



BOARD OF TRUSTEES

Finance and Capital Assets Committee

October 12, 2022

Minutes

Arno Maris Gallery, Room 201, Ely Campus Center

And via Zoom, in accordance with Massachusetts Gov. Charlie Baker’s Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20 dated March 12, 2020.

A live stream of the meeting for public viewing also took place on YouTube.

MEMBERS PRESENT: Committee Chair Ali Salehi, Secretary Chris Montemayor, and Trustees Theresa Jasmin, and Chloe Sanfacon

MEMBERS PARTICIPATING REMOTELY: Trustee Madeline Landrau

MEMBERS EXCUSED: Vice Chair Paul Boudreau

TRUSTEE GUESTS PRESENT: Trustees Melissa Alvarado, Dr. Robert Martin, William Reichelt, and Dr. Gloria Williams [joined at 9:29 AM]

Also present and participating were Westfield State University President Dr. Linda Thompson, Administration and Finance Vice President Stephen Taksar, Associate Vice President Lisa Freeman, Director of Accounting Operations Steven Scibelli; Associate Vice President for Strategic Finance and Institutional Planning Maria Feuerstein; EMT Instructor Christopher Perkins, Dean of Students Maggie Balch; and Executive Director of Communication, Marketing and Branding Dr. Leslie Rice.

Committee Chair Salehi called the meeting to order at 9:02 AM. A roll call was taken of the committee members participating as listed above and it was announced that the meeting was being livestreamed and recorded.

MOTION made by Trustee Jasmin, seconded by Trustee Sanfacon, to approve the minutes of the June 28, 2022, meetings.

There being no discussion, ROLL CALL VOTE taken:

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|--------------------|-----|------------------|-----|
| Trustee Jasmin | Yes | Trustee Sanfacon | Yes |
| Trustee Landrau | Yes | Trustee Salehi | Yes |
| Trustee Montemayor | Yes | | |

Motion passed unanimously.

Travel Expenses of the President and the President’s Direct Reports: July 1, 2021 – June 30, 2022. Ms. Freeman referenced the reports provided and stated the total travel expenses for the year were

approximately \$24,000.

Fixed Assets Inventory Progress Report. Mr. Scibelli stated there was an increase in the inventory completion over FY21 and the goal for each year is to finish with improved results. There have been significant improvements to the process over time, but efficiencies will continue to be implemented as discovered. All assets are bar coded and the minimum amount to inventory is \$1,000, together with all computing and some mobile devices. Our capitalization policy is now consistent with the state’s policy of \$50,000.

Vehicle Purchase (Ambulance). Mr. Perkins stated an additional \$4,000 was needed to purchase the ambulance authorized at the April meeting due to an increase in the trade-in price. It will be customized, and funding will come from Academic Affairs. The EMT classes partner with the Nursing and PA programs.

MOTION made by Trustee Jasmin, seconded by Trustee Montemayor, to approve the expenditure of an additional \$4,000 in FY23 to procure an ambulance for the Sports Medicine and Human Performance Department from Specialty Vehicles, Inc. With approval from the Board of Trustees in April 2022 to purchase an ambulance for \$5,000, this will bring the total purchase price of the vehicle to \$9,000 in FY23.

There being no discussion, ROLL CALL VOTE taken:

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|--------------------|-----|------------------|-----|
| Trustee Jasmin | Yes | Trustee Sanfacon | Yes |
| Trustee Landrau | Yes | Trustee Salehi | Yes |
| Trustee Montemayor | Yes | | |

Motion passed unanimously.

Student Travel Policy (4040). Mr. Taksar stated this policy is being updated due to changes in requirements. Policies are being revised to remove detailed procedures so that they do not need to come before the Board when a procedure or form changes to streamline the policy. Ms. Balch added that there is a formal process for student travel in place and all procedures are placed in an advisor manual to be taken to all off-campus events. Events are covered by our insurance policies or by the state. Meal allowances are based on collective bargaining limits for all employee travel.

MOTION made by Trustee Jasmin, seconded by Trustee Sanfacon, to approve the changes and accept the newly revised Student Travel Policy (4040), as presented.

There being no discussion, ROLL CALL VOTE taken:

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|--------------------|-----|------------------|-----|
| Trustee Jasmin | Yes | Trustee Sanfacon | Yes |
| Trustee Landrau | Yes | Trustee Salehi | Yes |
| Trustee Montemayor | Yes | | |

Motion passed unanimously.

FY23 Operating Budget. Mr. Taksar and Ms. Feuerstein presented the FY23 Operating Budget, giving the following highlights.

- Enrollment has shifted from the projection in the June provisional budget to the final budgeted enrollment.
- The \$1 million gap has been closed in this budget through additional unplanned appropriation and a reduction in the benefit budget.
- There are no HEERF funds budgeted.
- ARPA funds have been budgeted to cover COVID related expenses and deferred maintenance.
- Final budget utilizes year 1 of the glide path strategy, which is a combination of budget reductions, fee increases and use of campus funds, reserves.
- The Massachusetts Department of Higher Education (DHE) has hired EY Parthenon to study how state appropriation funds should be disbursed. That report will be completed this fall to include

- state appropriations based on enrollment, performance, and a baseline allocation.
- Day division enrollment declined 217 students from last year. There is a 35% drop in enrollment since the peak in 2017.
- Auxiliary revenues increased by 7% since the provisional budget helped to offset the deficit. COVID expenses have decreased significantly. [Trustee Williams joined the meeting at 9:29 AM]
- The FY23 final budget summary includes \$3.4 million of additional state funding, but less revenue from lower overall enrollment. Increased financial aid of \$500,000 is being provided through reserves as previously approved. The structural deficit offset of \$2,650,803 was funded from the glide path.
- Utilities and other operational costs will likely continue to increase. The MSCBA will provide a significant release of system debt in four years when the assessment will decrease substantially. Residential Life is working on long- and short-term strategies to close their debt now, which will be included in the five-year forecast.
- At the December meeting, the committee will be provided with the best, middle, and potential worst-case scenarios and assumptions to drive the planning process for FY24.
- The FY23 final budget by trust fund includes innovation and FEMA/ARPA funding. The planned use of reserves was provided as part of the final budget.
- Permanent and temporary adjustments were made to get from the June provisional budget to October's final balanced budget through reserves and campus reductions with no additional cuts to positions. Trustee Salehi said the University cannot continue to rely on reserves.
- Approximately one-third of vacant positions are unfunded. If the president determines to add another position, she can move funding from funded vacant positions to a position created for another reason. The compensation budget is built position by position. Trustees requested to see a list of positions.
- Trustee Salehi added that despite challenging times, the message to campus is that the Board has never discussed furloughs, layoffs, or cutbacks to campus.

MOTION made by Trustee Montemayor, seconded by Trustee Jasmin, to approve the FY23 Operating Budget as presented and to authorize the President to make budget adjustments to these funds.

There being no discussion, ROLL CALL VOTE taken:

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|--------------------|-----|------------------|-----|
| Trustee Jasmin | Yes | Trustee Sanfacon | Yes |
| Trustee Landrau | Yes | Trustee Salehi | Yes |
| Trustee Montemayor | Yes | | |

Motion passed unanimously.

FEMA Reserves Request. President Thompson stated there is an opportunity to advance the campus by using the IDEA model to be more innovative and entrepreneurial, to incorporate diversity, and participate in more engagement on and off campus to create opportunities to solve the enrollment problem. Part of the FEMA funds will be used to market and tell the story of the good work being done on campus, to fund innovation like an interdisciplinary new degree on informatics and partnering with businesses to develop a focus on management and water and drainage issues. Mr. Taksar stated that the FEMA funds are a reimbursement for funds already spent. Cash was received in one year, but revenue recognized in another year. Dr. Rice presented five key goals in the Marketing and Communications department to improve marketing over the next few years to build enrollment. The proposed \$600,000 to spend in six strategies was broken down by cost and will be tracked monthly on a dashboard to evaluate the effectiveness in all innovations. It was discussed that engaging students and alumni in marketing would be helpful.

MOTION made by Trustee Jasmin, seconded by Trustee Landrau, to approve the use of reserves totaling \$1,326,406 which is equal to the FEMA reimbursement. The revenue was

recognized in FY22 when the reimbursement was requested and approved; most of the cash reimbursement was received in FY23. Funds will be used for strategic investments as shown in the attached summary, in support of institutional priorities as approved by the President. If funds are not fully spent in FY23, unspent funds will be automatically rolled forward into FY24. A year-end report will be provided to the Finance and Capital Assets Committee.

There being no discussion, ROLL CALL VOTE taken:

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|--------------------|-----|------------------|-----|
| Trustee Jasmin | Yes | Trustee Sanfacon | Yes |
| Trustee Landrau | Yes | Trustee Salehi | Yes |
| Trustee Montemayor | Yes | | |

Motion passed unanimously.

FY24 Budget Planning Assumptions and Timeline. Mr. Taksar shared assumptions for FY24 revenues, expenses, and reserves, based on scenarios being presented in December. The full-time, first-year numbers are flat based on the current year, and overall enrollment would assume a decline next year. President Thompson has asked the campus to grow enrollments and look at non-traditional opportunities to help do that. Trustees requested a scenario based on what the president’s request for increased enrollment to understand what is possible financially if this target was realized. The FY24 Budget Timeline was shared, and Mr. Taksar recommended following the provisional budget approach that has been working well the last few years.

Five-Year Financial Forecast Update and Reserves. Mr. Taksar’s office is actively working on a five-year forecast for campus and has created a baseline assessment. Multimillion dollar losses are still projected without detailed strategies and implementation plans. An additional 350 to 500 full-time students are needed to close the budget gap. As available, updated figures will be provided at the December meeting.

There being no further business, **MOTION** made by Trustee Jasmin, seconded by Trustee Sanfacon, to adjourn.

There being no discussion, ROLL CALL VOTE taken:

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|--------------------|-----|------------------|-----|
| Trustee Jasmin | Yes | Trustee Sanfacon | Yes |
| Trustee Landrau | Yes | Trustee Salehi | Yes |
| Trustee Montemayor | Yes | | |

Motion passed unanimously.

Meeting adjourned at 10:43 AM.

Attachments presented at this meeting:

- a. Draft Minutes 6-28-22 (Draft)
- b. Travel Expenses of the President and the President’s Direct Reports July 2021 – July 2022
- c. Fixed Assets Inventory Progress Report
- d. Motion – Vehicle Purchase
- e. Vehicle Purchase (Memo)
- f. Vehicle Purchase (Invoice)
- g. Motion – Student Travel Policy
- h. Student Travel Policy (No Track Changes)
- i. Student Travel Policy (Track Changes)
- j. Motion – FY23 Operating Budget
- k. FY23 Operating Budget Presentation
- l. FY23 Operating Budget (Narrative)
- m. FY23 Operating Budget (Final Budget)
- n. FY23 Operating Budget (Detailed Budget)

- o. FY23 Operating Budget (June 2022 Provisional Material)
- p. Motion – FEMA Reserves Request
- q. FEMA Reserves Request
- r. FEMA Reserves Request – An Investment in Our Story
- s. FEMA Reserves Request – Marketing and Communications Annual Report Top Five Goals
- t. FY24 Budget Planning Assumptions and Timeline (Narrative)
- u. Five-Year Financial Forecast Update and Reserves (Narrative)