



BOARD OF TRUSTEES

Finance and Capital Assets Committee

Minutes
April 4, 2017

Board of Trustees committee members in attendance: Committee Chair Queenin, Vice Chair Sullivan, Secretary Johnson, Trustees Marcus and Trafford.

Excused absence: Trustee Landrau

Trustee guests present: Trustees Martin and Slakey.

Dr. Ramon S. Torrecilha, President of Westfield State University, was also present.

The meeting was called to order by Committee Chair Queenin at 1:00 PM

Committee Chair Queenin announced that the meeting will be audio recorded. Chair Queenin also announced that he would be leaving the meeting at 2:30 PM and that Committee Vice Chair Sullivan would be taking over as Chair of the Meeting at that time.

Committee Chair Queenin moved forward to agenda item Approval of Minutes of February 7, 2017 and asked for a motion to accept the minutes.

MOTION was made by Vice Chair Sullivan and seconded by Trustee Trafford to approve the minutes of the February 7, 2017 meeting. **Motion passed unanimously.**

Noting that he needed to leave early, Chair Queenin requested to move the Item for Discussion, the Preliminary FY18 Budget, to the beginning of the agenda. Hearing no opposition, this item was brought forward.

Stephen Taksar, Vice President for Administration and Finance, was given the floor. Vice President Taksar gave a power point Budget Presentation of the FY18 budget and reviewed the preliminary goal of approving the final budget in June stating that he anticipates no major changes to the proposed model between now and June. This year the University worked to align strategic funding with institutional priorities while transitioning between strategic plans.

Vice President Taksar noted the new structure of the budget on the Campus Operating Budget Revenue slide. This slide represents an "all funds" snapshot, which includes everything coming in and going out,

including scholarship funds. There is a projection of a \$4.9 million increase in revenue based on projected increases in fees, budgeted enrollment and DGCE revenues. Vice President Taksar explained that while we are not projecting an increase in the actual number of students attending Westfield State, we are including a higher number of projected students in the *FY18 budget* compared to the FY17 budget, despite the overall decrease in enrollment.

On the All Funds Operating Budget Revenue & Expenses by Trust Fund slides, Vice President Taksar pointed out that the DGCE & Dining Services net contribution subsidizes the general operating fund. In previous presentations, some of these numbers were not included. A grants column and other trust fund column were not previously represented in the budget presentation for a variety of reasons but they are in now. The result is when comparing FY17 to FY18, it will tend to skew the size of the change.

President Torrecilha stated that he is proud of the All Funds slides as it is the result of aligning all of the budgets, which was not done before. We are now working with one University budget.

In the Personnel Expense Detail slide, Vice President Taksar explained the 2% Salary Increase in CBA is not definite as this will be based on the collective bargaining agreements under negotiation now.

On the Capital Budget Comparison, DCAMM and Res Life/MSCBA capital projects were added for FY18. Deferred maintenance is so far behind where it should be as was noted at the previous board meeting.

Chair Queenin said that since this is a transition year/process, it is good to have all of this information and asked if there were any general questions or concerns.

Trustee Johnson stated he was surprised in the minor increase in food service revenue as the new program was expected to have a bigger uptake from that, 90% or so? It was reported that since it hasn't been a full year yet, the program is on budget for food costs and it will need to be looked at after a full year. The participation rate is 67% which is up from last year and UMass thought the program here should achieve somewhere in the mid-70%. Vice President Taksar indicated the 90% participation rate was the UMass rate not Westfield State goal. Decrease in residential life will also mean decrease in food sales.

Chair Queenin thanked Vice President Taksar and his whole team for the work on the budget.

There were no further questions or comments on this item. The next item brought forward was the Items for Action, Motion – DGCE Tuition and Fee Schedule for Masters of Science in Occupational Therapy (MSOT). Dr. Shelley Tinkham came before the board and stated that the program had been approved through campus governance. The tuition rate will be \$525 per credit with a \$500 initial program fee when students are entering the program. It was agreed that the total cost for our program is very competitive at \$45,125 for the first cohort and places us between Worcester and Salem State and much less expensive than private school competitors.

MOTION was made by Trustee Johnson, seconded by Vice Chair Sullivan, to approve the Department of Graduate and Continuing Educations (DGCE) tuition and fee for Masters of Science in Occupational Therapy (MSOT) as outlined. **Motion passed unanimously.**

Chair Queenin returned to the agenda schedule and brought forward the next Item for Information, Information Technology Consultant Project, and welcomed Alan Blair, Chief Information Officer, Information Technology Services, to give an update. Mr. Blair shared that Phase 1 of the project, collecting information, has been conducted in-house, saving the University \$60,000-\$100,000. All of the information will be shared with the consulting firm and it is hoped to have the final report from them by the fall semester. Vice President Taksar added that the goal is to understand what information technology opportunities exist in the market that the University is not taking advantage of and to conduct a gap analysis that can be integrated into strategic planning.

Committee Chair Queenin then moved to Items for Information, Deferred Maintenance, and asked Vice Chair Sullivan for an update. Vice Chair Sullivan reminded the board that there is a difference between deferred maintenance and capital projects. It was noted that the University is underfunded in capital and deferred maintenance projects but cannot count on DCAMM for financial support. To move forward properly, there is a need for a strategic plan and then a master plan in place to address timelines, deadlines, and funding.

President Torrecilha stated that part of the conversation in the context of a strategic and master plan is to consider how the institution has managed reserves. Knowing the realities of DCAMM, we might consider leveraging the reserves with DCAMM.

There was discussion on when to consider cutting the losses and demolishing a building and start new construction instead of remodeling. DCAMM may consider a demolition if we reduce the footprint of the building but that can't be done in the case of Parenzo because the space is needed. The realities of dealing with a state agency puts the University in the position of spending more to accomplish what is needed. It was suggested that it would be helpful for the trustees to take a tour of the facilities that need major work as this discussion moves forward.

Chair Queenin moved on to Items for Discussion, Catherine Dower Center Financial Update, and welcomed Robert Henry, Executive Director of Facilities and Operations. Mr. Henry reviewed the spreadsheet and narrative showing the Dower Project Funding and Budget. This project cost ended at around \$5.8 million with \$216,675 projected net overage. Assuming that DCAMM can reconcile and close their books, this project will hopefully be completed by July 1. Mr. Henry noted that for new projects, it is imperative to look at the goals of what is needed and then assess what the condition of the building is with regard to hazardous materials, new technology, etc. Meet the goals, but minimize risk.

Vice President Taksar thanked Curt Robie, Associate Vice President for Facilities and Operations, for getting the best building out of the Dower Center with limited funds. The June Board of Trustees meeting will be at the Dower Center.

Committee Chair Queenin excused himself from the meeting at 1:58 PM & Vice Chair Sullivan took over as Chair of the Finance and Capital Assets Committee Meeting.

President Torrecilha excused himself from the meeting at 1:58 PM.

Chair Sullivan moved forward on the agenda to Items for Action, the Motion on the Travel Policy.

MOTION made by Trustee Marcus, seconded by Trustee Slakey, to approve and adopt the updated Westfield State University policy on Travel (0390), as presented, amended to be effective April 13, 2017.

Vice President Taksar was welcomed to the discussion and stated the proposed change allows for alcohol purchases by the President, the Vice President for Institutional Advancement, and Major Gift Officers as authorized and reimbursable. Such purchases include a glass of wine at dinner when entertaining donors and alums. This is a common approach and is not a prohibited activity in the state. There is not a cap on the price, but the BHE Trust Fund policy language states “expenditures should not be lavish or extravagant and should be in moderation and good taste.” To be noted is that there is about a 30% difference in the price of a bottle of wine in Westfield and a bottle of wine in Naples, Florida. There is already a pre-approval process for all who travel and with alcohol there will also be a post-approval process.

Trustee Johnson stated that he is opposed to the policy and said it is a slippery slope and is lacking controls. It also excludes other individuals who do a lot of fundraising like the athletic director. He is concerned with the statement it makes to a potential donor – that state funds are being used for alcohol. **Motion passed with 3 yes votes and 1 no vote.**

The next item brought forward was the Motion on the Procurement Card Use and Process Policy.

MOTION made by Trustee Marcus, seconded by Trustee Trafford, to approve and adopt the updated Westfield State University policy on Procurement Card Use and Process (0560), as presented, amended to be effective April 13, 2017.

There being no discussion, the committee voted and the **Motion passed with 3 yes votes and 1 no vote.**

The next item brought forward was the Motion on the University Business Expenses and Petty Cash Funds Policy.

MOTION made by Trustee Marcus, seconded by Trustee Trafford, to approve and adopt the updated Westfield State University policy on University Business Expenses and Petty Cash Funds (0300), as presented, amended to be effective April 13, 2017.

It was noted that this policy needed to be updated to conform to the other updated policies in connection with alcohol when not traveling out of state.

There being no further discussion, the committee voted and the **Motion passed with 3 yes votes and 1 no vote.**

Chair Sullivan asked if there was any further discussion. Hearing none, he asked for a Motion to adjourn. Trustee Marcus made the Motion to adjourn which was seconded from Trustee Johnson. **Motion passed unanimously.**

The meeting was adjourned at 2:08 PM.

Attachments presented at this meeting:

- a. Catherine Dower Center (Narrative)
- b. Catherine Dower Center (Funding and Budget)
- c. Power Point FY18 Budget Presentation
- d. FY18 Budget (Narrative)
- e. FY18 Budget (Campus)
- f. FY18 Budget (Trust Fund)
- g. FY17 Budget (Comparison)
- h. FY18 Budget (Strategic Allocations and Funding Priorities)
- i. FY18 Budget (Capital Funding Plan)
- j. FY18 Budget (Tuition and Fee Schedule)
- k. FY18 Budget (DGCE Tuition Increase Narrative)
- l. FY18 Budget (DGCE Reserves Narrative)
- m. FY18 Budget (Lease/Purchase Vehicles)
- n. DGCE Tuition and Fee (Narrative)
- o. DGCE Tuition and Fee (MSOT)
- p. Policy – Travel 04-2017 (0390)
- q. Policy – Procurement Card Use and Process 04-2017 (0560)
- r. Policy – University Business Expenses 04-2017 (0300)
- s. Motion – DGCE Tuition and Fee Schedule for Masters of Science in Occupational Therapy (MSOT)
- t. Motion – Travel Policy (0390)
- u. Motion – Procurement Card Use and Process Policy (0560)
- v. Motion – University Business Expenses and Petty Cash Funds Policy (0300)