

**Springfield Technical Community College
Committee on Ways and Means Report
February 12, 2018**

Present: MacArthur Starks, Jr, Christopher Johnson, Eric Hagopian, and Marikate Murren. Also present President John B. Cook, Barb Chalfonte, Kamari Collins, Joseph DaSilva, Michael Suzor, Joan Murphy, Gerardo Zayas, Jonathan Tudryn 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 \$180,000 available at TD Bank. The financial aid disbursement is scheduled to arrive in early March. The College has no plans to divest any funds prior to the arrival of the financial aid disbursement.

FY 2018 Revenue & Spending Reports through January 2018

Vice President DaSilva presented the revenue and expenditure figures through January 2018. Overall, the sources of funds and the uses of funds are where they are expected to be at this time of the year at 54%. The variances in the Academic Needs and Facilities Projects lines are due to timing. The FY 2018 Facilities Projects Spending report was also presented to the Committee for review.

FY 2018 2nd Quarter Trust Fund and Vendor Expenditure Report

Vice President DaSilva presented the 2nd quarter FY 2018 Trust Fund Reports and Vendor Expenditures over \$20,000 as required by the Board of Higher Education Trust Fund Guidelines. The revenues and expenditures fell in line with expectations. It was pointed out that the DCAMM Debt Service payment was paid in January 2018. There was additional discussion regarding the vendor expenditures report, including the expenses associated with Building 20.

FY 2019 Budget Process

Vice President DaSilva informed the Committee that a draft budget for FY 2019 is in process. VP DaSilva and VP Chalfonte are in the process of preparing enrollment projections for the upcoming fiscal year. VP DaSilva is meeting with other Vice Presidents and budget managers to review divisional budgets. A preliminary FY 2019 budget and recommendations will be presented at the March meeting.

Investment Subcommittee Report

Trustee Starks provided an overview of the February 1, 2018 Investment Subcommittee meeting. Please see *attachment 1* for the minutes of the meeting.

President's Perspective

Dr. Cook noted that the College is taking a very proactive approach to the budget process. All department managers were invited to attend an informational session with Acting Vice President for Academic Affairs Gerardo Zayas, Vice President Dasilva, and Finance & Fiscal Projects Manager Jason Cohen to discuss their FY 2019 budget and to get their input.

Dr. Cook updated the Committee on the Campus Master Plan. The plan will allow the College to map out the best course of action for the vacant space when Building 19 comes online.

Dr. Cook is scheduled to meet with Commissioner Santiago from the Department of Higher Education this month. He will once again speak with him regarding the Building 20 concerns.

Date of the next meeting

March 12 @ 5:00 p.m. in the President's Conference Room

Adjournment

Trustee Murren moved to adjourn the meeting at 5:35 p.m. seconded by Trustee Johnson and approved unanimously.

Respectfully submitted by: Carolyn deLiefde

Approved on 2/26/18 Board of Trustees meeting

**Springfield Technical Community College
Investment Subcommittee Report
February 1, 2018**

Attendees: Mac Starks, Joe Mitchell, Michael Chase, Michael Suzor, Joe DaSilva, Jonathan Tudryn, and Nicholas Camerota.

The committee met with Fiduciary Investment Advisors (FIA) on February 1, 2018 for the quarterly investment subcommittee meeting. Mr. Chase presented the Quarterly Investment Review Report for the fourth quarter of 2017.

The Fiduciary Governance Calendar for the fourth quarter has an institution focus:

- Portfolio/Investment Review
- Update on the Institution/Initiatives
- Committee Best Practices
- Spending Policy Review
- Ongoing Projects / Manager Specific Topics

Mr. Chase discussed committee best practices including leadership, committee makeup, meeting frequency/attendance, meeting preparation, governance calendar, investment policy statement, meeting minutes, and clearly outlined goals and objectives. He recognized that STCC's investment subcommittee contains all of these items and no changes are recommended.

Mr. Chase proceeded to discuss spending policy and presented a market review, index results, equity and fixed income review, market valuations, market viewpoints, U.S. vs international equity comparison, and portfolio considerations.

Investments managed by FIA totaled \$17,161,815 at December 31, 2017. This represents a fiscal year-to-date increase in portfolio value of \$873,940.

The long-term investment account totaled \$13,817,928 at December 31, 2017. 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).

	QTR	YTD	FYTD	Inception
STCC Long Term	3.4	15.5	7.3	5.5
L/T STCC Hybrid benchmark	3.7	15.0	7.6	5.9

The L/T STCC Hybrid benchmark consists of:

	Weight (%)
Bloomberg Barclays U.S. Aggregate Index	30.0
Russell 3000 Index	27.0
MSCI AC World ex USA (Net)	28.0
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 \$3,343,887 at December 31, 2017. 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).

	QTR	YTD	FYTD	Inception
STCC Short Term	-0.1	1.0	0.3	0.8
S/T STCC Hybrid benchmark	-0.1	0.8	0.3	0.7

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	70.0

An estimated fee analysis was also provided:

Long-Term Investment Account Average Weighted Fee	65 basis points
Short-Term Liquid Account Average Weighted Fee	20 basis points
FIA Discretionary Fee (Flat Fee)	\$44,595

As a result of the Board of Trustees approving the revised Investment Policy Statement allowing for socially responsible investing, Mr. Chase prepared and handed out a cash flow worksheet illustrating how Fiduciary Investment Advisors would implement a dedicated ESG (environmental social governance) mandate into the portfolio. The transaction would call for transferring \$162,500 from both the Vanguard Short Term Bond Adm & T. Rowe Price Short Term Bond to the TIAA-CREF Social Choice Bond (totaling \$325,000). The revised investment policy statement was signed and provided to Mr. Chase, who will process the proposed transaction.

Respectfully submitted by: Jonathan Tudryn