

**Springfield Technical Community College
Committee on Ways and Means Report
January 7, 2019**

Present: MacArthur Starks, Jr., Christopher Johnson, Vicki Crouse, Marikate Murren and Eric Hagopian. Also present President Cook, Joseph DaSilva, Jonathan Tudryn, Kamari Collins, LaRue Pierce, Maureen Socha, Inder Singh, Dr. deBerly, Dorothy Ungerer, Gerardo Zayas, Nanette Flores and Nicholas Camerota

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

Budget Perspective

Cash Flow Projection

Mr. Tudryn reported on the College's cash flow projection. The College currently has approximately \$400,000 available at TD Bank. The College divested \$1,000,000 from Fiduciary Investment Advisors in November as previously discussed and is planning on reinvesting the funds in March.

FY 2019 Revenue & Spending Report through December 2018

VP/CFO DaSilva presented the revenue and expenditure figures through December 2018. Student fee revenues continue to be down due to a decrease in enrollment. Investments earnings are also lower than budgeted as the portfolio is down due to recent market conditions. The investment loss is reflected through the month of November. Fuel and electricity is down slightly due to a generally mild winter so far, however, water/sewer is coming in high as a result of Building 19 coming on line and the system was required to be flushed multiple time. Operational and other expenses are up due in part to the lightning strike that occurred earlier in the year, resulting in the need to purchase additional IT equipment.

FY 2019 1st Quarter Trust Fund and Vendor Expenditure Reports

VP/CFO DaSilva presented the first quarter Trust Fund Reports and Vendor Expenditures over \$20,000 as required by the Board of Higher Education Trust Fund Guidelines. The General Education, Health, and Capital Improvement trust fund revenues and expenditures are all slightly under budget which can be attributed to the decrease in enrollment.

FY 2019 Revised Budget

VP/CFO DaSilva presented the committee with a revised version of the FY 2019 budget. The one change to the budget since the revision was presented in November is the additional funding from the Foundation utilizing Baystate Health funds in the amount of \$550,000 which will be used to purchase additional SIMS equipment. The revised budget is balanced.

Motion Revised FY 2019 Budget

Trustee Murren moved that the Springfield Technical Community College Committee on Ways and Means recommends to the Board of Trustees, pursuant to the provisions of Section 22, Chapter 15A, the approval of the revised FY 2019 College Spending Plan and the FY 2019 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 Hagopian and approved unanimously.

Investment Subcommittee Report

Trustee Starks presented the investment report from the Investment Subcommittee meeting held on November 14, 2018. He also discussed the revised philosophy of how investments in the long-term and short-term accounts should be allocated. Please see **attachment 1** for the minutes to the meeting.

Motion Revised Investment Policy

Trustee Hagopian moved that the Springfield Technical Community College Committee on Ways and Means recommends to the Board of Trustees to adopt the revised Portfolio Structure Strategy within the Investment Policy Statement. The motion was seconded by Trustee Murren and approved unanimously.

President's Perspective

President Cook informed the committee that the enrollment projections for the fall were not met and the trend seems to be continuing for spring. At the present time, registered credits are down 10% and confirmed credits are down 6.5%. Trustee Crouse inquired if particular areas are overstaffed since the College has been experiencing enrollment declines and if cuts should be made. Dr. Cook would like to get through program review before making any of those decisions. He also noted that when preparing the FY 2020 budget, some difficult decisions may have to be made.

President Cook informed the committee that the new Director of Marketing and Communications will begin on January 14.

Old/New Business

VP DaSilva shared an email that the College received from the State Comptroller's Office on December 14th. To summarize, during the course of normal audit work at the State, the Commonwealth's independent auditor determined that a significant change in the June 30, 2018 OPEB liability was categorized incorrectly by the actuary. The final restated GASB 75 report was issued today, January 7th, and the College is awaiting further direction from its auditors, O'Connor and Drew. An update will be provided to the Committee as additional information becomes available.

Date of the next meeting

February 11 @ 5:00 p.m. in the President's Conference Room

Adjournment: Trustee Hagopian moved to adjourn the meeting at 5:45 p.m. seconded by Trustee Murren and approved unanimously.

Respectfully submitted by: Carolyn deliefde