

Massasoit Community College Board of Trustees  
Meeting of the Audit Committee  
Thursday, February 15, 2018  
5:00 P.M.  
President's Conference Room, Canton Campus  
Canton, MA  
*Approved May 9, 2018*

Attendees: Thomas E. Carroll, vice-chair, Robert M. Harnais, chair, Ann M. Sullivan, trustee, Valerie Sullivan, trustee, William Mitchell, interim president, Patricia Marcella, interim vice president for administration/CFO, William O'Neill, interim chief of staff/executive director of budgeting and finance, Lydia Camara, interim executive assistant to the President, Jane Centrella, staff associate for administration and finance.

Call to Order

The meeting was called to order at 5:00 P.M.

Approval of the minutes of the November 8, 2017 Audit Committee Meeting (vote needed)

**A motion was made by Trustee Valerie Sullivan and seconded by Trustee Ann Sullivan to approve the minutes of November 8, 2017 Audit Committee meeting as corrected. The motion passed unanimously.**

Review of the FY18 Second Quarter Financials

Executive Director O'Neill noted that the FY18 report reflects financial activity and budget performance for the period ending December 31, 2017. At the end of the second quarter the college received 67% of the state appropriation of \$21.1 million; this percentage is on par with FY17 but slightly lower than prior years. The college collected 83.21% of the operating fund for an additional revenue of \$23.6 million. The biggest contributing factor in the higher percentage of revenue collection (on the higher end of the range from FY14-FY17) is tuition/fee revenue that was not collected in the previous fiscal year. We continue to pursue the amount of uncollected revenue in subsequent years through a collections process as well as through the state comptroller's intercept. Currently in the fiscal year, the college has collected almost double the amount of prior year revenue as compared to last year for an additional \$800,000.

Looking to enrollment based revenue streams; the college is down -4.6% in credit hours as compared to last year. After applying the standard discounts for projected uncollectable revenue and the loss of state-supported course tuition, the institution could face a \$400,000 drop in projected revenue. Trustee Ann Sullivan asked if the drop was in new students. Interim President Mitchell noted that we missed the mark in "stop out" students – those students previously registered in one of the four prior terms that had an active record but did not register. Though we had an aggressive phone campaign to reach these students our timing may have been delayed. He advised that Vice President Tracy will present the misses in greater detail at the February Board of Trustees meeting.

Executive Director O'Neill reviewed the Capital Expenditures that are complete or underway noting the completed engineering lab; LED light fixtures; new hot water boilers in Canton and the Science building; and the next phase of the master key system in the Administration and Fine Arts buildings. He noted that the college is required by the Board of Higher Education, the institution dedicates five percent of total operating revenues to Capital Adaptation and Renewal expenses to ensure our facilities and infrastructure are capable of supporting our mission. Regarding expenses, the college has spent 40.52% of the total FY18 approved amount, consistent with trends from the first half of previous years. He noted that fiscal managers have been excellent stewards of the resources allocated.

Investment Firm Recommendation

Interim Vice President Marcella noted that last spring a request for proposal was issued for investment services. The current provider, Commonwealth Corporation was adequate, however; they were not providing the customized services required by the institution. We received sixteen proposals with two firms rising to the top: Eaton Vance and Fiduciary Trust. The firms were brought to campus for interviews, which included Vice Chair Carroll, and Eaton Vance was the clear leader after the interview process. Trustee Ann Sullivan noted that Eaton Vance was not necessarily the least expensive. Interim Vice President Marcella said that while they were not it was the customized services they can provide which put them to the top of the list. Vice Chair Carroll added that the team has done an excellent job vetting the firms and supports the recommendation.

Other Business

Interim President Mitchell reminded the committee that some time ago there were discussions regarding the privatization of dining services and maintenance. He advised that the negotiations went very well with the maintainers and agreement was reached amicably between the union and the administration. Interim Vice President Marcella added that we are now in the process of gathering information on dining services. She noted that all the process is dictated by the Pacheco Law and the team is working with legal counsel and colleagues at UMass Dartmouth to craft the request for proposals which will be sent out by the end of February. Vice Chair Carroll thanked the team for the update.

Interim President Mitchell said that the committee may recall that while developing our strategies one of the solutions was to identify revenue related to Corporate and Community Education (CCE). He is pleased to share with the committee a CCE P&L statement. Vice Chair Carroll thanked the team for the document and noted that this is a great tool for the team.

**A motion was made by Trustee Vice Chair Carroll and seconded by Trustee Valerie Sullivan to adjourn the meeting. The motion passed unanimously.**

Prepared by:



Lydia B. Camara  
Interim Executive Assistant to the President



Thomas E. Carroll  
Vice Chair, Board of Trustees