

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

**MINUTES of May 8, 2018, 3:30 pm**  
Donahue 171 Conference Room

**Members Present:** Chair Robert Gilbert; Suzanne Parker and Evan Plotkin

**Others Present:** Christina Royal, President; Bill Fogarty, Vice President – Administration and Finance; Marcia Mitchell, Comptroller; Curt Foster, Interim Assistant Comptroller; Jeff Hayden, Vice President – Business and Community Services; Amanda Sbriscia, Vice President – Institutional Advancement; and Michele Flynn, Staff Assistant

**REVIEW OF MEETING MINUTES**

Chair Gilbert called the meeting to order at 3:43PM noting that a quorum was present. He noted an error in the minutes from previous Finance Committee Meeting held on April 3, 2018 in that the date of the minutes noted for the January 23 meeting was shown with the year 2017 instead of 2018. Chair Gilbert requested a motion to approve with noted corrections; motion by Trustee Plotkin, seconded by Trustee Parker and unanimously approved.

**FY 2019 Budget Proposal**

Vice President Fogarty gave an overview of the FY 19 Budget Proposal along with backup documentation as follows: 10-Year Trends for credits and staffing; Memorandum regarding FY 2019 Trust Fund Operating Budget and Spending Plan; HCC Local Funds Budget for FY 2019; FY 2019 Budget Summary to include both numerical and written summaries.

As previously stated in our meeting of April 3, 2018, state appropriations only cover the first year of the Collective Bargaining Agreement pay increases, and not the second and third year increases. Budget planning always starts with a no fee increase budget, but this year the resulting deficit was too big. A modest fee increase resulted in a deficit of \$4.5 million; however, a 10% cut to general operating expenses, 20% cut to part-time staffing, 10% cut to overtime, and a \$500,000 reduction to adjunct faculty have nearly eliminated the deficit. The Board approves a local funds budget, which is balanced. The underlying budget data will be balanced to support the local funds budget.

The Chair requested the following motion be made:

***Recommended Motion:*** Move that the Finance Committee put forward to the Board of Trustees the FY 2019 budgets for the General Operating Trust Fund, the Restricted and Sponsored Activity Trust Fund and the Auxiliary Enterprises Trust Fund as presented with the express

approval of all purchases in any amount, and to authorize the President or her designee to transfer among subsidiaries as needed during the fiscal year.

Motion by Trustee Plotkin, seconded by Trustee Parker, and unanimously approved.

### **Third Quarter FY 2018 Report of Revenues and Expenses**

Comptroller Mitchell discussed the results year-to-date. She expects the college to break even with budget or show a small surplus, on a cash basis, at year end. Because of the level of capital expenditure during this year, the accrual surplus should be somewhat larger.

The Chair requested the following motion be made:

***Recommended Motion:*** Move that the Finance Committee put forward to the Board of Trustees the Third Quarter FY 2018 Statement of Revenues and Expenses as presented for approval.

Motion by Trustee Plotkin, seconded by Trustee Parker, and unanimously approved.

### **Purchasing Threshold Proposal**

The proposal was discussed by the group. On average, the college has five purchasing bids that fall between \$25,000 and \$50,000 each year. Comptroller Mitchell discussed the process around obtaining quotes and answered questions about the bid process, which is conducted in accordance with Commonwealth procedures.

The Chair requested the following motion be made:

***Recommended Motion:*** Move that the Finance Committee put forward to the Board of Trustees to approve the change of threshold amounts for the purchase of goods and services as presented. Three quotes will be required for purchases greater than \$10,000 and formal bids will be required for purchases greater than \$50,000; effective immediately.

Motion by Trustee Parker, seconded by Trustee Plotkin, and unanimously approved.

### **Change to Reserve Policy Proposal**

Recent GASB accounting pronouncements have consumed, on paper, the college's net position balance. When GASB 75 is implemented in FY18, the college's net position will become negative. Under the current reserve definition and policy, if the net position is negative, there is no access to the college's liquid assets (cash and investments). This situation has made it necessary to update the college's reserve definition and policy. The members of the committee fully understood the situation and agreed to the recommendation.

The Chair requested the following motion be made:

***Recommended Motion:*** Move that the Finance Committee put forward to the Board of Trustees to approve the changes to the college's reserve policy as presented.

Motion by Trustee Plotkin, seconded by Trustee Parker, and unanimously approved.

Other business/discussion:

Interim Assistant Comptroller Foster raised the issue of automation, and the lack of it in the Business Office. The college's budget processes are entirely manual, utilizing Excel, and a fully-integrated multi-user budgeting system would save staff resources. The staff has also identified software solutions to support further automation of travel and accounts payable processes. There are funds available based upon increased collections and decreased bad debt allowances. President Royal commented that she wants to do whatever we can to reduce any work that people are doing that can be accomplished with computer/software automation, and that the strategic plan will help us become more current in our processes.

The meeting adjourned at 4:52 p.m.

Respectfully submitted,  
William J. Fogarty, Vice President for Administration and Finance

