



My College. Right from the Start.

**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
Thursday, May 23, 2013
President's Office Conference Room**

Members in attendance:

James Clemmer, Chair
Denise Marshall

Member absent:

Stephen Crowe
Buffy Lord

Others in attendance:

Mary K. Grant, President
James Stakenas, Vice President of Administration and Finance
Jerry Desmarais, Treasurer
Charles Kimberling, Director of Facilities
Thomas Bernard, Clerk

The meeting was called to order at 3:30 p.m. by Trustee Clemmer.

Project financing options

Vice President Stakenas provided an update on two major capital projects, the Center for Science and Innovation and the new Facilities building on Ashland Street.

As the Center for Science and Innovation project nears completion, the College will, as previously discussed, commit institutional resources toward furniture and equipment for the building. The amount of funding for these investments in the Center for Science and Innovation will be \$1.2 million.

Construction bids for the Facilities building have been opened and costs are in line with previous estimates. Construction of the new Facilities building will cost \$2.1 million

The committee discussed financing options for these projects. Treasurer Desmarais presented a funding recommendation through which MCLA would exercise a line of credit backed by certificates of deposit held by the College. Currently, the College has an extremely low debt ratio, and will still be well below recommended debt limits even with this additional borrowing.

The committee discussed, and offered support for, this recommendation.

Upon a motion duly made and seconded, it was

VOTED To recommend that the Board of Trustees authorize borrowing \$3.3 million to fund furniture and equipment for the MCLA Center for Science and Innovation and the construction of the new Facilities building on Ashland Street.

FY 2013 Account write offs

Vice President Stakenas presented a recommendation to write off student accounts totaling \$59,590.82. The College has completed its due diligence to collect these funds and deemed them uncollectable. While the accounts will be written off, a hold will remain on the records of the students who owe these balances against future collection opportunities (e.g., students requesting transcripts). The committee noted that this amount represents a very small percentage of the College's receivables.

Upon a motion duly made and seconded, it was

VOTED To accept the recommendation to write off the amount of \$59,590.82. related to these specific accounts.

FY 2014 Budget

Vice President Stakenas presented the FY 2014 budget to the committee for review. He noted that the state appropriation process is still underway, and it remains to be seen whether the Senate proposal will track with the House budget recommendation and provide increased funding for the state university system.

President Grant and Vice President Stakenas outlined operating budget scenarios based on both the House and Senate recommendations. The committee discussed income and expense projections, capital projects, and the alignment of the budget process with the College strategic plan.

The committee reviewed several scenarios and recommendations to balance the budget but noted that there will be a need to convene another meeting of the committee pending the outcome of the state budget process to approve a provisional operating budget for FY 2014.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 4:30 p.m.