



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

September 14, 2021

**87 Blackinton St, North Adams, MA
Audio/Video Conference**

Members in attendance

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

Others in attendance

Dr. James Birge, President
Joseph DaSilva, Vice President of Administration and Finance
Curt Cellana, Director Fiscal Affairs
Robert Fortini, Assistant Director of Facilities
Lisa Lescarbeau, Clerk

*Denotes remote participation

Upon establishing a quorum of the Fiscal Affairs Committee present, Trustee Kowalczyk called the meeting to order at 8:30 a.m.

4th Quarter FY21 Report

VP DaSilva provided an overview of the FY21 fiscal reporting including revenue and expenses. State Revenue was up \$1,883,584 due a full appropriation compared to a reduction of 8% the board approved, as well as increases in formula funding. Fee revenues were down \$1,635,867 due to lower housing revenue and refunds. Full time salaries provided over \$300k in savings because of open positions and early retirements. Actual expenses were lower than budgeted for the FY, offset by slightly higher revenue, resulting in a net budget surplus of \$2.4M.

FY22 Budget

VP DaSilva reviewed the proposed budget for fiscal year 2022. Student enrollment is down by 47 FTEs; overall total revenue is projected to be down \$200k as a result. Open positions have resulted in reduced expenses of \$127k, but it is anticipated that these positions will be filled at some point

during the FY. IT expenses are \$100k over budget due to significant, unexpected increases in software fees that MCLA was notified of in August. A lower year-end surplus of \$594,546 vs. \$726,081 budgeted is projected at this time (\$131k.)

VP DaSilva provided an explanation of the DHE's formula funding for State appropriations, which resulted in MCLA receiving an additional \$380K for FY22.

With regard to enrollment, Trustee Kowalczyk requested data reporting to include FY21 actuals compared to FY22 actuals.

With regard to construction expenses being under budget by \$151k, VP DaSilva explained that this is expected to level off during the year. The Committee members further discussed expenses, timing, and impact on budget.

CARES Act funding was reviewed briefly, noting that the funds are included in reporting at the time they are brought in as revenue and expended.

FY21 Capital Projects

VP DaSilva reviewed the small repair capital projects completed in FY21 with funds from DCAMM. These included the Berkshire Towers parking lot wall repair, Bond St. lot paving, Bowman Hall condensate pump replacement and Freel Library roof repair.

FY22 Capital Project

Capital projects for FY22 were presented. A house doctor has been retained to assist MCLA with capital repairs. The role of the house doctor is to oversee all the tasks associated with a capital project including preparation of cost estimates and preliminary work to bid a project.

The process for selecting a house doctor was reviewed and it was noted that MCLA has completed this process and anticipate a new house doctor will be in place by November 3, 2021 for a six-year period.

Trustee Kowalczyk requested summary spreadsheet reports of the FY21 small repair capital projects and FY22 capital projects.

In response to the spending of five-year capital funds, VP DaSilva stated that these funds would be used. He reminded Trustees that these funds have a 20% match required of the College. With \$3.2M in critical repairs funds available, MCLA's match is \$620k.

Investments

VP DaSilva reviewed the College's cash funds, where they are invested, and their rate of return. He proposed to the Committee the formation of an Investment Committee for the College to advise the College on its investments and improve the income from cash funds. The committee would likely consist of a Trustee to serve as Chair, and select members of the campus and broader community with experience in investing and money management.

Costs associated with investing would be the fees charged by the firm that is awarded the business following a bid process.

Following discussion of the Board of Trustees role in the cash management of the college, it was agreed to propose to the full board that an Investment Advisory Committee be formed to explore the long-term investments of the College's funds.

Upon motion duly made and seconded, following a roll call vote, it was:

VOTED: to recommend to the Board of Trustees to form an Investment Advisory Committee to explore the long-term investments of the College's funds and to authorize Management to explore short-term investment strategies for College funds and to act accordingly on those strategies.

Other Business

VP DaSilva discussed the notes payable MCLA has with Berkshire Bank with a balance of \$389k with an interest rate of 2.5%. This note is secured with a \$500k CD earning 0.05% interest. It was recommended that the College pay off the note with Berkshire Bank. An amortization schedule for this note will be provided.

Upon motion duly made and seconded, it was:

VOTED: to authorize the payoff of the note with Berkshire Bank.

Trustee Marshall abstained from voting.

VP DaSilva presented recent roof issues that have increased as a result of the considerable amount of rain this season. Funds will be used to replace, not repair, the roofs on the Mark Hopkins and Amsler Campus Center buildings.

Concern has been expressed in some areas with mold in buildings and the impact on a safe work environment. Cleaning, environmental testing, and remediation efforts continue to address leaks and areas identified by Safety Solutions, the company engaged to address these concerns.

The roof replacements will cost over \$1M and will be funded through DCAMM's small project and 5-year critical repair program.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 9:50 a.m.