Massachusetts Bay Community College Board of Trustees

Minutes of the November 28, 2017 Finance, Compliance, Personnel & Audit Committee meeting – Alumni Board Room, Wellesley Hills Campus

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

Board member present:

Staff members present: David Podell, President; Neil Buckley, Vice President for Finance & Administrative Services; Steve Baccari, Assistant Controller; Joe DeLisle, Director of Facilities; Eileen Gerenz, Assistant Vice President for Finance & Administrative Services; Marcus Edward, Controller; Debbie Georgopoulos, Executive Assistant for Finance & Administrative Services; Lynn Hunter, Vice President for Academic Affairs; Mary Shia; Associate Vice President for Institutional Advancement; Samaria Stallings, Director of Human Resources, Labor Relations, Compliance, and Affirmative Action.

Guests present: Steven Violin, Sr. Vice President, & Tom Manning, CEO at F.L. Putnam; and Natasha Espada, Principle, Studio ENÉE Architects.

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 a review of the prior committee meeting minutes (Item 1). Minor edits were noted.

MOTION: Trustee Der made the motion to approve the minutes of the August 31, 2017 Committee meeting as amended. Trustee Hoag seconded, and the motion passed unanimously.

A request to present the Personnel Items out of order was granted by the Chair.

Personnel Items:

Vice President Buckley introduced Director of Human Resources Samaria Stallings who reviewed the Personnel Actions and Recruitment Reports.

It was noted that adjunct faculty would not be assigned to vacancies created by the retirement of two full-time faculty retirees. Searches will begin in the Spring in order to fill these positions in the Fall 2018 Semester.

Presentations:

Investment Policy

Vice President Buckley introduced Steven Violin, Senior Vice President, & Tom Manning, Chief Executive Officer at F.L. Putnam.
Mr. Manning provided a brief history of F.L. Putnam, and provided some background on the experience the company has with Higher Education. The initial assignment will consist of developing an Investment Policy Statement (IPS) for the College. Steve Violin will be the contact at Putnam who will be working directly on the MassBay project. A draft template has been provided, to assist in incorporating pertinent guidelines and objectives for the statement.

Working with the College, F.L. Putnam will build an investment policy statement that will lay out the groundwork for management of the assets and how an investment manager would work with the College to invest.

Putnam will assist the College with the selection of an investment manager. Chair Der noted the decision to have the investments managed by a third party manager, or driven by a smaller committee would be determined in the IPS. Chair Der also suggested it would be wise to incorporate the skillset and experience of the Board Members. The IPS will help define roles and responsibilities, taking into consideration the experience of the members on the committee.

Trustee Peisch noted the MassBay Foundation has an investment advisor and suggested Putnam may wish to review the Foundation IPS to become familiar with the structure. Putnam will be provided a copy of the Foundation IPS.

The Committee thanked Mr. Manning and Mr. Violin and look forward to a presentation of what is proposed.

**Capital Projects**

Vice President Buckley introduced Joe DeLisle, Direct of Facilities at MassBay, and Natasha Espada, Principle, Studio ENÉE architects.

Mr. DeLisle reviewed the Capital Projects for 2017 – 2018, and introduced Natasha Espada who has been approved by DCAMM as the House Doctor for the College’s projects.

Mr. DeLisle reported that this is the first year of a 3-5-year plan, and that projects will span fiscal years.

**Framingham Campus site proposal.**

The objective is to build a new campus at Framingham State University. MassBay presented to the Peer Review Committee at DCAMM and is expecting an indication in December if the funds will be approved.

Meanwhile, President Podell reported that the Request for Proposals for potential leased space resulted in eight responses. Six of the possible sites have been visited; Leasing is not the preferred option, however, the College needs to be prepared in the event DCAMM does not approve our proposal or the lease on the Farley School is not
extended. Extending the lease at Farley is larger concern now as Framingham has increased requirements for space. A meeting with the new Mayor of Framingham is being scheduled.

Dr. Podell noted that an article in a MetroWest newspaper reported on three of the possibilities, but neglected to mention the sites that were not in Framingham or the proposal to the State to build a campus on the Framingham University site.

Natasha Espada has been hired to develop a new site. The site allocated at Framingham State appears to be appropriate in size. A feasibility study is to be submitted to DCAMM on December 22, 2017. The study consists of a comprehensive package of forms and statistics, which includes graphic health science programming and layouts, site analysis, and massing studies.

A budget with a maximum of $33.5M was put together based on cost per square foot. It will be necessary to shrink our footprint, and the College has proposed decreased programming to fit. The Maximum of $33.5M also includes the cost of replacing the parking lot at Framingham State where MassBay intends to build. Expansion possibilities will be taken into consideration as the feasibility study is developed.

President Podell has been encouraged to pursue the $36M that was originally included in the bond bill, and offered hope for this possibility.

Facilities Projects

- Joe DeLisle reported that the air conditioning on the 3rd and 4th floors of the Wellesley Hills Campus will be ready in December (DCAMM funded)

- Access doors security project which began in July is finishing up now.

- Vice President Buckley would like to issue an RFP to replace the chiller. Mr. DeLisle explained that this is a separate project from the air conditioning, and that the chiller is responsible for cooling the rest of the Wellesley Hills Campus. Vice President Buckley explained that state agencies cannot go out to bid without funding in place. MassBay cannot operate without air conditioning in the summer; however, DCAMM does not consider AC a necessity and approval may not be granted with enough time to complete the project. With the Board’s consent, the job will go out to bid with the understanding that the College may need to dip into reserves if DCAMM funds are not made available for this project.

- Site paving improvements to comply with American with Disabilities Act (ADA) is being prioritized. Funds have been allocated by DCAMM for these improvements.

- Rest rooms in the Carey Building are in desperate need of updating. It is the plan to develop a building standard for the bathrooms and renovate each year. Scheduling
and consolidation of work will be taken into consideration.

- The Enrollment Center will be reconfigured to centralize departments in one area to better service students.
- Exterior lighting improvements will add 22 exterior light fixtures to areas around campus which pose a safety risk due to inadequate site lighting. 4-5 solar lights will be installed in the parking lots as part of a Green initiative.

FINANCE ITEMS

Approval of the Budget vs Actual Comparison Report

Vice President Buckley presented the FY18 Budget vs Actual Comparison Report for October, 2017, noting there were no material or significant changes. There was a positive variance in budget to actual revenues, operating expenses, and net operating income of $230K, $407, and $637K, respectively.

**MOTION:** Trustee Juliani made a motion to recommend the Board of Trustees accept the October 2018 Budget vs Actual Comparison Report. Trustee Hoag seconded, and the motion passed unanimously.

Five Year Cash Balance Report

Vice President Buckley presented the Five Year Cash Balance Report as of October, 2017 which shows the College in a healthy financial position with an increase of approximately $5M since last year.

OTHER

*Foundation’s Audited Financials*

Marcus Edward distributed the Audited Financials, the Management Letter, and an AU-260 Communication Letter (required communication from the auditors) for the Foundation. The Financial Statement indicates net assets of $5.5M. Mr. Edward reported that investments did very well in FY17,

President Podell noted that Foundation did well with investments. Donations did well because of Mary Shia who was instrumental in bringing in new donors.

President Podell also noted that Tom Britt encouraged fundraising responsibilities among the Foundation Board and Jim Lehan, the new Foundation Chair reinforced the message creating awareness that fundraising is a primary responsibility of the Foundation Board.
Mr. Edward noted the Management Letter had two findings.

One of the Title III grants was released from temporarily restricted to unrestricted before the College had met the requirements. The requirements have since been met and the issue is resolved.

The Foundation’s Internal Control did not provide for a second or supervisory review procedure. Management has updated internal control procedures regarding the release of temporarily restricted net assets.

Last year’s findings for lack of documentation for donations, and documentation of Internal Controls have both been resolved.

**Adjournment**

**MOTION:** Trustee Peisch moved to adjourn; Trustee Juliani seconded. Chair Der adjourned the meeting at 6:29 p.m.

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Ken Der  
Committee Chair  
Board of Trustees  
College  

2/6/2018

David Podell  
President  
Massachusetts Bay Community  

2/8/18