



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

November 1, 2022

87 Blackinton St, North Adams, MA

Audio/Video Conference

Members in attendance

Franklyn Reynolds, Chair*
Brenda Burdick, Board Chair*
John Barrett*

Members absent

Karen Kowalczyk

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

*Denotes remote participation

As allowed by executive order of the Governor of Massachusetts, in compliance with the provisions of Massachusetts General Laws, Chapter 30 and 15A, Section 9, and with a quorum present in-person and via audio/video-conference, the Fiscal Affairs Committee meeting with Committee Chair Reynolds presiding was called to order at 8:32 a.m.

FY23 First Quarter Report

VP DaSilva provided an overview of the first quarter FY23 fiscal reporting including revenue and expenses. Revenue for the quarter is \$86k below budget, but this is a result of timing as the College operates on a cash basis. Tuition and fees are up 13% to budget year over year, which is \$300k in additional revenue from fees and tuition. Revenue from grants is up slightly as a result of funding received for IT equipment.

VP DaSilva highlighted individual expense lines as follows:

- AA – Full time employees - \$300k positive variance as a result of open positions and timing of filling those positions. In response to questions regarding faculty, it was noted that this line is all full-time faculty and does not include adjunct. The positions that remain open

are largely the result of the tight labor market and no applicants. Positions are across all divisions and positions. Adjunct positions were discussed more in-depth relative to the number currently employed, the number needed to cover courses resulting from full time faculty vacancies, and maximizing course load for full-time faculty.

Enrollment numbers used for budgeting were discussed. The College's student enrollment numbers, and a comparison of employed adjunct faculty year over year, will be provided to the committee following this meeting.

- CC - Special employee comp – positive variance of \$173K as a result of a significant decrease in part-time students employed on campus and fewer adjunct faculty on payroll.
- DD – Pensions/insurance - positive variance of \$72K as a result of fringe benefits being down in direct correlation with open positions
- EE – Admin expenses and supplies – positive variance of \$111K attributable to timing
- NN - Construction – positive variance of \$118K attributable to timing of DCAMM projects
- UU – IT expenses – negative variance of \$133K as a result of a grant received to purchase equipment. This will be offset in grants revenue.

Overall net revenue is a positive variance of \$540k.

FY23 Forecast

VP DaSilva reviewed the FY23 fiscal reporting forecast consisting of three months actual.

For revenue, the College does not anticipate any additional revenue from the State at this time, and reports a zero variance on this line. Enrollment estimates remain consistent and retention from fall to spring is expected to be as budgeted with no additional revenue from tuition and fees semester to semester. Grants are expected to continue as budgeted and will remain stable. No fluctuation is anticipated in scholarship funds and miscellaneous revenue with variances in these lines being a result of timing.

VP DaSilva highlighted individual expense lines as follows:

- AA and DD – Full time employees / Pension/insurance – Both lines expected to remain unchanged with open positions expected to be filled throughout the year.
- EE – Admin exp and supplies – positive variance of \$122k attributable to timing.
- GG – Energy costs – positive variance of \$54k as a result of milder weather

Overall net revenue is projected to be \$644k.

Trustees discussed energy costs in light of current market increases. It was noted that the College will not see an increase in FY23 as rates are locked in under the contract through October 2023.

Power Options, an outside energy management agency, is contracted to assist in energy procurement, and will be part of the process when the current energy contracts expire.

Trustees discussed police coverage for the campus in light of open positions in the department. Adequate coverage is being provided through longer shifts for existing officers, and North Adams Police Department and State Police arrangements for the 2 – 6 a.m. period. Challenges to recruiting and retaining police officers were discussed. These include more attractive benefits with municipal police departments, and state mandated training requirements.

FY24 Budget Timeline

VP DaSilva presented a comparison of the State's and MCLA's FY24 budget process and timeline in advance of the upcoming budget cycle.

Capital Repairs Update

VP DaSilva reviewed capital repairs projects underway on campus:

- \$500k - Repair and remodel Amsler Campus Center patio roof including installation of patio blocks creating additional usable outdoor space that can be used to generate additional revenue when booking events on campus. (DCAMM funds)
- \$700k – Repair main Amsler Campus Center roof (DCAMM funds)
- \$265k – Venable Theatre stage upgrade for accessibility and ADA compliance. Improve lighting catwalk for safety (grant funded through Foundation)
- \$11m - DCAMM critical infrastructure project to replace steam and water lines in various areas about campus. Phase 1 (\$3.5m) is near complete. Phase 2 (\$7.5m) will begin next spring and is anticipated to take six months. (DCAMM funded fully)

In response to questions regarding ADA compliance and accessibility, VP DaSilva commented on the ADA assessment completed by DCAMM in 2014. This report will be updated in the coming months. The College's proposal for DCAMM funding addressed a majority of accessibility issues on campus, but funding was not awarded to MCLA. Funds will be applied for again in the next round of DCAMM financing.

With regard to the infrastructure project, the steam line leak repairs will result in savings to the College as daily water loss of 2,500 gallons will be eliminated.

Investments

A request for price (RFP) for managing the College's investments garnered 17 responses. This was narrowed to four firms and outreach will be conducted by Trustee Keator. Presentations from

these four firms will be requested to be made to the Investment Committee. A final selection will be brought forward to the Board of Trustees for their approval.

Upon motion duly made and seconded, with no further discussion, following a roll call vote, it was unanimously:

VOTED: to accept the reports of the VP of Administration and Finance as presented at this meeting.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 9:04 a.m.