

**Springfield Technical Community College
Committee on Ways and Means Report
September 12, 2022**

Present: Trustees MacArthur Starks, Jr., Marikate Murren, Samalid Hogan, Maurice Lindsay, and Norman Roldan. Also present: President Cook.

Absent: Trustee Jeffrey Sattler

Trustee Starks called the meeting of the Committee on Ways and Means to order at 5:00 p.m.

Investment Subcommittee Report

Trustee Roland presented the Investment Subcommittee report from their meeting on August 4, 2022. Please see attachment 1 for the details of the report. Trustee Murren moved to accept the Subcommittee report, the motion was seconded by Trustee Hogan and approved via roll call.

Financial Update and Outlook

Andrea Nathanson, VP of Administration and CFO, presented the financial reporting calendars for fiscal years 2022 and 2023, including key milestones for both. It was noted that the next Ways & Means Committee meeting will include a presentation of the FY 2022 audited financial statements and a first-quarter Revenue & Spending report for FY 2023.

Cash Flow Projection

Jonathan Tudryn, Assistant VP of Administration and Controller, presented the cash flow projection for FY 2023. The College had approximately \$12.1M available at TD Bank at the beginning of the month and he will be speaking with Mike Chase from Fiducient about potential investing opportunities to take advantage of the cash position. Further discussion regarding investment opportunities will take place at the next Investment Subcommittee meeting.

FY 2023 Revenue & Spending and Projection

Jason Cohen, Senior Director of Finance and Budgets, presented the FY 2023 Revenue and Spending projection, noting that the only update to the projection at this time is an increase to the State appropriation revenue of \$454,134 due to the late addition of FY22 formula funding revenue carried forward into FY23. Tuition and Fee revenue for Fall is not yet available, but there was a discussion of various enrollment scenarios, and their potential impact on the budget.

President's Perspective

Dr. Cook remarked that while it is early, the College is optimistic about Fall 2022 enrollment projections, especially compared to other Community Colleges in the state. He referred the committee to the Shrinking of Higher Education article included in the packet, which outlines factors limiting growth in enrollment.

The School of Health & Patient Simulation relocation project has now cleared the Designer Selection Board process with the selection of Lavallee Brensinger Architects, a firm with extensive Higher Education experience. Dr. Cook noted that inflationary factors may impact the project as the design process moves forward, likely contributing to rising costs of construction and materials.

Date of the next meeting

October 13, 2022 at 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 5:27 p.m.

Respectfully submitted by: Dominick Uguccione

Springfield Technical Community College
Investment Subcommittee Report
August 4, 2022

Attendees: Norman Roldan, Anthony Montemagni, Michael Chase, Matthew Fratini, President Cook, Gerry de Berly, Shai Butler, Jonathan Tudryn, Dorothy Ungerer, and Nanette Flores.

The committee met with Fiducient Advisors on August 4, 2022 for the quarterly investment subcommittee meeting.

Mr. Chase presented the Quarterly Investment Review Report for the second quarter of 2022. The Fiduciary Governance Calendar for the second quarter contains an investment focus:

- Portfolio Attribution
- Asset Class Review

Mr. Chase proceeded to provide a review of market themes, fixed income and equity markets and the related returns (including a historical perspective), economic review, and asset class returns. Mr. Chase reviewed STCC's dollar cost averaging activity from the past fiscal year. He reviewed the portfolio asset allocation and indicated that investments are close to being in line with targets. Mr. Chase reviewed performance attribution and stated that most of the total value added came from manager performance.

Investments managed by Fiducient totaled \$26,224,321 at June 30, 2022. This value includes a fiscal year to date loss of \$2,902,195.

The long-term investment account totaled \$20,479,761 at June 30, 2022. 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	-11.0	-11.7	4.4
L/T STCC Hybrid benchmark	-11.7	-13.1	4.6

The L/T STCC Hybrid benchmark consists of:

	Weight (%)
Bloomberg U.S. Aggregate Index	25.0
Russell 3000 Index	33.5
MSCI AC World ex USA (Net)	25.5
HFRI Fund of Funds Composite Index	7.5
FTSE EPRA/NAREIT Developed Index (Net)	3.5
Diversified Real Asset Blended Index	5.0

The short-term liquid account totaled \$5,744,560 at June 30, 2022. 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	-0.9	-2.6	0.9
S/T STCC Hybrid benchmark	-0.8	-3.1	1.0

The S/T STCC Hybrid benchmark consists of:

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

An estimated fee analysis was also provided:

Long-Term Investment Account Fee	51 basis points
Short-Term Liquid Account Fee	15 basis points

President Cook expressed appreciation for the framing and outlook provided by Fiducient during the presentation. He noted that the slide on challenging market environments (historical perspective) would provide good content for trustees at a future Committee on Ways and Means meeting. Mr. Chase offered to provide materials and/or a presentation for future board meetings.

President Cook and Trustee Roldan both affirmed that it is helpful to know of the value that the investments are obtaining from manager performance. There was a thoughtful discussion regarding strategy to manage duration and its effect on yield. Mr. Chase mentioned one possibility is to pull the TIAACREF Social Choice Bond investment in order to shorten duration, if Trustees were so interested. President Cook stated that this could certainly be revisited to ensure investments are maximized.

The meeting adjourned at 5:04 PM.

Respectfully submitted by: Dorothy Ungerer