



**Minutes of the Meeting of the Massachusetts College of Liberal Arts  
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE**

**December 7, 2021**

**87 Blackinton St, North Adams, MA**

**Audio/Video Conference**

**Members in attendance**

Karen Kowalczyk, Chair\*  
Mohan Boodram, Board Chair\*  
John Barrett\*  
Denise Marshall\*

**Others in attendance**

Dr. James Birge, President  
Lisa Lescarbeau, Board Clerk  
Joseph DaSilva, Vice President, Administration and Finance  
Curt Cellana, Accounting Manager, Administration and Finance  
Daniel Seamen, Executive Director, Facilities Management

\*Denotes remote participation

Complying with the provisions of Massachusetts General Laws, and with a quorum present, Trustee Kowalczyk called the meeting to order at 8:30 a.m.

**1<sup>st</sup> Quarter FY22 Report**

VP DaSilva provided an overview of the first quarter FY22 fiscal reporting including revenue and expenses. Revenue lines for fees and tuition are under budget by \$662K. While scholarships are \$175K positive, this will level off throughout the fiscal year. The miscellaneous revenue of \$71K is a result of the MSCBA bond issuance of \$1M. Interest revenue is down as a result of decreased interest rates. Overall actual revenue is under budget by \$452K for the quarter.

Student enrollment is down 52 full-time equivalents. Trustee Kowalczyk requested enrollment numbers, actual AY21 to actual AY22 which will be provided to her by VP DaSilva following this meeting.

The decrease in the grants line is a result of timing of issuance of the grants (i.e. Title 3 funding).

Full-time employee expenses are under budget by \$360K as a result of open positions and delayed hires throughout the College. Part-time employee expenses are under budget by \$235K due to positions remaining unfilled. The trend of lack of applicants for part-time employment is reflective of the national trend.

Expense line SS debt service is over budget as a result of the approved payoff of the loan with Berkshire Bank.

Trustee Kowalczyk inquired as to the nature of legal expenses. It was explained that the College has an attorney on retainer and to assist with issues with legal implications including collective bargaining and employment law.

Trustees further discussed the difficulty of filling part-time positions and hiring students. Many students are reluctant to work part-time for personal safety concerns related to COVID, and the emergency federal aid issued to students is likely a further detriment to the College's ability to hire students.

### **FY22 Forecast**

VP DaSilva reviewed the FY22 fiscal reporting forecast consisting of four months actual, July through October. State revenues are up \$430K as a result of the Commonwealth's funding formula post-budget approval. Tuition and fees are forecast at a loss of \$638K as a result of the enrollment decrease. Overall revenue is \$226K under budget forecast for the fiscal year.

With regard to the variances in tuition and fees revenue, it was explained that these numbers are on cash basis accounting and the fluctuation is based on when the cash is collected. The forecast represents a smoothing of these collections. When payment is received, fees owed to the College are prioritized within the system for funds application.

Full-time salary expenses are forecast to end the fiscal year under budget by \$72K. This will be impacted by collective bargaining and non-unit professionals increases.

Special employee compensation expense line CC breaks down as follows:

- Adjunct line is \$175K over budget
- Part-time student employees line is \$250K under budget
- Part-time employees line is \$60K under budget

The College is in the process of purchasing replacement vehicles for student transportation (vans) and facilities operations (vans, tractor) which impacts line KK— equipment. These vehicles failed recent inspections for safety issues rendering them illegal for road use. Two 15-passenger vans are being purchased, and two 25-passenger shuttle busses are being leased for four years with a \$1 buyout at the end of the lease. A replacement plan for the existing fleet will be developed and budgeted over future years.

Overall forecast for the fiscal year is to end with a net revenue of \$836K, which is a positive variance to budget of \$100K.

In response to a question regarding the NN construction line, VP DaSilva stated that the positive variance in this expense line is not adjusted downward to allow for unexpected costs throughout the year.

### **FY23 Budget Timeline**

VP DaSilva commented briefly on the document provided as a timeline for the state's and MCLA's FY23 budgeting process, which begins in December 2021.

### **Introduction of Executive Director of Facilities Management**

VP DaSilva introduce Mr. Daniel Seaman who joined MCLA on November 15 as the executive director of facilities management. He brings over 30 years of higher education experience in facilities including 16 years at St. Lawrence College as the chief facilities officer.

Mr. Seaman offered his thanks for the opportunity to work with MCLA. He noted that the staff have been welcoming and he is excited to be at the College.

### **FY23 Major Capital Project Submission**

VP DaSilva provided an overview of the FY23 higher education capital project funding model, which was included in the materials received by the Committee in advance of this meeting. This project, being referred to as the Pathways Project, consists of renovations to Mark Hopkins Hall, the creation of a student learning commons in the Freel Library, and addresses ADA issues on campus in the area of the Quad.

Work on this project has been done in conjunction with our House Doctor to produce cost estimates. Final project submission is due to DCAMM by December 23, 2021. Awards are anticipated to be announced in June 2022.

As part of the FY23 Major Capital Request, DCAMM funds are being pursued for renovation of several campus buildings. The Total Project Cost (TPC) of the Pathways Project is estimated at \$35,373,157. Per the funding model, the goal is for the Advancement Office via the Capital Campaign to raise \$2.4M, and to request the maximum amount of \$30M from the Commonwealth of Massachusetts. In support of the Pathways Project, the Fiscal Affairs Committee recommends to the Board of Trustees the allocation of up to \$1.5M from MCLA's reserve funds in support of the Pathways Project.

The Pathways project was presented to the Board of Trustees during the Executive Session of the Board meeting of September 30, 2021.

**VOTED:** to recommend to the Board of Trustees the allocation up to \$1.5M from MCLA's reserve funds to support the Pathways Project.

### **Investments**

VP DaSilva discussed the investment of MCLA's funds totaling approximately \$16.7M and on deposit with various local banks. Opportunity exists to invest these funds conservatively to bear income beyond the standard deposit account interest rates. An RFP is being developed for discussion with President Birge that will explore investing a portion of the funds available in equities, bonds, and other low risk ventures. As discussed at prior meetings, this initiative requires the establishment of the agreed upon Investment Advisory Committee with Trustee participation. It is recommended that this Committee be chaired by a Trustee, and consist of additional community members with experience in the financial and investing arenas. The Committee will be charged with exploring investment strategies and selecting an investment firm to manage funds.

It was agreed that President Birge would approach Trustee Keator to determine his interest in, and ability to, serve as chair of the Investment Advisory Committee

Trustee Barrett also recommended contacting other local colleges to discuss what they have been successful with in regards to investment management.

### **Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 9:22 a.m.