



**Board of Trustees Audit and Finance Subcommittee  
Hartleb Technology Center, Haverhill Campus  
Wednesday, February 1, 2017**

**Attendees:** Chairwoman Marianne Paley Nadel, Trustees William Cox, Jeffrey Linehan, Joseph D'Orazio; President Lane Glenn, Michael McCarthy, Michelle Tremblay, Linda Buckley

Chairwoman Marianne Paley Nadel called the meeting to order at 5:15 pm. Meeting minutes from the November 9, 2016 meeting were approved with a motion made by Chairwoman Marianne Paley, and seconded by Trustee Jeffrey Linehan. All were in favor, none opposed. The following items were discussed:

**FY2017 Operating Budget**

The college is running behind anticipated revenue with the decline of enrollments. A smaller decline is anticipated next year but the college will then start moving in the other direction. Almost all of the community colleges around the state have had double digit decrease in enrollment. This double digit figure is not anticipated next year. In 2018, the college will see this leveling off if some of the programs that are launched to increase enrollment are successful. This coming fall, some of these numbers will rebound with early college enrollments.

**Spurk Renovation**

The Spurk renovation is on schedule and on budget. The college is anticipating occupancy in the early part of the summer in preparation for the start of classes in early September.

**Student Activities Fund**

This fund, which covers a variety of things such as athletics, staffing, and student engagement activities, has been effected by enrollment decline, but its budget has been carefully monitored. At times, when the enrollment is more challenging, staff expense has been shifted on and off to the general college fund in order to balance the budget. Some of the community colleges have had a more severe economic challenge and have had to dip into reserves and impose significant layoffs. Fortunately, we have managed this challenge largely through attrition, retirements, and some restructuring. Also, the college has reviewed all programs through a thorough audit process, looking at every certificate and degree with employment outcomes and enrollments in mind.

**Total Cash and Investments:**

Over the last few years, the decline is attributable to our investment in the Spurk renovation. With the DCAMM funding of \$15 million, our match was \$2 million, some of which came out of our operational budget, together with cash and investments.

**Motion AFC17-05: Northern Essex Community College Investment Policy**

The Audit and Finance Committee approved NECC's Investment Policy at its Sept. 7, 2011 meeting. At its Nov. 5, 2014 meeting, the Audit and Finance Committee approved an updated policy that provided for the economic conditions at that time. The college's investment managers have recommended a change to the asset allocation stated in the investment policy. They recommended that the maximum percentage weight in equities be changed from the current 70% to 75%.

Motion to accept was made by Chairwoman Marianne Paley, seconded by Trustee William Cox. All were in favor, none opposed.

**Other Issues:**

Mike McCarthy introduced Michelle Tremblay, the college's new Controller. As an alumnae of Northern Essex and sharing our passion for the college, Michelle comes with a wealth of experience, having worked at the Trustees of Reservations, the Boston Ballet, and Lawrence General Hospital.

With no further issues, the meeting was adjourned at 5:50 pm.

Respectfully submitted by Linda Buckley.

April 20, 2017