



My College. Right from the Start.

**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
Wednesday, October 3, 2012
President's Office Conference Room**

Members in attendance:

James Clemmer, Chair
Steve Crowe
Buffy Lord
Denise Marshall

Others in attendance:

Mary K. Grant, President
James Stakenas, V.P. Administration & Finance
Gerald Desmarais, Treasurer
Charles Kimberling, Director of Facilities
Thomas Bernard, Clerk
David DiIulis, O'Connor & Drew P.C.

The meeting was called to order at 10:02 a.m. by Trustee Clemmer. He welcomed Trustees Lord and Marshall, recently appointed to the Board, to their first committee meeting.

Review of FY 2012 Audit Report

David DiIulis (O'Connor & Drew) provided the Committee with a report on the FY 2012 audit. The audit provides an unqualified opinion of the College's financial position.

Mr. DiIulis reviewed a prepared document with the committee that outlined the Auditors' responsibilities as well as significant accounting policies, and the various steps taken during the audit. He noted that in addition to auditing the College's financial statements in accordance with Government Auditing Standards, the auditor also completed an A133 audit of federal assistance funds received by MCLA, and recommended process enhancements to ensure the College remains in compliance with all appropriate requirements.

Mr. DiIulis then reviewed in detail the audited financial statements and footnotes for the year ended June 30, 2012, with the committee. A general discussion with questions on the financial

statements followed. Mr. DiIulis underscored the work done by MCLA to return an unqualified audit status, and President Grant noted that the College manages the budget carefully to plan for future challenges, stay on track, and sustain progress.

Chair Clemmer reminded the committee of the process for reviewing the audit. Upon review and acceptance of the Fiscal Affairs Committee, the audit will be advanced to the full Board for acceptance at the October 11 Board of Trustees meeting. Mr. DiIulis will be in attendance. Once accepted by the board, the audit will be filed with the state Comptroller.

Upon a motion duly made and seconded, it was

VOTED: Unanimously to accept and advance the FY 2012 audited financial statements to the full board for acceptance at the October 11 Board of Trustees meeting.

Ashland Street Warehouse Project Update

The committee received an update on the project costs and funding options for the Ashland Street Warehouse.

Vice President Stakenas presented estimates for both the renovation of the existing warehouse structure and demolition of the warehouse and replacement with a 15,000 square foot prefabricated building. The costs for each scenario are comparable. The committee discussed the options and expressed the opinion that a new structure would best serve the operational and professional needs of the MCLA Facilities department that will occupy the building.

Upon a motion duly made and seconded, it was

VOTED: Unanimously to recommend that the Board of Trustees authorize the College to work with a house doctor architect to prepare detailed bidding documents for construction of prefabricated building for the Ashland Street site.

MSCBA Project Funding

Vice President Stakenas informed the committee that the Massachusetts State College Building Authority (MSCBA) is preparing a bond issue to support state university infrastructure projects. The bond will provide \$1.35 million dollars to advance several projects at MCLA, including lighting at the athletic complex, new bleachers in the campus center gym, replacement seating in Venable Theatre, enhancements to space in the campus center for the athletic training program, and other enhancements. Vice President Stakenas noted that MCLA has capacity to manage the debt payment from this bond.

Upon a motion duly made and seconded, it was

VOTED: Unanimously to recommend that the Board of Trustees authorize the College to participate in the MSCBA bond issue in an amount not to exceed \$1.35 million.

4th Quarter FY 2012 Report

Treasurer Desmarais provided the Committee with the FY 2012 Fourth Quarter Report. Revenue ran within expected levels for the Fourth Quarter, and expenses were higher than normal due to costs associated with campus projects and increases in student aid awards. For the fiscal year, the College ended up with revenue running slightly ahead of expenses.

Other Updates

Vice President Stakenas noted that planning for the FY 2014 budget is underway. Information at the state level indicates that the budget recommendation for the coming fiscal year may once again include funding for campus collective bargaining costs. MCLA will continue to monitor the development of the state budget process and report on progress at future committee meetings.

Vice President Stakenas also reported on several campus projects:

- Construction of the Center for Science and Innovation continues, with installation of the exterior paneling underway.
- Planning continues for the renovation of Bowman Hall, The project will begin in the fall of 2013 once the Center for Science and Innovation is complete and faculty move into the new building.
- Work is underway to update the College's facilities master plan.

Vice President Stakanas noted that Human Resources director Marilyn Truskowski recently retired, and the College has hired Suong Ives as MCLA's new HR director. She served most recently as human resources director at the Polytechnic Institute of New York University in Brooklyn, New York. Marilyn Truskowski will continue at the college on a part-time basis to help support the transition to a new director.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 11:10 a.m.