



## BOARD OF TRUSTEES

Financial Affairs and Advancement Committee

April 25, 2023

Minutes

Scanlon Banquet Hall A

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

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**MEMBERS PRESENT:** Committee Chair Ali Salehi, Secretary Chris Montemayor, Trustee Theresa Jasmin, and Board Chair Dr. Robert Martin, ex-officio member

**MEMBERS PARTICIPATING REMOTELY:** Trustee Chloe Sanfacon

**MEMBERS EXCUSED:** Vice Chair Paul Boudreau and Trustee Madeline Landrau

**TRUSTEE GUESTS PARTICIPATING REMOTELY:** Trustees George Gilmer [via Zoom until joined in person at 10:15 AM], and Dr. Gloria Williams [via Zoom until joined in person at 10:40 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, Assistant Vice President for Strategic Finance and Institutional Planning Maria Feuerstein and Associate Vice President of Facilities and Capital Planning Maureen Socha; Institutional Advancement Vice President Lisa McMahon, Interim Director of Advancement and Major Gifts William Hynes, and Associate Director of Alumni Relations Ryan Meersman.

Committee Chair Salehi called the meeting to order at 10:09 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 Montemayor, to approve the minutes of the December 20, 2022, meeting. **There being no discussion, ROLL CALL VOTE** passed motion unanimously with Trustees voting in the affirmative: Jasmin, Montemayor, Sanfacon, Salehi and Board Chair Martin as ex-officio member.

**MOTION** made by Trustee Jasmin, seconded by Trustee Montemayor, to approve the minutes of the February 7, 2023, meeting. **There being no discussion, ROLL CALL VOTE** passed motion unanimously with Trustees voting in the affirmative: Jasmin, Montemayor, Sanfacon, Salehi and Board Chair Martin as ex-officio member.

### Financial Affairs and Advancement Committee Charter

Chair Salehi asked committee members to review the draft charter and provide suggestions and feedback to the Board assistant so the charter can be voted on during the June committee meeting.

### FY24 Provisional Operating Budget

Mr. Taksar reported in February 2022 that the deficit was estimated to be \$6.1M. Now, with adjustments, it appears that the estimated deficit will be closer to \$6.5M, a \$400k difference from February. Revenue is expected to increase by \$1.2M due to additional state appropriation though enrollment is projected to be flat with last year. A provisional operating budget will be presented in June and a final operating budget will be presented in October once revenue metrics such as enrollment, dining plan participation, and campus housing occupancy are better known.

The deficit continues to increase. Our ongoing revenue doesn't match our ongoing expenses. The University is using reserves to bridge the gap, consistent with the glide path strategy but this is not a long-term sustainable approach.

### Multi-Year Planning Process

Ms. Feuerstein provided an update on the multi-year planning process and the five-year growth rate needed to achieve the 6,000 FTE target, which is vital to the sustainability of the University.

If enrollment grows, housing grows. Occupancy rates in housing are down and in the 70<sup>th</sup> percentile. The University's debt obligation to the Massachusetts State College Building Authority (MSCBA) is increasing, regardless of the occupancy rates in our residence halls. MSCBA is working on alternative strategies to provide more debt relief to state institutions. The proposed strategies may provide short-term benefits but defers and extends payments for the long-term.

FY24 preliminary reserve assumptions are estimated to be \$11.5M. It is estimated that Residential Life will use all of their \$4.9M reserves to offset their deficit and the University will have to contribute \$600k from reserves to completely cover the deficit in Residential Life. The University will also use \$3.3M from reserves for the glide path strategy. This brings the estimated use of reserves for FY24 to \$8.8M. This is a worst-case scenario. Campus underspending and vacancy savings is likely to reduce this number, based on past trends.

The Fair Share Amendment passed in November 2022. It will dedicate additional tax to transportation and education. Governor Healey's proposed budget primarily focuses on more financial aid for students, tuition and fee price caps for students entering in fall 2023, and funding for innovation and deferred maintenance for the state universities. Details of the allocations are not known at this time. The University will maintain a conservative approach with no assumptions of new funding regarding the Fair Share Amendment during the budget process. Once allocation details are finalized, then figures from the Fair Share Amendment will be incorporated into the budget, presumably by October.

### Five-Year Deferred Maintenance Plan

Ms. Socha reported FY23 is the last year of the current five-year deferred maintenance allocation with the Division of Capital Asset Management and Maintenance (DCAMM). The University was allocated \$9.4M as part of this initiative and less than \$1k was left unspent. A new five-year deferred maintenance plan will begin in FY24 with an estimated budget of \$9.2M, with \$6.3M from DCAMM and \$2.9M from WSU. Ms. Socha reviewed the list of deferred maintenance for the new five-year plan. Unfortunately, campus emergencies do have to come out of this funding and would require planned projects to be placed on hold and/or postponed until the next five-year deferred maintenance plan. The University is required to spend at least 50% of all funding half-way through the five-year deferred maintenance plan or the funds must be returned to DCAMM. If 50% of the funding is spent half-way through the five-year plan, the University will receive its remaining deferred maintenance funding. There is currently an estimated \$160M in deferred maintenance needs at WSU.

### FY24 Major Capital Project

DCAMM has a competitive process to allocate \$140M of state funding for multiple capital projects in higher education, above and beyond preventative or routine maintenance. The University was awarded \$20M through this process in support of the renovation of Parenzo Hall. Each campus can submit one proposal that shows return on investment, workforce development, new technology, etc. Proposals are due by December 2023. The University has selected Bates Hall and will build off of a concept submitted by Associate Dean Sabine Klein. Bates has had no major renovations since its construction in 1961.

### FY23 Third Quarter Financials

Ms. Feuerstein reviewed third quarter numbers. The numbers capture a point in time, they are not a projection. Labor shortages, inflation, and capacity issues continue to have a significant effect on campus resources. However, increased position vacancies continue to offset the direct impact of enrollment challenges. Though the third quarter snapshot is favorable, University expenses are lagging and will catch up by the end of the fourth quarter. Most of the current surplus will significantly decrease by year end, once all the fiscal year transactions are processed.

### Investment Subcommittee Update

Mr. Taksar reported there is a final draft of the request for proposal (RFP) to maximize short-term investment rates. The RFP will be posted soon. The goal is to complete the RFP and make the selection by the end of FY23. Trustee Gilmer would like to see a summary on cash reserves as standard meeting material for future committee meetings.

### Fundraising Report/Third Quarter Dashboard

Ms. McMahon reported the number of new donors have more than doubled from last year, and 369 donors have been reactivated. As of March 31, 2023, Institutional Advancement has raised over \$1.1M in gifts and grants. Third quarter numbers are starting to reflect pre-pandemic numbers. Westfield State Foundation will meet in April and are likely to pledge \$1.3M in support to the University for FY24.

### Give a Hoot Annual Day of Giving Update

Mr. Hynes reported \$98k was raised during the two-day, Give a Hoot Annual Day of Giving event. It is estimated this number will increase to \$100k as Advancement is still waiting to receive some matching funds.

### Alumni Report

With a continued focus on engagement, Mr. Meersman gave an update on the recent and successful alumni events held in Naples, FL. Mr. Meersman also shared a number of social media efforts used to engage alumni, one of which highlighted women alumni in celebration of Women's History Month.

There being no further business,

**MOTION** made by Trustee Jasmin, seconded by Trustee Montemayor, to adjourn.

**There being no discussion, ROLL CALL VOTE** passed motion unanimously with Trustees voting in the affirmative: Jasmin, Montemayor, Sanfacon, Salehi, and Board Chair Martin as ex-officio member.

Meeting adjourned at 11:55 AM.

Attachments presented at this meeting: Draft Minutes 12-20-22 (Draft); Minutes 2-7-23 (Draft); Financial Affairs and Advancement Committee Charter (Draft); Finance and Capital Assets Committee Charter

(Current); Advancement and Enrollment Management Committee Charter (Current); Five-Year Deferred Maintenance Plan; Third Quarter Financials (Summary); Third Quarter Financials (FY23); Third Quarter Financials (FY22); Third Quarter Dashboard; Give a Hoot Annual Day of Giving Update; Alumni Report.