

**Springfield Technical Community College
Committee on Ways and Means Report
May 13, 2024**

Present: Trustees MacArthur Starks, Jr., Laurie Martin, Norman Roldan, and Jeffrey Sattler. Also present: President John B. Cook & Vice President/CFO Andrea Nathanson.

Unable to Attend: Trustee Samalid Hogan

Investment Subcommittee Report

Trustee Martin reviewed highlights of the investment sub-committee report from the May 2, 2024 meeting (enclosed in meeting packet).

FY 2024 3rd Quarter Trust Fund Report

Jonathan Tudryn, Assistant VP of Administration and Controller, presented the report in accordance with trust fund guidelines. The Health and Capital Improvement Trust Funds were consolidated into the General Education Trust Funds, as previously approved in March 2024. Tuition and fee revenues were up as a result of increased enrollment and there has not been a need to use reserves through the 3rd quarter. Facilities and IT expenses are reflecting no expenses as the FY 2023 carry-over funds are being spent first. Mr. Tudryn also presented the vendor expenditures report.

Financial Update and Outlook

Cash Flow Projection

AVP Tudryn, presented the cash flow projection that was extended into October 2024. The College had approximately \$14.1 million available as of May 4, 2024 and transferred \$4 million to Fiducient last week. The allocation of the \$4 million will include \$3 million invested in the long-term portfolio, using a dollar-cost averaging approach, and \$1 million invested in the short-term portfolio. The projected fiscal year end cash balance is approximately \$5.7 million.

FY 2024 Revenue and Spending Projection

Jason Cohen, Senior Director of Finance and Budgets, presented the updated FY 24 Revenue and Spending report, noting that net income is projected to be \$3.125 million at year end without needing to use any of the budgeted \$2.5 million revenue from reserves. Significant factors impacting net income are increases to the state appropriation of \$967K, enrollment favorable to budget for a net impact of \$3 million, and personnel vacancies reducing salary expense by approximately \$1.6 million, offset by \$595K of contractually obligated salary increases.

FY 2025 Budget

Vice President/CFO Nathanson presented a final FY25 budget for Committee consideration, which is reconciled (balanced) with revenue from reserves of \$1.5M, \$500K less than the \$2M of support previously endorsed by Trustees. She summarized the major budget assumptions, including a conservative enrollment budget, with credits down 2% from FY24 projected, and a set of fee increases expected to have a minimal impact on students with the most financial need.

In response to Trustee questions about potential risk areas in the budget, VP Nathanson explained that, while there is always potential risk related to state funding and/or student enrollment being below expectations, this budget is intentionally conservative to ensure that the spending plan approved by

Trustees will not exceed revenue. With the state appropriation subject to legislative approval, most likely in late summer, aligning spending with known revenue is the most prudent approach. President Cook later described broader budget elements, including state considerations such as emergency housing, the potential/continued funding of free community college, and possible timetable to a final/approved state budget.

Committee members were again complimentary of administration/finance and their diligence preparing the budget this year.

[Motion 2024-09] FY 2025 Student Fees

Trustee Sattler moved that the Springfield Technical Community College Committee on Ways and Means recommends to the Board of Trustees, pursuant to the provision of Chapter 15A, Section 22, the authorization for the President of the College and/or his designee(s) to increase the General Education Fee by \$6 per credit, increase the Nursing Fee by \$60 per semester, and increase the STEM Program Fee by \$20 per semester effective for the Fall 2024 Semester. All other College fees for FY 2025 will remain at the same level as Spring 2024. The motion was seconded by Trustee Roldan and approved unanimously via roll call.

[Motion 2024-10] FY 2025 Budget

Trustee Sattler moved that the Springfield Technical Community College Board of Trustees Committee on Ways and Means, pursuant to the provision of Section 22, Chapter 15A, recommends the approval of the FY 2025 College Spending Plan and the FY 2025 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 Martin and approved unanimously via roll call.

Old/New Business

Date of the next meeting

TBD

Adjournment:

A roll call vote was taken to adjourn at 5:55 p.m.

Respectfully submitted by: Dominick Uguccioni

Springfield Technical Community College
Investment Subcommittee Report
May 2, 2024

Attendees: Laurie Martin, Norman Roldan, Matthew Fratini, Michael Chase, President Cook, Andrea Nathanson, Christopher Thuot, Jonathan Tudryn, Dorothy Ungerer, and Nanette Flores.

The committee met with Fiducient Advisors on May 2, 2024 for the quarterly investment subcommittee meeting.

Mr. Fratini made note that Mr. Michael Goss will succeed Mr. Mark Wetzel as President of Fiducient Advisors following Mr. Wetzel's retirement on May 3.

Mr. Fratini presented the Quarterly Investment Review Report for the first quarter of 2024. The Fiduciary Governance Calendar for the first quarter contains a governance focus:

- Investment Policy Statement
- Governance Check-In

Mr. Fratini proceeded to provide list of questions/topics for discussion for the purpose of providing a governance check-in for the Investment Subcommittee. He presented the college's investment policy statement, a list of important elements of an investment policy statement, and discussed the ten habits of effective investment committees. Mr. Fratini indicated there were no areas of concern with the investment policy statement and there are no recommendations for change at this time. Mr. Chase provided updates on market themes, asset class returns and fixed income/equity and real asset/alternative market updates.

Investments managed by Fiducient totaled \$42,739,465 at March 31, 2024. This value includes a fiscal year to date gain of \$3,030,734.

The long-term investment account totaled \$29,303,651 at March 31, 2024. A summary of the STCC Long Term Investment Account as compared to the L/T STCC Hybrid benchmark is listed below by quarter, fiscal year to date, and since inception (11/1/2014).

	QTR	FYTD	Inception
STCC Long Term	3.9	9.6	5.6
L/T STCC Hybrid benchmark	4.3	10.6	5.8

The L/T STCC Hybrid benchmark consists of:

	Weight (%)
Bloomberg U.S. Aggregate	30.0
Russell 3000 Index	33.5
MSCI AC World ex USA (Net)	20.5
FTSE EPRA/NAREIT Developed Index (Net)	4.0
Diversified Real Asset Blended Index	4.5
HFRI Fund of Funds Composite Index	7.5

The short-term liquid account totaled \$13,435,814 at March 31, 2024. A summary of the STCC Short Term Investment Account as compared to the S/T STCC Hybrid benchmark is listed below by quarter, fiscal year to date, and since inception (11/1/14).

	QTR	FYTD	Inception
STCC Short Term	1.3	4.3	1.5
S/T STCC Hybrid benchmark	1.0	3.9	1.5

The S/T STCC Hybrid benchmark consists of:

	Weight (%)
90 Day U.S. Treasury Bill	30.0
Bloomberg Short-Term Government/Corporate	60.0
Bloomberg U.S. Aggregate	10.0

An estimated fee analysis was also provided:

Long-Term Investment Account Fee	42 basis points
Short-Term Liquid Account Fee	19 basis points

Mr. Tudryn noted that due to STCC's healthy local cash position, there is an opportunity to transfer \$4 million from TD bank to Fiducient. Knowing that there will be a need for approximately \$11.5 million for the planned move of the health programs, and that this balance is available in the short-term fund right now, Mr. Tudryn asked for recommendations on how these funds should be invested. There was a robust discussion on possible investment strategies.

The meeting adjourned at 5:07 PM.

Respectfully submitted by: Dorothy Ungerer