

**HOLYOKE COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE**

MEETING MINUTES of October 25, 2016

Frost Building, FR 309 Conference Room

Trustees PRESENT: Steve Mitus, Chair; Robert Gilbert; John Vaccaro, and Evan Plotkin

Trustees not present: Suzanne Parker

Also Present: William Fogarty, Interim President; Marcia Mitchell, Interim Vice President for Administration and Finance; Curt Foster, Interim Comptroller; Jeff Hayden, Vice President for Business and Community Affairs; Amy Dopp, Interim Vice President for Institutional Development, and Karen Desjeans, Staff Assistant. Also present was Eric Nelson, President/CEO, WestMass Development

The meeting was called to order by Chair Mitus at 9:20 am.

- Approval of Finance Committee Minutes of June 7, 2016.

A motion was made by Trustee Vaccaro and seconded by Trustee Gilbert to approve the meeting minutes of June 7, 2016. It was approved unanimously.

- First Quarterly Statement of Revenue and Expenses.

Interim Comptroller Foster reviewed the revenues and expenses for the first quarter highlighting the categories outlined in the memo dated October 21, 2016. Trustee Gilbert asked if private gifts and grants are budgeted and Interim President responded that things like grants and depreciation are not budgeted. Trustee Plotkin asked about the direction of the College Store and what items would it carry for students in the future. Interim VP Mitchell responded that initially, the college store will be moved to a small temporary location in the Donahue Building that will include branded items and supplies that can be paid for with Financial Aid. When the new College Store is opened in the Campus Center, it will be more like a convenience store, and the plan is to continue selling books online and sell convenience and branded items.

Trustee Gilbert asked the College to explain what *open resource* means. Interim VP Mitchell explained that it was information that was available and not copyrighted materials for faculty to adopt and students to use online for free. She further explained that the Academic Affairs Office is looking into these teaching methods, including Open Stax, which is a free resource, as well.

There was further discussion about the memo handed out to the Committee entitled, *FY 2017 Budget Status Report July 1, 2016 – September 30, 2016*. Interim VP Mitchell explained that the College is cautiously optimistic and continues to monitor spending. Chair Mitus asked about what the budget was based on in terms of enrollment and the answer was a 5% decline. Interim President Fogarty further explained that with the construction projects on campus, i.e., Campus Center, we could end up with unanticipated costs and the College continues to keep those costs in mind. Chair Mitus asked the College to report on monthly basis instead of the Quarterly Report, if the Committee determined that information would be more useful. Interim Comptroller stated that reports have changed based on the Committee's needs and whatever information the Finance Committee needs would be brought forward. Trustee Plotkin indicated a variance report would be useful, along with an executive summary. Interim VP Mitchell stated that the College will report the next quarterly report in the current format and an alternate format for the Committee's consideration.

Recommended Motion: Move that the Finance committee recommend to the full Board of Trustees approval of the First Quarterly Statement of Revenue and Expenses for FY 2017 as presented.

The motion was made by Trustee Plotkin and seconded by Trustee Vaccaro to approve the above motion. It was approved unanimously.

- Financing of Hospitality & Culinary Arts Project Discussion

Interim President let the Committee know that the recommended motion before them was for discussion and introduced Eric Nelson, Project Manager, from WestMass Development. Mr. Nelson provided the Committee with a timeline for the bid process, with a decision to award the bid by early December. This project has a very compressed schedule. Interim President Fogarty described the financial challenges and funding of the project this far. The College is looking to have the Culinary program be a degree-seeking program instead of a certificate to attract more students. The College is struggling to close the financial gap of this project and will do so through a fund raising campaign, and amending the EDA application once the final numbers are known. There was further discussion concerning the rent payments and when they begin to the owners of the Cubit Building. The Foundation is leasing the property and then subleasing to the College at a cost of \$22,000 per month starting in March.

The College is suggesting that the Finance Committee recommend to the full Board to approve a financial guarantee of up to \$2 million to complete construction. The College would draft a Memo of Understanding to the Foundation that would include the loan guarantee at market-rate interest.

MOTION: Move that the Finance Committee recommend to the full Board of Trustees approval of a financial guarantee of up to \$2 million to complete the construction of the Hospitality and Culinary Arts project pending counsel notification that it is a legal investment for the college.

The motion was made by Trustee Vaccaro and seconded by Trustee Gilbert to approve the above motion. It was approved unanimously.

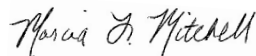
Trustee Vaccaro left the meeting at 9:55 am. The discussion continued. Mr. Nelson relayed the timeline for the sub bids, which are due by 11 am on November 15, 2016; and the general bids, which is due by 11 am on December 1, 2016. The largest category is the HVAC, which is estimated at \$1.3 million. Mr. Nelson provided the Committee an opportunity to look at plans and drawings after the meeting. There was further discussion about maximizing the space between credit and non-credit offerings; including well known area chefs.

- Old / New Business

None

The meeting adjourned at 10:20 am.

Respectfully submitted,



Marcia L. Mitchell
Interim Vice President for Administration and Finance