



## BOARD OF TRUSTEES

Finance and Capital Assets Committee

April 27, 2022

Minutes

Loughman Living Room, Scanlon Hall

And 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 PRESENT:** Committee Vice Chair Theresa Jasmin and Trustees Chris Montemayor and Chloe Sanfacon

**MEMBERS PARTICIPATING REMOTELY:** Committee Chair Ali Salehi (joined in person at 11:25 AM), Secretary Paul Boudreau and Trustee Madeline Landrau

**TRUSTEE GUESTS PRESENT:** Trustee Dr. Robert Martin

Dr. Linda Thompson, President, Lisa Freeman, Associate Vice President and Stephen Taksar, Vice President of Administration and Finance, Maria Feuerstein, Assistant Vice President of Strategic Finance and Institutional Planning, Maggie Balch, Dean of Students, Joshua Hettrick, Interim Director of Residential Life, and Christopher Perkins and Robert Rausch of the Movement Science Department of Westfield State University, were also present.

Since Committee Chair Salehi was initially joining the meeting remotely, Vice Chair Jasmin called the meeting to order at 10:34 AM and announced that the meeting was being livestreamed and recorded.

**MOTION** made by Trustee Landrau to approve the minutes of the February 17, 2022, meeting.

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

Trustee Boudreau	Yes	Trustee Montemayor	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes

**Motion passed unanimously.**

President’s Remarks. President Thompson stated the glide path is still being reviewed and she will share more at the full Board meeting.

FY22 Third Quarter Financials. Ms. Freeman directed the Trustees to the detailed summary in the meeting materials and shared highlights. highlighted that enrollment is on budget with a 0.1% variance. Auxiliaries and CGCE had an average favorability to the budget of 0.6%. Total revenue

was above budget. Expenses were unfavorable due to HEERF grants to students, which was offset by grant revenue increases causing overall financial results to be net neutral. Underspending offset overage due to compensation savings from vacant positions, debt payment savings, and timing of capital projects, causing a surplus at the end of the quarter which will be depleted by next quarter. There is typically a surplus at this time of year due to revenue being captured, but not all expenses. The short-term strategy for FY22 is working as planned to rely on vacancy savings to offset the structural deficit.

Investment Subcommittee Update. Mr. Taksar shared the second quarter results, showing a year-to-date increase. The investment contract was renewed for a one-year extension. The investment income distribution model was shared, showing an analysis based on a four percent threshold as we draw on investment funds using a twelve-quarter moving average calculation. Funds will be integrated into the FY23 budget and will need formal approval of the interest income transfer to fund the innovation fund projects. An update on approved projects will be provided to the board.

Parenzo Hall Renovation Update. Mr. Taksar stated there is a projected overrun of approximately \$500,000 on the project and strategies are being researched to close the gap. The Interdepartmental Service Agreement (ISA) was submitted to the state agreeing to fund our share of the overage. A grant proposal has been submitted for \$1 million, and a small portion of those funds would be dedicated to offset some of the overrun, if possible. We will rely on state ARPA funding to help offset whatever the grant will not cover. The final payment of our \$20 million share of the project is due to the state this summer, which has been factored into the planning. It was requested to add the Parenzo renovation project to future committee agendas.

FY23 Provisional Operating Budget Update. Mr. Taksar and Ms. Feuerstein shared the following:

- Deposits are lagging behind 2019-2020 and the revenue impact for each student choosing not to attend Westfield State is \$11,461 in tuition and fees.
- A \$5.3 million deficit is being projected for FY23. If nothing changes, cost reductions will need to be made.
  - One-time revenue offsets are the HEERF grant funds.
  - Although cost containment strategies have been implemented, there are still escalations in expenses of \$3.2 million in part due to increased utility costs, debt escalation in Residential Life, and increased financial aid using reserves (\$500k previously approved by the Board of Trustees).
- The MSCBA requires residential life to provide five percent of prior year expenses as minimum reserve level. If enrollment and occupancy do not pick up, the University will be looking at long-term financial support of housing operations or other strategies to utilize housing. The MSCBA has the authority to take part of our appropriation if we do not make our debt service payments in the Residential Life budget. The five percent shows as reserve funding in the Residential Life budget. President Thompson would like a calculation prepared among state universities to bring to the next Council of Presidents meeting to create a collective strategy to lobby the state legislators to provide additional relief.
- The updated three-year glide path strategy for budget reductions, use of reserves, and enrollment growth was presented and discussed.
- The FY23 budget planning process was shared. A multi-year budget plan and provisional FY23 budget will be presented at the June meeting.
- The FY23 President's Innovation Fund, funded from investment income, will be rolled out in the new fiscal year with the goal of making investments to grow revenue. [Committee Chair Salehi joined the meeting in person at 11:25 AM]

- FY23 Opportunities were shared for new ideas, grants, collaborations, partnerships, growth for high demand academic programs, web effectiveness, financial aid, and summer programs.

Residential Life Strategy. Ms. Balch stated that attendance at events is increasing since the mask mandate has been lifted and there is a great feel on campus. The most students have signed up for room selections since 2016 and we have started the second year of a flat monthly rate of \$922, which includes parking and laundry. Typically, there are 100-150 students that need to be on campus year-round, and this summer we will have 200-250 here. We are hoping to also offer housing to students with local internships.

Mr. Hettrick stated that current and projected enrollment does not support the University's design capacity and would recommend the University have conversations with MSCBA and DCAMM to have Scanlon Hall transferred to DCAMM. The debt service will come out of MSCBA and address campus needs. This would provide needed administrative space and release 354 beds in the building, leaving 2,799 beds on campus. With 50-65% of students living on campus, we could enroll 4,400 students and house all of them in doubles, singles, and a small number of quads. There is currently a project to convert Welch Hall to 60 graduate housing beds. Most students want single bedrooms so with lower occupancy, we can offer premium singles, providing additional revenue of \$400,000 by meeting student requests. Increased utility costs are affecting the Residential Life budget and grant funding is being explored to expand solar panels. The MSCBA assessment is over 65% of the budget. In FY29 the "system debt" will be paid off, decreasing the annual assessment by approximately \$2 million per year. Mr. Taksar stated that if we cannot close the occupancy gap or shift losses in Residential Life, the University will be funding it with \$2 million each year, likely creating a \$4 million deficit in 2024.

President Thompson asked the committee to think about how we can provide housing for homeless students after graduation and faculty who live far away who are currently staying at bed and breakfasts. Mr. Hettrick stated that Residential Life has been working with FACES to help provide more housing security to students as they graduate and some faculty members have lived in Dickenson Hall. Committee Chair Salehi suggested that instead of selling Scanlon Hall, consider temporarily leasing it in case housing explodes in future years. All property is owned by the state or MSCBA and the process to transfer a building to DCAMM may take up to two years.

Motion – Vehicle Purchase (Ambulance). Mr. Rausch stated that the University cannot buy vehicles without Board approval. The University ambulance does not work and the ambulance being proposed to purchase works and can transport patients to the hospital if needed. It will be a valuable teaching device for EMT, nursing, and health science students. It is a 2011 model, in good working condition, and does not require a special license to drive. Mr. Perkins added that since the University ambulance has not worked, we have been contracting with Westfield and Southwick Fire Departments for training and simulations. Having a working ambulance would allow live simulations with patients. In 2015 there were 56 students in the EMT program. There are currently up to 36 slots available but since COVID there have been less than 30. This semester started with 23 and ended with 15 students. Students come through continuing education in three sections: CGCE noncredit, CGCE credit and credit day students all at same time. The current ambulance will be decommissioned.

**MOTION** made by Trustee Salehi, seconded by Trustee Montemayor, to approve the request from the Sports Medicine and Human Performance Department to purchase an ambulance from the Town of Southwick in FY22 for \$5,000. Should the vehicle be unable to

be delivered to the University by June 30, 2022, Academic Affairs will work with Finance to request a rollover of funds to FY23.

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

Trustee Boudreau	Not audible	Trustee Montemayor	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes

**Motion passed unanimously.**

There being no further business, **MOTION** made by Trustee Salehi, seconded by Trustee Sanfacon, to adjourn.

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

Trustee Boudreau	Yes	Trustee Montemayor	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes

**Motion passed unanimously.**

Meeting adjourned at 12:10 PM.

Attachments presented at this meeting:

- a. Draft Minutes 2-17-2022 (Draft)
- b. Third Quarter Financials (Summary)
- c. Third Quarter Financials (FY21)
- d. Third Quarter Financials (FY22)
- e. FY23 Provisional Budget (Summary)
- f. FY23 Scenario Summary
- g. FY23 Detail by Trust Fund - Provisional
- h. Residential Life Strategy
- i. Motion – Vehicle Purchase (Ambulance)
- j. Vehicle Purchase Ambulance (Memo from Department)
- k. Vehicle Purchase Ambulance (Memo from Provost)