



**Minutes of the Meeting of the Massachusetts College of Liberal Arts  
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE  
December 1, 2020  
Audio/Video Conference**

**Members in attendance**

Karen Kowalczyk, Chair  
Denise Marshall  
Mohan Boodram, Board Chair

**Members absent**

John Barrett

**Others in attendance**

Dr. James Birge, President  
Lisa Lescarbeau, Board Clerk  
Curt Cellana, Accounting Manager, Administration and Finance

Complying with the provisions of Massachusetts General Laws, and with a quorum present, Trustee Kowalczyk called the meeting to order at 8:31 a.m.

**First Quarter FY21 Financial Report**

Mr. Cellana reviewed the first quarter FY21 financial operating report noting that first quarter performance was better than budgeted. This improvement is a result of anticipated level funding from the State and cost savings in payroll lines.

In response to questions regarding the CARES Act funding, Mr. Cellana stated that the funds had been budgeted for receipt in the first quarter, but were delayed to the second quarter as the College awaited federal guidance on proper use of the funds.

President Birge commented on potential impact of the newly elected presidential candidate. There is talk of additional stimulus money from the federal government to state governments, and this will likely include funds for higher education institutions. Timing of this is unclear, but will be after the inauguration and may hinge on the senate candidate run-off election in Georgia.

With regard to budgeting and reporting of the fitness center renovations, Mr. Cellana reminded Trustees that the financials for this project are reported separately to avoid confusion in the College's operating budget.

## **FY21 Financial Forecast**

Mr. Cellana reviewed the financial forecast report for FY 21. This forecast includes level funding from the state and reflects the resulting approximate \$1mm benefit to operations. This reduces the forecasted loss to approximately \$1.5mm, and includes approximately \$500k in savings from payroll lines.

Mr. Cellana noted that the small repairs projects funded by \$975k through DCAMM are reported separately of the operating budget to avoid confusion of the revenue and expense lines. As finance staff are made aware of changes in expenses and revenue, adjustments are made to the FY 21 forecast.

## **Small Repairs Project Program**

Mr. Cellana reviewed the list of projects being completed through funding from DCAMM's Small Repairs Project program. Seven of these projects identified have been completed at this time. Work on three projects began this week. The bids and final expenses for some of these projects are coming in under budget, freeing up funds for additional projects. Mr. Cellana continues to meet with President Birge to update on the use of funds and discuss additional projects that can be completed by June 30, 2021 to ensure the use of all available capital.

The state process for approval and bidding projects was briefly discussed. It takes about three weeks for posting on central register, bidding and selection of vendors for these smaller projects. Focus is on determining if there are larger projects that DCAMM would fund 80% and the College's 20% would be covered from the Small Repairs Project program. This allows larger projects and other deferred maintenance to be addressed at no additional cost to the College.

## **Financial Security**

Mr. Cellana apprised the Committee of an intrusion into the College's operating account that was discovered on October 6, 2020. The intrusion, which was an ACH withdrawal, occurred on September 29, 2020, and was revealed during routine account monitoring and reconciliations. Upon notifying the bank, the funds were restored to the College's account, and a process was initiated with the Bank whereby ACH transactions will not be honored without prior notification from the College. The State was notified of this incident and no further guidance has been received from officials.

In response to questions regarding how the College's data was accessed, it was noted that the account and routing information necessary for an ACH transaction is readily available on any College issued check.

### **Other Business**

At a prior meeting of this Committee and the Board of Trustees, the issuance of \$1mm in bond funding through MSCBA was discussed. Mr. Cellana provided a brief update on the status of the bond issuance noting that MSCBA has again delayed going to market with these bonds. Action from MSCBA is anticipated to occur in the spring of 2021. At that time, this committee and the board will be asked to determine what action to take with regard to the borrowing.

President Birge notified the Committee of current contract negotiation efforts with ARAMARK, the College's dining services provider. At issue is the amortization schedule which neither side can agree on. While the impact is considerable at between \$400-500k, it would only become an issue if one party decides to terminate the contract. Updates will be provided to this Committee at a future meeting.

### **Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 9:02 a.m.