



## Board of Trustees

### Finance and Capital Assets Committee

May 27, 2015

President's Boardroom, The Horace Mann Center

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**MEMBERS IN ATTENDANCE:** Trustees Frank, Marcus, Johnson, Landrau, Perez, Queenin, and Scheibel.

**GUESTS:** Trustees Hagan, Hill, and Slakey.

Meeting called to order at 1:30 PM.

Trustee Hagan recused himself from the meeting at 1:33 PM.

Dr. Kimberly Tobin, Vice President for Administration and Finance, reported the university received eight responses to the banking request for proposal (RFP). At this time, the university sees no operational benefit in ending its long term relationship with Berkshire Bank who has consistently been engaged with the institution.

Trustee Slakey entered the meeting at 1:36 PM.

Berkshire Bank is currently reevaluating its donation policy. Trustees made it clear they will not initiate a renewal contract with Berkshire Bank until the status of the policy revision is known.

Trustee Hagan entered the meeting at 1:43 PM.

**MOTION** made by Trustee Landrau, seconded by Trustee Frank to accept the minutes from the March 31, 2015 Finance and Capital Assets Committee meeting. Motion passed unanimously.

Trustee Scheibel entered the meeting at 1:45 PM.

**MOTION** made by Trustee Frank, seconded by Trustee Hill to authorize the Finance and Capital Assets Committee to forward motion to the full board: to approve the following tuition and fees for the Division of Graduate and Continuing Education (DGCE), effective fall 2015:

- Undergraduate courses at a rate of \$280 per credit.
- Graduate courses at a rate of \$300 per credit.

Motion passed unanimously.

**MOTION** made by Trustee Frank, seconded by Trustee Perez to authorize the Finance and Capital Assets Committee to forward motion to the full board: to accept FY16 expenditures for vehicles as submitted. Motion passed unanimously.

**MOTION** made by Trustee Johnson, seconded by Trustee Slakey to authorize the Finance and Capital Assets Committee to forward motion to the full board: to grant the President authority to increase the general fee for FY16 by no more than \$150 to support debt service in accordance with the financing plan approved for the new Science and Innovation Center by the full board on September 19, 2013. Motion passed unanimously.

Third quarter financials were reviewed. The university is financially solid. Concern was raised over conversations the state is having regarding the Massachusetts State Employee Retirement System (MSERS). As a result of GASB 68, the Office of the Comptroller is considering reallocating pension liability from the Commonwealth to the state universities though individuals working at state universities are employees of the Commonwealth, not the universities themselves. If approved, it would have a significant financial impact on the university. The state universities and their auditing firms are pushing back, but the final decision is made by the Office of the Comptroller.

Administration and Finance was encouraged to present a balanced budget with no fee increase. A balanced budget was presented with a \$150 fee increase, in addition to the \$150 increase to support the debt service of the Science and Innovation Center. The university understands the importance of affordability for its students but is acutely aware of the increasing financial pressure on higher education and feels as though \$150 would be a modest fee increase. Concern was expressed the students are being forced to absorb the financial pressures on higher education, specifically the lack of funding for the collective bargaining agreements, rather than the university itself.

Trustee Scheibel recapped her intentions to create an ad hoc committee comprised of trustees, administrators and union representatives to address expense reductions. Trustee Queenin will chair the ad hoc committee. Once again, difficult decisions await the board and it's important for the campus community to be involved in the process of creating viable short-term and long-term solutions to prepare for the future. The committee will not impact the FY16 budget. The committee will work independently of the efforts being conducted on the FY16 budget or any future budgets.

**MOTION** made by Trustee Frank, seconded by Trustee Marcus to authorize the Finance and Capital Assets Committee to forward motion to the full board: to withhold granting the President authority to increase the general fee for FY16.

Trustees discussed the importance of seeing a balanced budget with no fee increase before taking a vote of this nature. They would also like an executive summary outlining the impact no fee increase will have on the university.

**AMENDED MOTION** made by Trustee Frank, seconded by Trustee Perez to table the motion until June 8, 2015 when a balanced budget with no fee increase and executive summary outlining the impact no fee increase will have on the university is presented to the Finance and Capital Assets Committee. Motion passed unanimously.

Meeting adjourned at 4:00 PM.