



**Board of Trustees
Financial Affairs Committee
Minutes**
December 18, 2025, 2:30 p.m.
Loughman Living Room, Scanlon Hall

A live stream of the meeting for public viewing will also take place at the following link: <https://www.westfield.ma.edu/live>

Committee Members Present: Committee Chair George Gilmer, Secretary Chris Montemayor, and Trustees Barney Garcia, and Board Chair Ali Salehi, ex-officio.

Committee Members Present Remotely: Vice Chair Jason Queenin, Trustee Theresa Jasmin.

Also present and participating were Westfield State University President, Dr. Linda Thompson; Vice President of Administration & Finance, Stephen Taksar; Associate Vice President of Facilities & Capital Planning, Thomas Therrien; Director of Financial Accounting, Steve Scibelli and Chief Information Officer, Alan Blair.

Committee Chair George Gilmer called the meeting to order at 2:30 p.m., did a roll call of attendees listed above, and stated the meeting was being livestreamed and recorded.

MOTION made by Trustee Garcia and seconded by Trustee Jasmin, to approve the minutes of the October 21, 2025, meeting. There being no discussion, a roll call was taken, **motion passed unanimously.**

See Procurement Process (0320) summary.

MOTION made by Trustee Garcia and seconded by Trustee Montemayor, the Financial Affairs Committee recommends approval to the full Board: To approve the revised Procurement Process Policy (0320), as presented. There being no discussion, a roll call was conducted, **motion passed unanimously.**

FY26 Budget Reporting Update

- 25 to 26 year actuals
- Year-to-date comparison to the prior year in terms of revenues and expenses.
- Unadjusted report (not adjusted for timing).

Revenue

- State appropriation is up and expected to meet the projected budget for the year.
- Grant revenue is also up, including Student Success Grant.
- Increased revenue in residential life and dining services.
- Tracking about \$2.5 million above prior year actuals.

Expenses

- Expenses are tracking close to last year.
- Compensation is a little above last year due to collective bargaining salary increases.
- Financial aid is also up compared to last year.
- Tracking about \$2.6 million above last year on a net comparison basis.

Capital Projects Update

- Two largest ongoing projects: Ely Pool renovation and R22 replacement project.
 - Part of DCAMM five-year plan. Both on track.
 - Total \$6 million (65% of the five-year plan).
- Ely Pool renovation:
 - Planned completion at the end of January.
 - First meet is January 25th.
- R22 replacement project:
 - HVAC renovations in the Ely Campus Center and Horace Mann Building.
 - Replacing outdated refrigerant due to state requirements.
 - Completion expected in May (springtime).

DCAMM Threshold

- DCAMM threshold requires 50% completion by the end of June.
- On target to meet the threshold, which will release the final \$1 million for the last two years of the five-year plan.

Rooftop Replacements

- Physically changing the rooftops.
- National Grid credits: Do not qualify for any of those.

HVAC Project Update

- Most of the equipment was slated to be replaced.
- New HVAC has been mounted.
- Rooftop unit is a package HVAC unit that is craned on.

Budget Translation

- Converting the budget into a cents per dollar format to understand revenue and expenses.
- State appropriation is greater than tuition fees for one of the first or second time.
 - State appropriation is tracking at 34 cents on the dollar.
 - Revenue from tuition and fees is 29 cents on the dollar.
- Compensation and benefits is the highest consolidated expense at 32 cents on the dollar.
- Auxiliaries are tracking with residence and dining services at about 23 cents on the dollar.
- DGCE is about 8 cents on the dollar.

Enrollment Slide

- Shows the trend of enrollment related to DGCE and the full time day undergraduate population.
- Full time undergraduate day population is running steady at around 3,000 students.
- DGCE is also running pretty steady for the last several years at about 1300 students.

Full Time Positions

- Shows the relationship between the number of full time benefited positions at the University versus the full time budgeted benefited positions.
- The gap between those two trend lines is shrinking.
 - Means they are using more flexibility in the budget to either reallocate or the flexibility in what they can do during the course of the year.
 - In 2021 there was a larger gap, but as we look at 2026, it's getting pretty close.
 - Means they're budgeting very tight on positions.

Financial Aid and Net Tuition

- Net tuition is the difference between tuition charged and institutional aid.
- As financial aid has increased, net tuition is also on a similar trajectory.

- In 2020, there was less financial aid, but more tuition, more students, so there was a higher ratio of net tuition per student.
- Currently, they are processing more financial aid and have fewer students, so the net tuition is less.
- Net revenue is on a per student basis and the relationship between financial aid and tuition.

Strategic Decisions

- Strategic decisions were made to increase financial aid and marinate packages in order to attract students.
- Figures do not include auxiliary revenues associated with enrollments.

University Cash Summary

- Compares cash from last year to this year, including investment income, cash balances, and working capital.
- Investment cash balances increased by about 11% year over year, while working capital and short-term investments decreased by about 6%.
- Net cash generation resulted in a \$1.7 million change, approximately 2%.
- Cash balances are currently around \$86 million, up about \$4 million, but expected to decrease by year-end.

Cash Investments

- MMDT (Mass Deposit Authority): An investment firm sponsored by the state, currently earning roughly 4%.
 - Strategic funding is pulled from here.
- Working Capital: Bank accounts, CDs, and TDs used for paying bills.
- The administration is conservative with spending and allocating reserves.

Capital Project Strategy

- The goal is to improve the student experience through capital investment, capital planning, strategic planning, and project management.
- Focus on high-priority projects that enhance the student experience in classrooms, labs, extracurricular locations, residence halls, and exterior spaces.

State Funding

- The campus is developing how to fund strategic facilities.
- The state no longer funds emergency repairs and facility issues, so the university is responsible for those.
- The university's deferred maintenance is significant, and they can only maintain enough facilities to hedge against escalation of repairs.
- The president requested \$100 million because replacing or renovating a building resets the deferred maintenance.
- The Bonding for the BRIGHT Act is estimated to be around \$3 billion for higher education, which the university will use for major projects and deferred maintenance.

MSCBA

- MSCBA is a quasi-state agency that handles the residence life portion of the university's portfolio.
- The University has a high amount of debt with them, around \$90 million.
- MSCBA provides borrowing capacity for residence halls and also funds deferred maintenance through debt.

Campus Resources and Other Opportunities

- Campus resources, including the budget and reserves, have been used for facility projects.
- Fundraising will be a critical component of the facilities plan.
- The University is pursuing federal grants for a few projects.

Deferred Maintenance Chart

- The average age of the University's buildings is 49 to 50 years old.

- The total amount of gross need, including deferred maintenance and programmatic enhancements, is almost \$600 million.
- About half of the university's space is dedicated to residence halls, and the other half is dedicated to academic and structural space.
- The deferred maintenance number is large, and the campus cannot fund it anymore.

Spending

- The University spends a little bit more in certain years than other years because the State funds some expenses through different programs.
- There might be unspent rollover funds for facility projects approved in one year but spent the following year.
- Average spending has exceeded what is normally budgeted for different reasons.

Decarbonization

- Deferred maintenance is \$570 million, which includes the decarbonization plan. The total cost to decarbonize the entire University was \$422 million.
- Decarbonization is mandatory due to Executive Order 594. Decarbonization is focused on eliminating the burning of fossil fuels.
- The state is assessing how they will fund decarbonization measures, with the BRIGHT Act being the primary option.
- The goal is to maximize the use of DCAMM funds and MSCBA to address infrastructure projects, steam projects, and decarbonization measures.
- A comprehensive plan with a five-year forecast will be available in February to target limited funds on critical needs and strategic investments.

Deferred Maintenance and Funding

- The initial plan of \$120 million is not realistic; the total plan was \$422 million.
- The first phase was \$122 million, but they don't even have that.
- Existing structure steam system needs to be maintained to support the dorms until MSM CBA funds are available.
- Stabilizing infrastructure is a priority.

Programmatic Modernization

- The Higher Education working group identified a cost of \$320 per square foot out of 560 for renovation improvements and modernization.
- Deferred maintenance is about fixing the oldest thing, not modernization.

Managing Deferred Maintenance

- Multiple organizations provide funding, creating a dynamic situation.
- Need to determine guaranteed funding versus wish list items over a 3-5 year period.
- Use freed-up funds and known incoming funds to prioritize and plan projects for 2026 and 2027, with a reserve for emergencies.

Facilities Condition Assessment

- Facilities condition assessment was done in 2023 to assess all needs.
- The assessment is updated every few years (at a cost of about \$90,000) and annually for escalation and inflation.
- The assessment identifies current needs and highest priorities by evaluating every building and system.
- DCAMM funds are the only guaranteed source of money.

DCAMM Funds and Project Prioritization

- DCAMM funds haven't been released, but the amount for the next two years is known.
- A similar five-year plan is expected, possibly with increased funding.
- Larger projects are addressed with DCAMM funds, while critical needs are handled with university funds.

- A proposal to strategically fund minor improvements alongside critical repairs is being considered.

State Funding and Upcoming Projects

- Limited money is coming from the state, except for a potential bonding bill.
- The university receives an average of \$6.5 million over five years (around \$1 million per year).
- Water main project is slated to go out to bid this spring (cost: \$1 million).
- Emergency boiler repair in Horace Mann is planned for next year (cost: \$300,000).

Switch Gear Project

- The switch gear project is nearing completion with the last year of testing.
- There's about \$300,000 left, with \$200,000 for testing in May and \$60,000 for repairs.
- Testing needs to be restarted every three years.

Budget Projects

- The budget presented in October lists all the projects that make up the \$5 million.
- Half of that is an unfinished project pool that was previously approved, about \$3 million.
- Only about \$2 million is base budget, plus whatever wasn't spent the prior year.

Apartment Plumbing Project Update

- Last year, a project to upgrade plumbing complexes in three buildings was approved.
- Two building inspectors had different interpretations of the building code, stopping the project and slowing down leases.
- A hearing occurred yesterday, and the outcome "wasn't as bad as we assumed."
- It does not appear to be a substantial financial issue right now, but the final cost and schedule are TBD.

Financial Planning Overview/ FY27 Planning & Five-Year Forecast

- Regular annual capital is \$2 million per year.
- \$6 million for this year is from the five-year plan, with about \$1.5 million left for the last two years.
- The remaining funds will cover roads, sidewalks, and emergencies.
- A new \$10 million over five-year plan is being developed, with a possible increase.

Annual Debt Report and Ratios & NECHE Financial Screening

- The grid in the packet is a summary page on ratios, translating financials into financial metrics.
- These metrics are well-established and used in higher education, and NECHE will also be using them for public institutions to measure financial stability.
- Ratios are calculated in three different ways because the state requires carrying expenses (pension and OPEB liability costs) that the university is not obligated to pay.
- Including these costs distorts the value of financial statements.
- The benefit rate includes the cost of retirement health benefits, which is where the funds are drawn from to pay off pension costs.

Financial Metrics

- The second column (see attached documents) is considered the most realistic relative to these metrics.
- Items that are out of the target range and should be paid attention to:
 - Debt burden ratio: Can't really change much, about two times higher than the threshold due to the reclassification of lease payments.
 - Net operating revenue ratio: Must be watched carefully, currently at negative 0.4%, below the target range of 2% or above.
- The composite financial index is a combination of four of the other ratios and is the most visible and prominent monitoring ratio that the state uses.
- It may be a good idea to compare these metrics to other state schools in the system.

Fixed Assets Report

- It's a compliance issue that they're required to give to the Board every year.
- There were no major losses, only insignificant ones, like a laptop going missing on a plane.

Policy Review

- No action is needed on the last two policies, Remote Access Policy (0620) and Data Classification Policy (0630).
- No motions to approve them, just to review them and update the date.

There being no further business,

MOTION made by Trustee Garcia and seconded by Trustee Montemayor, to adjourn the meeting. There being no discussion, a roll call was conducted, **motion passed unanimously**.

Meeting adjourned at 3:29 p.m.

Materials:

- a. Minutes 10-21-25 (Draft)
- b. Motion – Procurement Process Policy (0320)
- c. Policy – Procurement Process (0320) SUMMARY
- d. Policy – Procurement Process (0320) TRACK CHANGES
- e. Policy – Procurement Process (0320) CLEAN
- f. FY26 Budget Reporting (YOY Actual Comparison)
- g. FY26 Budget Reporting (YOY Actuals)
- h. FY26 Budget Reporting (Dashboard)
- i. University Cash Summary
- j. Capital Project Strategy (Summary)
- k. Capital Project Strategy (HE Capital Working Group)
- l. Capital Project Strategy (Dashboard)
- m. Annual Debt Report and Ratios (Summary)
- n. Annual Debt Report and Ratios (Ratio Tables)
- o. Fixed Assets Inventory Progress Report
- p. Remote Access Policy (0620) TRACK CHANGES
- q. Data Classification Policy (0630) TRACK CHANGES

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Westfield State University Board of Trustees, Financial Affairs Committee meeting held on December 18, 2025.

Chris Montemayor, Secretary

Date