Present: Chair MacArthur Starks, Jr., Vicki Crouse, Marikate Murren, Eric Hagopian and Jeffrey Sattler. Also present were Dr. John Cook, Joseph DaSilva, Dr. Geraldine de Berly, Gerardo Zayas, Jonathan Tudryn, Kamari Collins, Maureen Socha, Dorothy Ungerer, Nanette Flores, Nicholas Camerota, Renae Gorman and Michelle Nash.

The meeting of the Committee on Ways and Means was called to order by Chair MacArthur Starks, Jr. at 5:00 p.m.

Budget Perspective

Cash Flow Projection
Mr. Tudryn provided an overview of the College’s Cash Flow Projection spreadsheet. The Cash Flow Projection worksheet was extended out through the week of October 6, 2019 which is when the first financial aid call down occurs for the fall semester. The College currently has approximately $1,200,000 available at TD Bank. The Cash Flow Projection includes a $2,200,000 transfer from FIA to TD Bank during the first week of the new fiscal year (FY 2020). Based upon enrollment, an additional $500,000 may need to be transferred in mid-September.

FY 2019 Revenue & Spending Report through April 2019
VP/CFO DaSilva presented the revenue and expenditure figures through April 2019. Per the request of the committee from the previous meeting, two columns were added to the report to reflect projected FY 2019 balances as well as a percentage of the projected figures to budget. The sources of funds are generally where they are expected to be at this time of the year at 88% of the budget and are projected to come in at 98% of the budget. Due to an unexpected number of retirements, the projected year end retirement payouts is currently at 99% and is projected to come in at 106%. The water and sewer line continues to be high at 129%, with a year-end projection of 141%. Operational and other expenses is at 91% and is projected to be at 103% at year end, which is due in large part to the additional expenses associated with the lightning strike earlier in the year. Overall, the total uses of funds are where they are expected to be at this time of the year at 82% of the budget. The FY 2019 Facilities Projects Spending Report was also presented.

FY 2019 3rd Quarter Trust Fund and Vendor Expenditure Reports
VP/CFO DaSilva presented the FY 2019 Third Quarter Trust Fund Reports and Vendor Expenditures over $20,000. The General Education Trust Fund, the Health Trust Fund and the Capital Improvement Trust Fund are all tracking within expectations. The Vendor Expenditures Report was also provided.

FY 2018 Student Receivables Report
Mr. Tudryn presented two Accounts Receivable Reports. The first report provides the outstanding student accounts receivable at June 30th for each fiscal year. The receivables for FY 2018 were down as compared to FY 2017. The second report reflects the percent of student receivables collected during the initial year. In FY 2018 the College collected over 96% of all amounts invoiced to students. The College billed almost $23.7M during the fiscal year. Mr. Tudryn added that FY 2019 is following a similar receivables/collection trend to FY 2018.
FY 2020 Budget Update
Dr. Cook presented a revised version of the proposed FY 2020 budget. This version of the budget shows further reductions in full-time salaries, part-time salaries, operational expenses, college contingency, and grant matches. The revised budget balanced. Trustee Hagopian suggested that Dr. Cook and staff set a savings goal associated with value stream mapping.

Motion – FY 2020 Budget
Trustee Hagopian moved that the STCC Board of Trustees Committee on Ways and Means, pursuant to the provision Section 22, Chapter 15A, recommends the approval of the FY 2020 College Spending Plan and the FY 2020 Trust Fund Budgets, and further authorizes the President of the College and/or his designee(s) to take any and all prudent steps necessary to award contracts for capital projects. The motion was seconded by Trustee Murren and approved unanimously.

Investment Subcommittee Report
Trustee Starks presented the minutes from the Investment Subcommittee meeting held on May 2, 2019. Please see attachment 1 for the minutes to the meeting.

President’s Perspective
Dr. Cook shared a worksheet which indicates the number of students in 11th and 12th grade in surrounding towns. Trustees Crouse and Starks would prefer to see data on new students entering STCC. This will provide data on where our students are coming from and allow the College to plan the marketing strategy accordingly.

Other Business
In the future, Trustee Starks would like to use this time to review any open issues from previous meetings.

Date of the next meeting
June 24 @ 5:00 p.m. in the President’s Conference Room

Adjournment: The meeting was adjourned at 5:50 p.m.

Respectfully submitted by: Carolyn deliefde
Attendees: Mac Starks, Tony Montemagni, Michael Chase, President Cook, Joe DaSilva, Jonathan Tudryn, Gerry de Berly, and Dorothy Ungerer.

The committee met with Fiduciary Investment Advisors (FIA) on May 2, 2019 for the quarterly investment subcommittee meeting. Mr. Chase presented the Quarterly Investment Review Report for the first quarter of 2019.

The Fiduciary Governance Calendar for the first quarter contains a benchmarking focus:
- Portfolio / Investment Review
- Endowment / Foundation Landscape
- Peer Benchmarking
- Fee Analysis
- Ongoing Projects / Manager Specific Topics

Mr. Chase revisited the College’s investment objective, which in part is to provide a source of liquidity, income and capital appreciation for the College. He went on to share the annual benchmarking report of the NACUBO-TIAA Study of Endowments. The College’s portfolio would be compared to other portfolios with assets under $25MM. The College’s portfolio is more diversified than other portfolios with comparable assets under management. The College’s portfolio has more weight on fixed income, international equities, and alternative strategies; while having less weight on domestic equities.

Mr. Chase also commented that the STCC portfolio would recognize slightly lower returns than our peers in the study during a favorable market because the STCC portfolio is endowment-like, not an actual endowment and is structured to assume less risk. Conversely, the STCC portfolio would not experience as significant of a loss in down markets as compared to peers.

Mr. Chase proceeded to provide updates on the market review, index results, equity and fixed income review, equity market review, fixed market review, and market viewpoints.

Investments managed by FIA totaled $15,790,077 at March 31, 2019. This represents a fiscal year-to-date increase in portfolio value of $130,346.

The long-term investment account totaled $11,587,957 at March 31, 2019. A summary of the STCC Long Term Investment Account as compared to the L/T STCC Hybrid benchmark is listed below by quarter, calendar year to date, fiscal year to date, and since inception (11/1/2014).

<table>
<thead>
<tr>
<th></th>
<th>QTR</th>
<th>YTD</th>
<th>FYTD</th>
<th>Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>STCC Long Term</td>
<td>8.7</td>
<td>8.7</td>
<td>0.6</td>
<td>3.9</td>
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<tr>
<td>L/T STCC Hybrid benchmark</td>
<td>9.2</td>
<td>9.2</td>
<td>2.3</td>
<td>4.6</td>
</tr>
</tbody>
</table>

The L/T STCC Hybrid benchmark consists of:
- Bloomberg Barclays U.S. Aggregate Index: 30.0%
- Russell 3000 Index: 30.5%
MSCI AC World ex USA (Net) 24.5
HFRI Fund of Funds Composite Index 7.5
FTSE EPRA/NAREIT Developed Index (Net) 3.5
S&P North American Natural Res Sector Index (TR) 4.0

The short-term liquid account totaled $4,202,120 at March 31, 2019. A summary of the STCC Short Term Investment Account as compared to the S/T STCC Hybrid benchmark is listed below by quarter, calendar year to date, fiscal year to date, and since inception (11/1/14).

<table>
<thead>
<tr>
<th></th>
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<th>YTD</th>
<th>FYTD</th>
<th>Inception</th>
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</thead>
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<tr>
<td>STCC Short Term</td>
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<td>2.1</td>
<td>1.1</td>
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<tr>
<td>S/T STCC Hybrid benchmark</td>
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<td>1.2</td>
<td>2.6</td>
<td>1.2</td>
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</tbody>
</table>

The S/T STCC Hybrid benchmark consists of:

<table>
<thead>
<tr>
<th>Weight (%)</th>
<th>90 Day U.S. Treasury Bill</th>
<th>30.0</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Bloomberg Barclays 1-3 year Gov/Credit Index</td>
<td>60.0</td>
</tr>
<tr>
<td></td>
<td>Bloomberg Barclays U.S. Aggregate Index</td>
<td>10.0</td>
</tr>
</tbody>
</table>

An estimated fee analysis was also provided:

<table>
<thead>
<tr>
<th>Weight (%)</th>
<th>58 basis points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Investment Account Average Weighted Fee</td>
<td>58 basis points</td>
</tr>
<tr>
<td>Short-Term Liquid Account Average Weighted Fee</td>
<td>29 basis points</td>
</tr>
<tr>
<td>FIA Discretionary Fee (Flat Fee)</td>
<td>$44,365</td>
</tr>
</tbody>
</table>

The College returned the previously divested $1M in March 2019 as scheduled. The College has been in conversation recently with Mike Chase and his team regarding projections for the portfolio for the remainder of the fiscal year (June 30) for budgetary purposes. Considering all current information available, it is reasonable to expect the portfolio to hold its value as of the end of April.

Respectfully submitted by: Jonathan Tudryn