

**Springfield Technical Community College
Committee on Ways and Means Report
February 8, 2021**

Present: Trustees MacArthur Starks, Jr., Marikate Murren, Jynai McDonald, Jeffrey Sattler, Vicki Crouse, Maurice Lindsay and Eric Hagopian, Also present: President Cook.

The meeting of the Committee on Ways & Means was called to order by Trustee Starks at 5:00 p.m.

FY 2022 Budget Considerations and Conversation

Dr. Cook shared with the Committee that the FY 2022 budget preparations are underway; engagement with budget managers across the college is being done in earnest; and a first draft of the budget will be presented for Ways & Means consideration and discussion at the March meeting.

CRRSAA Funding

Andrea Nathanson, VP of Administration/CFO presented an overview of items that will shape and impact the FY 2022 budget. CRRSAA (federal) funding, for example, and the ~ \$8.1 million (\$2 million directly for students), is one specific. Ms. Nathanson sought input from the Committee on how these funds should be used; also presented was some of the descriptions for qualified expenditures associated with this funding. Trustee Starks requested further clarification on the potential to use this funding to cover lost revenue. Trustee Hagopian inquired as to when the College will receive the money. Per Ms. Nathanson, the money is available for the college to draw down now. Trustee Crouse asked about a draw-down now, with a set aside: Senior Director of Finance and Budgets Jason Cohen noted that the College is not allowed to draw down funds in advance; a documented use is needed, as well as short timetable to then spend once drawn. The college is looking at capital projects (Facilities & IT) that in alignment with plans, could be funded using this source.

Discussion of STCC Investments/ “Unrestricted Net Position” (Reserves)

President Cook raised the subject of funding the Building 20 (School of Health) relocation and capital project, and the possibility of Trustee approval of Reserves (Unrestricted Net Position from Investments) to support the required Certified Study as well as portion of the total project funding.

Capital Projects

The working/draft capital project for FY 2022 is approximately \$4.8 million at the time of discussion (\$3.1 million for Facilities; \$1.7 million for Information Technology). Senior Director of Facilities Deb Avery will present a more in-depth review and description at the March Committee meeting; CIO/Assistant Vice President Mary Kaselouskas will present an in-depth review at the April Ways & Means meeting.

CARES Act Summary

Senior Director of Finance and Budgets Jason Cohen presented an update on CARES Act funding, and uses in FY 2021. The combined award amount was \$4.75 million of which \$4.22 million has been spent or encumbered. The remaining \$531,000 was discussed, including further avenues to support needs (i.e. purchase of laptops for student use), and a no cost extension can be requested. Trustee Hagopian inquired as to what expenses will be needed to bring students back on campus: response included how a Committee (Campus Repopulation) is a key forum; a marketing plan is being developed; and Academic Affairs is working on logistics. The CARES Act funding is already being used to cover expenses associated with students who are currently on campus and will continue to do so. Trustee Starks asked if the lost revenue concept applies to this funding source as well: the response is that it appears so, and that outlook came with the new federal administration change in January, although again, questions remain.

FY 2021 Budget Detail

Cash Flow Projection

Controller Dorothy Ungerer reported on the College's cash flow status and projection for FY 2021. The College currently has approximately \$6,000,000 available at TD Bank. With a benchmarked decline of 19% in enrollment for spring, the projected year-end balance at TD Bank is about \$900,000. Ms. Ungerer also presented a view on projected cash flow based upon a 25% decline in enrollment which would leave us with a balance of approximately \$400,000.

FY 2021 Revenue & Spending Report through January 2021

Mr. Cohen reported on the FY 2021 Revenue & Spending Report through January 2021, with specifics related to declines in student fee revenue, but also declines in expenses. Current forecasts show revenue exceeding expenses by a little over \$900,000. Mr. Cohen also presented a visual of the student revenue trend, as well as a breakdown of specific DCAMM-funded projects and spending.

FY 2021 Facilities Project Report

Mr. Cohen presented the Facilities Project Report detailing year-to-date spending through January 31, 2021. To date, \$723,988 has been spent. Mr. Cohen noted that Facilities expects to spend an additional \$2M this year. Trustee Starks asked how COVID is affecting these projects: response noted that the Certified Study obligation is a greater impediment to progress than COVID-specific impacts.

FY 2021 2nd Quarter Trust Fund and Vendor Expenditures

Ms. Ungerer presented the FY 2021 Second Quarter Trust Fund Reports and Vendor Expenditures over \$20,000.

Investment Subcommittee

Trustee Starks presented the investment report from the Investment Subcommittee meeting held on February 4, 2021. Please see attachment 1 for the minutes to the meeting. President Cook shared the observation made related to total amount under investment. At just over \$18 million as of the Subcommittee meeting, this total represents where total investments stood in 2014/2015

when the quasi-endowment was first established. Trustees approved \$3 million for the Building 19 project and \$420,000 for a CORE Switch, so coming back to “level” is significant, even with help from the stock market.

Date of the next meeting

March 15, 2021 @ 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 5:47 p.m. Approved by Trustees Murren, Starks, Crouse, Hagopian, Lindsay, Sattler and McDonald

Respectfully submitted by: Carolyn deliefde

**Springfield Technical Community College
Investment Subcommittee Report
February 4, 2021**

Attendees: MacArthur Starks, Jr., Marikate Murren, Maurice Lindsay, Michael Chase, President Cook, Andrea Nathanson, Dorothy Ungerer, Gerry de Berly, Denise Hurst, John Reynolds, Keith Paul and Nanette Flores.

The committee met with DiMeo Schneider & Associates, LLC on February 4, 2021 for the quarterly investment subcommittee meeting.

Mr. Chase provided a 2020 year-end firm update which confirmed the finalization of the merger of DiMeo Schneider with Fiduciary Investment Advisors, LLC (“FIA”). As a result of the merger, they now manage about \$200 billion in assets. Mr. Chase noted that the merger has gone smoothly.

Mr. Chase presented the Quarterly Investment Review Report for the fourth quarter of 2020. The Fiduciary Governance Calendar for the fourth quarter contains an allocation focus:

- Updated Capital Market Assumptions
- Frontier Engineer Asset Allocation Modeling

Mr. Chase provided a long-term outlook as of January 2021, including key observations, STCC long-term pool considerations, investment policy statement compliance, Frontier Engineer Analysis, portfolio considerations and positioning. Mr. Chase observed that the goal is to keep us on par with our investment objectives balanced with potential upcoming needs of the college where we might need to access the long-term pool. President Cook noted that the college might have a long-term consideration for funds for our Building 20-School of Health project, as we work with the state and seek what the tolerance of trustees is for a commitment to that project. This statement was concurred by Trustees Murren and Starks. Mr. Chase indicated that we can evaluate positioning at least annually and on an ad hoc basis as more information comes forward.

Mr. Chase proceeded to provide updates on capital markets, financial markets performance, equity and fixed income market updates, and investing viewpoints.

Investments managed by DiMeo Schneider totaled \$17,930,731 at December 31, 2020. This represents a fiscal year-to-date increase in portfolio value of \$2,075,119.

The long-term investment account totaled \$12,986,720 at December 31, 2020. 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	12.0	18.4	6.2
L/T STCC Hybrid benchmark	10.3	15.9	6.8

The L/T STCC Hybrid benchmark consists of:

	Weight (%)
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
Diversified Real Asset Blended Index	4.0

The short-term liquid account totaled \$4,944,011 at December 31, 2020. 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	0.4	0.8	1.5
S/T STCC Hybrid benchmark	0.2	0.4	1.7

The S/T STCC Hybrid benchmark consists of:

	Weight (%)
90 Day U.S. Treasury Bill	30.0
Bloomberg Barclays 1-3 year Gov/Credit Index	60.0
Bloomberg Barclays U.S. Aggregate Index	10.0

An estimated fee analysis was also provided:

Long-Term Investment Account Average Weighted Fee	55 basis points
Short-Term Liquid Account Average Weighted Fee	17 basis points

President Cook observed that the value of the portfolio is at about \$18 million, which is about where we started when trustees agreed to divest \$3 million to finish the Building 19 renovations. Investments have worked their way back in value with some significant capital work on campus to show for it.

Respectfully submitted by: Dorothy Ungerer