



**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
Wednesday, March 4, 2015
President's Office Conference Room**

Trustees in attendance:

Denise Marshall, Chair
James Clemmer (via phone)
Buffy Lord

Others present:

Cynthia Brown, Interim President
James Stakenas, Vice President, Administration & Finance
Denise Richardello, Executive Vice President
Laura Brown, Director of Fiscal Affairs
Chuck Kimberling, Director of Facilities
Curt King, Chief Information Officer
Jennifer Macksey, Director of Student Accounts
Ginger Menard, Clerk

Trustee Marshall called the meeting to order at 9:00 a.m. She noted that it was a full agenda with discussion and information items but no action items to advance. The meeting in May will include the budget review and other action items related to projects being discussed today.

Bowman Hall

Vice President Stakenas began with an update on the Bowman Hall project which is scheduled for completion in August 2015 in time for classes in September. Once all class rooms are ready for use Academic Affairs, Computer Science faculty, Math faculty and FPA faculty will be moved into the building. Furniture and technology will be ordered in April to ensure timely arrival in early August.

The budget for furniture and equipment, security system, technology and maintenance items was reviewed. Costs are expected to be covered from the construction budget (FF&E line), energy rebates from the Feigenbaum Center for Science & Innovation, energy rebates from Bowman Hall, and the remaining from Bowman Hall contingency fund line. Should contingency funds not be sufficient a motion will be brought to the Fiscal Affairs with an alternative funding option.

Campus Master Plan

The campus master plan is near completion. The plan outlines priorities for the maintenance of the state owned campus buildings as well as infrastructure needs. In addition, other facility areas are noted for works including the MCLA Foundation properties, parking areas, athletic fields, ADA required improvements. Lastly, the Sightlines building condition assessment is provided which serves to underscore our facility improvement needs. The Church Street Center building includes an additional notation as it may prove to be more cost effective to replace rather than to renovate.

Chuck Kimberling is working currently with the Division of Capital Asset Management and Maintenance (DCAMM) to identify funding for various projects outlined in the master plan. These projects include deferred maintenance work such as an elevator replacement and building envelope repair.

MCLA staff will be meeting with the Massachusetts State College Building Authority (MSCBA) regarding student housing projects. As student residence halls are managed by the MSCBA they are not included in the campus master plan.

Vice President Stakenas informed the committee that all Trustees will receive copy of the campus master plan summary in advance of the retreat on March 31. Trustee Clemmer noted that affordability should be considered when determining changes or improvements that could result in additional fees for students as it is important to balance investment and costs with accessibility and affordability.

A-133 Audit

Executive Vice President Richardello reported on the annual A-133 Financial Aid audit. The auditors (Oconnor and Drew) identified one minor finding. This finding, a missed calculation on the number of days for the federal refunds schedule, was immediately corrected.

9c Budget reduction

Vice President Stakenas shared that Governor Baker recently instituted a 9c budget reduction to account for an FY2015 state-wide budget shortfall. Once a 9c authority is granted the Governor by the legislature, the Governor can make line item budget alternations. For MCLA and all of the state universities, the result was a 1.5% reduction of our state appropriations. We were permitted to send in this amount from a trust account in lieu of reducing our appropriation as we were then able to maintain the benefit amount provided by the state when the appropriation is used for payroll. With a 1.5% reduction from the state appropriation of \$14,779,296 and a 1.5% reduction from the Gallery51 appropriation of \$75,000, a total of \$222,814 was returned to the state.

Sources were identified from which to draw trust account funds for this repayment from our current operating budget. These included monies previously allocated for advertising, debt

service, open positions, and discretionary spending. All college divisions have been asked to reduce spending and open positions were held to save additional payroll expenses. These actions will have no immediate impact on programmatic activities.

Bookstore Contract

Vice President Stakenas has been working PACE (Partnership to Advance Collaboration and Efficiency) in conjunction with the other state universities to obtain bids for one bookstore vendor to service all of the state universities. Three companies have responded to the bid including Follett (MCLA's current vendor), Barnes & Noble, and NEEBO (Nebraska Bookstores). As MCLA is the smallest university in the state system a joint contract will allow the College to obtain a better deal than would have been possible separately. All campus bookstores have seen a decline in sales in the last five years. The successful vendor will match text book prices from outside sources, and provide both capital incentives and a signing bonus.

Massachusetts Cultural Council (MCC) Grant

The MCC grant was awarded to MCLA to improve community access to the Church Street Center. Vice President Stakenas reported that the College had received funding two years ago for a feasibility study and the results of this study were used to apply for this capital grant. It is a matching grant in the amount of \$444,000. MCLA must match this amount within two years in order to receive the funds. As this building was noted for either renovation or replacement in the master plan, the funds will be used for accessibility upgrades to honor the intent of the grant for greater community access. MCLA will then conduct a more comprehensive review in eight to ten years to determine future plans for the building. With a new president arriving this summer, it will be important to assess that person's interest in this and other projects.

Informational Items

Vice President Stakenas shared that the state budget would be released later today. He believes base funding will continue yet be reduced by the \$222,814 9c cut. We do not expect collective bargaining funds will be included. This topic will be discussed at the Board retreat.

The Governor also has proposed an early retirement plan. While Higher Education is not included, there has been lobbying to amend this.

For the coming fiscal year MCLA is preparing a level funded operations budget. Any new funding will be considered in conjunction with strategic planning process.

2nd Quarter Report

Finance Director Brown shared highlights from the 2nd quarter report. Year to date revenues are exceeding expenses which is typical in the second quarter due to the majority of financial aid and loans are posted in October. She reviewed the account summaries noting that at the end of this quarter 53.97% of the budgeted revenue had been collected while 52.25% of the budgeted expenses had been spent. This report is consistent with prior years with both revenue and

expenses slightly higher than the last few years. The finance team will continue to closely monitor revenue and expenses. Vice President Stakenas also thanked Jennifer Macksey, director of student accounts, for her assistance with revenue collection.

Co-Gen Project Update

Director of Facilities, Chuck Kimberling, had a recent meeting to review the layout of the power plant and other energy conservation measures included in this project. Additional campus improvements are in the queue for energy conservation and rebates. The co generator will be installed in November/December and operational for next winter. As the installation will be done during the start of heating season back up measures are being identified for the transition to the new boiler.

Title III Grant

Interim President Brown shared that the College is planning to apply for the next round of Title III grants. The proposal will focus on increasing retention and improving graduation rates. A successful application could result in up to \$2.5 million over five years. MCLA has engaged Lighthouse Consultants who are paid only upon a successful grant outcome.

Vice President Stakenas thanked Laurie Brown for her detailed attention to the College's finances, to Chuck Kimberling and Curt King for their detailed oversight of the physical campus and technological infrastructure, respectively, and to Jennifer Macksey for thoughtful work with students in account collection.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 10:08 a.m.