

Minutes of the VSCS Board of Trustees Finance and Facilities Committee held Monday, February 3, 2020 at the Office of the Chancellor, Montpelier, VT - APPROVED

The Vermont State Colleges Board of Trustees Finance and Facilities Committee met on Monday, February 3, 2020 at the Office of the Chancellor, Montpelier, VT.

Committee members present: David Silverman (Vice Chair), Lynn Dickinson, Peg Flory, Adam Grinold (via phone), Linda Milne

Absent: Church Hindes, Mike Pieciak

Presidents: Elaine Collins, Joyce Judy, Pat Moulton, Karen Scolforo

Chancellor's Office Staff: Jeb Spaulding, Chancellor
Todd Daloz, Associate General Counsel
Sheilah Evans, System Controller/Sr. Director of Financial Operations
Jen Porrier, Administrative Director
Meg Walz, Program Manager, Library Coordinator
Steve Wisloski, Chief Financial Officer
Sophie Zdatny, General Counsel
Yasmine Ziesler (via phone), Chief Academic Officer

From the Colleges: Nolan Atkins, Provost, Northern Vermont University
Jonathan Davis, Dean of Students, Northern Vermont University
Laura Jakubowski, Chief Budget & Finance Officer, Castleton University
Maurice Ouimet, Dean of Enrollment, Castleton University
Andy Pallito, Dean of Administration, Community College of Vermont
Sharron Scott, Dean of Administration, Northern Vermont University
Toby Stewart, Controller, Northern Vermont University
Littleton Tyler, Dean of Administration, Vermont Technical College

From the Public: Lola Duffort, Reporter, VT Digger
Katarina Lisaius, Education Outreach Representative, Senator Sanders' Office

Vice Chair Silverman called the meeting to order at 3:30 p.m.

1. Consent agenda and approvals:
 - a. Minutes of December 2, 2019 meeting
 - b. Minutes of the January 6, 2020 joint special meeting with Board of Trustees

Trustee Dickinson moved and Trustee Flory seconded the approval of the December 2, 2019 and January 6, 2020 meeting minutes. The motion was approved unanimously.

2. Approval of Endowments

- a. Endowment for Life Gap Grants (CCV)
- b. Rodgers Nursing Scholarship (VTC)
- c. Rodgers Electrical Engineering Technology Scholarship (VTC)

CCV President Joyce Judy discussed the Endowment for Life Gap Grants made possible by an anonymous donor to support the Grants which help students struggling with emergent needs that threaten their ability to continue in their studies at CCV.

Trustee Flory moved and Trustee Dickinson seconded the motion to recommend to the Board the approval of the Endowment for Life Gap Grants at CCV. The motion was approved unanimously.

VTC President Pat Moulton shared that the Rodgers Nursing Scholarship and the Rodgers Electrical Engineer Scholarship are both endowments funded with gifts from Al and Peggy Rodgers of Jericho, Vermont.

Trustee Milne moved and Trustee Flory seconded the motion to recommend to the Board the approval of the Rodgers Nursing Scholarship and the Rodgers Electrical Engineering Technology Scholarship. The motion was approved unanimously.

3. Legislative update

Chancellor Spaulding shared that the Governor is recommending level funding this year but that the VSCS is renewing the request for the multi-year commitment to bring the VSCS to the average level of funding for two and four year colleges in New England. Chancellor Spaulding and the VSCS Presidents will be giving testimony to the State Appropriations Committee regarding this request in the week of February 10th, 2020.

4. Review of Series 2020A Refunding Bonds results

Mr. Wisloski stated that due to a further decline in interest rates since the January 6 special meeting, the bonds were sold at an all-in rate, or “true interest cost” of 2.37%, and produced debt service savings of just over \$5.4 million. The savings will be concentrated in the first four fiscal years that the bonds are outstanding, and in the remaining seventeen years the debt service will be slightly less than or equal to, but no greater than current levels. Specifically, savings will be \$1.31 million in FY2021, \$1.40 million in FY2022, \$1.40 million in FY2023, and \$1.26 million in FY2024, with de minimis savings of between \$1,000 and \$5,000 annually from FY2025 to FY2041. Savings will be apportioned to the Colleges in proportion to the amounts borrowed, or 11% for the Community College of Vermont, 38% to Castleton University, 23% to Northern Vermont University, and 28% to Vermont Technical College.

5. Review and discuss 2nd Quarter FY2020 financial results and projection to year-end

Mr. Wisloski reviewed the 2nd quarter financial reports explaining that these show improved results by approximately \$450,000 since the 1st quarter, with a projected deficit net of Carried Over Funds of \$3.95 million or 2.2% of expenses, which is a \$1.82 million or 1.0% over the approved \$182.55 million expense budget. Castleton University President Karen Scolforo states that CU is projecting a deficit of about \$750,000 but that is better than was previously projected. CU is optimistic as student enrollment is up in the Spring semester. Community College of Vermont President Joyce Judy shared that CCV had a strong spring enrollment as well and therefore they are ahead of their budget projection. Northern Vermont University President Elaine Collins stated that NVU is bringing in a new cohort of students from the Discovery Channel as well as 50 new NVU online students. NVU is also freezing all discretionary expenditures. Vermont Technical College President Pat Moulton shared that VTC had a better fall enrollment than anticipated and that spring enrollment is going well.

6. Discuss the FY2021 budget development and preliminary outlook

Mr. Wisloski gave a broad overview and preliminary outlook of the FY2021 budget process. The budget development schedule occurs over the next several Committee meetings, including first and second passes at budget development at the March 28 and April 20 meetings, followed by a third and final pass at the June 1, 2020 meeting, at which time, with the Committee's approval, the FY2021 budget recommendation will be made to the full Board at its annual meeting on June 17 and 18, 2020. Mr. Wisloski shared that there are some budget challenges this year including increasing medical costs, declining medical reserves and increased costs for non-medical insurance.

7. Quarterly reports for information (and discussion if desired)

Mr. Wisloski reviewed quarterly reports for cash and investment management, fixed income portfolios managed by TD Wealth, the endowment managed by Morgan Stanley, and grants and sponsored projects.

8. Other business

Trustee Flory raised the question if the VSCS has any of its students currently in China. The answer was no.

9. Comments from the public

Katarina Lisaius, Education Outreach Representative for Senator Sanders' Office shared that Senator Sanders' office is always willing to coordinate grants and has and will send letters of support for all sponsored grants.

10. Adjourn

Vice Chair Silverman adjourned the meeting at 4:25 p.m.