issues more significant when we fall out of compliance or are noted for any infractions. Additionally, Interim President Salomon-Fernandez noted that MCCC increases will also be state funded for the first year, but will become the responsibility of College in the future. Trustee Der inquired of the auditors whether the College had any going concern issues, and the auditors indicated they did not believe that the College had any going concern issues at this time.

**MOTION:** Trustee Ken Der made the motion to accept and approve the FY15 financial statements as prepared and presented by the auditors at O’Connor & Drew. Trustee Katherine Tonnelli seconded. The motion was unanimously approved.

**Management Letter**

Brendan McGuiness reported that out of a sample of forty, one student who was self-certified as a resident was charged out of state tuition, and one student who had not fulfilled the requirement was charged in-state tuition. The auditors recommend policies and procedures to determine residency requirements be reviewed. Interim President Salomon Fernandez noted this issue can be addressed quickly. All previous comments have been resolved.

**MOTION:** Trustee Sylvia Beville made the motion to accept and approve the FY15 Management Letter as prepared and presented by the auditors at O’Connor & Drew. Vice Chair Ken Der seconded. The motion was unanimously approved.

Vice Chair Der recommends the College focus on internal controls. They are adequate, but we have some significant challenges. It is not financially healthy to depend on the contributions of others. During this
period of financial stress for the college, the Board of Trustees need to focus on its key priorities of enrollment, internal controls, program offerings, faculty and staff and its financial health. The Board should deliberate on how best to fulfill its fiduciary responsibilities on these matters at the Board retreat so that our future board meetings are more aligned with the action required of the Board versus Information sharing. Discussion at the retreat should include actions Board Members can accomplish rather than just be educated, including interaction with state legislators and other advocacy.

• State Audit

Interim President Salomon-Fernandez reported that the audit is presently scheduled to be completed by the end of the year. The College will have an opportunity to respond, and it is expected the final report will be presented to the College around March, with a press release being distributed around April. Interim President Salomon-Fernandez has asked the auditors to review the press release before it is issued.

• Department of Labor

Four Colleges, including MassBay, were selected for an audit by the Department of Labor. Two have been completed with very favorable findings. The Department may consider not doing the other two. A determination will be made over the next two weeks. The College will continue to compile documents as we await the decision.

FINANCE ITEMS
Approval of the Budget vs Actual Comparison Reports (Item 2)

Vice President Kirleis noted that the Budget vs Actual Comparison Report was discussed and reviewed at the FCP&A Meeting on October 20, 2015.

MOTION: Trustee Ken Der made a motion to recommend the Board of Trustees accept the August 2015 Actual to Budget Comparison Reports. Trustee Dan Juliani seconded and the motion passed unanimously.

COMPLIANCE ITEMS


Interim Chair Peisch reminded the Board of the dramatic improvement in the Clery report in recent years. Federal law requires campuses keep statistics and to report them. The College was not in compliance in the past and is awaiting a decision as to possible penalties.

Additionally, Public Safety is providing training for employees in vulnerable positions per the request of Interim President Salomon-Fernandez.

• Update on the 2011 Clery Audit
No update has been received from the Department of Education.

• Gainful Employment (Item 7)
Interim President Salomon-Fernandez reported that the College continues to work on the Gainful Employment Report which relates only to certificate programs. Information for 2014 has been submitted, but additional data needs to be included. It was noted the Gainful Employment Report was for
certain certificate programs only. Vice President Kirleis noted there are similarities to Clery reporting, in that it is required by the Department of Education, can affect Financial Aid issuance, and requires input from various areas of the College.

A group of key stakeholders has been brought together to begin work. The Interim President noted that we are forced to rely on consultants more than we anticipated which creates an additional financial burden. Interim President Yves Salomon Fernandez recently attended a meeting of the American Association of Community College Trustees (ACCT), and learned that 400-500 Community Colleges nationwide are in the same predicament.

**NICAA Eligibility (Item 8)**
Interim President Salomon Fernandez reported that MassBay failed to file the eligibility for Men’s Soccer as required by the National Junior College Athletic Association (NJCAA) within the appropriate time frame. Dr. Salomon-Fernandez noted that participation requires extensive filing of student information. Two students were ineligible to play because they fell below full-time status. As a result, a mandatory audit of the Men’s Soccer Program is now underway. NJCAA acknowledged receipt of the report and we await their response.

**Systems Improvements**
Chair Peisch noted that the Board is committed to supporting administration’s needs as to compliance systems. The College is heavily regulated and in need of improved systems and the cooperation of all members of the community.

Interim President Salomon-Fernandez noted that people create systems. Having quality people is critical. The College has a lack of systems, and lack of coordination and communication. Putting talent in place and designating responsibility for assistance and advice.

Trustee Hoag encouraged the College to turn to the state for assistance and advice. The Department of Higher Education worked with Roxbury Community College to offer support and advice, and he suggested that MassBay could do a comparison study with Roxbury to determine any commonalities. Interim President Salomon-Fernandez stated that conversations with the Commissioner indicated limited resources were available. The recommendation was to work with the Executive Team at Roxbury. Additionally, performance funding is steadily decreasing.

Vice President Kirleis noted the public colleges are a very decentralized system. MassBay is the only community college that uses Peoplesoft. Different schools use different systems with varying success.

Vice President Kirleis noted that many positive endeavors are taking place with the available budget resources. IT will give a presentation to the Board next month on the PeopleSoft upgrade and will identify many accomplishments. New hires in Admissions are within budget, and the College is building Student Development.

**PRESIDENTIAL SEARCH COMMITTEE**
Trustee Sylvia Beville reported that Search Committee Chair Emmett Price has been in discussions with Jennifer Perkins of the Department of Higher Education and the Association of Community College Trustees (ACCT) search firm.
ACCT is going to post an informal notice that MassBay will be conducting a presidential search. Trustee Beville reported that the Committee received a two-page list from Vice President Robin Nelson-Bailey of people who are interested in participating. Sean Nelson has been designated the search committee representative from the Department of Higher Education.

The first search committee meeting is scheduled for November 12 at 8:00 a.m. Three Town Meetings will be scheduled, including a “Student Town Hall” to help determine what will be the ideal candidate. The Committee will also review samples of interview questions.

ACCT thinks we can have a small pool of candidates by late January. The Search Committee anticipates a new President by late winter or early spring.

FOUNDATION BOARD REPORT
Mary Shia, Vice President for Institutional Advancement & Alumni Relations and Executive Director of the MassBay Foundation, reported on Foundation activities.

- Distributed FY15 Annual Report
- The *Kristal Campbell 5K Race* was held on October 18, 2015 and raised between $14-15K.
- Ninety-Five people attended the *Donor Appreciation Dinner* on Thursday, October 22, 2015. People feel inspired to give more when they hear the positive impact their donations have. Student Trustee Amanda Cataldo was one of the speakers who presented a very inspiring speech.
- Reunion was held on October 25, 2015. 25 people attended this very successful event.
- A *Parent Appeal* went out in mid-October.
- An online appeal to alums is being distributed to about 7,500 names today.
- The Foundation has invested approximately $5,500 in the software program Lexis Nexis to help find alums. Currently only about 7K emails are known.
- Mid-November – *End of Year Appeal* to alums will be undertaken.
- First Tuesday in December is *Giving Tuesday*.

MCCC REPORT
Interim President Salomon-Fernandez introduced Professor Bob Tarutis, Humanities Department Chair and President of MassBay MCCC Union chapter since last November. Professor Tarutis thanked the Board for allowing him to speak, and noted he has been doing much rebuilding trying to repair relationships with administration.

Professor Tarutis provided an update on contract negotiations.

The Day Contract expired at the end of June. The Union filed a request to begin bargaining last December. Negotiations did not begin until April. Fifteen meetings were held between May and December with no financial parameters established. Professor Tarutis noted the negotiations were not primarily financial. Contract language is also being negotiated for the following items:

- change to the tenure process
- making entire sections of the contract non-grievable
- removing the phrase “mutually agreed upon” from EC
- extension of the work day to commence courses at 6:30 p.m.
- online courses not optional
- removal of day off after Thanksgiving
- requirement to log activities of every action

Professor Tarutis reported that on September 3, 2015 the employers’ team presented financial parameters of 2%, 2.5% and 2.5%. The Union feels the communication was prompted by a Work-to-Rule consideration put forward in September. The Union met on October 6, 2015 and the Board moved to recommend all 15 community colleges participate in Work-to-Rule. Four Colleges have committed so far.

Professor Tarutis explained the Work-to-Rule process would result in members working to the strict interpretation of the contract. The Union wishes to assure the Board that classroom activates will not be affected at all. The faculty are cognizant of issues the College is facing and will not jeopardize enrollment or compliance issues. Open Houses scheduled for November will not be impacted. Census will not be impacted. Work-to-Rule seems to be the only way to force the DHE to move ahead with contract negotiations.

On behalf of the Union, Professor Tarutis asks for Board Support in developing a fair contract. Several College Presidents and Boards have written letters to Secretary Peyser and Commissioner Santiago, urging the acceleration of the contract. Interim President Salomon-Fernandez acknowledged the work the Union leadership has done to solve issues rather than incite fear.

Interim President Salomon-Fernandez reported that 78% of the faculty positively responded to the request for census information. The goal is to achieve and sustain 95%. Faculty were not aware of the requirement to provide census information, and in addition to the Professional Day presentations, the urging of the President’s Council and union leadership contributed to a drastic increase in reporting. Interim Chair Peisch noted that if attendance information is not submitted, the College is not able to comply with federal requirements regarding reporting.

Interim Chair Peisch expressed appreciation to Professor Tarutis for the dramatically improved atmosphere at the College, and the hard work of the Faculty. However, noting Work-to-Rule is a benign form of strike, it would not be appropriate for the Board to greet the option happily. There are forces at work from the state side that the College does not have control over, and it is important that the Board not take a position on the issues.

Interim President Yves Salomon-Fernandez, and Interim Chair Tom Peisch will write a letter to the Commissioner encouraging dialog and asking them to move the negotiations along.

**BOARD FOCUSED SESSION**

**Review of Board Budget**
- Conference attendance has been replaced by Webinars developed by the Association of Community College Trustees (ACCT).
- Interim President Salomon-Fernandez attended ACCT conference, paying for her own expenses.
- Travel and food expenses have been reduced.

**Board’s Guidance on Addressing College’s Budget Gap**
A review of the 70 programs at MassBay may result in a significant cost reduction.

**Board Retreat – Data and Topics**
The Retreat will require significant prep work by administration. Key trend data will be provided. Karen Britton will poll Board Members for best available time slot. The recommendation is a Saturday from
9:00 a.m. – 2:00 p.m. at MassBay, in the Alumni Board Room to reduce costs. Agenda topics will be determined.

Interim Chair Pecisch noted that the Interim President is participating in an Executive Leadership Program in Arizona, and has been invited to speak in Florida at the American Council on Education.

EXECUTIVE REPORTS
Student Trustee Amanda Cataldo
- Student involvement in College activities has increased.
- More clubs are being formed.
- A “Penny War” for textbook endowment fund will be undertaken.

Interim Board Chair Tom Peisch
- November 4, 2011 is the Statewide Trustees Meeting at UMASS Lowell. Trustees are encouraged to attend.
- The Interim President continues to work on leases. A 2-year lease for Framingham has been signed, and an agreement with Ashland is being worked on.
- The Interim President is also working with DCAMM on addressing a new campus. The State froze capital for new building. State Representative Peisch has been added to advocacy group, and Senator Spilka has been advocating.
- At his request, Emmett Price is being appointed to the Student Success Committee and taken off the by-Laws Committee.
- The reappointment of Tom Dretler is imminent and necessary.

Interim President Yves Salomon-Fernandez
- Ned McGuire has been asked to chair faculty and staff recognition committee. It is important to recognize faculty and staff who are leading and committed to the institution.
- Online course offerings are growing and we now have Director for Online Learning. A robust plan for increasing online enrollment will be presented in November.
- Provost Lynn Hunter and the Interim President will be going before NEASC in November. The Interim President will share any information once submitted.
- Spring semester does not typically see many new students. Retention will be the focus for Spring semester. Dean of Students Liz Blumberg and Director of Learning Services Tim Rivard led subcommittee to develop strategies.
- The Director of Student Retention is a critical position.

COMMUNICATIONS
Statistical reports from the MassBay Office of Public Safety were provided for review.
NEW BUSINESS

Charge for Board Committees

By-laws Committee Chair Jamie Hoag has been asked to review the College By-laws. Regular reviews of By-Laws are part of the Trustee mandate. Trustees are encouraged to review the By-laws and remit any comments or suggestions to Mr. Hoag.

“Statement of Institutional Goals and Objectives” for FY '16

The State has asked us to provide this in lieu of a presidential evaluation. Interim President Yves Salomon-Fernandez is working with Executive Staff and Jennifer Perkins from the Department of Higher Education. A draft will be developed for consideration at the next Board meeting.

ADJOURNMENT

Trustee Ken Der moved to adjourn the meeting. Trustee Dan Juliani seconded. Meeting adjourned 10:15 a.m.

Respectfully Submitted,

Yves Salomon-Fernandez
Interim President

Thomas E. Reisch
Acting Chair

1/27/16