Massachusetts Bay Community College Board of Trustees

Minutes of the January 17, 2017 Finance, Compliance, Personnel & Audit Committee meeting – Wellesley Hills Campus

Committee members present: Ken Der, Jamie Hoag, Dan Juliani, Tom Peisch

Staff members present: David Podell, President; Kathleen Kirleis, Vice President for Finance & Administrative Services; Lynn Hunter, Vice President for Academic Affairs; Lisa Bacon, Interim Vice President of Human Resources, Labor Relations, Compliance, and Affirmative Action; Debbie Georgopoulos, Executive Assistant for Finance & Administrative Services; Eileen Gerenz, Assistant Vice President for Finance and Administrative Services; Marcus Edwards, Controller.

Call to Order and Approval of Prior Meeting Minutes – Committee Chair Ken Der called the meeting to order at 5:00 p.m. After introductions, Chair Der asked for the review of the prior committee meeting minutes (Item 1).

Vice President Kirleis noted that the College is not expecting 9c cuts as referenced on page 2.

MOTION: Trustee Tom Peisch made the motion to approve the minutes of the October 18, 2016 Committee meeting as amended to reflect Ms. Kirleis’ statement. Trustee Dan Juliani seconded, and the motion passed as amended.

FINANCE ITEMS

Approval of the Budget vs Actual Comparison Report

Vice President Kirleis presented the FY17 Budget vs Actual Comparison Report for November, 2016. The FY17 projected amounts, which result in a projected net income of $1.2M before reconciling and audit adjustments, include the following:

Revenue

- Tuition and Fees – credits sold for Spring semester were down 4% as of January 9th and there was a subsequent drop for nonpayment last Friday, so the tuition and fees projection has been adjusted downward by approximately $600K since September’s projection to reflect lower revenue numbers for the spring. The College has been more aggressive in requiring payment in advance which indicates a change in culture at the College. The projected budget for this line will be able to be more closely aligned with actual results for the spring once add/drop ends next Monday. Updated information will be available at the Board of Trustees Meeting on Tuesday.
- State maintenance appropriation – the state appropriation has been projected to be higher than originally anticipated, due to funding received for year 1 of the MCCC contract and actual performance funding amounts now available for FY17.
- Financial Aid Pell/Financial Aid – All Other Programs – amounts are projected to be lower than originally budgeted due to lower FY17 enrollments and analysis of current year results to date.
• Contracts, Commissions and Other Revenue – this line is up through November and projected to be about $175K above budget at year end due to new contracts.

Expenses

• Permanent staff – this account is projected to be close to budget at year end, due to increased labor costs and the college’s filling of vacant positions.
• Adjunct faculty – this account is presently close to budget, but is projected to be over budget by over $200K by the end of the fiscal year, primarily due to an larger than budgeted salary increase of 4% for DCE faculty going into effect for the spring semester and the continued reliance on adjunct faculty to cover open full-time faculty positions. Vice President Kirleis noted that 75 classes have been cancelled, as opposed to 27 last year, and 40-50 pro-rata classes are being offered. This likely will result in a larger number of cancellations. These actions should reflect favorably on next year’s budget.
• Part-time/Stipends – this account is projected to end the year below budget by close to $150K due to delays in hiring.
• Administrative Expenses – this account is expected to be $200K over budget by year end primarily due to increased advertising expenses and some activities that were originally unplanned in the budget.
• Consultant expenses were previously included in operational services. Reporting in this specific line offers more transparency.
• Facility Operational Supplies and Related – this account currently show a surplus and is anticipated to end the year with an approximately $90K surplus.

Vice President Kirleis noted the College is close to budget on both revenue and expenses.

**MOTION:** Trustee Dan Juliani made a motion to recommend the Board of Trustees accept the November 2016 Budget vs Actual Comparison Report. Trustee Jamie Hoag seconded, and the motion passed unanimously. (Item 2)

Contracts Report – December 2016 (Item 3)

Vice President Kirleis reported one amendment for the consultant for Financial Aid Consultant. Aid is now current and the consultant is working on having the systems work together. Reporting has improved significantly.

Quarterly Reports

**Student Accounts Receivable Report (Item 4)**

Accounts Receivable is just over $7M for Spring Semester. The College continues to bring that figure down with student payments and Financial Aid disbursements. Debts uncollectable by the collection agencies have been turned over to the state intercept program. Intercept continues until the debt is paid off or the College does not see any activity. Vice President Kirleis noted that intercept has made a big difference, with $188K received since January 2016.
PERSONNEL ITEMS

Personnel Actions Report (Item 5)

President Podell reviewed the Personnel Actions Report which indicates five new employees have joined the College, including, one faculty member in Nursing and four staff members.

Two individuals have moved to other positions within the College, the Coordinator for Surgical Technology has moved to Assistant Professor position in that department. Another individual has moved into Public Safety. Dr. Podell noted that Public Safety is now fully staffed.

Recruitment Report (Item 6)

Dr. Podell noted progress is being made on a number of positions. An offer for the position of Director of Corporate Partnerships & Workforce Development has been extended to an outstanding candidate. A response is expected by Thursday.

An excellent candidate has been identified for the Grants Administrator position. HR is in the process of checking references for this person who will be essentially the “traffic cop” for grants; monitoring the entire process to ensure compliance and success. The position will act as a liaison between the grants office, fiscal affairs, human resources and other pertinent departments.

The search to fill the Vice President for Human Resources position has not generated a very rich pool of candidates. The majority of applicants did not meet the qualifications, and the anticipated start date cannot be met. The search will be reinitiated. Vice Chair Peisch suggested advertising in “Lawyers Weekly” and provided contact information. Dr. Podell noted that use of a search firm may be necessary to fill this important position.

President’s Attendance Report (Item 7)

Commissioner Santiago’s Office suggested the Presidents keep their Boards advised of their attendance in order to provide a system of checks and balances and negate any appearance of misuse. Presidents (Council) suggested reporting quarterly so information is on the record.

The Trustees expressed confidence in Dr. Podell and noted they did not feel the report was necessary.

Dr. Podell feels the request is not unreasonable and, as a steward of the Commonwealth, appreciates the opportunity to establish accountability. It was suggested that a column be included that indicates the current balance.

New Business

Chair Der noted that the new audit firm required a management signature on the representation letter. Mr. Der feels the Board does not have the in depth knowledge of the activities reported; Trustee involvement at that level is not necessary or appropriate, and he signed the document with reservations. Vice President Kirleis will schedule a meeting with a partner from Cohn Reznick and the Chair and Vice Chair to discuss this requirement.
Adjournment

**MOTION:** Trustee Tom Peisch moved to adjourn; Trustee Dan Juliani seconded the motion. Chair Der adjourned the meeting at 5:43 p.m.

Ken Der  
Committee Chair  
Board of Trustees

David Podell  
President  
Massachusetts Bay Community College