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**SUBJECT:** Board of Trustees Executive Session Notes for December 3, 2014

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The Executive Committee of the Board of Trustees of Salem State University voted unanimously to go into Executive Session on Wednesday, December 3, 2014, in Room 210 of Marsh Hall, located on Central Campus of Salem State University.

Board Secretary Fleischman took the roll at 5:12 pm; voting in the affirmative to enter executive session were Trustees Abdo, Ansara, Burns, Crawford, David, Lancome, Mattera, Scott, and Segal.

Trustee Abdo, who was participating by phone on his way to the meeting, declared he was in a confidential location. Invited to participate in the session: Vice Presidents Torello and Keenan, Chief Financial Officer House, Interim Provost Goodwin, Chief of Staff Bower, and Trustee-elect Lutts.

President Meservey summarized the current progress on the Montserrat School of Art acquisition. She stated that it was an attractive opportunity for Salem State for several reasons. Among them was the opportunity to acquire real estate and facilities for our art programming. Currently, our art facilities are among the poorest on SSU's campus, requiring significant investment in the near future. The condition of these facilities has been cited as an accreditation issue that we need to address. Acquiring the Montserrat facilities will address these issues, and will allow for increased programming. In the first few years we would expect level enrollments, however, we see potential for increased enrollments in future years.

Interim Provost Goodwin reported the Montserrat facilities with studio capabilities are far above SSU's existing facilities. Also, we are able to accommodate and complement their programming with our curriculum. The majority of their classes are taught by practicing artists as adjunct faculty. There is also a liberal arts faculty.

Vice President Keenan described the review of Montserrat's portfolio of buildings in the Beverly area and stated that they fit the university's immediate space and accreditation needs.

CFO House described the work being done to translate Montserrat's rates and salary/compensation structure, as well as the reviewing of its positions. She explained that certain assumptions were made in the development of the financial scenario they were reviewing (Attachment A): development giving is still unknown, however we assume the successful annual art auction will continue and well as some of the other giving. She encouraged consideration of what the cost of obtaining facilities of this type elsewhere, if it were not from Montserrat, given the accreditation concerns and space considerations on our own campus.

Vice President Torello commented on the communications strategy and branding implications. He stated that the university was ready with a public statement on the acquisition when needed. He also stated that having another school with the reputation of Montserrat at SSU (i.e.: the Montserrat School of the Arts at Salem State University) would be good for the university's brand.

President Meservey drew attention to the decision criteria and decision timeline. She explained that the university would need to get DHE approval for a new academic program and for having a branch campus. It would also need accreditor approval from both NEASC and NASAD. The current strategy for combining the two programs is for a year of transition, during which we would obtain the program approvals, and then proceed with the full integration. President Meservey has been in contact with the president of Massachusetts College of Art and Design to ensure they understood our intention was to incorporate Montserrat into our existing operations, not compete with MCAD. Communications with President Steinberg went well.

Trustee Davis asked about potential roadblocks to the effort. The president explained that timing with the SSU governance process and the perception of competition with MCAD could be problematic. She noted, however, that with changes occurring in art accreditation requirements, many mergers of this nature have occurred in recent years and cited Lesley University and the Art Academy of Boston as just one example.

Trustee Lancome asked if there were sufficient demand for this type of art programming. The president responded that our analysis shows that our ability to provide supplemental academic programming makes our art degrees more marketable and able to meet an unmet need in the region. When asked what would keep SSU from moving forward with the acquisition, the president stated that facilities and finance issues were the keys to moving forward. She also said that compensation of Montserrat personnel and the response from the unions could provide challenges.

Trustee Burns expressed enthusiasm for the acquisition, if it were able to occur, but asked if there were going to be outside valuations of the properties. VP Keenan responded that there would be

outside valuation, that they were currently working with 2012 numbers. There was further discussion of the value of the Montserrat name.

The President explained that the team was trying to ascertain the real financial risk of the acquisition to include in the financials to inform the board's final decision.

Trustee Abdo asked about maintenance on the facilities. VP Keenan described the deferred maintenance effort underway on SSU's campus and said that he intended to use the same firm at Montserrat that evaluated the campus needs at SSU.

Chair Scott advised the board that the MOU was being revised to reflect a deeper level of detail. Trustee Segal asked that the board see the new document before it is signed. The current document expires on December 19, 2015. The board asked the president and chair to continue working on the project and bring the updated MOU to the next set of board meetings in January/February.

Upon a motion made by Trustee Lancome, seconded by Trustee Burns, it was unanimously

**VOTED: The Salem State University Board of Trustees hereby authorizes the president and the board chair to negotiate with the Montserrat College of Art and to extend the current Memorandum of Understanding to a date on or about February 15, 2015.**

Board Secretary Fleischman took the roll.

For: Trustees Abdo, Ansara, Burns, Crawford, David, Lancome, Mattera, Scott, and Segal.

Against: None

With no further business to come before the board, the Chair asked for a motion to exit executive session.

Upon a motion duly made by Trustee Mattera, seconded by Trustee Burns, it was unanimously  
**VOTED: To adjourn from Executive Session**

Board Secretary Fleischman took the roll at 6:20pm; voting in the affirmative to exit Executive Session were Trustees Abdo, Ansara, Burns, Crawford, David, Lancome, Mattera, Scott, and Segal.

The Board came out of Executive Session and the meeting was adjourned.

Prepared by: J. Fleischman, Secretary to the Board of Trustees