



**Board of Trustees Audit and Finance Committee**  
**Wednesday, March 2, 2016**  
**Hartleb Technology Center, Haverhill Campus, Room TC103B**

**Attendees:** President Lane Glenn, David Gingerella, Richard Haskell, Linda Buckley, Chairwoman Marianne Paley, Trustees William Cox and Jeffrey Linehan,

Chairwoman Marianne Paley called the meeting to order at 4:00 pm. Meeting minutes from the Dec. 2, 2015 meeting were approved with a motion made by Trustee William Cox, and seconded by Trustee Jeffrey Linehan. All were in favor, none opposed.

The following items were discussed regarding the Second Quarter Financial Package – December 31, 2015: FY2016 Operating Budget, Student Activities Fund, Enterprise Funds, and Total Cash and Investments.

**Operating Budget**

David Gingerella noted that the fringe benefit rate is going up 2% next year. The college tries to pay as much as possible from the State appropriation. When the state appropriation has run out, the college pays \$1.28 (the fringe rate is on top of the salary). This year's budget shows that we are below revenue, but the expenses are running below the expenses.

Some of the revenue expected was based on enrollment and the enrollment has dropped for the spring semester about 8%. For next year we expect a 6% decline. We continue to work in a number of areas, one of which is outreaching to a number of employers; however, the demographics in our area for the next few years are slimmer than they had been. There will be a need to increase the student fees, as other community colleges have done. Our local representative, Brian Dempsey, has been very supportive of the college when we needed to increase fees. The tuition money goes back to the state and the fees are kept by the college – making up the trust fund. We were on the low end of student fee cost, but now we are in the middle – allowing us to make many improvements on campus.

During the Patrick administration, the state funded each year of the three-year contract. The actual wording says only the first year needs to be funded – according to the Massachusetts Community College Council (MCCC) contract, the state will fund 90% of it. In Year Two, the college needs to fund all of it.

**Student Activities Fund**

David noted that the Student Activity Fund (SAF) is managed by the student senate – which pays for activities, such as the ski club and the Observer. This money, regulated by its charter, is to be used for student activities. (SAF is \$6 a credit hour). There is a healthy balance or reserve for the students. These funds are managed closely by Lane and Bill Heineman, who ensure that the college is funding things that the students want.

**Enterprise Funds**

Entrepreneurship is highly encouraged using the Enterprise Funds which are regulated by its charter. We support rewarding students that follow college procedures, for instance, a special software package was provided to the Testing Center.

**Cash and investments**

We have spent down \$2 million of the Division of Capital Asset Management and Maintenance (DCAMM) money – for the renovation of the third floor of the Library and the basement of the B&E buildings, along with \$1 million of the college's funds. The college has invested approximately \$1 million in the local community banks.

**Other Business:**

David Gingerella recommended that the college retain the financial audit firm of O'Connor and Drew, P.C. David stated that they are hoping for a decision to be made soon, as they have to schedule our meetings. David said that the BOT A&F committee was not planning to meet on April 6<sup>th</sup>, but there could be a 5 minute meeting before the BOT meeting. President Glenn said that this motion could also go directly to the Board, as new business, with back up provided. David agreed with this recommendation.

With no further issues, the meeting was adjourned at 5:00 pm.

Respectfully submitted by Linda Buckley

April 25, 2016