



**Board of Trustees Audit and Finance Sub-Committee  
Hartleb Technology Center, Room TC 205  
Haverhill Campus  
Wednesday, April 11, 2018**

**Attendees:** Chairwoman Marianne Paley Nadel, Trustees William Cox, Jeffrey Linehan, and Mark Forman  
President Lane Glenn, Michael McCarthy, Hannah Benning, Student-elected Trustee, Linda Buckley,  
James McCarthy (GWK Investments)

**Also Present:** Patricia Machado, Chair of the Finance Committee

Chairwoman Marianne Paley Nadel called the meeting to order at 4:00 pm. Meeting minutes from the December 6, 2017 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:

**Introduction of GWK Investment Management**

James McCarthy presented detailed appraisals of the college’s investments, along with the combined performance and combined asset allocation. He proposed a target asset allocation of 58% Equity, and 42% Fixed Income. He stated a goal of \$430,000 from the Diversified Equity Strategy and a reallocation of funds between the Small Cap Growth Fund and the Small-Mid Cap Fund.

**Proposed by Sub-Committee**

The sub-committee proposed the following investment change, with a motion presented by Chairwoman Marianne Paley, and seconded by William Cox.

**To diversify the portfolio further into small and midcap equity utilizing a mutual fund versus a separately managed account.**

Motion to accept was made by William Cox, seconded by Trustee Jeffrey Linehan. All were in favor, none opposed.

**AFC-18-06: Review of FY18 Current Reforecast – Quarter 3**

The table below shows the FY18 Proposed Budget as compared to the FY18 Reforecast in March.

	<b>FY18 Proposed</b>	<b>FY18 Reforecast –March</b>
<b>Tuition and Fees</b>	<b>22,351,761</b>	<b>22,084,836</b>
<b>Total Other Revenue</b>	<b>1,590,142</b>	<b>1,508,927</b>
<b>State Support</b>	<b>19,956,742</b>	<b>19,725,822</b>
<b>General College Revenue</b>	<b>43,898,645</b>	<b>43,319,585</b>
<b>General College Expenses</b>	<b>43,445,725</b>	<b>42,975,665</b>
<b>Surplus (Shortfall)</b>	<b>452,920</b>	<b>343,920</b>
<b>Capital Supplemental Request</b>	<b>452,920</b>	<b>343,920</b>
<b>Total General College Expenses w/Capital</b>	<b>43,898,645</b>	<b>43,319,585</b>

**Verbal Update of FY19 Budget**

President Glenn praised Mike McCarthy in his second year as CFO, for his style and knowledge base that he has brought during this difficult time for everyone at the college. With enrollment down 8% this year and a projection of 5% next year, it was necessary to make reductions by retirements, resignations, and retrenchments. NECC is not alone in this challenging time. Many community colleges and state colleges are experiencing the same difficulty. The NECC website has a “Planning & Budgeting at NECC” section which contains resources to better understand the challenges facing Higher Education and also provides an opportunity for all to submit questions or comments regarding these important issues.

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

Respectfully submitted by Linda Buckley

April 12, 2018