



BOARD OF TRUSTEES

Minutes

November 30, 2021

Meeting held virtually via Zoom

In accordance with Massachusetts Gov. Charlie Baker’s Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20 dated March 12, 2020.

A live stream of the meeting for public viewing also took place on YouTube.

MEMBERS PARTICIPATING REMOTELY: Chair Dr. Robert Martin, Vice Chair Ali Salehi, Secretary Lydia Martinez-Alvarez and Trustees Melissa Alvarado, Paul Boudreau, Theresa Jasmin, Madeline Landrau, Kevin Queenin, William Reichelt, Chloe Sanfacon, and Dr. Gloria Williams

Also participating remotely were Dr. Linda Thompson, President of Westfield State University, and cabinet members Dr. Juline Mills, Interim Provost and Vice President for Academic Affairs, Stephen Taksar, Vice President for Administration and Finance, Daniel Forster, Vice President for Enrollment Management, Lisa McMahon, Interim Vice President for Institutional Advancement, Tricia Oliver, Chief of Staff, Timothy Rooke, Special Assistant to the President for Community and Governmental Affairs (joined at 7:55 PM), Margaret Balch, Dean of Students (joined at 7:11 PM), and Richard Lenfest, Jr., Director of Athletics, as well as Maureen Socha, Executive Director of Facilities and Operations.

The meeting was called to order at 7:00 PM by Chair Martin and the Trustees and guests participating as listed above were announced. It was stated that the meeting was being livestreamed and recorded.

MOTION made by Trustee Salehi, seconded by Trustee Landrau, to approve the minutes of the January 28, 2021 meeting.

There being no discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes	Trustee Reichelt	Abstained
Trustee Boudreau	Yes	Trustee Salehi	Yes
Trustee Jasmin	Abstained	Trustee Sanfacon	Abstained
Trustee Landrau	Yes	Trustee Williams	Yes
Trustee Martinez-Alvarez	Yes	Trustee Martin	Yes
Trustee Queenin	Yes		

Three Trustees abstained from voting and the Motion passed.

MOTION made by Trustee Salehi, seconded by Trustee Queenin, to approve the minutes of the January 29, 2021 meeting.

There being no discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes	Trustee Reichelt	Abstained
Trustee Boudreau	Yes	Trustee Salehi	Yes
Trustee Jasmin	Abstained	Trustee Sanfacon	Abstained
Trustee Landrau	Yes	Trustee Williams	Yes

Trustee Martinez-Alvarez	Yes	Trustee Martin	Yes
Trustee Queenin	Yes		

Three Trustees abstained from voting and the Motion passed.

MOTION made by Trustee Salehi, seconded by Trustee Jasmin, to approve the minutes of the September 15, 2021 meeting.

There being no discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes	Trustee Reichelt	Yes
Trustee Boudreau	Yes	Trustee Salehi	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Williams	Yes
Trustee Martinez-Alvarez	Yes	Trustee Martin	Yes
Trustee Queenin	Yes		

Motion passed unanimously.

MOTION made by Trustee Jasmin, seconded by Trustee Landrau, to approve the minutes of the October 13, 2021, meeting.

There being no discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes	Trustee Reichelt	Yes
Trustee Boudreau	Yes	Trustee Salehi	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Williams	Yes
Trustee Martinez-Alvarez	Yes	Trustee Martin	Yes
Trustee Queenin	Yes		

Motion passed unanimously.

Chair Martin thanked continuing Trustees for completing the state-mandated DHE training and reminded new Trustees to finish their training before their due dates in December/January. Title IX and cyber security training need to be completed by all Trustees. He encouraged Trustees to contribute to the *Take a Seat* campaign to renovate Dever Auditorium seating for Giving Tuesday. These bi-monthly strategic meetings will be lighter in presentations and heavier on discussion. Ideas for topics or feedback on the format should be sent to Chair Martin. [Margaret Balch joined at 7:11 PM].

President's Report. President Thompson stated that since the last time this group convened, members of campus have increased the gathering, collaborating, teaching, and learning in person. There was an engaging homecoming, hosting of a mayoral debate between two distinguished alums, and an outstanding season for our athletic teams. It is a great time to be an owl. She gave updates on her four presidential priorities of The Student Experience, Enrollment, Culture, and Resources. Trustee Landrau requested that the president let them know when she meets with the Latinx community so that they can support her in that.

Enrollment Update. Mr. Forster shared updated funnel reports, comparing them to the pre-pandemic year of 2019. He is pleased with conversions from prospects, and higher inquires led to more applications. The conversion to the Common App this summer resulted in increased applications. The SATs are not required for all students. The conversion rate of accepts is on par with expectations, but it is still early. Additional names will be purchased in the next 30 days. By the end of December, 50% of applications will have been completed, and 75% by the end of January. Chair Martin requested more attention be given to retention in the meetings and would like to have a retention report developed to be shared at the end of the semester and end of the academic year. Mr. Forster shared that student advising and the use of the 360 communicative tool across

divisions is giving early insight on student warning signs and retention. Trustee Martinez-Alvarez stated that retention will also be viewed by race and region. A comprehensive enrollment plan is also being developed.

Capital Project Funding. Mr. Taksar stated that the language in the proposed motion needed to be changed. Trustee Salehi stated that due to global supply chain issues, the costs for the approved Wilson Hall sprinkler project and Horace Mann Center (HMC) air conditioning project have increased and are exceeding budget.

MOTION made by Trustee Reichelt, seconded by Trustee Jasmin, to approve new budgets for the Wilson Hall Sprinkler Project at \$2,505,500 and Horace Mann AC Replacement Project at \$623,412 as presented and discussed today.

Discussion: Mr. Taksar stated the immediate problem is that the bids for these two projects came in at over 10% of the budgeted amount, so needed to be brought to and approved by the Board to be compliant with current policy. The policy then needs to be adapted to keep projects moving in an expedient manner. Ms. Socha stated that the Wilson Hall project is to install sprinklers throughout building and had a total budget of \$2.5 million. The low bid received is for \$3.4 million, which is approximately \$900,000 in overage. The HMC air conditioning project had an approved budget of \$585,000 and bids received put the total at \$623,411 causing an overage in the capital budgets.

The remainder of the projects in the five-year budgeted capital plan have to be completed by June 30, 2023. The capital plan has been reprioritized and reshuffled to recommend delaying some projects and doing only studies for others until the next bond is due to us in 2024. This motion does not seek additional funds, but reallocates existing funds from the approved capital budget and moves these two projects to the top. A second five-year funding plan is being considered by DCAMM. [Mr. Rooke joined at 7:55 PM] Trustee Salehi said that price increases of 35-40% will be normal until at least the second or third quarter of 2022 and suggested giving the Finance Department the option of a temporary increase in the cap instead of having to come to the Board for every overage. Mr. Taksar stated that a plan will be brought to the December meeting to expedite other projects coming in over the 10% threshold as all bids received in the near future will exceed the initial FY22 budget.

There being no further discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes	Trustee Reichelt	Yes
Trustee Boudreau	Yes	Trustee Salehi	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Williams	Yes
Trustee Martinez-Alvarez	Yes	Trustee Martin	Yes
Trustee Queenin	Yes		

Motion passed unanimously.

Discussion took place on how to change the policy to expedite the process in awarding projects, identifying funding, and moving ahead with a model.

- Because the Board has already approved the projects, the overage percentage could increase temporarily to 25% (or another figure), and the Finance and Capital Assets Committee chair could be authorized to make decisions on projects and then report back to the Board. The Board would want assurance of where the additional funds were coming from and if they were being taken from another project.
- Trustee Salehi stated there will be no shortcuts and all procedures will be followed in order to give the University the authority to get critically needed projects done in a timely manner.

The Board will be kept informed of all changes and each project being continued or being put on hold. The Finance committee will stay closely involved and updated on a regular basis.

- It was questioned whether the spend down could be accomplished by June 30, 2023. Prices are increasing and the availability of labor and equipment is concerning so it is important to move as soon as possible so equipment can be ordered. DCAMM is adamant on the June, 2023 deadline to finish projects even though labor and supply shortages are increasing the time frame for many projects statewide.
- The size of the project does not really make a difference in the approval process, but as the policy is revised, keep in mind how much time is needed to accept bids.
- If the Finance Committee will not be meeting every week, a streamlined process is needed to approve the exceptions to the policy that cannot wait. It was suggested that Mr. Taksar work with Trustee Salehi on a solution to present at the December meeting.
- The Board has a fiduciary responsibility to make sure the process follows the correct guidelines. If the projects are already prioritized, it will be easy to know which will move to the bottom of the list without having to bring them back to the board.

University Financial Strategy Discussion. Chair Martin stated the primary purpose of this meeting was to discuss financial planning and strategy for the University over the next 2-3 years as we, and the entire Higher Ed sector, face significant enrollment challenges and will find it difficult to match enrollment and revenues to expenditures.

Mr. Taksar shared a presentation which included context and trends that contribute to current and future budget issues including enrollment, retention, and occupancy declines, significant residence hall debt, pandemic impacts, increased compensation and utility costs, temporary HEERF funding, increased state appropriation to fund salary increases, and an unsettled campus climate.

Preliminary scenarios for FY23 were shared, with all scenarios showing difficulty in Residential Life breaking even. Even by using the same enrollment number from FY22, incoming students need to be higher than outgoing students. The middle case scenario is being looked at, but it still shows a net loss of \$5.4 million.

Multi-year financial strategies were presented as follows:

1. Fully balance the budget now by cutting \$5.4 million to cover the deficit
2. Use reserves to backfill the \$5.4 million loss and balance the budget, which would be temporary, and not sustainable
3. Use a combination of reserves over the next few years and cost reductions to extend the time needed to allow enrollment growth to create a glide path where revenues and expenditures are in alignment.

A multi-year strategy to balance resources with a three-year glide path approach from FY23 to FY25 was presented, which combined elements of each strategy to allow enrollment growth to take hold over a longer period of time.

Questions and discussion followed:

- A one-year balanced budget approach should be rejected as it would be very disruptive. Reserves over the short term to facilitate the transition to a balanced budget would be supported, but need to determine how much and what that short term is. The most critical lever is enrollment and retention.
- Use grants and partnerships to offset costs. They are short term solutions to help get over these humps. What partnerships do we have to leverage that?

- There will be no more federal funds released for the pandemic. In favor of a balanced approach on a comprehensive plan that has definitions (i.e. measurement, timelines, specific action). There needs to be a benchmark against enrollment and retention tied to the three-year business plan. Need to balance the budget, period.
- The numbers presented are promising but we are very early in the process. Suggest a conservative and balanced approach to resolving the debt, using the least amount of reserves as possible. The administration needs to use all tools available to increase revenue, reduce costs, and be realistic in enrollment. The debt on residential halls of \$113 million is a long-term burden. The University Efficiency Analysis Advisory Committee (UEAAC) recommended some great reductions and it is hoped that they will materialize. It is possible we could have at best a \$1 million or at worst a \$10.5 million deficit in one year.
- Given circumstances that arise in yearly budgets, it is imperative to look at it every single year as it is impossible to definitively see three years down the road. Minimal reserves may be needed to get to year two. Mr. Taksar stated a three-year budget is not being presented, but a multi-year planning model with annual budgets. The model will formulate a basis for longer-range planning by evaluation each year to adjust the plan.
- It was questioned what could be done about Residential Life not being sustainable and being a drain on other University resources. Mr. Taksar stated summer conferencing is being expanded and other thoughts have been to remove Scanlon Hall from Residential Life and expand it for other non-residential needs. In year two, it is planned to adjust pricing on many residence hall rooms. President Thompson added that she is talking with school systems for early college, using the North Carolina system as a model. We will be using churches, local districts, and alumni mayors to help recruit. Some ideas are converting housing to assist graduate and married students and aging local populations. A multi-pronged approach and the best thinking from the Board is needed to help make us healthy.

Chair Martin requested Trustees to review the information provided, particularly the scenarios and major levers of cost reductions, use of reserves, and enrollment growth to help move us forward for the next three years. Also think about how often we need to take a step back to look at the glide path and how we might need to deviate from it. This discussion helps the Board conceptualize what financial planning can look like over the next three years. It would be helpful to take a deeper dive in the future into some of these levers and consider how much the UEAAC recommendations will affect the reductions by viewing realistic scenarios and the figures behind them.

There being no further business, **MOTION** made by Trustee Martinez-Alvarez, and seconded by Trustee Williams, to adjourn.

There being no discussion, **ROLL CALL VOTE** taken:

Trustee Alvarado	Yes	Trustee Reichelt	Yes
Trustee Boudreau	Yes	Trustee Salehi	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Williams	Yes
Trustee Martinez-Alvarez	Yes	Trustee Martin	Yes
Trustee Queenin	Yes		

Motion passed unanimously.

Meeting adjourned at 9:06 PM.

Attachments presented at this meeting:

- Draft Minutes of January 28, 2021
- Draft Minutes of January 29, 2021

- c. Draft Minutes of September 15, 2021
- d. Draft Minutes of October 13, 2021
- e. President's Presentation
- f. Enrollment Funnels
- g. Motion – Capital Project Funding
- h. Capital Project Funding (Memo)
- i. Capital Project Funding (Summary)
- j. Capital Project Funding (Approved FY22 Capital Plan)
- k. Financial Strategy Discussion Presentation