



BOARD OF TRUSTEES

Financial Affairs Committee

October 11, 2023

Minutes

President's Boardroom, Horace Mann Center

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

MEMBERS PRESENT: Committee Chair George Gilmer, Secretary Chris Montemayor, Trustees Daniel Currier and Theresa Jasmin, and Board Chair Ali Salehi, ex-officio member

MEMBERS EXCUSED: Vice Chair Paul Boudreau

TRUSTEE GUESTS PRESENT: Trustees Madeline Landrau, Dr. Robert Martin, and Dr. Gloria Williams

Also present and participating were Westfield State University President Dr. Linda Thompson, Administration and Finance Vice President Stephen Taksar, Associate Vice President Lisa Freeman, Director of Accounting Operations Steven Scibelli, Assistant Vice President for Strategic Finance and Institutional Planning Maria Feuerstein, Associate Vice President of Human Resources Trish Bonica, Associate Vice President for Capital Planning and Facilities Maureen Socha.

Committee Chair Gilmer called the meeting to order at 12:33 PM and announced the committee members.

MOTION made by Trustee Montemayor, seconded by Trustee Currier, to approve the minutes of the June 13, 2023, meeting. There being no discussion, **Motion passed unanimously.**

Motion – FY24 Operating Budget. Highlights of the proposed operating budget were shared. The budget shortfall is higher than projected in the provisional budget, but budget balancing strategies have been made to balance the budget. The budgets were balanced in both FY23 and FY24. The glide path use of reserves increased by \$1M but if other savings continue, reserves may not need to be used. The final budget by trust fund is mostly affected by the FEMA reimbursement and losses in Residential Life and Dining Services due to decreased enrollment and inflation. Since the Investment Subcommittee has not met prior to this meeting to formally approve taking \$800,000 of investment income for innovation funding, that has been added to the operating budget motion. The financial aid budget decreased from the provisional budget because while the discount model increased, enrollment affects the variance since it is a percentage of revenue.

MOTION made by Trustee Currier, seconded by Trustee Jasmin, to recommend approval to the full Board:

To approve the transfer of \$800,000 from the University's investment accounts with CI Eaton Private Wealth, to the University's operating account at Berkshire Bank, consistent with the University's Investment Policy (0430), FY24 operating budget, and verified with the financial analysis presented at the Investment Subcommittee meeting on July 28, 2023,

which is included in today's material. The Investment Subcommittee supports this allocation which will provide funds for innovation initiatives.

And, to approve the FY24 Operating Budget as presented and to authorize the President to make budget adjustments to these funds.

There being no further discussion, **Motion passed unanimously.**

Five-Year Financial Forecast Update. Enrollment in high school is projected to decrease 15% over the next five years. Available data and assumptions were shared to create a baseline forecast incorporating the enrollment trend. Innovative strategies, which have an impact on the forecast, will be added in future updates.

Motion – Strategic Investments. Cabinet is developing strategies focused on Campus Culture and Health, Enrollment Stabilization/Growth, and Economic Health. Today's request for reserves is a down payment on phase one to immediately invest in marketing, enrollment, retention, and financial aid strategies. In the next three weeks, half of the funding will be invested in marketing and brand identity, followed by specific initiatives to build models for financial aid. Key Performance Indicators (KPI's) for the investments will be brought to the Board in December, together with a list of potential initiatives and returns. Chair Salehi recommended looking at filling some vacant positions to help morale on campus. Committee Chair Gilmer requested an interim report on the planned allocation of funds between now and December's meeting.

MOTION made by Trustee Jasmin, seconded by Trustee Montemayor, to recommend approval to the full Board:

To allocate \$2,000,000 from cash reserves to fund the strategic investments as described in the summary presented. Further, the university will provide an update on the status of these investments at the December meeting along with related metrics and potential return on investment. This allocation is above and beyond the final FY24 October budget presented today.

There being no further discussion, **Motion passed unanimously.**

Motion – Financial Affairs Committee Charter. The revisions made to the charter removed the language for the Advancement portion.

MOTION made by Trustee Jasmin, seconded by Trustee Montemayor, to recommend approval to the full Board:

To approve revisions to the Westfield State University, Board of Trustees, Financial Affairs Committee Charter, as presented.

There being no discussion, **Motion passed unanimously.**

Motion – Anti-Bullying Policy (1340). Revisions to the policy to enhance institutional culture were highlighted. The spring 2022 climate survey guided the revisions. The policy provides what institutes bullying and harassment, corrective action, and the scope of who it includes. The Dean of Students, JEDI Office, University Police, Academic Affairs, and Cabinet reviewed the changes. It was requested that the policy be reviewed by legal counsel and any suggested revisions be incorporated and brought back to the next meeting for approval.

FY25 Budget Planning Assumptions and Timeline. Assumptions for the new planning cycle were shared with no questions from the committee. A scenario will be provided at the December meeting. Fees will be approved in February, information on the budget provided in April, and approval of a provisional budget in June.

Investment Subcommittee Update. The Investment Subcommittee has been having substantial conversations about the invested asset mix and structure between an index fund model versus an active management model. The investment advisor will be bid out next spring.

Travel Expenses of the President and the President's Direct Reports: July 1, 2022 – June 30, 2023. This travel expense information is required to be reported every year. Chair Salehi believes the president's travel and training for campus personnel should increase.

Parenzo Hall. The project is still on budget but there continues to be supply chain issues for needed products. Eighty people have already been moved into the building. The Banacos Center will open in January as planned.

Fixed Assets Inventory Progress Report. This report is required to be given to the Board annually, and there were minor losses in the year.

There being no further business,

MOTION made by Trustee Jasmin, seconded by Trustee Montemayor, to adjourn. There being no discussion, **Motion passed unanimously.**

Meeting adjourned at 1:56 PM.

Attachments presented at this meeting:

- a. Draft Minutes of 6-13-23
- b. Motion – FY24 Operating Budget
- c. FY24 Operating Budget (Investment Subcommittee Analysis)
- d. FY24 Operating Budget (Narrative)
- e. FY24 Operating Budget (Fund Review)
- f. Motion – Strategic Investments
- g. Strategic Investments
- h. Motion – Financial Affairs Committee Charter
- i. Financial Affairs Committee Charter (Revised)
- j. Financial Affairs Committee Charter (Clean)
- k. Motion – Anti-Bullying Policy
- l. Anti-Bullying Policy (Revised)
- m. Anti-Bullying Policy (Clean)
- n. FY25 Budget Planning Assumptions and Timeline
- o. Five-Year Financial Forecast Update (Narrative)
- p. Five-Year Financial Forecast Update
- q. Travel Expenses of the President and the President's Direct Reports
- r. Fixed Assets Inventory Progress Report