MEMBERS PRESENT: Committee Chair Sullivan, Vice Chair Hagan, Secretary Magovern, Trustees Neves and Queenin

TRUSTEE GUESTS PRESENT: Trustees Boudreau and Martin

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

The meeting was called to order at 10:44 AM by Committee Chair Sullivan.

MOTION made by Trustee Sullivan, seconded by Trustee Neves, to approve the minutes of the June 20, 2019 meeting. Motion passed unanimously.

The following informational items were brought forward:

- Travel Expenses of the President and the President’s Direct Reports for the period July 1, 2018 – June 30, 2019 were shared. Chair Kevin Queenin stated that he pre-approves all of the President’s Travel.

- The Bank of America debt agreement is renewed annually. There is no outstanding balance on this line of credit. Because of the addition of the pension and OPEB figures to the University financials, we could not meet Covenant #1 of the agreement, which is having a debt service coverage ratio of 1.25 times. This will likely be an ongoing issue and will need to be addressed when the next agreement is signed. Bank of America agreed to waive the requirement of that Covenant.

- Trustee Hagan entered the meeting at 10:49 AM.

- The Fixed Assets Inventory Progress Report was shared. We are in year three of the 5-year plan to transition to a $50,000 asset capitalization threshold which is the state capitalization level. As of July 1, we were at a $25,000 threshold. All computers and those assets with a value of at least $1,000 are scanned but not capitalized.

- The Investment Subcommittee has met and made revisions to the Investment Policy, with recommendations from Eaton Vance, the investment advisor. A custodial account was created at Charles Schwab that Eaton Vance will utilize. While modest gains are anticipated, this strategy may have significant opportunity for revenue for the University to help keep fees lower by leveraging liquid assets.

- New budget planning software, Questica, has been procured as a tool to help manage resources more thoroughly. Most campuses use an Enterprise Resource Planning (ERP) system (ours is Banner). The budget and planning module in Banner is extremely poor, leaving three choices: 1) do budgeting in Excel; 2) replace the ERP system (extremely expensive and time consuming); or 3) buy software to integrate with the ERP as a budget and forecasting tool. This has been planned for two years and is being launched this year as a campus-wide tool.
- Transparency: “out of the box” allows reporting with queries and agility within the report. The open book module will transform raw data into standard budget reports for campus. Updates on projects are in real time.
- Integration: our systems are disconnected so we use Excel for most programming. Questica is an Ellucian-supported partner so integration will be seamless. Four-year planning has been started, with the ability to measure key performance. Budget maintenance and development is now very paper driven. This program will alleviate time deficiencies and streamline planning and budgeting process.
- Integrating with the state systems (compensation planning) will be challenging, but they are looking to replace some of their systems so we will wait and see what they implement. A program kickoff was recently launched with the project team and 51 project managers will be fully trained. There will be a 15-week implementation timeline with training being offered.

- Ms. Maureen Socha, the new Executive Director of Facilities and Capital Planning, was introduced.
- The Parenzo Hall renovation is still in the conceptual design stage with two primary options to consider. Input is being sought from the campus on a final design. The architects presented at a town hall meeting on September 26, with 50-70 people attending.
  - There are many structural and systems needs to address in the building. We may be over budget by an estimated $4 million. The architects are revising plans to meet budget.
  - The renovation will be a one-phase project. The building will need to be emptied, so a swing space design is also being developed. The first floor of Scanlon Hall will be a permanent relocation for Academic Affairs and Facilities, needing major renovation. The second and third floors will be temporary relocation space for two years requiring light renovation. This renovation would need to be funded separately or require a reduction in the amount of funds allocated to Parenzo. Other ways to fund the gap are being sought and there is some flexibility in the Parenzo funding. The capital budget will be looked at and there may be a need to borrow from Massachusetts State College Building Authority (MSCBA). Approval will be sought at the December meeting for any bond needed for swing space.
  - One option is taking Scanlon offline as a residential hall, requiring a determination to figure the portion of the pooled debt that is still being paid. Students from Scanlon and Lansdowne would be housed in other dorms, putting occupancy at almost 100% capacity. Occupancy rates have gone from 103% to 80% so the issues of the past of having to place students in hotels should not occur.

The following items for discussion were brought forward:

- **FY21 Budget Planning Assumptions and Timeline.** The enrollment census due date is October 15. Enrollment is doing slightly better than expected for first-year, first-time students, but transfer students were less than expected. Retention from first to second year dropped - last year at 74.6%; this year at 72.3%, but fall to spring was on an upswing. After October 15 an analysis will be created and strategies to manage the shortfall revenue will be presented to the Board. Most universities in the area have not met enrollment goals and the nine state universities are down to 38,000 students from 50,000 over the last several years. It is important to find out where the students are going. Provost Dr. Diane Prusank confirmed that there is an early warning system and policy in place to speak to those students at risk of leaving. There has been no increase in the number of students failing and being asked to leave. Many students not returning are first-year and out-of-state students. Partnerships will
be the way to survive, such as the *Westfield Promise*. The goal needs to be to plan how to retain the students.

- The Budget Planning Assumptions set the stage for the future planning of the budget by creating scenarios, variations of assumptions (to be presented at the December meeting), and then the budget. The goal is to try to keep the cost of attendance down. A 5-year projection will be presented in the spring, which will be done annually. It was explained how the budget information was presented to the campus community through monthly Planning Advisory Committee meetings, open budget sessions, SGA meetings, materials placed at the library, and all documents from Trustees meetings posted online a week after the meetings. The Trustees agreed with the proposed Assumptions and Timeline.

- **Sponsorship Process Review and Recommendations.** As a follow-up to the conversation at the June Board meeting, information was provided to clarify what materials are useful for the Board’s review in June each year. The distinction between sponsorships and advertising was clarified and supported. This discussion was led by Chief of Staff, Dr. Susan Leggett.

Committee Chair Sullivan brought forward the following Action Items:

**MOTION** made by Trustee Sullivan, seconded by Trustee Magovern, to authorize the voluntary separation incentive program presently before the Board to be offered to the University’s eligible members of the American Federation of State, County and Municipal Employees (AFSCME), Association of Professional Administrators (APA), Non-Unit Professionals (NUP), and Non-Unit Classified (NUC) employees.

Discussion: The University communicated to the Department of Higher Education (DHE) that the Board passed a motion to pursue a Voluntary Separation Incentive Program (VSIP), and the state negotiated directly with the unions. A schedule was presented that describes what the program would look like for the AFSCME and APA unions. This potential net savings is $3.6 million, but it is unknown how many employees will participate. At this time, only Westfield State is offering this program. Based on the timing of the vacancies, it might require the use of reserves to fund the payouts if they occur later in the year. **Motion passed unanimously.**

**MOTION** made by Trustee Sullivan, seconded by Trustee Magovern, to establish a Money Market Account at Berkshire Bank, to approve the transfer of $20,000,000 into the newly established account from the University’s checking account at Berkshire Bank and to authorize the University to transfer funds between the two accounts if necessary.

Discussion: Setting up a new account is beneficial to leverage cash in order to maximize interest income immediately. **Motion passed unanimously.**

**MOTION** made by Trustee Sullivan, seconded by Trustee Magovern, to eliminate the Affirmative Action, Equal Opportunity, Diversity Plan, Complaints Against University President Policy (2150) as it is no longer applicable. The provisions of this policy are covered in the Board of Higher Educations Equal Opportunity, Diversity and Affirmative Action Plan Policy (2170) as well as the University’s Reporting Violations of Laws, Rules or Regulations (Whistleblower) Policy (0440).

Discussion: None. **Motion passed unanimously.**
MOTION made by Trustee Sullivan, seconded by Trustee Magovern, to eliminate the American Recovery and Reinvestment Act (ARRA) Funds Policy (0520) as it is no longer applicable.

Discussion: In 2010 the University received $6.10 million from ARRA and it was necessary to have this policy to receive the money. We no longer have the funds so the policy is unnecessary. Motion passed unanimously.

MOTION made by Trustee Sullivan, seconded by Trustee Magovern, to eliminate the Student Short-Term Loans Policy (0120) as it is no longer applicable.

Discussion: Short term loans have not been given for some time; this is an old process. Owl bucks are now used. Motion passed unanimously.

There being no further business, MOTION made by Trustee Magovern, seconded by Trustee Hagan, to adjourn. Motion passed unanimously.

Meeting adjourned at 12:05 PM.

Attachments presented at this meeting:
  a. Minutes (Draft) 6-20-19
  b. Travel for the President and Direct Reports to the President July 2018-June2019
  c. Bank of America Compliance Certificate
  d. Fixed Assets Inventory Progress Report
  e. Budget Planning Software
  f. Parenzo Hall Renovation (Narrative)
  g. Parenzo Hall Renovation (Graphs)
  h. FY21 Budget Planning Assumptions and Timeline
  i. Sponsorship Process Review and Recommendations
  j. Motion – Voluntary Separation Incentive Program
  k. Voluntary Separation Incentive Program (Graph)
  l. Voluntary Separation Incentive Program (AFSCME Memorandum of Agreement)
  m. Voluntary Separation Incentive Program (APA Memorandum of Agreement)
  n. Voluntary Separation Incentive Program (NUP and NUC Agreement)
  o. Motion – Money Market Account
  p. Money Market Account (Memo)
  q. Motion – Affirmative Action, Equal Opportunity, Diversity Plan, Complaints Against University President Policy (2150)
  r. Policy – Affirmative Action, Equal Opportunity, Diversity Plan, Complaints Against University President Policy (2150)
  s. Policy – Equal Opportunity, Diversity and Affirmative Action Plan (2170)
  t. Policy – Reporting Violations of Laws, Rules or Regulations, Whistleblower (0440)
  u. Motion – American Recovery and Reinvestment Act (ARRA) Funds Policy (0520)
  v. Policy – American Recovery and Reinvestment Act (ARRA) Funds Policy (0520)
  w. Motion – Student Short-Term Loans Policy (0120)
  x. Policy – Student Short-Term Loans (0120)