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).

**MOTION:** Tom Peisch made the motion to approve the minutes of the February 21, 2017 Committee meeting as presented. Jamie Hoag seconded and the motion passed unanimously.

**FINANCE ITEMS**

**Approval of the Budget vs Actual Comparison Report**

Kathleen Kirleis presented the report through January 31, 2017. Net income of $1.6M is reported before audit adjustments such as pension expense and depreciation.

**Revenue** - Revenue for the year is presently projected to end the year at just over $100K compared to budget. Tuition and fees and Financial Aid will be less than budgeted, but the state appropriation and other revenue are projected to exceed the amounts budgeted by year end.

**Expenses** - Expenses for the year are $1.5M under budget, primarily due to personnel savings in permanent full-time staffing, adjunct faculty costs and part-time staff.

President Podell noted that increasing the minimum class size and reducing the number of offerings in the spring semester did not present any notable issues and resulted in a savings of $950,000. This savings reflects only the spring semester. Greater savings are anticipated for next year when both fall and spring will be accounted for. Lessons learned include the fact that eleven seems to be an optimal minimum class size, and that the schedule of classes is something the Deans can control. This information will be particularly useful when programs currently in Framingham move back to the Wellesley Hills campus.

The Student Success Committee has identified nine programs which are scheduled to be phased out. This will create a modest savings. The College has begun working with Gray & Associates who are analyzing programs to help the College determine if programs should be started, stopped, sustained, or grown. It is anticipated that by June draft recommendations of the Strategic Planning Committee will be brought to the Board of Trustees. Dr. Podell noted that 67% of the teaching is done by Adjuncts, and it not anticipated that tenured faculty will be impacted.

Consulting costs are expected to be over budget due to operational consultants that were hired this year to fill staffing gaps and additional costs associated with the Financial Aid system implementation.
MOTION: Trustee Dan Juliani made a motion to recommend the Board of Trustees accept the January 2017 Budget vs Actual Comparison Report. Trustee Tom Peisch seconded, and the motion passed unanimously. (Item 2)

FY18 Budget Timetable

The fiscal team has begun compiling budgets for FY18, for review by the Executive Team. The College anticipates an enrollment decline of 2% for the fall and 4% for spring, and the budget will be built on those figures.

The Budget will be brought to the Board in April to discuss enrollment projections and Capital budget. The Revenue Budget will be presented in May, and the Operating Budget presented in June. The College will start the new fiscal year with a budget in place. It was noted that the College will be required to cover state negotiated collective bargaining increases, barring legislative intervention.

Framingham

A brief discussion regarding the Framingham campus reminded that in a new leasing arrangement the College will be leasing half the space for twice the cost. Once a location is determined, more detailed plans can be formulated. Depending on proximity to the Wellesley Hills campus, staffing requirements may be reduced. Unions and staff are aware of this possibility, and it is anticipated that any required reductions will be achieved mainly through attrition.

PERSONNEL ITEMS

Personnel Actions Report (Item 3)

Lisa Bacon presented the Personnel Actions Report, noting that with the departure of the Staff & Recruitment Associate, Shraddha Gaikwad has been transitioned from a temporary position to an Interim Recruitment & Staffing Associate.

Dr. Podell is in conversation with an interim person for the position of Vice President for Finance and Administration, tentatively through July/August. ACCT has been engaged for a search, and the job listing has gone out. The Search Committee is almost entirely formed, and the President will announce once it is finalized.

Recruitment Report (Item 4)

Vice President for Finance & Administration position will be on the next report.

Lisa Bacon reported that the Toyota Lexus automotive instructor declined the offer and the position will need to be reposted.

Search for the Vice President for Human Resources is in process. ACCT has been engaged for that search.
Other Business

Title III Money Currently Held in Foundation Endowment

In 1993, MassBay applied for and was awarded a Title III Grant. It included a $500K Challenge Grant which was matched by the college through fees and contributions. Under the terms of the Endowment Challenge Grant, the $1M would be invested for a period of 20 years. In October, 2013, then President John O'Donnell received notification from the US Department of Education that the investment period had been completed on June 30, 2013, and $1.7M was released and available for educational purposes. There is another Title III grant that has not been released by the Federal Government, pending the filing of the final report.

The President has outlined a proposal to the Foundation Board in which the bulk of the funds stay in the endowment to continue to generate scholarships, at the same time making approximately $150 to $175K available annually to the College to fund other educational initiatives. The proposal is under review by the board of trustees of the Foundation. The President expects that some further discussion will need to take place on this issue with the board of the Foundation.

The Foundation is currently undergoing a change in leadership, and there seems to be some disagreement on the part of the Foundation regarding usage of these funds. A review of the investments revealed that when the corpus was released by the Federal U.S. Department of Education, the funds were made available for spending in the unrestricted fund of the Foundation endowment. These funds have been reinvested and used to fund scholarships and general operations since the release. College Counsel's opinion is that the funds belong to the College and the College should have the option of funding educational goals.

Independent of this matter, the state has recommended that colleges establish operational agreements with their Foundations. This would set the tone and provide structure. Jim Lehan will be the new Foundation Board Chair, and it is anticipated formalizing a Memorandum of Understanding and stabilization of leadership will resolve many of the issues currently facing the Foundation. Establishment of an operating agreement would also create a closer tie between the College and the Foundation. Ken Tashjy has released a draft operating agreement to the College Presidents with a strong recommendation to have each College review it and adopt such an agreement. Vice President Kirleis noted that Northern Essex is the only Community College with an Operating Agreement at this time.

Trustee Juliani has requested an accounting of funds that have been raised by the Foundation, excluding any funds that have been raised by the Advancement Office. It was noted that unrestricted money in the College's endowment is used for operational expenses of the Foundation.

Board Chair Peisch noted this will be an Agenda item for the Full Board.

President Podell reported that the College is applying for a new Title III grant, which focuses on Guided Pathways to Success.
Adjournment

MOTION: Trustee Tom Peisch made a motion to adjourn; Trustee Jamie Hoag seconded, Chair Der adjourned the meeting at 5:48 p.m.

Ken Der 6/6/17
Committee Chair
Board of Trustees

David Podell 6/6/17
President
Massachusetts Bay Community College