



## **BOARD OF TRUSTEES**

Finance and Capital Assets Committee

### **Minutes**

President's Boardroom, Horace Mann Center

February 15, 2018

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Board of Trustees committee members in attendance: Committee Chair Queenin, Vice Chair Sullivan, Secretary Hagan (arrived at 9:45 AM), Trustees Marcus, Martin and Swan.

Trustee guests present: Trustees Hill, Landrau, Magovern 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 9:30 AM.

Committee Chair Queenin moved forward to agenda item Approval of Minutes and asked for a Motion.

**MOTION** was made by Trustee Marcus and seconded by Trustee Martin to approve the minutes of the December 7, 2017 meeting. Trustee Sullivan abstained from voting and the Motion passed unanimously.

Stephen Taksar, Vice President of Administration and Finance, was welcomed to the table to discuss the FY18 Second Quarter Financials. Vice President Taksar directed the Trustees to the second quarter financials and stated that the report format has been changed to align quarterly revenues and expenses. Preliminary figures show this year ending on a positive side. Not shown in the report is the purchase and installation of the camera system as invoices have not yet been received, but the cost will be consistent with what was presented earlier in the year and be paid with residence hall reserves. The funding for athletic field improvements has been approved by the Massachusetts State College Building Authority (MSCBA). The bids came in favorable so project alternates can also be included. Both dining participation rates and housing occupancy declined this quarter.

Lisa Freeman, Associate Vice President of Administration and Finance, gave an overview of the first page of the consolidated financial report for the second quarter. Enrollment exceeded the budget by 4.8% and total revenue was above budget by 2.7%. The College of Graduate and Continuing Education (CGCE), residential life and dining services are right on budget. Expenses are tracking below budget by 1.5% with the largest factor contributing to the decreases are due to savings in compensation expense from vacant positions with collective bargaining salary increases not finalized. Construction expense is above budget due to full funding of the athletic fields to MSCBA.

Dr. Shelley Tinkham, Dean of the College of Graduate and Continuing Education, stated that the Physician Assistant program figures will be shown on the third quarter financial reports. There were about 200

applications and we have a full cohort of 24 students. The program is going very well.

Ms. Freeman stated the details of travel expenses for the President and his Direct Reports from July 2017 to December 2017 were provided in the meeting packets. It was requested in the future to add the actual payment dates to this report.

Vice President Taksar gave an update on the Parenzo Hall proposal and said that it is now under review by the state. We have a good proposal, we are in the queue, and a decision will be made in May. There were 28 initial projects submitted for \$140 million. President Torrecilha stated that we are the only school matching 50/50, which bodes well for us.

Committee Chair Queenin stated that a vote was needed to approve the committee charter.

**MOTION** was made by Trustee Swan, seconded by Trustee Marcus, to adopt the Westfield State University's Board of Trustees, Finance and Capital Assets Committee Charter, as presented.

It was agreed to change the word SOMA in the fourth paragraph of the charter to WSU and to remove the CHAIR, MEETING FREQUENCY, STAFF and NOTE language at the bottom of the charter. It was then voted unanimously to adopt the Finance and Capital Assets Committee Charter, as amended, and to bring it to the full board for vote later in the day.

Trustee Hagan entered the meeting at 9:45 AM.

Mr. Brenden Martin, Sr., account manager at Sightlines, was introduced. Mr. Martin gave a power point presentation on the highlights of their report. The state contracted with Sightlines to evaluate deferred maintenance on all 29 campuses and present all buildings on the same platform to the Division of Capital Asset Management and Maintenance (DCAMM) for a better understanding of deferred maintenance needs across all campuses. Certain criteria will be established and DCAMM will maintain a consistent list of projects for all campuses over a period of time so that items can be added and removed. The data collected by Sightlines will help allow state system people to allocate funds and will also be used as an institutional planning tool to maintain facilities and plan how they will be funded.

Vice President Taksar stated that our utility studies are still ongoing and the steam line study isn't accounted for in the Sightlines report due to timing. Also, the analysis presented in this report assumes buildings or spaces are being replaced in kind, but upgrades are needed due to the American Disabilities Act and changing priorities. Therefore, Sightlines' projection for deferred maintenance projects is understated. This report is a fluid document and items will be added to it to improve analysis and accuracy.

Vice President Taksar introduced Andrew Mankus, Director of Dining Services, who gave a report on dining plan alternatives. Participation has dropped compared to last year. We are currently tracking participation at 63.65% compared to fall 2016 participation rate of 66%, resulting in a decline of 206 dining plans. The goal of local and sustainable purchases, which was most important to students, was 22% which exceeded target by 2%. The key goal of dining services is to increase participation and satisfaction. The dining plans have not changed for 20 years, are not on trend, and the students want more flexibility.

Committee Chair Queenin left the meeting at 10:24 AM and returned at 10:26 AM. In his absence, the meeting was chaired by Committee Vice Chair Sullivan.

Mr. Mankus continued with a recommendation for FY19 to eliminate the 19, 10, and 5-meal plans and replace them with an Unlimited and an On-the-Go plan, while retaining the 14-meal plan (DC Basic). The Unlimited Plan costs \$1/day more than the DC Basic plan with more flexibility. It includes an additional \$100 dining dollars per semester and more access to retail locations on campus. The new plans offer more guest swipes than any other sister institution: 15 per semester for the Unlimited and 9 for the DC Basic. Parents eat for free on the new student meal plans.

Committee Chair Queenin stated that since we are in year two of our new dining service, a review of the plans was critical. Trustee Swan stated that the Student Government Association does not think there is value in the cost difference from the 19-meal plan to the unlimited plan and that it would be difficult for students to afford an increase. Mr. Mankus stated that student surveys and discussions asked for an unlimited plan. Although it may cost a little more, the value is much better for students with fewer restrictions as they can eat whenever they want. Students are eating 3 to 4 times per day and eating later at night. The plan needs to be implemented for 2 to 4 years to see what happens with participation. There continues to be great participation in community meals at a cost of \$6 (breakfast), \$8 (lunch) and \$9 (dinner).

Vice President Taksar brought an update on the FY19 budget progress. The preliminary model showed a \$1.3 million shortfall and the campus has been exploring alternatives to try to close the gap. Assumptions were shifted from the prior model with a higher fee increase and it is believed the state will come forward with performance funding for next year.

The largest expense is salary and benefit increases going into FY19. Other major expenses are strategic plan investments to move the institution forward. The headcount growth over the last 10 years has been a 20% increase but is starting to decline. Enrollment reporting for budgeted vs. actual is changing. The strategy is making sure we don't budget an enrollment number that is higher than projected for FY20 to avoid creating a structural deficit, which would mean budget reductions. Administration and Finance and Enrollment Management are communicating with each other in this area.

It was stated that it is not always wise to just bring in higher acceptance numbers without being able to sustain or manage them. Trustee Slakey said that it would be helpful to also track retention from first to second year.

An analysis of a 5-year average increase of tuition and fees for all the state universities was reviewed. By projecting increases for all the institutions using the five-year average assumption, Westfield State would move from 7<sup>th</sup> lowest in tuition and fees in FY18 to 6<sup>th</sup> lowest in FY19, which is more in the middle of the group and up only one slot. It is important to make strategic investments to advance quality. Being in the middle of the pack on price creates a better perception for the institution as people perceive quality to price (as opposed to the lowest price institution).

Trustee Martinez-Alvarez joined the meeting at 10:55 AM.

Vice President Taksar stated that there are also core services that are lagging that need support, such as counseling, career advising and student success. It is the recommendation to approve the undergraduate and CGCE tuition and fee schedule as presented, to re-align the technology fee to match the actual expenses, and to implement the new dining program options. This will result in an increase of 4.8% for residential students, 7.3% for nonresidential students, and 2% to 6% for CGCE students, depending on the program. The model presented is based on assumptions of income and fees and the April report will be closer to final numbers.

**MOTION** was made by Trustee Martin seconded by Trustee Marcus, to approve the FY19 annual tuition and fees schedule for undergraduate and graduate students, as presented.

Trustee Swan passed out a letter from the Student Government Association stating their concern with the proposed fee and residential life increase, together with the proposed change to the meal plan structure, stating that “Combined, the higher cost will be roughly \$1,200 per student.” Trustee Swan shared that since he arrived at Westfield State in the fall of 2015, he has seen a 16% increase.

Vice President Taksar stated that he takes the comments from the Student Government Association very seriously and that the tuition and fee schedule is the most important decision needed to construct a budget. It is very important that it get approved so that financial aid can be packaged based on need to construct a realistic budget. It was stated that it would be useful to know how this will impact financial aid and what percent of need will be met. Financial aid is a combination of grants, work study and institutional aid. Westfield’s average institutional aid is \$900 per student. Vice President Forster added that without funding, we can’t keep pace with financial aid. There being no further discussion, a vote was taken and the Motion passed with one NO vote and five YES votes.

There being no further business, Committee Chair Queenin asked for a Motion to adjourn.

**MOTION** was made by Trustee Swan, seconded by Trustee Marcus, to adjourn. Motion passed unanimously.

The meeting was adjourned at 11:15 AM.

Attachments presented at this meeting:

- a. Minutes 12-7-17
- b. Second Quarter Financials (Narrative)
- c. Second Quarter Financials (FY18)
- d. Second Quarter Financials (FY17)
- e. Travel Expenses of the President and the President’s Direct Reports
- f. Committee Bylaws (Revised)
- g. Sightlines Presentation
- h. Dining Services Dashboard and New Meal Plans (Second Quarter Narrative)
- i. Dining Services Dashboard and New Meal Plans (Second Quarter Metrics)
- j. Dining Services Dashboard and New Meal Plans (Meal Comparison)
- k. FY19 Budget Update (Narrative)
- l. FY19 Budget Update (Model Scenarios)
- m. FY19 Budget Update (Presentation)
- n. Motion – Schedule of Annual Tuition and Fees (Undergraduate and Graduate)
- o. Schedule of Annual Tuition and Fees (Undergraduate Fees)
- p. Schedule of Annual Tuition and Fees (CGCE Fees)
- q. Schedule of Annual Tuition and Fees (State Comparison of Tuition and Mandatory Fees)
- r. Schedule of Annual Tuition and Fees (CGCE Narrative)
- s. Motion – Committee Charter
- t. Committee Charter (Revised)
- u. Handout: Letter dated February 14, 2018 from the Student Government Association