

**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
REPORT SUMMARY**

Date of Meeting: May 10, 2024

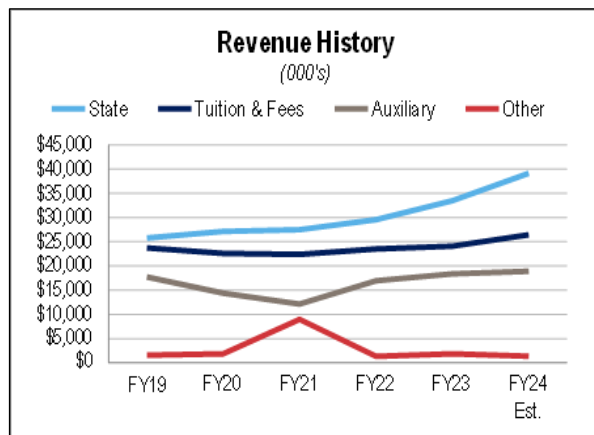
Date of Next Meeting: October 11, 2024

Committee Chair: John Wobensmith '93

Committee Members: Nick Abrams '99, Anirban Basu, John Bell '95, Lex Birney, Board Chair
Susan Lawrence Dyer, Sven Holmes, President Tuajuanda Jordan, Faculty Finance Delegate
Charles Holden, Melanie Rosalez '92, Ray Wernecke

Staff Member: Amir Mohammadi

Dashboard Metrics



Information Items

FY25 Legislation Session Financial Impact

The legislature fully funded the College's General Fund Grant (\$36.85M) and annual allotment from the Higher Education Investment Fund (\$2.55M) for a total of \$39.4M in state support. The College's FY25 General Fund Grant represents continued growth (\$14.4M or 57.6%) in state support since the FY19 funding formula reset and FY24 recalculation. Funding increased approximately \$216,875 from FY24 levels.

Both the Senate Budget and Taxation Committee and the House Appropriations Committee approved an additional 3% cost of living adjustment (COLA) for state employees above the College's proposed budget.

The College's FY25 capital budget was kept in line with the Governor's proposal and includes \$2.1M for North Campus nodal loop improvements to address critical deferred maintenance and

renewal needs over time. Additionally, both the Senate and House Capital Budget Subcommittees provided \$250,000 in FY25 support for planning and design of the Montgomery Hall renovation project.

A statewide amendment was issued for a FY24 appropriation in the amount of \$1,078,935 to cover the cost of the FY24 COLA increases that were received on July 1, 2023. This brought the overall FY24 State General Fund Appropriation to \$37.71M.

Status of Strategic Investments from Bond Proceeds

The FY24 anticipated College expenses to be supported by the bond currently total \$3.79M, which includes strategic planning initiatives from “*The Rising Tide*,” resulting in an expected remaining balance of \$9.0M. The FY25 anticipated College expenses are projected to total \$3.61M, producing an expected remaining balance of \$5.4M for FY26, which will be the final year for initiatives available from bond proceeds.

Joint Investment Activities

The Foundation’s Joint Investment and Advisory Committee met on April 25, 2024, to review the Foundation’s endowment portfolio. As of March 31, 2024, the total market value of the Foundation’s endowment was \$39.5M. The Foundation’s endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$38.6M), the Student Investment Group account (\$682K), and WesBanco shares (\$236K). Of the endowment managed by JP Morgan, the fiscal year-to-date increase in market value of \$2.569M includes \$488K in contributions, \$496K in income, \$2.627M increase in investment value, and distributions of \$1.042M.

St. Mary’s College of Maryland Endowment and Quasi Endowment

The College holds investments totaling \$4.8M consisting of endowment and quasi-endowment. \$3.8M are funds functioning as endowment (quasi) and \$1.0M represents the Blackistone Endowment. Invested endowment funds, managed by 19/19 Investment Counsel, have a market value of \$4.76M as of March 31, 2024. Funds are currently invested in a mix of fixed income instruments and equities. The annualized rate of return is +3.23%. The remaining \$271K of College endowment is currently held in a cash investment pool by the Maryland State Treasurer.

Action Items

II.A. Approval of FY25 Tuition, Fees, Room, and Board Rates

The Finance, Investment, and Audit Committee recommends there be no increase in tuition or mandatory fees for academic year 2024-2025. The College is seeking a 3.9% increase in board rates due to inflation, which has caused increases in costs associated with goods and services, and personnel costs associated with minimum wage increases, and a 3.9% increase in room rates for academic year 2024-2025. This action is applicable for Maryland resident undergraduate students, for non-resident undergraduate students, for DC resident undergraduate students, and for MAT students.

II.B. Approval of the FY26-FY30 State Capital Budget Proposal

The Finance, Investment, and Audit Committee will consider approval of, contingent upon a favorable endorsement by the Technology, Buildings and Grounds Committee, the FY26-FY30 State Capital Funding Proposal. The proposed FY26-FY30 state-funded capital budget request

includes funding of various campus infrastructure improvements, funding for the design and renovation of Montgomery Hall, and the design and renovation costs associated with interior improvements and ADA compliance issues in Calvert Hall.

II.C. Approval of the Authority and Responsibility Matrix

The Authority and Responsibility Matrix was developed to provide an accurate and clear summary of the responsibilities delegated to the Board of Trustees, the President, and to the officers of the College, regarding various functions and operations. The Finance, Investment, and Audit Committee will be review and consider updates to the Matrix as recommended by College leadership.



**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 10, 2024**

**OPEN SESSION
AGENDA**

- I. DISCUSSION ITEMS** (None)
- II. ACTION ITEMS**
 - A.** Approval of FY25 Tuition, Fees, Room, and Board Rates
 - B.** Approval of the FY26-FY30 State Capital Budget Proposal
 - C.** Approval the Authority and Responsibility Matrix
- III. INFORMATION ITEMS**
 - A.** FY25 Legislative Session Financial Impact
 - B.** Status of Strategic Investments from Bond Proceeds
 - C.** Joint Investment Activities
 - D.** Reportable Procurement Items
 - E.** Dashboard
 - F.** Minutes (Meetings of January 22, January 26, and February 2, 2024)

The Committee does not expect to close any portion of this meeting.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 10, 2024
ACTION ITEM II.A.
APPROVAL OF FY25 TUITION, FEES, ROOM, AND BOARD RATES**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends there be no increase in tuition or mandatory fees for academic year 2024-2025. The College is seeking a 3.9% increase in board rates due to inflation, which has caused increases in costs associated with goods and services, and personnel costs associated with minimum wage increases, and a 3.9% increase in room rates for academic year 2024-2025. This action is applicable for Maryland resident undergraduate students, for non-resident undergraduate students, for DC resident undergraduate students, and for MAT students.

RATIONALE

The Board of Trustees is the authorizing body for setting student tuition, fees, room, and board rates. Based on a long-range budget projection model approved by the Board of Trustees at its May 12, 2022, meeting, the College has held tuition flat for the past four academic years and will continue to do so in FY25. However, based on inflationary impact, and the increased personnel costs associated with minimum wage increases, the need to refresh residence halls, and the rising costs of infrastructure maintenance, management determines this is necessary to meet these demands and the College recommends adjusting the charges for room and board accordingly.

Total Charges for FY25:

- In-state tuition, fees, room, and board = \$30,480
- Out-of-state tuition, fees, room, and board = \$46,556
- DC resident tuition, fees, room, and board = \$40,480
- Graduate MAT program costs = \$21,416

**Academic Year 2024/2025 Student Rates
Annual, Unless Noted**

	Academic Year 23-24 FY24	Academic Year 24-25 FY25
Description		
Tuition: Full-time, In-State	\$12,116	\$12,116
In-State, Part-Time	\$300	\$300
DC Resident	\$22,116	\$22,116
DC Resident Part-Time	\$300	\$300
Tuition: Full-time, Out-of-State	\$28,192	\$28,192
Out-of-State Part-Time	\$450	\$450
Tuition Overload, Undergrad > 19 Credits Variable by Residency Status	Variable	Variable
Tuition: Graduate MAT (includes summer credits)	\$16,530	\$16,530
Room: Residence Hall, Double Occupancy	\$8,332	\$8,656
Room: Residence Hall, Triple Occupancy	\$8,332	\$8,656
Room: Suite	\$8,920	\$9,268
Room: Suite, Single	\$9,424	\$9,792
Room: Residence Hall, Single Occupancy	\$9,424	\$9,792
Room: Apartment Style Single	\$9,998	\$10,388
Room: Apartment Style Double	\$9,848	\$10,232
Room: Townhouse	\$10,206	\$10,604
Platinum: Anytime Dining, 64 guest passes, \$800 Dining Dollars	\$6,858	\$7,126
Gold: Anytime Dining, 40 Guest Passes, \$600 Dining Dollars	\$6,598	\$6,856
Silver: Anytime Dining, 24 Guest Passes, \$400 Dining Dollars	\$6,340	\$6,588
250 Meal Credits, \$600 Dining Dollars	\$4,364	\$4,534
150 Meal Credits, \$600 Dining Dollars	\$3,228	\$3,354
Flex Plan: 20 Meal Credits, \$800 Dining Dollars	\$1,368	\$1,422
Mandatory Fee: Full-Time Resident and Non-Resident	\$3,120	\$3,120
Program Fee: Graduate MAT	\$1,766	\$1,766
Annual Full-time Student Charges		
In-State, Commuter (Tuition/Fees)	\$15,236	\$15,236
In-State, Residence Hall (Tuition/Fees/Room/Board) *1	\$29,908	\$30,480
In-State, First-Year Residence Hall (Tuition/Fees/Room/Board) *2	\$29,908	\$30,480
DC Resident, First-Year Residence Hall (Tuition/Fees/Room/Board)	\$39,908	\$40,480
Out-of-State, Commuter (Tuition/Fees)	\$31,312	\$31,312
Out-of-State, Residence Hall (Tuition/Fees/Room/Board) *1	\$45,984	\$46,556
Out-of-State, First-Year Residence Hall (Tuition/Fees/Room/Board) *2	\$45,984	\$46,556
Tuition & Fees, In-State Residence Hall	\$15,236	\$15,236
Tuition & Fees, Out-of-State Residence Hall	\$31,312	\$31,312
MAT Graduate Student Program Cost: Tuition + Mandatory Fee + Program Fee	\$21,416	\$21,416

Note *1: Using Silver Board Plans

Note *2: Using Silver Board Plan, students must choose a Platinum / Gold / Silver plan

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 10, 2024
ACTION ITEM II.B.
APPROVAL OF THE FY26-FY30 STATE CAPITAL BUDGET PROPOSAL**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, contingent upon a favorable endorsement by the Technology, Buildings and Grounds Committee, of the FY26-FY30 State Capital Funding Proposal.

The proposed FY26-FY30 state-funded capital budget request includes funding of various campus infrastructure improvements, funding for the design and renovation of Montgomery Hall, and the design and renovation costs associated with interior improvements and ADA compliance issues in Calvert Hall.

RATIONALE

The attached chart summarizes the College's FY26-FY30 state capital budget request and provides a comparison to the governor's Five-Year Capital Improvement Plan (CIP).

Campus Infrastructure Improvements

This budget request continues to fund infrastructure improvements annually in multiple phases. The previous FY25 allocation of \$2.1M will fund improvements to the North Campus nodal loop, which was previously allocated to FY24 funding sources; however, the Schaefer Hall HVAC project proposals came in over budget and Department of Budget Management approved the use of the FY24 state capital funds to complete that project and deferring the North Campus nodal loop to FY25.

Additional highlighted projects proposed for FY26-FY30 include the Kent Hall HVAC replacement, Schaefer Hall fume hood replacement and automation controls upgrades, Goodpaster Hall automation controls upgrades, masonry restoration and slate roof replacement for the historic campus area, Hilda C. Landers Library/OIT generator and transfer switch replacement, and other projects. The total request for infrastructure projects in FY26-FY30 is \$10.0M.

Montgomery Hall Renovation

Montgomery Hall was constructed in 1979 and currently supports programs in English and the fine and performing arts. Except for the Bruce Davis Theater renovation in 2010, Montgomery Hall has only received minor renovations and cosmetic improvements.

This renovation project remains core to the College's strategic planning efforts to provide adequate facilities for academic programs, as identified in the 2012-2027 Master Plan. With the completion of the Learning Commons and the Nancy R. and Norton T. Dodge Performing Arts Center complex this past summer, the College's music department was relocated from

Montgomery Hall, freeing space for other discipline. An extensive renovation of the entire 40-year-old building is anticipated to improve energy efficiency, update code compliance, and address programmatic space deficiencies.

The governor's CIP provided \$2.59M in FY24 to begin the design process. The funding to continue design was initially requested by the College for FY25 and has been deferred to FY26 by the Department of Budget Management as this aligns with the revised project schedule. Further, we are requesting \$24.1M in initial construction support in FY26 which includes the deferred final design funding, and the remaining \$30.9 in construction and equipment funding in FY27 to finish the renovation. Total project costs are forecasted at \$57.6M. This is an increase from the original request of \$43.3M due to the outcome of the Programming Part II which is currently under review and awaiting the Department of Budget Management approval.

Calvert Hall Interior Renovation

The College requested \$2.08M in FY28 for design funding to begin planning the interior renovations of Calvert Hall, constructed in 1932, which serves as the primary administrative building on campus. Recent Department of Budget and Management funded infrastructure projects have addressed significant building envelope deficiencies (HVAC and electrical system upgrades, masonry repair and slate roof replacement, and window replacement); we now focus on the life safety improvements and interior upgrades for this 90-year-old building that are needed to meet ADA code compliance, installation of an elevator and fire suppression system, upgraded restrooms, and other internal improvements. Renovation construction costs are estimated at approximately \$26.6M, and the renovation funding will be requested for FY30. The College is requesting the renovation cost into one year to reduce the displacement of the occupants for an extended period of time. Total project costs are estimated at \$28.7M.

SMCM - Capital Budget Plan FY26-FY30

Design
Construction in \$M

Next Request

FY25 FY26 FY27 FY28 FY29 FY30 FY31

Infrastructure	State (FY25 CIP)	2.1	2.0	2.0	2.0	2.0	2.0	2.0
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Montgomery Hall	State	1.8	24.1	30.9				
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Calvert Hall	State				1.2	0.9	26.6	
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SMCM	State	3.9	26.1	32.9	3.7	2.9	28.6	2.0
	College	0	0	0	0	0	0	0

GOVERNOR'S CIP FY25	INFRASTRUCTURE	2.1	2.0	2.0	2.0	2.0	2.0	2.0
	MONTGOMERY HALL	0.0	16.7	20.3	1.4			
	CALVERT HALL				1.2	0.9	26.6	-
	TOTAL	2.1	18.7	22.3	4.6	2.9	28.6	2.0

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 12, 2024
ACTION ITEM I.I.C.
APPROVAL OF THE AUTHORITY AND RESPONSIBILITY MATRIX**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends approval by the Board of Trustees, St. Mary's College of Maryland, of the Authority and Responsibility Matrix.

RATIONALE

The Authority and Responsibility Matrix was developed to provide an accurate and clear summary of the responsibilities delegated to the Board of Trustees, the President, and to the officers of the College, regarding various functions and operations. The Authority and Responsibility Matrix highlights actions that require Board of Trustees approval, as well as those that require Board of Trustees notification. The Authority and Responsibility Matrix last received Board of Trustees approval on May 13, 2022. At that time, the Finance, Investment, and Audit Committee directed the College leadership to review the Authority and Responsibility Matrix annually, and to present any updates to the Board of Trustees for its review and approval.

The Committee is recommending the following updates:

- Reassignment of the responsible administrative area for Title IX Policy Changes from Equity and Strategic Initiatives to Student Affairs.
- Changing the title of Provost to VP for Academic Affairs/Dean of Faculty.

St. Mary's College of Maryland
Authority and Responsibility Matrix

Last Approved by the Board of Trustees on May 12, 2023

Administrative Area	Prepare	Recommend	Approve	Notify
Budget & Finance				
Fiscal Year Budgets - Operating and Capital (Plant)	VP Business/CFO	President	Board	
Rates: Tuition, Fees, Room and Dining Plan	VP Business/CFO	President	Board	
Auditors' Report and Audited Financial Statements	VP Business/CFO	President	Board	
Operating Budget Revision: Revenues = or > Expenditures		VP Business/CFO	President	Board
Operating Budget Revision: Revenues < Expenditures	VP Business/CFO	President	Board	
Plant Budget Revision < \$200K		VP Business/CFO	President	Board
Plant Budget Revision > \$200K	VP Business/CFO	President	Board	
Liquidation of up to 10% of Quasi-Endowment		VP Business / CFO	President	Board
Spending Authority above 5% of Annualized Budget		VP Business / CFO	President	Board
Contingency Budget Spending	AVP Finance	VP Business/CFO	President	
Banking / Bond Issues				
Issue Revenue Bonds / Bank Loans	VP Business/CFO	President	Board	
Bond Refinancing	VP Business/CFO	President	Board	
Procurement and Memoranda of Understanding				
Procurement Policy	VP Business/CFO	President	Board	
Procurement >\$100K			VP Business/CFO	President/Board
Procurement >\$1.0M	Director of Budgets	Director of Procurement	VP Business/CFO and Board of Public Works	President/Board
Procurement: State Capital Funds	Director of Procurement	Director of Budgets	VP Business/CFO and Board of Public Works	President
Facility and Service Agreements with HSMC	HSMC	VP Business/CFO	President	Board
Various Memoranda of Understanding and Agreements	Unit/Department Head	Impacted VP and VP Business/CFO	President	
Information Technology				
IT Master Plan (Required by State)	AVP Office of Information Technology and VP Business/CFO	President	Board	
IT Security Plan (Required by State)	AVP Office of Information Technology and VP Business/CFO	President	Board	
Facilities				
Facilities Master Plan	VP Business/CFO	President	Board	
Building Designs	VP Business/CFO	President	Board	
Building Programs	VP Business/CFO	President	Board	
Acquisition/Disposal of Real Property	VP Business/CFO	President	Board	
Annual Facilities Condition Report	VP Business/CFO	President	Board	
Appointment - Staff (Department Head and Below)		Unit Head	VP of unit	President/Board
Appointment - Staff (Assistant VP and Above)		VP of Unit	President	Board
Appointment - Faculty		Division Head	Provost VP for Academic Affairs/Dean of Faculty	President/Board
Termination - Staff		VP Business/CFO	President	Board
Termination - Faculty (LAW Bylaws)	Division Head	Provost VP for Academic Affairs/Dean of Faculty	President	Board
Contract Renewal - Probationary Status to Permanent FT Employees		Human Resources	VP of unit	President/Board
Create New Position		VP Business/CFO	President	Board
Union Agreement AFSCME		VP Business/CFO	President	Board

Administrative Area	Prepare	Recommend	Approve	Notify
Staff Salary Plan	VP Business/CFO	President	Board	
Employee Handbook Revisions	VP Business/CFO	President	Board	
Modifications to Retirement Plans	VP Business/CFO	President	Board	
Staff Senate Bylaw Revisions	Staff Senate	VP Business/CFO	President	
Various Human Resources Policies	VP Business/CFO	President	Board	
Faculty Bylaws	Faculty and Provost VP for Academic Affairs/Dean of Faculty	President	Board	
Reporting to Government Agencies				
Managing for Results Submission (MFR)	Director of Institutional Research/ Provost VP for Academic Affairs/Dean of Faculty	VP Business/CFO and President	Board	
Performance Accountability Report (PAR)	Director of Institutional Research/ Provost VP for Academic Affairs/Dean of Faculty	VP Business/CFO and President	Board	
Cultural Diversity Report	Chief Diversity Officer and VP Equity and Strategic Initiatives	VP Equity and Strategic Initiatives and President	Board	
Academic Affairs				
Faculty Reappointment, Tenure, Promotion	Provost —VP for Academic Affairs/Dean of Faculty	President	Board	
Curriculum Changes, Majors and Minors	Faculty and Provost VP for Academic Affairs/Dean of Faculty	President	Board	
Study Abroad Sites, SMCM as primary operator		Provost —VP for Academic Affairs/Dean of Faculty	President	Board
Academic Policy Changes	Faculty and Provost VP for Academic Affairs/Dean of Faculty	President	Board	
Student Affairs				
Student Trustee-in-Training Selection	VP Student Affairs	President	Board	
Clearly and Crime Statistics Reporting	Public Safety	VP Student Affairs	President	Board
Title IX Policy Changes	VP Student Affairs	President	Board	
Advancement				
Capital or Comprehensive Campaigns	VP Advancement	President	Board	Foundation Board
Named Opportunities Less than Building	VP Advancement and VP Business/CFO	VP Advancement	President	Board
Named Opportunities Building	VP Advancement and VP Business/CFO	President	Board	
Note 1: Requires final approval by Board of Public Works				
Enrollment Management				
Admission Policies	VP Enrollment Management	President	Board	
Financial Aid Award Policies	VP Enrollment Management	President	Board	
Equity and Strategic Initiatives (DEAA)				
Title IX Policy Changes	VP Equity and Strategic Initiatives	President	Board	
Other Policies				
Revision of any Policy Approved by the Board of Trustees	VP of Unit	President	Board	
Order of the Ark and Dove Award		President	Board	
Conferral of Degrees	Provost —VP for Academic Affairs/Dean of Faculty	President	Board	
Honorary Degree Recipients		President	Board	
<i>Note: in the event that any item in this Authority Matrix conflicts with specific authorities provided in a Board of Trustees approved policy, then the Board approved policy shall prevail.</i>				

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 10, 2024
INFORMATION ITEM III.A.
FY25 LEGISLATIVE SESSION FINANCIAL IMPACT**

FY25 Operating Budget

The legislature fully funded the College's General Fund Grant (\$36.85M) and annual allotment from the Higher Education Investment Fund (\$2.55M) for a total of \$39.4M in state support. The College's FY25 General Fund Grant represents continued growth (\$14.4M, or 57.6%) in state support since the FY19 funding formula reset and FY24 recalculation. Funding increased approximately \$216,875 from FY24 levels. This limited growth is primarily attributable to a lower than anticipated FY25 price deflator and significant savings in statewide line items, such as employee health insurance premiums.

Neither the Senate Budget and Taxation Committee nor the House Appropriations Committee adopted any reductions to the College's operating budget. However, both Committees approved an additional 3% cost of living adjustment (COLA) for state employees above the College's proposed budget. This COLA funding will be calculated and disbursed to the College by the Department of Budget and Management at the beginning of FY25.

FY25 Capital Budget

The College's FY25 capital budget was kept in line with the Governor's proposal and includes \$2.1M for North Campus nodal loop improvements to address critical deferred maintenance and renewal needs over time. This project is essential for the implementation of Pillar I, as included in strategic plan. Additionally, both the Senate and House Capital Budget Subcommittees provided \$250,000 in FY25 support, beyond the administration's proposal, for planning and design of the Montgomery Hall renovation project. This funding will continue to support the College's top capital priority.

FY 24 Operating Budget Adjustment

The state issued an amendment for the FY24 appropriation in the amount of \$1,078,935 to cover the cost of the FY24 COLA increases that were received on July 1, 2023. This brought the overall FY24 State General Fund Appropriation to \$37.71M.

BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 10, 2024
INFORMATION ITEM III.B.
STATUS OF STRATEGIC INVESTMENTS FROM BOND PROCEEDS

The FY24 anticipated College expenses to be supported by the bond currently total \$3.79M, which includes strategic planning initiatives from “*The Rising Tide*,” resulting in an expected remaining balance of \$9.0M. The FY25 anticipated College expenses are projected to total \$3.61M, producing an expected remaining balance of \$5.4M for FY26, which will be the final year for initiatives available from bond proceeds.

Included in the materials are the following items which detail bond usage:

- FY24 anticipated bond expenditures.
- FY25 anticipated bond expenditures.
- Allocated Bond Spending by Category.

FY24 Categories of Anticipated Bond Spending	Amount Spent / Anticipated Expenditures	Available Balance
Starting Balance		\$20,000,000
<i>Cost of Issuance</i>	\$716,415	
		\$19,283,585
Starting Strategic Allocation Balance (April 1, 2021)		
FY22 Bond Proceeds Drawdown	\$3,184,107	\$16,099,478
FY23 Bond Proceeds Drawdown	\$3,309,272	\$12,790,206
FY24 Projected Anticipated Expenses		
Retaining Excellent Faculty (\$5.0M)		
FY24 Osprey and Eagle Named Junior Professorships	\$1,737,845	
Osprey and Eagle Research Awards	\$80,000	
Student Engagement/LEAD Focused Programs (\$5.8M)		
FY24 Student / Academic Support	\$140,000	
Center for Career and Professional Development - Internships (Strategic Plan II.C.2)	\$288,000	
Study Aboard Program - Financial Assistance (Strategic Plan I.B.2)	\$81,900	
Honors College Promise Program - Student Research (Strategic Plan II.C.2)	\$130,000	
Executive Motor Coach Initiative (Strategic Plan II.B.4)	\$225,000	
Student Retention Programs (\$1.0M)		
Sum Primus (Summer Bridge Program)	\$28,625	
"Must Go To" Programs (Strategic Plan III.A.1)	\$31,167	
Out of State Recruitment Initiative (Strategic Plan III.B.1)	\$40,000	
Development of New LEAD-Focused Curricular and Co-Curricular Programming (\$2.42M)		
Renovation Costs for Schaefer Hall for Marine Science Lab	\$442,632	
Design Costs for Schaefer Hall for Marine Science Lab	\$26,500	
Marine Science Instructional Lab Equipment	\$30,958	
Design, Research & Development Services for Marine Science Research Vessel	\$64,500	
Iver C. Franzen Maritime - Marine Science Research Vessel Re-Design services	\$11,500	
Create Community-Based Learning Courses (Strategic Plan IV.B.1)	\$5,000	
Neuroscience - EEG Machine	\$30,000	
Recruitment of New Faculty and Staff in LEAD Areas (\$1.4M)		
Dr. Elka Porter, Marine Studies Faculty (Year two start-up costs)	\$20,000	
Dr. Silvio Borrero, William Seale Professor of Business (Year two start-up costs)	\$23,000	
Coordinator of Studio Art (Base Salary + FICA)	\$71,500	
Marine Science Instructional/Lab Coordinator (Base Salary + FICA)	\$78,000	
Assistant Professor of Business (Base Salary + FICA)	\$125,500	
Performing Arts, Theatre Visiting Assistant Professor (Base Salary + FICA)	\$78,000	
Current Total of FY24 Projected Anticipated Expenses	\$3,789,627	\$9,000,578

FY25 Categories of Anticipated Bond Spending	Amount Spent / Anticipated Expenditures	Available Balance
Starting Balance		\$20,000,000
<i>Cost of Issuance</i>	\$716,415	
		\$19,283,585
Starting Strategic Allocation Balance (April 1, 2021)		
FY22 Bond Proceeds Drawdown	\$3,184,107	\$16,099,478
FY23 Bond Proceeds Drawdown	\$3,309,272	\$12,790,206
FY24 Projected Anticipated Expenses	\$3,789,627	\$9,000,578
FY25 Projected Anticipated Expenses		
Retaining Excellent Faculty (\$5.0M)		
FY25 Osprey and Eagle Named Junior Professorships	\$1,789,980	
Osprey and Eagle Research Awards	\$80,000	
Student Engagement/LEAD Focused Programs (\$5.8M)		
Center for Career and Professional Development - Internships (Strategic Plan II.C.2)	\$288,000	
Study Aboard Program - Financial Assistance (Strategic Plan I.B.2)	\$165,000	
Honors College Promise Program - Student Research (Strategic Plan II.C.2)	\$212,000	
Marine Science Research Vessel	\$463,000	
Student Retention Programs (\$1.0M)		
Expand Seahawk Experience (Strategic Plan II.B.1)	\$25,000	
Rebrand Campus Life Experience (Residential & Commuter Students) (Strategic Plan II.B.3)	\$105,000	
Student Alumni Mentor Program (Strategic Plan II.C.1)	\$12,500	
"Must Go To" Programs (Strategic Plan III.A.1)	\$40,000	
Spanish Speaking Diversity Recruitment Specialist Salary + Benefits Cost (Strategic Plan III.A.2)	\$90,000	
Out of State Recruitment Initiative (Strategic Plan III.B.1)	\$40,000	
Travel/Transitional Grants (Strategic Plan III.B.2)	\$50,000	
International Recruitment (Strategic Plan III.B.2)	\$40,000	
Campus Transportation Initiative (Strategic Plan II.B.4)	\$115,000	
Development of New LEAD-Focused Curricular and Co-Curricular Programming (\$2.42M)		
New Program Market Analysis (Strategic Plan I.A.1)	\$25,000	
Create Community-Based Learning Courses (Strategic Plan IV.B.1)	\$35,000	
Recruitment of New Faculty and Staff in LEAD Areas (\$1.4M)		
Dr. Elka Porter, Marine Studies Faculty (Year three start-up costs)	\$30,000	
Current Total of FY25 Projected Anticipated Expenses	\$3,605,480	\$0

Allocated Bond Spending by Category	Amount Allocated	Amount Actually Spent in FY22 & FY23	Amount Estimated for FY24	Amount Projected for FY25	Balance
Retaining Excellent Faculty	5,000,000				
Osprey and Eagle Named Junior Professorships		3,069,946	1,737,845	1,789,980	
Osprey and Eagle Research Awards		102,974	80,000	80,000	
Balance Remaining					(1,860,746)
Student Engagement/LEAD Focused Programs	5,800,000				
Center for Career & Professional Development (program enhancements)		503,508			
Center for Career & Professional Development - Internships (Strategic Plan II.C.2)		217,599	288,000	288,000	
Student / Academic Support		493,476	140,000		
Study Aboard Program - Financial Assistance (Strategic Plan I.B.2)			81,900	165,000	
Honors College Promise Program - Student Research (Strategic Plan II.C.2)			130,000	212,000	
Executive Motor Coach Initiative			225,000		
Marine Science Research Vessel				463,000	
Balance Remaining					2,592,517
Student Recruitment/Retention	1,000,000				
Summer Bridge Program - Sum Primus LLC		8,073	28,625		
Presidio for IT Assessment - Resident Hall & Academic Connectivity Improvements		122,268			
"Must Go To" Programs (Strategic Plan III.A.1)			31,167	40,000	
Out of State Recruitment Initiative (Strategic Plan III.B.1)			40,000	40,000	
Student Alumni Mentor Program (Strategic Plan II.C.1)				12,500	
Expand Seahawk Experience (Strategic Plan II.B.1)				25,000	
Rebrand Campus Life Experience (Residential & Commuter Students) (Strategic Plan II.B.3)				105,000	
Travel/Transitional Grants (Strategic Plan III.B.2)				50,000	
International Recruitment (Strategic Plan III.B.2)				40,000	
Spanish Speaking Diversity Recruitment Specialist Salary + Benefits Cost (Strategic Planning Initiative)				90,000	
Campus Transportation Initiative (Strategic Plan II.B.4)				115,000	
Balance Remaining					309,617
Development of New LEAD-Focused Curricular and Co-Curricular Programming	2,420,000				
Throwing Sports Project (student recruitment/retention)		100,000			
Marine Science Near Shore Vessel (Maritime 233)		98,531			
Design Costs for Renovation for Schaefer Hall for Marine Science Lab		161,800			
Iver C. Franzen Maritime - Marine Science Research Vessel design services		8,000	11,500		
Renovation Costs for Schaefer Hall for Marine Science Lab			442,632		
Marine Science Instructional Lab Equipment (Estimated Cost)			30,958		
Composite Yachts - Design, Research & Development Services for Marines Science Research Vessel			64,500		
Create Community-Based Learning Courses (Strategic Plan IV.B.1)			5,000	35,000	
Neuroscience - EEG Machine			30,000		
New Program Market Analysis (Strategic Plan I.A.1)				25,000	
Balance Remaining					1,407,079
Recruitment of New Faculty and Staff in LEAD Areas	1,400,000				
Academic Search (Senior Professor of Business Administration)		52,975			

Dr. Elka Porter - Marine Studies Faculty (Base Salary + Start-up costs) (2 years begins in FY23)		115,628	20,000	30,000	
Dr. Silvio Borrero, William Seale Professor of Business (base salary + start-up costs + moving expenses) (2 years begins in FY23)		15,000	23,000		
Coordinator of Studio Art (Base Salary + FICA) (2 years begins in FY24)			71,500		
Marine Science Instructional/Lab Coordinator (Base Salary + FICA) (2 years begin FY24)			78,000		
Assistant Professor of Business (Base Salary + FICA) (2 years begin FY24)			125,500		
Performing Arts, Theatre Visiting Assistant Professor (Base Salary + FICA) (2 years begin FY24)			78,000		
Balance Remaining					790,397
Enhanced Business Efficiency	500,000				
NEC Campus Phone System Upgrade		540,073			
All Marine - Install of Boat Lift River Center		8,162			
Balance Remaining					(48,235)
Operating Budget Contingency	2,200,000				
No Cost to Date		-	-	-	
Balance Remaining					2,200,000

BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 10, 2024
INFORMATION ITEM III.C.
JOINT INVESTMENT ACTIVITIES

The Foundation's Joint Investment and Advisory Committee met on April 25, 2024, to review the Foundation's endowment portfolio with its investment manager J.P. Morgan. The Committee also received a report on the College's endowment/quasi endowment.

St. Mary's College of Maryland Foundation

As of March 31, 2024, the total market value of the Foundation's endowment was \$39.5M. The Foundation's endowment is comprised of three parts: a portion of the JP Morgan portfolio (\$38.6M), the Student Investment Group account (\$682K), and WesBanco shares (\$236K).

Of the endowment managed by JP Morgan, the fiscal year-to-date increase in market value of \$2.569M includes \$488K in contributions, \$496K in income, \$2.627M increase in investment value, and distributions of \$1.042M.

St. Mary's College of Maryland Endowment and Quasi Endowment

The College holds investments totaling \$4.8M consisting of endowment and quasi-endowment. \$3.8M are funds functioning as endowment (quasi) and \$1.0M represents the Blackistone Endowment. Invested endowment funds, managed by 19/19 Investment Counsel, have a market value of \$4.76M as of March 31, 2024. Funds are currently invested in a mix of fixed income instruments and equities. The annualized rate of return is +3.23%.

The remaining \$271K of College endowment is currently held in a cash investment pool by the Maryland State Treasurer.

St Mary's College of Maryland Foundation, Inc
Consolidated Investment Statement
for the period July 1, 2023 to March 31, 2024

	<u>Beginning Market Value</u> <u>7/1/2023</u>	<u>Ending Market Value</u> <u>3/31/2024</u>
<u>JP Morgan Portfolio</u>		
Endowed Accounts	36,002,831	38,571,396
Gift Annuity	1,057,723	1,146,768
Current Funds	6,675,434	7,348,610
Endowment Allocated Spending Funds	1,053,593	1,064,593
Total Investment Accounts Market Value	44,789,581	48,131,367
Endowed Funds Allocated Spending Account	1,320	1,297
Gift Annuity Cash Account	84,126	18,566
SGA Investment	664,473	681,537
Total JP Morgan Portfolio	45,539,500	48,832,768
<u>Other Assets</u>		
Perpetual Trust, PNC	1,483,315	1,654,139
WesBanco shares	202,370	235,559
<u>Cash</u>		
Checking Account	531,944	1,291,397
Endowment Spending Account	679,301	808,771
<u>Total</u>	48,436,430	52,822,634

*** In addition to the JP Morgan Portfolio, the Foundation Endowment includes the WesBanco Shares & the SGA investment

*** The College holds a quasi-endowment in addition to the above funds

**St. Mary's College of Maryland
Endowment Fund**

	<u>6/30/2023 Balance</u>		<u>03/31/2024 Balance</u>
Legg Mason / 1919 Investments - Cash & Equivalents	\$358,388		\$20,530
Legg Mason / 1919 Investments - Fixed Income	\$2,270,322	Fixed & Cash	\$2,541,499
Legg Mason / 1919 Investments - Equity Portfolio	<u>\$1,712,568</u>		<u>\$2,202,083</u>
	\$4,341,278		\$4,764,112
Cash with Treasurer	<u>\$284,385</u>		<u>\$284,385</u>
Investable Total	<u>\$4,625,663</u>		<u>\$5,048,497</u>
Other Investments	<u>\$978</u>		<u>\$978</u>
Total Investments	<u><u>\$4,626,641</u></u>		<u><u>\$5,049,475</u></u>

	Asset Allocation *			
	Current	Lower	Target	Upper
Domestic Equities	43.5%	20%	30%	50%
International Equities	2.8%	0%	5%	10%
Fixed Income	53.3%	50%	60%	70%
Cash	0.4%	30%	5%	15%
	<u>100.0%</u>	<u>100%</u>	<u>100%</u>	<u>145%</u>

Note: Asset Allocation per Board of Trustees Approved Investment Policy

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MAY 10, 2024
INFORMATION ITEM III.D.
REPORTABLE PROCUREMENT ITEMS**

In accordance with the College's Internal Procurement Requirements and Practices Statement, all purchase orders and contracts that exceed \$100,000 must be approved by the Vice President for Business /CFO or an approved designee. These procurements are required to be reported to the Finance, Investment and Audit Committee of the Board of Trustees.

The following procurement items were approved during the period between the last Finance, Investment, and Audit Committee meeting (February 2, 2024) and April 12, 2024.

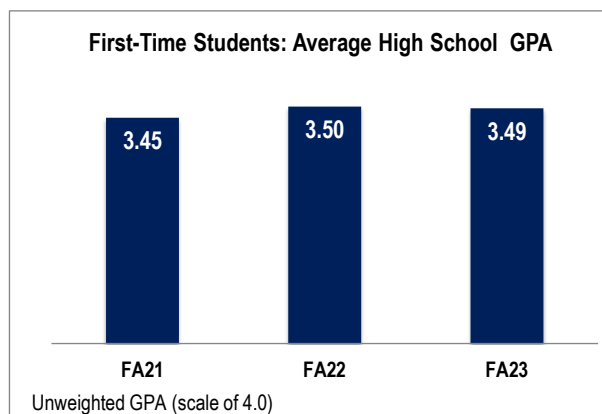
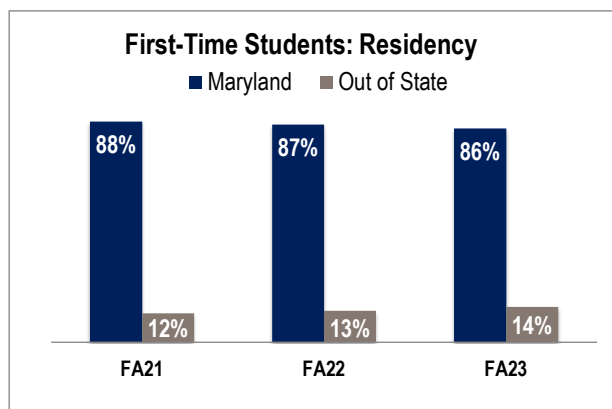
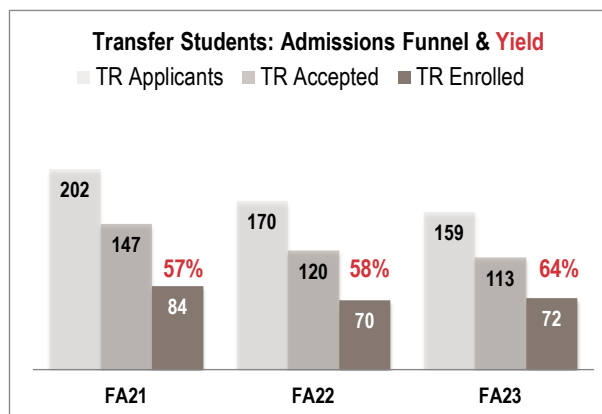
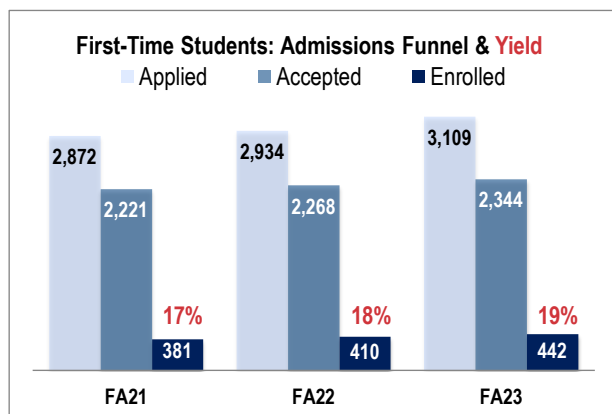
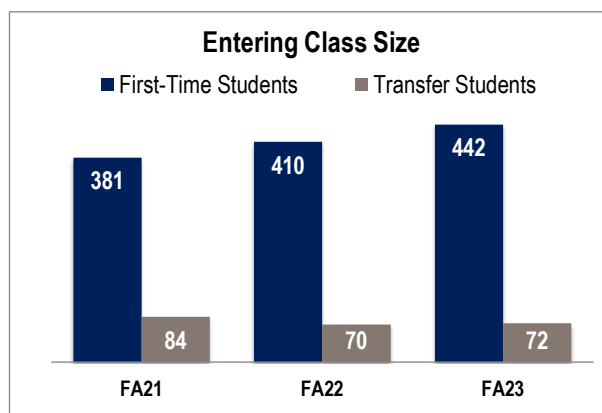
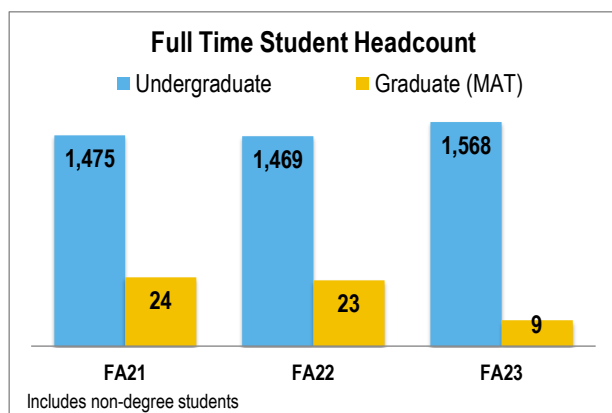
Payee	Description	Amount
SCB Management Solutions	Anthology Training Services	\$101,423
Capital Brand Group	Calvert HVAC and Electrical Upgrades	\$192,448
Gartner Inc	Network Data Security Services	\$338,606
*SE Davis	Tennis Courts Complex Renovation	\$920,876
SE Davis	Farthings Parking Lot Replacement	\$1,372,257

** Although the total cost is >\$900K, the amount the College will pay from its operations budget is ~\$700K.*

Board of Trustees Dashboard - May 2024

Student Characteristics in Enrollment

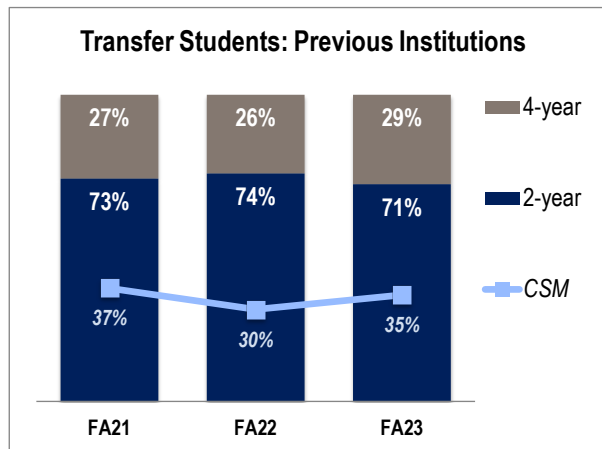
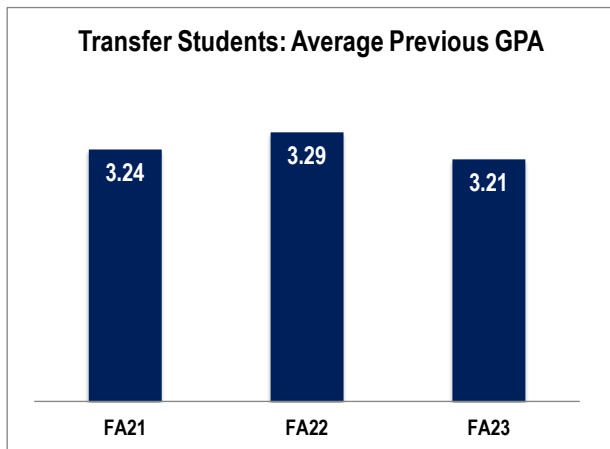
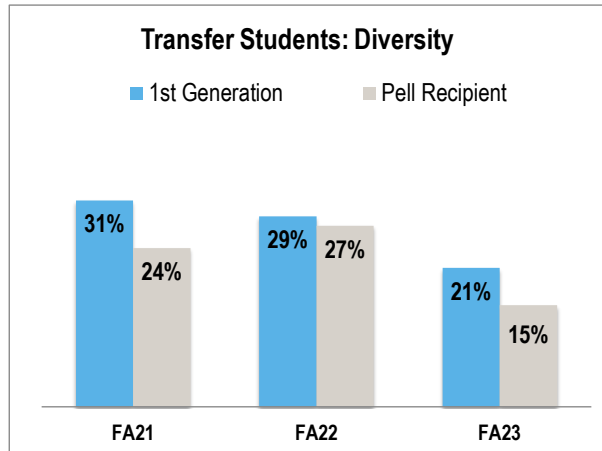
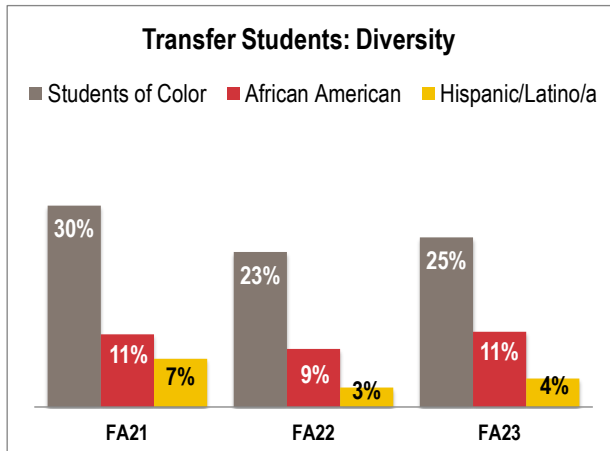
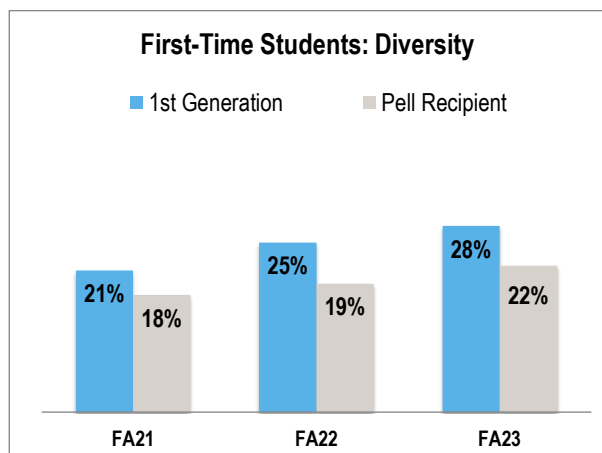
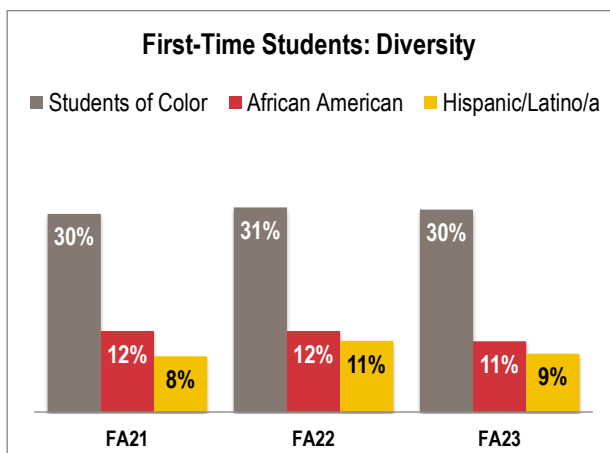
Fall 2023 figures based on final census (freeze) data, 9/25/2023



Board of Trustees Dashboard - May 2024

Student Characteristics in Enrollment

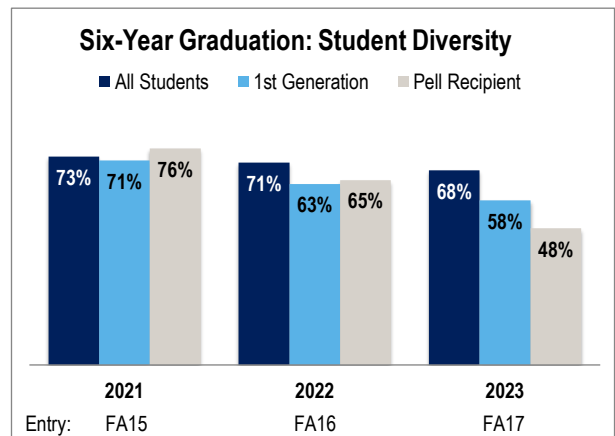
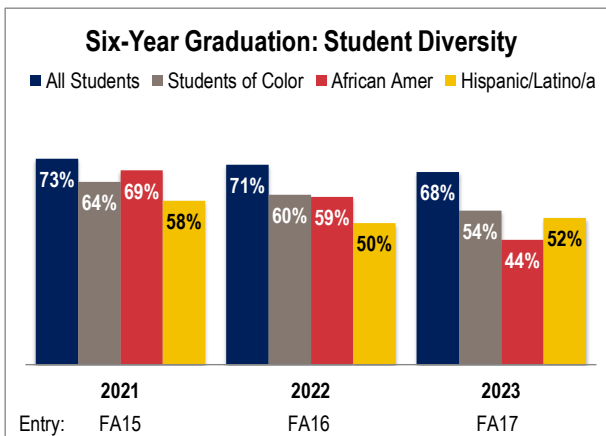
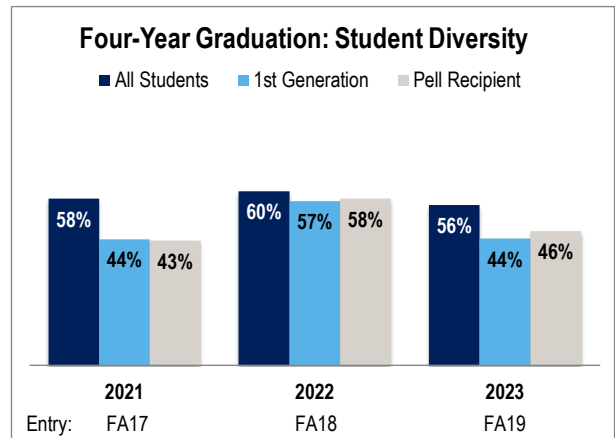
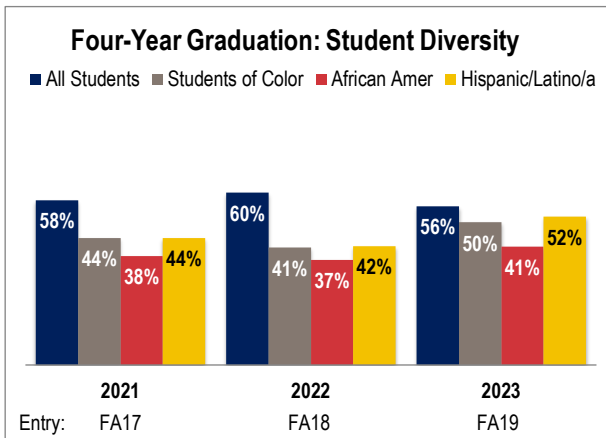
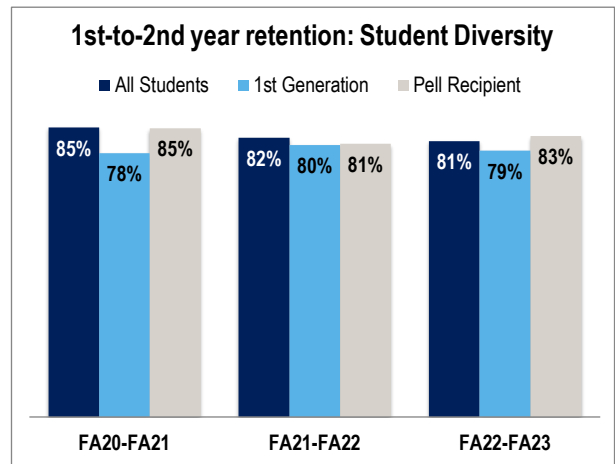
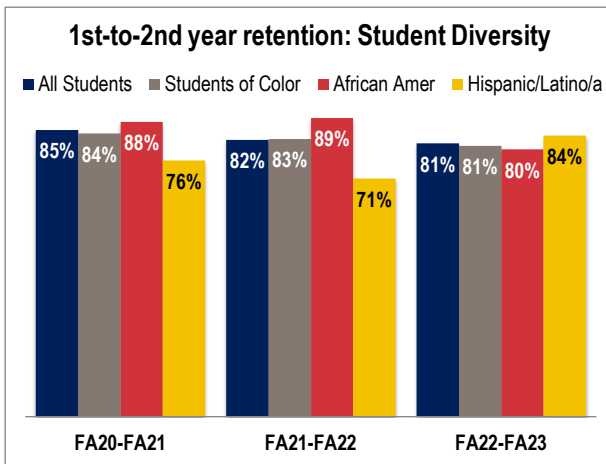
Fall 2023 figures based on final census (freeze) data, 9/25/2023



Board of Trustees Dashboard - May 2024

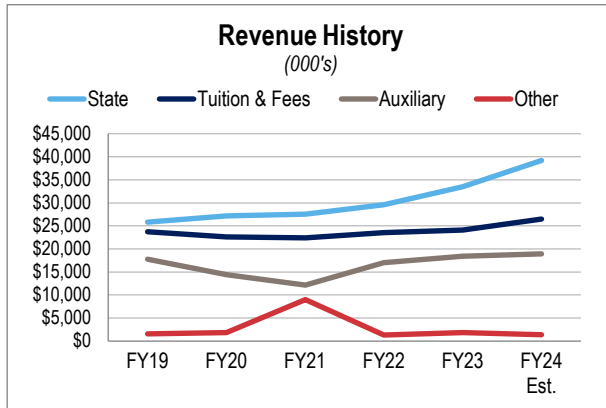
Student Retention and Persistence (First-Time Students)

Fall 2023 figures based on final census (freeze) data, 9/25/2023

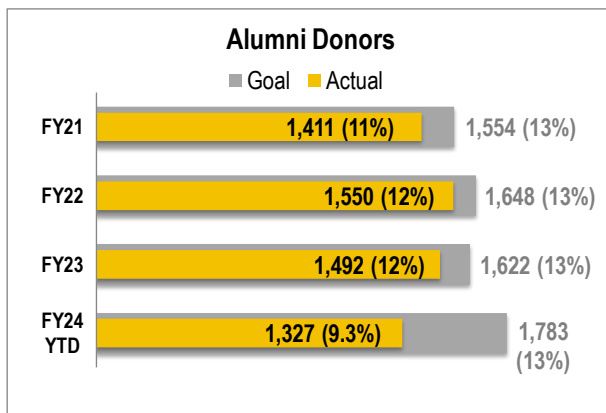


Board of Trustees Dashboard - May 2024

Revenue and Fundraising



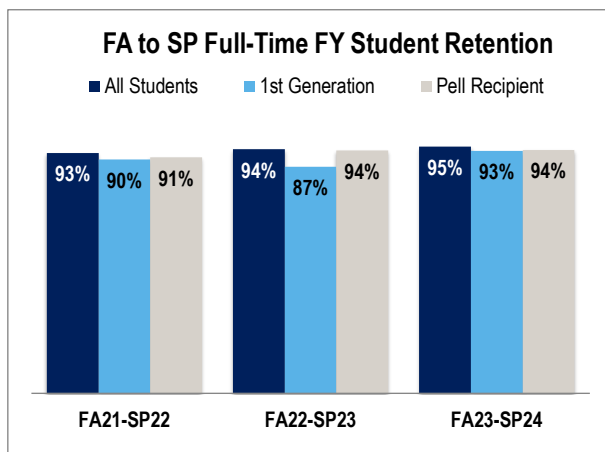
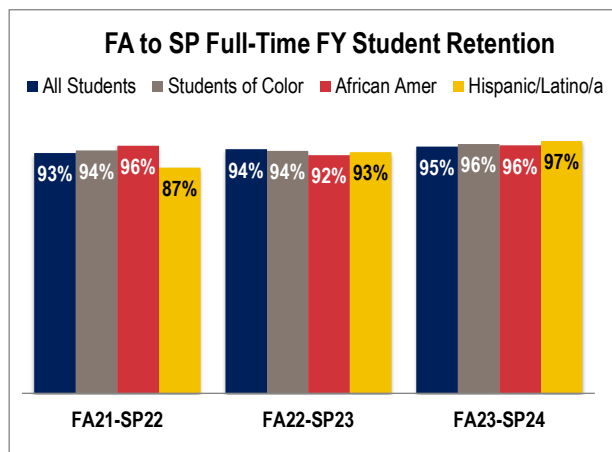
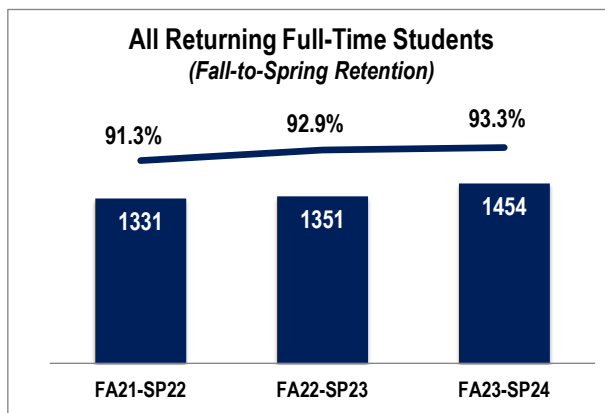
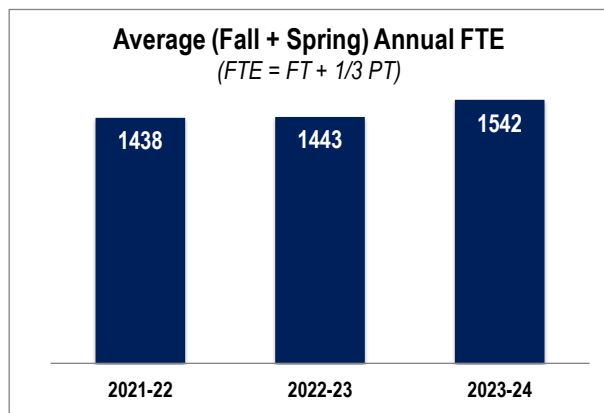
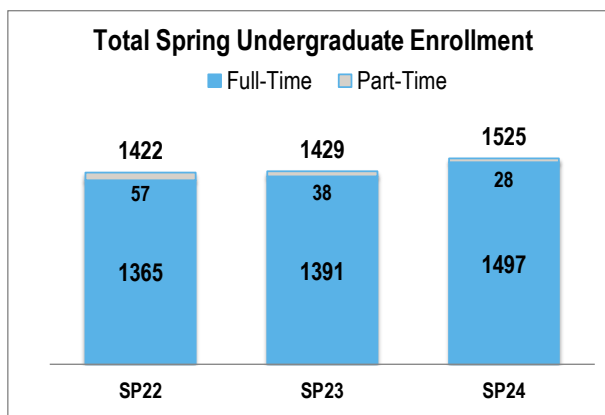
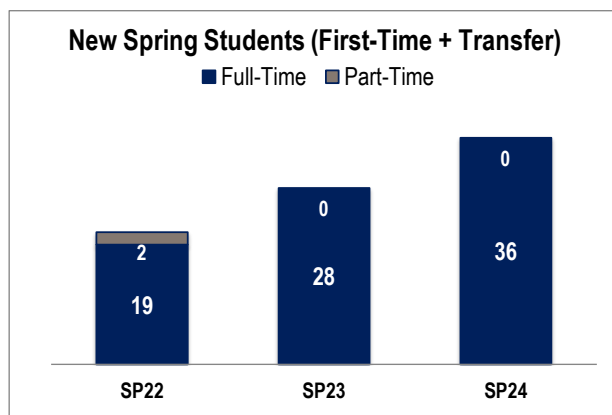
Note regarding FY21 Revenue: The COVID-19 pandemic had major impacts on Auxiliary revenues. A significant portion of the student population chose to study remotely, leading to substantial decreases in on-campus living and dining participation rates. Offsetting revenue increases were recorded in the Other category in the form of CARES act institutional support (\$1.1 million), Paycheck Protection Plan loan forgiveness (\$6.7 million) and federally funded COVID expense reimbursements through the state (\$1.5 million).



Board of Trustees Dashboard - May 2024

Spring Semester Enrollment and Persistence

Spring 2024 figures based on final census (freeze) data, 2/12/2024





**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
MINUTES**

Date of Meeting: January 22, 2024

Status of Minutes: Approved March 29, 2024

Committee Members Present: Committee Chair John Wobensmith '93, Nicolas Abrams '99, Anirban Basu, John Bell '95, Lex Birney, Board Chair Susan Dyer, Sven Holmes, President Tuajuanda Jordan, Faculty Finance Delegate Charles Holden, Melanie Rosalez '92, Ray Wernecke

Committee Members Absent: None

Staff Member: Paul Pusecker

Others Present: Betsy Barreto, Mary Broadwater, Mary Grube, David Taylor, Anna Yates

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the open session meeting to order at 11:30 a.m. The meeting was held via videoconference.

Discussion Item

Fiscal Year 2023 Financial Audit Update

During the December 18, 2023, Finance, Investment, and Audit Committee meeting, Remi Omisore from Clifton, Larson, Allen, LLP, provided an informative presentation regarding the College's FY23 auditor's report and audited financial statement. Mr. Omisore stated that there was no evidence of fraud or malicious conduct, and that he had received full cooperation from management. However, at that time, the audit process was only 85% completed as the full cash reconciliation process was still outstanding.

In order to provide proper fiduciary oversight, management was asked to complete the audit process before presenting the FY23 auditor's report and audited financial statements to the Committee for approval. The Committee also requested that it be provided with context to explain the cash reconciliation issue that arose during the review of the current year financial statements. In response to that request, Vice President for Business and CFO Paul Pusecker provided the following information, including a timeline of events since the December 18 meeting.

The state of Maryland had a significant amount of surplus cash from unused Federal CARES Act funding. The legislature designated this surplus as PayGo funds that were to be used specifically to support state capital renovation and construction projects in FY22 and FY23. Although the College does not typically receive PayGo funding, it did receive this supplementary funding in both FY22 and FY23.

Due to their unfamiliarity with PayGo funding, business office staff improperly recorded the journal entries within the College's financial system for FY22 and part of FY23. During the cash reconciliation process journal entry errors were discovered for FY22 and part of FY23. There was no malfeasance or fraud in the opinion of CLA. Corrective journal entries were made to the College's statement of net position, balance sheet, and cash flows, resulting in a balanced cash reconciliation. As a result of the errors related to the PayGo system and journal entries, the financial statements for FY22 would need to be corrected and reissued.

This series of events prompted a comprehensive evaluation of current business office practices and procedures. To ensure the adherence to proper accounting practices, and to help prevent such errors in the future, corrective operational actions were developed and would be instituted immediately. These actions include monthly cash reconciliations, development of standard operating procedures, updating business office policies and procedures, and restructuring the finance and accounting office.

Board Chair Susan Lawrence Dyer expressed her appreciation to the Finance, Investment, and Audit Committee for its dedication and commitment to their fiduciary responsibility to the College. Chair Wobensmith recognized Interim Assistant Vice President of Finance Mary Grube for her efforts to identify and correct the error. President Jordan concurred, adding that the leadership of Committee Chair Wobensmith and Board Chair Dyer was key in resolving the issue, stressing the importance of having leadership that care about the fiduciary responsibility of this institution.

The meeting adjourned at 12:20 p.m.

Summary of Closed Session Held on January 22, 2024

Time: 12:21 p.m.

Location: Virtual

Purpose: To provide an opportunity for the Committee to discuss matters that relate to the fiscal audit, financial statements, and personnel.

Motion to close meeting made by: Sven Holmes

Seconded by: Ray Wernecke

Names of members voting aye: Committee Chair John Wobensmith '93, Nicolas Abrams '99, Anirban Basu, John Bell '95, Lex Birney, Board Chair Susan Lawrence Dyer, President Tuajuanda Jordan, Melanie Rosalez '92

Members Opposed: None

Abstaining: None

Statutory authority to close session: In accordance with Md. Gen. Prov. Code Ann. § 3-305 (b) to discuss the matters set forth on the closing statement, specifically: (1) matters that relate to College personnel and confidential information exempt from disclosure under the section 4-335 of the Maryland Public Information Act.

Topic Description: The Committee discussed personnel, the financial health of the College, the financial audit, including identifying any issues related to fraud, waste, and abuse, and any concerns related to pending or potential litigation.

Persons present for discussion: Committee Chair John Wobensmith '93, Nicolas Abrams '99, Betsy Barreto, Anirban Basu, John Bell '95, Lex Birney, Mary Broadwater, Board Chair Susan Lawrence Dyer, Sven Holmes, President Tuajuanda Jordan, Melanie Rosalez '92, David Taylor, Ray Wernecke, Anna Yates.



**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
MINUTES**

Date of Meeting: January 26, 2024

Status of Minutes: Approved April 1, 2024

Committee Members Present: Committee Chair John Wobensmith '93, Nicolas Abrams '99, Anirban Basu, John Bell '95, Board Chair Susan Lawrence Dyer, Sven Holmes, President Tuajuanda Jordan, Melanie Rosalez '92, Ray Wernecke

Committee Members Absent: Lex Birney, Faculty Finance Delegate Charles Holden

Staff Member: N/A

Others Present: Betsy Barreto, David Cannavo, Carolyn Curry, Mary Grube, Elena Langill, Gretchen Phillips, Chuck Steenburgh, David Taylor, Anna Yates, Clifton, Larson, Allen, LLC Representatives Robert Gauthier, manager, and Remi Omisore, principal

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the open session meeting to order at 10:34 a.m. The meeting took place via videoconference.

Mr. Remi Omisore provided a thorough presentation to the Committee regarding the College's audit and financial statements for the year ended June 30, 2023. Mr. Omisore explained the audit firm's scope of engagement and responsibilities, the audit process and results, and reviewed the College's financial statements. The audit included an assessment of the control environment and an evaluation of key processes, all of which were found to be effective in both design and operation. Additionally, Mr. Omisore confirmed that the College had implemented GASB No. 84 successfully and that the audit firm received full cooperation from College management.

At 10:54 a.m. Committee Chair Wobensmith '93 asked for a motion to reconvene the Committee meeting in closed session in accordance with Title 10, Subtitle 3 of the General Provisions Article, the Open Meetings Act, for the purposes set forth in the closing statement, specifically, to provide an opportunity for the Clifton, Larson, Allen, LLC representatives to engage in discussion with Trustees regarding their assessment of how management is performing with respect to the financial health of the College and any issues related to fraud, waste, and abuse. The closed session adjourned at 11:06 a.m. and the Finance, Investment, and Audit Committee meeting reconvened in open session at 11:07 a.m.

Action Items

IV.A. Acceptance of the FY23 Auditor's Report and Audited Financial Statements

The financial statements presented for review and approval reflected the financial transactions and position of the College for the period July 1, 2022 through June 30, 2023 and the reissued FY22 financial statements, which were revised to reflect a corrective journal entry. The auditor's report and financial statements were prepared by the independent firm of Clifton, Larson, Allen, LLC in accordance with generally accepted accounting principles, reflecting the GASB 34 and 35 reporting requirements. Committee Chair John Wobensmith '93 asked for a motion to approve the action item as presented. A motion was made by Trustee Ray Wernecke and seconded by Trustee Nicolas Abrams '99. The motion passed unanimously.

The meeting adjourned at 11:10 a.m.

Summary of Closed Session Held on January 26, 2024

Time: 10:54 a.m.

Location: Virtual

Purpose: To provide an opportunity for the Clifton, Larson, Allen, LLC representatives to engage in discussion with Trustees regarding their assessment of how management is performing with respect to the financial health of the College and any issues related to fraud, waste, and abuse.

Motion to close meeting made by: Ray Wernecke

Seconded by: Nicolas Abrams '99

Names of members voting aye: Committee Chair John Wobensmith '93, Anirban Basu, John Bell '95, Board Chair Susan Lawrence Dyer, Sven Holmes President Tuajuanda Jordan, Melanie Rosalez '92

Members Opposed: None

Abstaining: None

Statutory authority to close session: In accordance with Md. Gen. Prov. Code Ann. § 3-305 (b) to discuss the matters set forth on the closing statement, specifically: (8) To consult with staff, consultants, or other individuals about pending or potential litigation that are not subject to disclosure under the Maryland Public Information Act.

Topic Description: The Committee met with representatives from audit firm Clifton, Larson, Allen, LLC to receive an assessment of how management is performing with respect to the financial health of the College, including identifying any issues related to fraud, waste, and abuse, and any concerns related to pending or potential litigation.

Persons present for discussion: Committee Chair John Wobensmith '93, Nicolas Abrams '99, Anirban Basu, John Bell '95, Board Chair Susan Lawrence Dyer, Robert Gauthier, Sven Holmes, Remi Omisore, Melanie Rosalez '92, Ray Wernecke



**BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE**

**OPEN SESSION
MINUTES**

Date of Meeting: February 2, 2024 **Status of Minutes:** Approved April 24, 2024

Committee Members Present: Committee Chair John Wobensmith '93, Nicolas Abrams '99, John Bell '95, Lex Birney, Board Chair Susan Lawrence Dyer, Faculty Finance Delegate Charles Holden, Sven Holmes, President Tuajuanda Jordan, Melanie Rosalez '92, Derek Rovaris, Ray Wernecke

Committee Members Absent: Anirban Basu

Staff Member: Mary Grube, Interim Assistant Vice President of Finance

Others Present: Jamie Athey, Betsy Barreto, Mary Broadwater, Jeff Byrd, David Cannavo, Carolyn Curry, Katie Gantz, Melissa Golowski, Cynthia Greb, Gail Harmon, David Hautanen, Jerri Howland, Felix Martinez, Brad Newkirk, Dereck Rovaris, Jenell Sargent, Chuck Steenburgh, David Taylor, Jackie Wright, Anna Yates

Representatives from 19/19 Investment Counsel: Managing Director/Portfolio Manager Aimee Eudy, Vice President/Portfolio Manager Michael McAndrew, Managing Director/Portfolio Manager Meredith Mowen, Managing Director/Portfolio Manager Lauren Webb.

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the open session meeting to order at 1:02 p.m. The meeting took place in person and via videoconference.

Investment Strategy for Quasi-Endowment

Representatives Aimee Eudy, Lauren Webb, Meredith Mowen, and Michael McAndrew from 19/19 Investment Counsel, fund manager of the College's endowment, provided a detailed presentation to the Committee which highlighted current and future market conditions and expectations. Following the presentation, the Committee discussed the College's investment strategy, as approved by the Board of Trustees on February 3, 2018. The Committee agreed that the current investment strategy needed updating. The Committee would like to review recommendations from multiple fund managers to determine an investment strategy that best meets the needs of the College.

Outstanding Bonds Repayment Structure

The College has a statutory debt limit of \$60M, of which there are \$35.115M in revenue bonds outstanding. The cost of debt service in 2023 and 2024 was \$3.79M. Each year, the cost will

decrease until 2033 when the College begins paying the principal of the 2020 Series private bond placement, which will be paid off in 2040. The Committee was provided with the outstanding principal and debt payments by year.

Information Items

Strategic Investments from Bond Proceeds

Bond supported expenses are expected to total \$4.22M in FY24 with an expected remaining balance of \$8.57M. The College is projecting an estimated \$4.18M in bond supported expenses, including strategic planning initiatives, resulting in an expected remaining balance of \$4.39M. This will take us into year five of the strategic investment initiative. The Committee received a list of FY24 anticipated bond expenditures, a list of specific expenses that were charged to the bond proceeds FY22 and FY23, and a list of strategic allocation categories that included cumulative spend totals per category. Expenditures to date align with the bond strategic allocations authorized by the Board of Trustees at its meeting in May 2022.

Action Items

II.A. Approval of the FY25 Plant Fund Capital Budget

The proposed plant fund capital budget, endorsed by the Technology, Buildings, and Grounds Committee, totaled \$1.662M. The primary source of funding is from the student facility fee. The proposed budget funds capital projects, campus maintenance and repairs, program support, and residence hall renewal projects. A cost breakdown by priority categories and a listing of FY25 plant projects was provided.

Approval of the plant fund capital budget was sought at the February meeting, rather than in May as in previous years. Earlier approval of the plant fund budget will enable FY25 plant projects to get underway immediately when the new fiscal year begins. Committee Chair John Wobensmith '93 asked for a motion to approve the action item as presented. A motion was made by Trustee Ray Wernecke and seconded by Trustee Sven Holmes. The motion passed unanimously.

The meeting adjourned at 2:16 p.m.