

BOARD OF TRUSTEES
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
REPORT SUMMARY

Date of Meeting: October 22, 2018

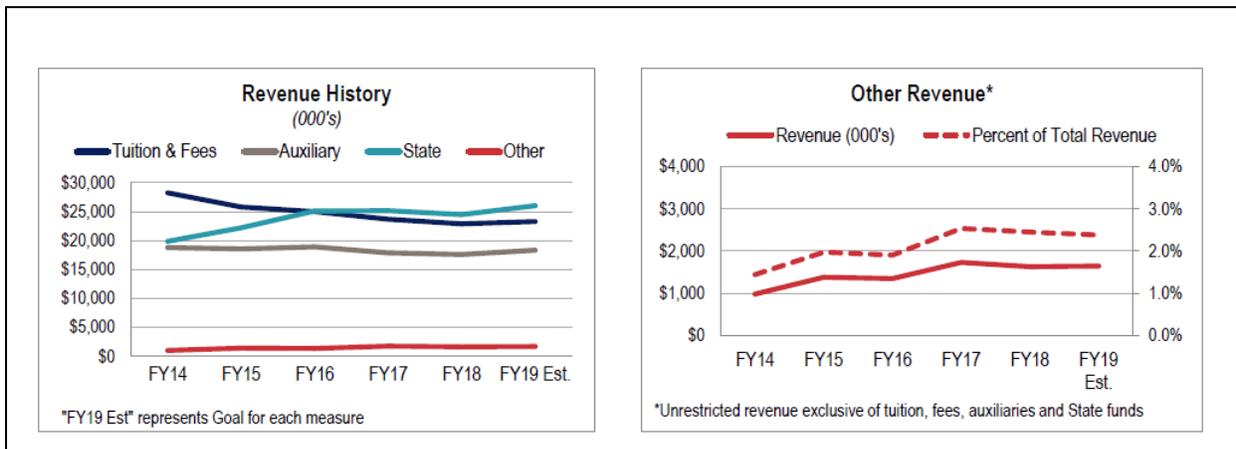
Date of Next Meeting: TBD

Committee Chair: John Wobensmith '93

Committee Members: Anirban Basu, Lex Birney, Donny Bryan '73, Liza Gijanto, Board Chair
Sven Holmes, President Tuajuanda Jordan

Staff Member: Paul Pusecker

Dashboard Metrics



Executive Summary

Discussion Items

FY18 Operating Budget Closing and Status of Financial Statement Audit:

Fiscal Year 2018 closed on June 30, 2018. Review and adjustments for year-end activity are complete. The entrance interview with SB and Company took place on August 20, 2018, and field work, which began on September 17, is complete. Drafts of the financial statements were received October 4, 2018, and work continues on the notes and other text. We remain on schedule with the audit tasks and the audited statements will be presented to the Finance, Investment, and Audit Committee for review in December.

Actual operating fund results are a surplus of \$102 thousand. Rollovers to FY19 total \$5.4 million, for a fully funded, net-change in financial position over the last three fiscal years (FY15, FY16, and FY17) of zero. Rollovers include significant carry-forward items from the previous two fiscal years (\$5.2 million) including the ERP project. In addition, \$100 thousand each were transferred to Quasi Endowment and the Plant Fund as part of the year-end closing process.

Synopsis of Bond Sale:

In late June 2018, St. Mary's College accepted bids in a competitive sale to refinance our outstanding 2005, 2006 and 2014 Series A revenue bonds with the assistance of PFM, our financial advisor.

The transaction formally closed on July 25, 2018, and achieved the following results for the College. The face value of bonds issued totaled \$18,715,000 at a true interest cost of 2.77% resulting in a net present value of savings over time of 1.745 million or 9.03% of bonds outstanding.

Information Items

CFU FY19 Results to Date:

Total revenue is 3.0% higher year-to-year. Tuition and fee revenues are 5.4% higher reflecting more successful recruitment efforts and higher rates. Auxiliary enterprise revenues have increased 0.8% overall, reflecting somewhat lower student counts and higher rates. State Appropriations are 2.8% higher. Sales and Service educational activities is 29% lower than last year due to reduced international study abroad activity. FY19 Actual to Budget Comparison: Revenue collections are as expected at 40.7% of the budgeted level. Expenditures in Fiscal Year 2019 are running 3.9% higher than the equivalent period last year. All programs of expenditure fall within expected changes year-to-year with the exception of Scholarships, which are 5.6% higher than budget and 13.6% higher than prior year actuals.

College Investment Manager Update:

The College has selected five firms as semi-finalists and solicited feedback of these proposals from the Board of Trustees Finance, Investment, and Audit Committee, of which several members signed a Statement of Non-Disclosure and the proposals were provided for their review. Any comments from Committee members were addressed and the College list was provided to the Joint Investment and Audit Committee (JIAC) for their review in mid-October. The JIAC will review, select, and notify the finalists for on-campus interviews. JIAC hopes to conduct on-campus interviews by mid-November with the goal of selecting firm(s) by the end of December 2018. FIA Committee members will be invited to on-campus interviews as non-voting participants.

Enterprise Resource Planning System (ERP):

The College is moving forward with the procurement to replace its aging Enterprise Resource Planning (ERP) and has now selected a new vendor for the ERP System. The new ERP will include human resources, business and finance, and a student information system. The College has \$2.4 million in one-time funds previously reserved and has reserved additional funds as necessary to support the new ERP and its implementation. This selection was based on the campus community feedback; best and final technical assessment; and the best and final pricing. The College has agreed on statement of work (SOW) and the action is now with the attorneys for the vendor and the College (OAG) finalizing contract language. We intend to award contract to Campus Management and procurement action should appear before the Board of Public Works on October 31, 2018, for final approval.

Joint Investment Activities:

The College holds investments totaling \$3.9 million consisting of Endowment and Quasi-Endowment: \$2.87 million are funds functioning as endowment (Quasi) and \$1.02 million represents the Blackistone Endowment.

As of August 31, 2018, the total market value of the Foundation's endowment is \$33.5 million. The Foundation's endowment is comprised of three parts - a portion of the JP Morgan portfolio (\$32.8 million), the Student Investment Group (SIG) account (\$312 thousand), and Old Line Bank shares (\$345 thousand).

Action Item(s) related to specific strategic plan goals as appropriate:

Action Item II.A. Revision of the FY19 Current Fund (Operating) Unrestricted Budget:

Revisions to the current fund (operating) budget for Fiscal Year 2019 will be provided. Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the FY19 current fund budget will allow the College to continue its mission of providing high-quality, public, post-secondary education. The revision incorporates carry-forward authorization for \$5,454,221 encumbered but not expended as of June 30, 2018.

Action Item II.B. Reconciliation of the FY19 Plant (Capital) Budget:

Revisions to the Plant Fund (capital) budget for fiscal year 2019 will be provided along with schedules that walk from the final approved FY18 plant budget total and add new projects approved by the Board in May 2018. Five major projects with value greater than \$200,000 continue with a balance remaining of \$4.911 million. FY18 Plant Fund activity is reconciled to the end of the fiscal year and new projects approved in May 2018 are added. The FY19 active project budget totals \$6,130,718. The projected unencumbered Plant Fund balance is \$1.3 million pending the final receipt of future Foundation funds.

Action Item II.C. 2018 Performance Accountability Report: The Performance Accountability Report (PAR) is required by the State of Maryland to assess the College's progress on a variety of goals and objectives including academics, enrollment, retention and graduation, financial aid, and student outcomes. The report provides data on specific metrics as well as narrative describing strengths and challenges. Maryland law requires institutions to submit their PAR to the Maryland Higher Education Commission for review, and final submission to the Governor and General Assembly. The PAR will also be reviewed by the Student Affairs Committee and the Academic Affairs Committee at their respective meetings.

**FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018**

**OPEN SESSION
AGENDA**

- I. DISCUSSION ITEMS**
 - A. FY18 Operating Budget Closing and Status of Financial Statement Audit
 - B. Synopsis of Bond Sale
 - C. Dashboards

- II. ACTION ITEMS**
 - A. Revision of the FY19 Current Fund (Operating) Unrestricted Budget
 - B. Reconciliation of the FY19 Plant (Capital) Budget
 - C. 2018 Performance Accountability Report

- III. INFORMATION ITEMS**
 - A. CFU FY19 Results to Date
 - B. College Investment Manager Update
 - C. Enterprise Resource Planning System (ERP)
 - D. Reportable Procurement Items
 - E. Joint Investment Activities
 - F. Foundation President Report
 - G. Minutes (Meetings of April 20th, and May 8th, 2018)

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
MEETING OF OCTOBER 22, 2018
DISCUSSION ITEM I.A.
FY18 OPERATING BUDGET CLOSING AND
STATUS OF FINANCIAL STATEMENT AUDIT**

Please note that these figures are preliminary and un-audited.

Fiscal year 2018 (FY18) closed on June 30, 2018. Review and adjustments for year-end activity are complete. The entrance interview with SB and Company took place on August 20, 2018, and fieldwork, which began on September 17 is complete. Drafts of the financial statements were received on October 4, 2018, and work continues on the notes and other text. We remain on schedule with the audit tasks and the audited statements will be presented to the Finance, Investment, and Audit Committee for review in December.

Actual operating fund results are a surplus of \$102 thousand. Rollovers to FY19 total \$5.4 million, for a fully funded, net-change in financial position over the last three fiscal years (FY15, FY16, and FY17) of zero. Rollovers include significant carry-forward items from the previous two fiscal years (\$5.2 million) including the ERP project. In addition, \$100 thousand each were transferred to Quasi Endowment and the Plant Fund as part of the year-end closing process.

The year-end operating result is approximately \$1.0 million better than expected. Significant changes include revenue below budget totaling \$0.9 million offset by: \$1.0 million of unspent expenditure budgets related to lower revenues in dining activity and study abroad participation; payroll savings totaling \$727 thousand after returning \$341 thousand to the State related to unspent health insurance budgets; utility savings in the amount of \$362 thousand; \$415 thousand in overspent scholarships; encumbered items equaling \$402 thousand; and other miscellaneous unspent budgets.

FY18 preliminary and un-audited results are final at this time. On a cash basis, Current Fund Unrestricted (CFU) Revenues of approximately \$66.6 million were greater than expenditures and transfers, totaling \$66.5 million, a difference of \$0.1 million. The all-funds financial statement results on an accrual basis are a \$1.994 million loss before State capital investment and a gain of \$2.0 million overall. The change in accrual basis results are explained by depreciation expense which is up \$1.17 million, non-cash pension expenditures of \$0.3 million and other non-cash changes of \$0.5 million

St. Mary's College of Maryland
Board of Trustees
Finance, Investment and Audit Committee
Information final - unaudited as of 09-25-2018
Discussion Item I.A.
FY18 Current Fund Unrestricted Results

	FY18 Budget	FY18 ACTUAL	FY18 Actual to Budget
REVENUES:			
Tuition & Fees	22,884,137	22,886,113	100.0%
State Appropriations	24,964,954	24,826,954	99.4%
Return of State Funds - Health Insurance	0	(341,310)	
Federal Grants & Contracts	0	1,326	0.0%
State Grants & Contracts		0	
Private Gifts, Grants		0	
Endowment Income		0	
Sales/Serv Educ Dept	786,647	746,253	94.9%
Sales/Serv Auxiliary Enter	18,038,499	17,558,228	97.3%
Interest Income Other	496,000	554,222	111.7%
Additions to Fund Balance - End. Income	95,000	98,486	
Other Sources	256,506	229,309	89.4%
TOTAL CURRENT REVENUES	67,521,743	66,559,581	98.6%
EXPENDITURES			
Instruction	20,472,885	19,165,333	93.6%
Research	0	0	
Public Service	98,404	101,273	102.9%
Academic Support	2,371,794	2,111,992	89.0%
Student Services	6,646,153	6,700,696	100.8%
Institutional Support *	16,520,598	12,719,260	77.0%
Operation & Maintenance	4,935,676	4,729,325	95.8%
Scholarships & Fellowships	6,252,246	6,801,122	108.8%
Auxiliary Enterprises	11,921,622	10,410,388	87.3%
TOTAL CURRENT EXPENDITURES	69,219,378	62,739,389	90.6%
Transfers In (Out)			
P & I Debt Requirements	3,477,231	3,517,255	101.2%
Non Mandatory Transfers			
Transfer to Plant		100,000	
Transfer to Quasi		100,000	
	0		
	3,477,231	3,717,255	106.9%
	72,696,609	66,456,644	91.4%
Total Increase (Decrease) Fund Balance	(5,174,866)	102,937	
Carry Forward from Prior Year	5,174,866		
Change over 2 years	0		

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
DISCUSSION ITEM I.B.
SUMMARY OF BOND SALE RESULTS**

In late June 2018, St. Mary's College of Maryland accepted bids in a competitive sale to refinance our outstanding 2005, 2006, and 2014 Series A revenue bonds with the assistance of PFM, our financial advisor. Additionally, in order to reach at least two-thirds threshold of outstanding debt, we included the 9/1/2018 principal payment and cash defeasance, and the 9/1/2019 principal payment of the 2012 Series A revenue bonds. This action allowed the College, through its bond attorney, to rewrite and update to a more modern format for the trust estate under which the College issues revenue bonds.

The transaction formally closed on July 25, 2018, and achieved the following results: the face value of bonds issued totaled \$18,715,000 at a true interest cost of 2.77%, resulting in a net present value of savings over time of \$1.745 million or 9.03% of bonds outstanding.

Budgetary savings are displayed on the attachment. FY19 is zero due to the 2012 principal payments and cash defeasance, and accrued interest costs for 2005, 2006, and 2014 series bonds. FY20 will have one-time savings available approximating \$900 thousand. Subsequent fiscal years will have ongoing savings available approximating \$400 thousand, which is a combination of savings resulting from this action, as well as existing debt obligations for the energy performance contract, which ends in FY20.

St. Mary's College of Maryland
FY19 forward Refinance Related budget savings
2018A Series Revenue Bonds

	FY19	FY20	FY21	FY22
Rollover from FY18	525,000.00			
FY19 Budget	3,457,000.00	3,457,000.00	3,457,000.00	3,457,000.00
FY14 COI Budget 155- - -3233	35,565.00			
Total Funds	4,017,565.00	3,457,000.00	3,457,000.00	3,457,000.00
September Payments				
2018A Principal - 9/1	2,085,000.00	1,420,000.00	1,425,000.00	1,450,000.00
2018A Interest - 9/1	60,643.00	287,577.50	276,217.50	254,842.50
2018A Interest - 3/1/2019	287,577.50	276,217.50	254,842.50	233,092.50
2012A Interest	314,256.25	314,256.25	157,128.00	141,528.00
2012A Interest			141,528.00	125,128.00
Cash Defeasance of 2012 9/1/2019 Principal	788,975.00			
Cash for accrued interest on 2005, 2006 and 2014's	303,204.86			
Delta between accrued interest thru 6-30 reversal				
and paid interest @ 7-25	(43,527.25)			
2012A Principal		-	780,000.00	820,000.00
Energy Performance Contract - final two payments	205,295.36	205,295.36		
Allowance for Moodies & Wells Fargo Fees		20,000.00	20,000.00	20,000.00
Fiscal Year debt payments	4,001,424.72	2,523,346.61	3,054,716.00	3,044,591.00
Surplus	16,140.28	933,653.39	402,284.00	412,409.00

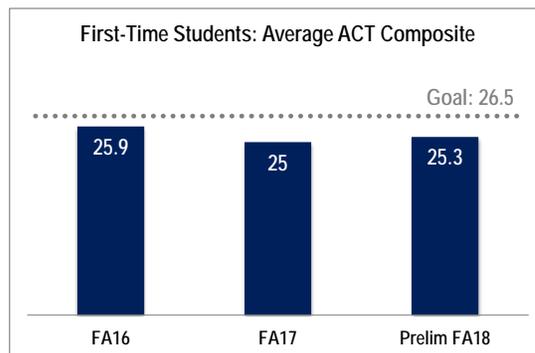
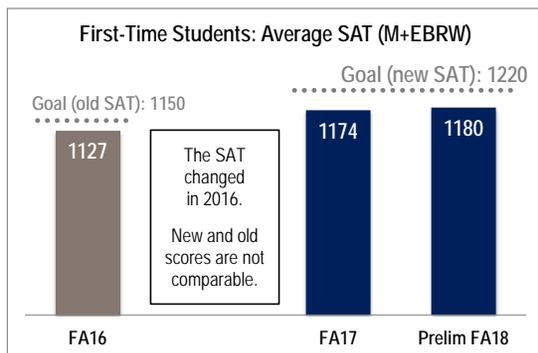
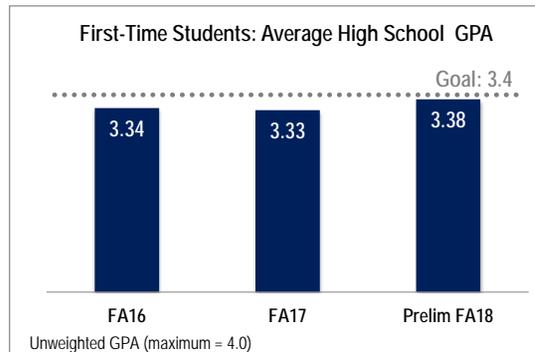
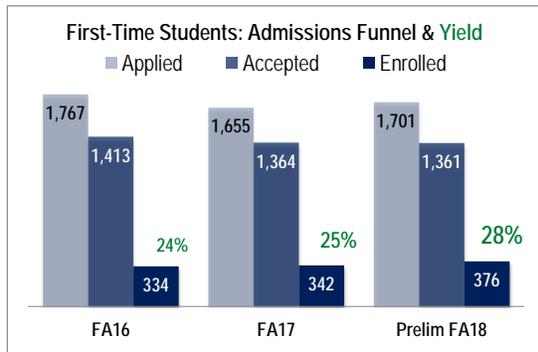
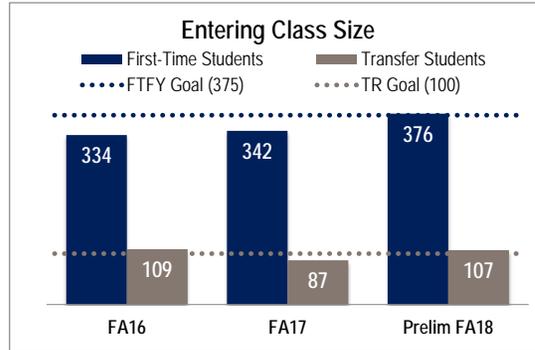
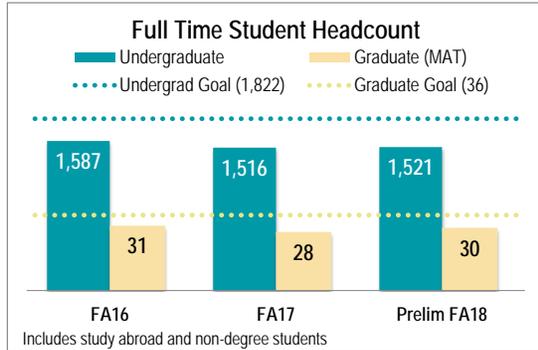
**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
DISCUSSION ITEM I.C.
DASHBOARD**

The current dashboard follows.

Board of Trustees Dashboard - October 2018

Student Characteristics in Enrollment

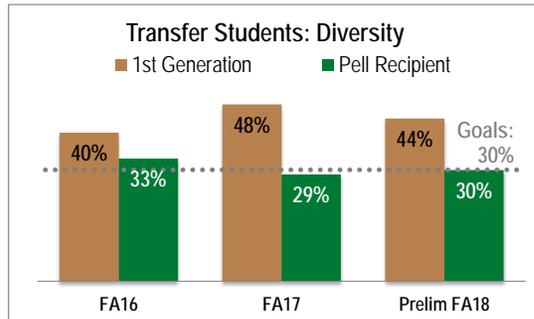
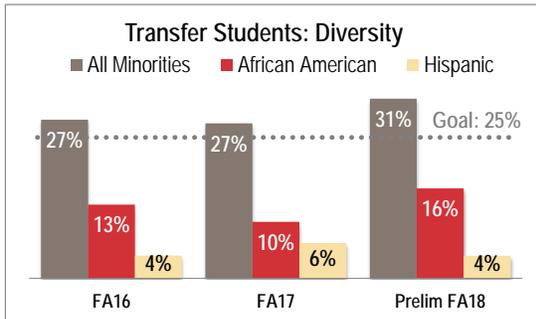
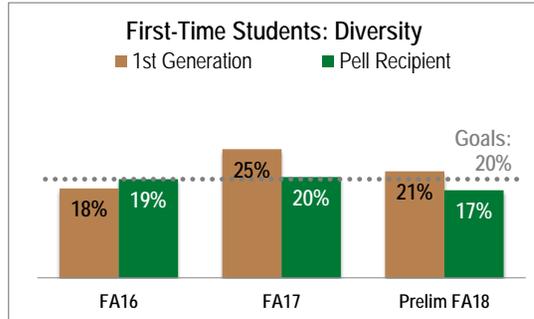
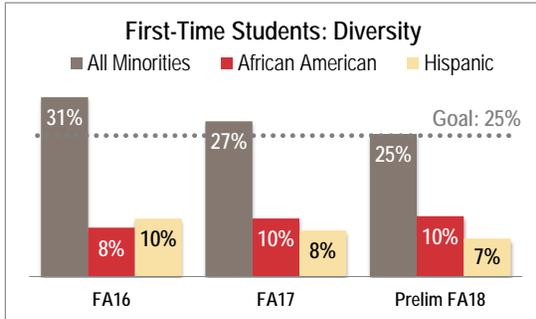
Fall 2018 figures based on preliminary census (freeze) data, 9/24/18



Board of Trustees Dashboard - October 2018

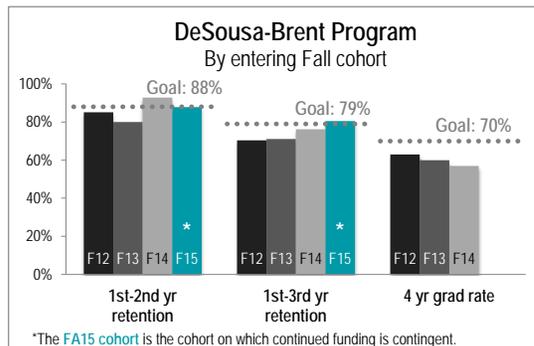
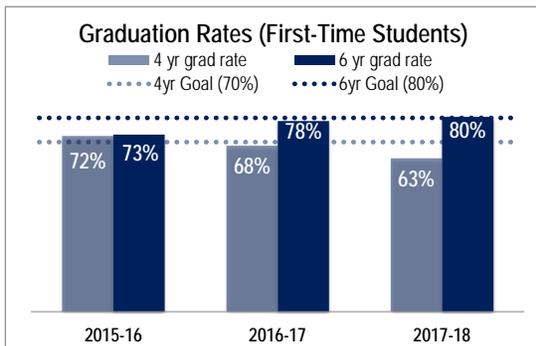
Student Characteristics in Enrollment

Fall 2018 figures based on preliminary census (freeze) data, 9/24/18



Student Retention and Persistence

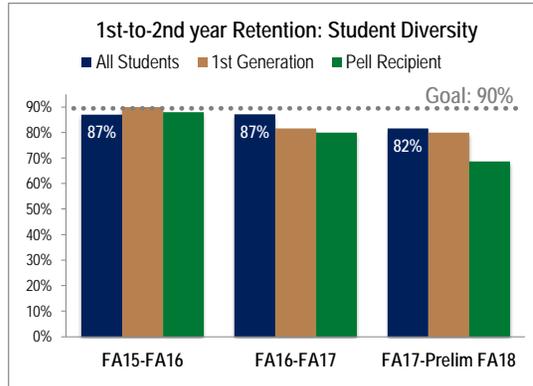
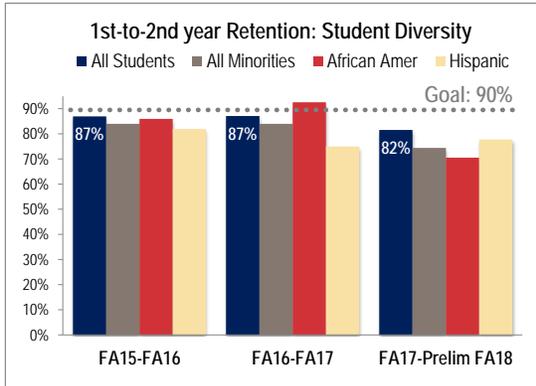
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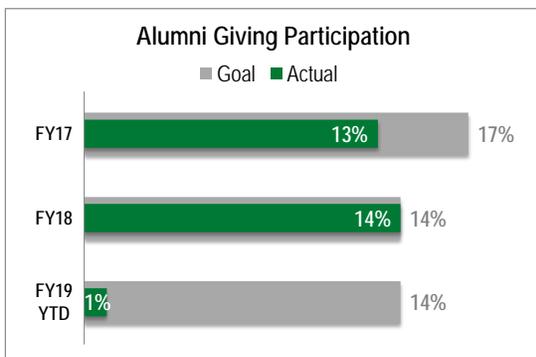
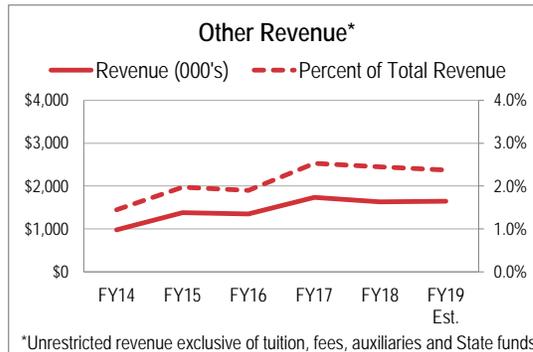
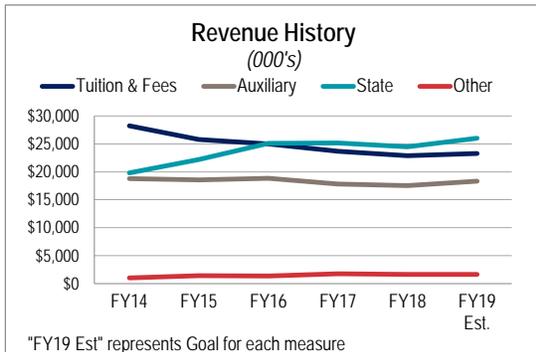
Board of Trustees Dashboard - October 2018

Student Retention and Persistence

Fall 2018 figures based on preliminary census (freeze) data, 9/24/18



Revenue and Fundraising



**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
ACTION ITEM II.A.**

REVISION OF FY19 CURRENT FUND (OPERATING) UNRESTRICTED BUDGET

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommend approval by the Board of Trustees, St. Mary's College of Maryland, revisions to the current fund (operating) budget for Fiscal Year 2019, as attached.

RATIONALE

Maryland law entrusts the development and approval of the operating budget for the College to the Board of Trustees. Authorization of the attached Fiscal Year 2019 current fund budget will allow the College to continue its mission of providing high-quality, public, post-secondary education.

The revision incorporates (Column B) carry-forward authorization for \$5,454,221 encumbered but not expended as of June 30, 2018.

<i>Program of Expenditure</i>	<i>Type of carry-forward</i>	<i>Amount</i>
Instruction	Faculty development, Startup and Other Ac. Requests	\$101,018
	Other Rollover Items	\$62,000
	Encumbered Items	\$9,631
	Previous FY Commitments	\$246,488
Institutional Support	Encumbered items	\$109,754
	Additional YE Rollover items including Marketing	\$483,000
	Special Rollover items, current and prior year including ERP Initiative and Marketing.	\$2,384,247
	LEAD Contingency items for Future Flexibility, and Misc. Other	\$386,000
	Encumbered Items	\$119,000
		\$129,335
Scholarships	Book Scholarships	\$109,754
Scholarships	Book Scholarships	\$7,000
Student Services	Encumbered Items	\$124,382
	Previous FY Commitments	\$93,125
	Additional Year End Rollovers	\$113,000
Auxiliary Enterprises	Line of credit future debt – Refinance related	\$525,000
	Encumbered Items	\$36,165
	LEAD related transfer to Plant and Residence life	\$390,000
	Previous FY Commitments	\$20,306
Physical Plant	Encumbered items and additional rollovers	\$112,445
	<i>Total</i>	\$5,45,221

St. Mary's College Of Maryland
FY19 Operating (Current Fund) Budget Revision

	Apr-18 Approved Budget	% Of Total	FY19 Current Fund Unrestricted (CFU)			For BOT Information Budget	
			Routine				
			Reallocation	Rollovers	Changes		
Revenue							
Tuition	20,144,822	29.1%			0	20,144,822	29.2%
Fees	3,131,370	4.5%			0	3,131,370	4.5%
State Grant (Appropriation)	26,036,828	37.6%	(235,436)		(235,436)	25,801,392	37.4%
Gifts And Grants	0	0.0%			0	0	0.0%
Sales & Services-Educational	800,039	1.2%			0	800,039	1.2%
Endowment/Investment	516,000	0.7%			0	516,000	0.7%
Foundation Unrestricted Support	75,000	0.1%			0	75,000	0.1%
Sales & Services-Auxiliary	18,335,617	26.5%			0	18,335,617	26.6%
Other	254,400	0.4%	-		0	254,400	0.4%
Total Revenue	69,294,076	100.0%	(235,436)	0	(235,436)	69,058,640	100.0%
Expenditures							
Instruction	20,301,662	29.3%	74,372	401,064	475,436	20,777,098	30.1%
Research	0	0.0%	0		0	0	0.0%
Public Service	98,404	0.1%	0		0	98,404	0.1%
Academic Support	2,227,361	3.2%	(5,131)	18,073	12,942	2,240,303	3.2%
Institutional Support	14,407,956	20.8%	(293,911)	3,611,336	3,317,425	17,725,381	25.7%
Student Services	6,521,802	9.4%	8,244	330,517	338,761	6,860,563	9.9%
Plant Operation And Maintenance	4,936,929	7.1%	6,998	114,760	121,758	5,058,687	7.3%
Scholarships/Grants	6,736,672	9.7%	0	7,000	7,000	6,743,672	9.8%
Auxiliary Enterprises	14,063,290	20.3%	(26,008)	596,471	570,463	14,633,753	21.2%
Total Expenditures	69,294,076	100.0%	(235,436)	5,079,221	4,843,785	74,137,861	107.4%
Transfers In (Out)							
Plant-Deferred Maintenance & Parking Fee	0	0.0%	0	(375,000)	(375,000)	-375,000	-0.5%
Debt Service	0	0.0%	0		0	0	0.0%
Quasi Endowment	0	0.0%	0		0	0	0.0%
Total Transfers	0	0.0%	0	(375,000)	(375,000)	(375,000)	-0.5%
Total Expend. & Transfers	69,294,076	100.0%	(235,436)	5,454,221	5,218,785	74,512,861	107.9%
Budget Year Incr. (Decr. in Fund Balance	0		(0)	(5,454,221)	(5,454,221)	(5,454,221)	
Fund Balance Carried Forward From FY16 & FY17 & FY18				5,454,221	5,454,221	5,454,221	
Total Increase (Decrease) in Fund Balance	0	0	(0)	0	(0)	(0)	

St. Mary's College Of Maryland
FY19 Operating (Current Fund) Budget
FY19 Budget Revision, Rollover from FY18 for Board of Trustees Review
October 2018 Meeting

Summary by Program	Ongoing	One Time
Instruction	-	401,064
Research	-	-
Public Service	-	-
Academic Support	-	18,073
Institutional Support	-	3,611,336
Student Services	-	330,517
Plant Operation And Maintenance	-	114,760
Scholarships/Grants	-	7,000
Auxiliary Enterprises	-	596,471
Transfer to Plant	-	375,000
Transfer to State	-	-
Total Expenditures	-	5,454,221

Summary by Type	
Items encumbered @ 6-30-18	401,692
Academic rollvers, faculty related	101,018
Line of credit debt service for future years	525,000
ERP Initiative / IT Infrastructure	2,384,247
LEAD - Ed. Master Plan, Recruiting, Marketing	909,500
Contingency, misc other	1,132,764
	-
	5,454,221

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018**

**ACTION ITEM II.B
RECONCILIATION OF THE FY19 PLANT FUND (CAPITAL) BUDGET**

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommend approval by the Board of Trustees, St. Mary's College of Maryland, of the following revisions to the Plant Fund (capital) budget for Fiscal Year 2019, as attached.

RATIONALE

The attached schedules are provided for information purposes and "walk" from the final approved FY18 plant budget total and add new projects approved by the Board in May 2018.

Five major projects with value greater than \$200 thousand continue with a balance remaining of \$4.911 million. Projects with value greater than \$200 thousand require explicit Board of Trustees approval. Additional projects with a value less than \$200 thousand have a remaining balance of \$1.219 million.

FY18 Plant Fund activity is reconciled to the end of the fiscal year and new projects approved in May 2018 are added. The FY19 active project budget totals \$6,130,718. The projected unencumbered Plant Fund balance is \$1.3 million pending the final receipt of future Foundation funds. Bracketed references in the reconciliation schedule are derived from the subsequent listing of all plant projects.

St. Mary's College of Maryland

Reconciliation of FY18 to FY19 Plant Budget

FY18 Initial Plant Budget	2,570,890.41	
May Revision - Jamie L. Roberts Stadium	3,650,666.00	
May Revision - Interretation funding	100,000.00	
Wellness Center Bathroom	10,220.00	
Final FY18 Plant Budget	6,331,776.41	[A] Final FY18 Final Numbers page 4
FY18 CARS Expenditures	1,523,935.01	[B] Final FY18 Final Numbers page 4
Year End Cleanup	(1,404.44)	[C] FY18 Start
FY18 Available Balance	4,809,245.84	[D] FY18 Final Numbers and FY19 Start
FY19 New Projects	1,321,472.00	[C] FY19 Start
FY19 Available Project Budgets	6,130,717.84	[D & C] FY19 Start

FY18 Project Budgets	17,087,414.06	[E & F] FY19 Start
Less: Inactivated Projects	(527,661.00)	[F] FY19 Start
Total Active Project Budgets	16,559,753.06	[E] FY19 Start

FY19 New Projects	1,321,472.00	[C] FY19 Start
Total Project Budgets	16,559,753.06	[E] FY19 Start
Total Cumulative Active Project Expenditures	(11,750,506.48)	[G] FY19 Start

FY19 Active Project Total	6,130,718.58	[D & C] FY19 Start
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Variance method 1 to Method 2 **(0.74)**

Cash Available in Unexpended Plant Fund 712/2018	1,804,858	
Expected Foundation Cash - FY19	2,878,459	
Expected Foundation Cash - 6-30-2019	425,000	

Less: Private \$ funded project	(3,720,666)	
Less: Approved New Projects for FY19	(1,321,472)	
Excess / (Deficit) Plant Funds	66,179	

Estimated Facility Fee Revenue	1,321,472	
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Total Source of Funds	1,321,472	
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Projected Plant Fund Balance	1,387,651	
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Expected Foundation Cash - Future Period	347,207	
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St. Mary's College of Maryland
FY18 Plant Project Summary
For June 30, 2018 (@08/08/18)

FY18 Final #'s

CARS Subfund	Description	Cumulative Project Budgets	FY18 Approved Bgt	FY18 Changes	FY18 Final Budget	CARS Exp	CARS Enc	Balance Remaining
3001	Plant Contingency	68,987.06	60,000.00	40,000.00	100,000.00	50,050.54		49,949.46
3003	Misc Maint & Repair	4,300,637.80	92,910.35	224,000.00	316,910.35	200,127.85		116,782.50
3004	Misc Small Enhancement	1,586,528.24	38,670.82	421,000.00	459,670.82	380,625.00		79,045.82
3020	Site Improvements	652,029.23	74,535.05	54,827.00	129,362.05	117,487.00		11,875.05
3022	Campus Master Plan	411,515.02	39,419.30		39,419.30	0.00		39,419.30
3090	Parking Lot Improvements	574,233.00	124,370.66		124,370.66	0.00		124,370.66
3121	Misc. Residence Hall Projects	1,790,651.36	172,041.78	70,000.00	242,041.78	177,552.00		64,489.78
3184	MH Refurbishments	708,829.45	6,432.99		6,432.99	4,000.00		2,432.99
3206	AA Hall Replacement-Miscellaneous	249,170.44	80,491.05	(65,000.00)	15,491.05	12,468.83		3,022.22
3225	Athletics Renovation	98,553.00	0.00	187,539.64	187,539.64	92,707.95		94,831.69
3226	AA Hall Green Building Design	164,000.00	129,040.00	(121,282.75)	7,757.25	0.00		7,757.25
3227	New Academic Building Facility Prg	114,567.00	40,221.53		40,221.53	16,991.68		23,229.85
3229	HSMC Chancellors Point	1,500.00	1,500.00		1,500.00	0.00		1,500.00
3230	Traffic Calming Project	148,000.00	69,599.59		69,599.59	5,755.00		63,844.59
3233	Sun Trust - LOC	200,000	35,565		35,565	-		35,565
3236	Pathway Project	50,000.00	50,000.00		50,000.00	0.00		50,000.00
3238	Programming/Study Projects	0.00	0.00	135,000.00	135,000.00	36,310.17		98,689.83
3239	Residence Hall Furniture	0.00	0.00	305,000.00	305,000.00	273,569.46		31,430.54
3240	JLR Stadium (Private \$)	0.00	0.00	3,720,666	3,720,666.00	32,500.00		3,688,166.00
3241	Commemoration Project	0.00	0.00	30,000.00	30,000.00	12,000.00		18,000.00
3242	Wellness Center Restroom	0.00	0.00	10,220	10,220.00	0.00		10,220.00
6501	GSMRF	428,581.57	145,693.94	0.00	145,693.94	(48,929.93)		194,623.87
Total Projects		11,547,783.17	1,160,492.14	5,011,969.89	6,172,462.03	1,363,215.55	0.00	4,809,246.48
					[A]	[B]		
3189	Schaefer Window Replacement	181,434	151,034		30,400	30,400		-
3175	2006A Bond Issue	0.00	0.00	0.00	0.00	1,404.44		(1,404.44)
3235	Cobb House Renovation	241,082	241,082	598	34,270	34,270		(0)
3237	College Entrance Signs	105,145	105,145	5,145	94,645	94,645		0
Inactive Projects		527,661	497,261	5,743	159,315	160,719	-	(1,404)
		12,075,444.17	1,657,753.14	5,017,713.00	6,331,777.03	1,523,935.01	0.00	4,807,842.02
					[A]	[B]		

St. Mary's College of Maryland
FY19 Plant Project Summary
For June 30, 2018 as of 10/05/2018

FY19		Balance	FY19	FY19	CARS Expense	CARS Encumbrance	Balance
CARS	Description	Remaining	Changes	Final Budget			
Subfund							
A	3001 Plant Contingency	49,949.46	39,450.00	89,399.46	71,283.00	19,998.00	(1,881.54)
A	3003 Misc Maint & Repair	116,782.50	163,800.00	280,582.50	20,708.00	116,763.00	143,111.50
A	3004 Misc Small Enhancement	79,045.82	267,500.00	346,545.82	103,544.00	72,828.00	170,173.82
A	3020 Site Improvements	11,875.05	66,722.00	78,597.05	28,237.00	16,295.00	34,065.05
A	3022 Campus Master Plan	39,419.30		39,419.30	0.00	3,545.00	35,874.30
A	3090 Parking Lot Improvements	124,370.66		124,370.66	0.00	0.00	124,370.66
A	3121 Misc. Residence Hall Projects	64,489.78	290,000.00	354,489.78	67,746.00	150,094.00	136,649.78
	3127 MH Rm 30 31 Refurbishment				2,340.00		(2,340.00)
A	3184 MH Refurbishments	2,432.99		2,432.99		2,433.00	(0.01)
A	3206 AA Hall Replacement-Miscellaneous	3,022.22		3,022.22	460.00	1,616.00	946.22
A	3225 Athletics Renovation	94,831.69	14,000.00	108,831.69	28,071.00	0.00	80,760.69
A	3226 AA Hall Green Building Design	7,757.25		7,757.25			7,757.25
A	3227 New Academic Building Facility Prg	23,229.85		23,229.85	161.00		23,068.85
A	3229 HSMC Chancellors Point	1,500.00		1,500.00		(1,000.00)	2,500.00
A	3230 Traffic Calming Project	63,844.59		63,844.59	750.00	500.00	62,594.59
A	3233 Sun Trust - LOC	35,565.08		35,565.08			35,565.08
A	3236 Pathway Project	50,000.00		50,000.00			50,000.00
A	3238 Programming/Study Projects	98,689.83	40,000.00	138,689.83	14,764.00	11,057.00	112,868.83
A	3239 Residence Hall Furniture	31,430.54	280,000.00	311,430.54	36,165.00	10,570.00	264,695.54
A	3240 JLR Stadium (Private \$)	3,618,166.00		3,618,166.00	573,675.00	3,043,825.00	666.00
A	3241 Commemoration Project	88,000.00		88,000.00	0.00	12,000.00	76,000.00
A	3242 Wellness Center Restroom	10,220.00		10,220.00	8,575.00	10,220.00	(8,575.00)
A	3243 Food Service Projects		60,000.00	60,000.00			60,000.00
A	3244 JLR Stadium F&E		100,000.00	100,000.00	100.00	13,901.00	85,999.00
	3245 Entry Acces Improvements					5,100.00	(5,100.00)
A	6501 GSMRF	194,623.87		194,623.87		22,000.00	172,623.87
Total Active Projects		4,809,246.48	1,321,472.00	6,130,718.48	956,579.00	3,511,745.00	1,662,394.48

**St. Mary's College of Maryland
 FY19 Plant Project Summary
 For June 30, 2018 as of 10/05/2018**

FY19 CARS		Balance	FY19	FY19	CARS Expense	CARS Encumbrance	Balance
Subfund	Description	Remaining	Changes	Final Budget			
A	3240 JLR Stadium (Private \$)	3,618,166.00		3,618,166.00			3,618,166.00
A	3121 Misc. Residence Hall Projects	64,489.78	290,000.00	354,489.78			354,489.78
A	3004 Misc Small Enhancement	79,045.82	267,500.00	346,545.82			346,545.82
A	3239 Residence Hall Furniture	31,430.54	280,000.00	311,430.54			311,430.54
A	3003 Misc Maint & Repair	116,782.50	163,800.00	280,582.50			280,582.50
	Subtotal Projects > \$200K	3,909,914.64	1,001,300.00	4,911,214.64	0.00	0.00	4,911,214.64
	Subtotal Projects < \$200K	899,331.84	320,172.00	1,219,503.84	0.00	0.00	1,219,503.84
	Total All Projects	4,809,246.48	1,321,472.00	6,130,718.48	0.00	0.00	6,130,718.48

St. Mary's College of Maryland
FY18 Plant Project Summary
For June 30, 2018 (@08/08/18)

FY18 CARS						FY19	FY19
Subfund	Description	Cum. Budget	Cum. Expenses	FY18 Available	FY18 YE Cleanup	Changes	Final Budget
A	3240 JLR Stadium (Private \$)	3,720,666	32,500	3,688,166			3,618,166.00
A	3121 Misc. Residence Hall Projects	1,860,651	1,796,162	64,490		290,000.00	354,489.78
A	3004 Misc Small Enhancement	2,007,528	1,928,482	79,046		267,500.00	346,545.82
A	3239 Residence Hall Furniture	305,000	273,569	31,431		280,000.00	311,430.54
A	3003 Misc Maint & Repair	4,524,638	4,407,855	116,783		163,800.00	280,582.50
A	6501 GSMRF	428,582	233,958	194,624			194,623.87
A	3238 Programming/Study Projects	135,000	36,310	98,690		40,000.00	138,689.83
A	3090 Parking Lot Improvements	574,233	449,862	124,371			124,370.66
A	3225 Athletics Renovation	286,093	191,261	94,832		14,000.00	108,831.69
	3244			-		100,000.00	100,000.00
A	3001 Plant Contingency	108,987	59,038	49,949		39,450.00	89,399.46
A	3241 Commemoration Project	30,000	12,000	18,000			88,000.00
A	3020 Site Improvements	706,856	694,981	11,875		66,722.00	78,597.05
A	3230 Traffic Calming Project	148,000	84,155	63,845			63,844.59
	3243			-		60,000.00	60,000.00
A	3236 Pathway Project	50,000	-	50,000			50,000.00
A	3022 Campus Master Plan	411,515	372,096	39,419			39,419.30
A	3233 Sun Trust - LOC	200,000	164,435	35,565			35,565.08
A	3227 New Academic Building Facility Prg	114,567	91,337	23,230			23,229.85
A	3242 Wellness Center Restroom	10,220	-	10,220			10,220.00
A	3226 AA Hall Green Building Design	42,717	34,960	7,757			7,757.25
A	3206 AA Hall Replacement-Miscellaneous	184,170	181,148	3,022			3,022.22
A	3184 MH Refurbishments	708,829	706,396	2,433			2,432.99
A	3229 HSMC Chancellors Point	1,500	-	1,500			1,500.00
Total Active Projects		16,559,753	11,750,506	4,809,247		1,321,472.00	6,130,718.48
		[E]	[G]	[D]		[C]	[D]
			(6,941,260)				
I	3175 2006A Bond Issue	-	-	(1,404)	1,404.44		0.00
I	3189 Schaefer Window Replacement	181,434	181,434	-			
I	3235 Cobb House Renovation	241,082	241,082	-			
I	3237 College Entrance Signs	105,145	105,145	-			
Total Inactive Projects		527,661	527,661				
		[F]					
		17,087,414	12,278,167	4,809,247			
		[E] & [F]					

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
ACTION ITEM ILC.
2018 PERFORMANCE ACCOUNTABILITY REPORT**

RECOMMENDATION

The Finance, Investment, and Audit Committee recommend that the Board of Trustees approve the 2018 Performance Accountability Report for submission to the Maryland Higher Education Commission. This recommendation is contingent upon the endorsement of the Student Affairs Committee and the Academic Affairs Committee.

RATIONALE

The Performance Accountability Report (PAR) is a report required by the State of Maryland that assesses the College's progress on a variety of goals and objectives including academics, enrollment, retention and graduation, financial aid, and student outcomes. The report provides data on specific metrics as well as narrative describing strengths and challenges. Maryland law requires institutions to submit their PAR to the Maryland Higher Education Commission for review, and final submission to the Governor and General Assembly.

*Performance Accountability Report provided as an attachment.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
INFORMATION ITEM III.A.
FY19 FINANCIAL RESULTS TO DATE**

REVENUES

Year-to-Year Comparison: Total revenue is 3.0% higher year-to-year. Tuition and fee revenues are 5.4% higher reflecting more successful recruitment efforts and higher tuition rates. Auxiliary enterprise revenues have increased 0.8% overall reflecting somewhat lower student counts and higher rates. State appropriations are 2.8% higher. Interest income is flat at zero over the prior year, due to technical processing changes in the Treasurer's office. We have now received interest income in October for the months of July and August, which is much faster than what happened last year. Sales and service educational activities is 29% lower than last year due to reduced international study abroad activity.

FY19 Actual to Budget Comparison: Overall revenue collections are as expected at 40.7% of the budgeted level.

EXPENDITURES

Year-to-Year Comparison: Overall, expenditures in Fiscal Year 2019 are 3.9% higher than the equivalent period last year. All programs of expenditure fall within expected changes year-to-year with the exception of Scholarships, which are 5.6% higher than budget and 13.6% higher than prior year actuals. Other than scholarships, expenditures in general may be expected to run higher than prior years moving forward as rollover budgets from prior years begin to be expended in several areas. The LEAD initiative will result in higher expenditures in the academic and student services (career center) programs of expenditure, marketing expenditures, and the IT project to replace the ERP which has a rolled over balance of \$2.4 million from prior years.

St. Mary's College of Maryland
Board of Trustees
Finance, Investment and Audit Committee
Information as of 10-09-2018 thru September 30, 2018
Information Item III.A.
FY19 Current Fund Unrestricted Results

	FY19 Budget	FY19 ACTUAL	FY18 Actual	FY19 Actual to Budget	Actual to Actual
REVENUES:					
Tuition & Fees	23,276,192	12,832,826	12,175,773	55.1%	5.4%
State Appropriations	26,036,828	6,413,233	6,241,239	24.6%	2.8%
Federal Grants & Contracts	0	0	545	0.0%	-100.0%
State Grants & Contracts		0			
Private Gifts, Grants		0	0		
Endowment Income		0			
Sales/Serv Educ Dept	800,039	167,729	237,141	21.0%	-29.3%
Sales/Serv Auxiliary Enter	18,335,617	8,749,688	8,680,440	47.7%	0.8%
Interest Income Other	496,000	0	0	0.0%	
Additions to Fund Balance - End. Inco	95,000	60			
Other Sources	254,400	41,283	37,219	16.2%	10.9%
TOTAL CURRENT REVENUES	69,294,076	28,204,819	27,372,357	40.7%	3.0%
EXPENDITURES					
Instruction	20,883,859	2,325,999	2,114,136	11.1%	10.0%
Research	0	0	0		
Public Service	98,404	45,207	40,718	45.9%	11.0%
Academic Support	2,248,732	688,073	821,500	30.6%	-16.2%
Student Services	6,892,592	1,435,004	1,361,783	20.8%	5.4%
Institutional Support *	17,779,323	2,871,867	2,885,614	16.2%	-0.5%
Operation & Maintenance	5,072,735	877,631	932,184	17.3%	-5.9%
Scholarships & Fellowships	6,743,672	3,748,138	3,299,729	55.6%	13.6%
Auxiliary Enterprises	14,653,980	4,481,040	4,394,082	30.6%	2.0%
TOTAL CURRENT EXPENDITURES	74,373,297	16,472,959	15,849,746	22.1%	3.9%
Transfers In (Out)					
P & I Debt Requirements	0	1,332,698	0		
Non Mandatory Transfers					
Transfer to Plant	375,000	0	0		
Transfer to Quasi	0				
	375,000	1,332,698	0		
	74,748,297	17,805,657	15,849,746	23.8%	
Total Increase (Decrease) Fund Balance	(5,454,221)	10,399,162	11,522,611		
Carry Forward from Prior Year					
Change over 3 years	(5,454,221)				

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
INFORMATION ITEM III.B.
COLLEGE INVESTMENT MANAGER UPDATE**

The College and the St. Mary's College of Maryland Foundation collaborated and developed separate Requests for Proposal (RFP) actions to seek investment manager services, possibly from a single firm, to manage the College's and Foundation's endowed funds. The College and the Foundation will each award a separate investment contract and the assets will be managed as separate entities. The College received 13 formal proposals to the solicitation, while the Foundation received 18 proposals. We anticipate that a single manager will provide administrative efficiencies, cost savings, and streamlined reporting. The Joint Investment Advisory Group (JIAC) will continue to serve as the primary entity to review the performance of the investment manager and provide oversight of the investments.

The College has selected five firms as semi-finalists and solicited feedback of these proposals from the Board of Trustees Finance, Investment, and Audit Committee (FIA.) Several FIA members signed the required Statement of Non-Disclosure and the proposals were provided to them for their review. Comments from FIA Committee members were addressed and the College's list was provided to the JIAC for their review in mid-October. The JIAC will select and notify the finalists for on-campus interviews by mid-November with the goal of selecting firm(s) by the end of December 2018. The JIAC will serve as the vendor selection committee and will make award recommendations to the College and the Foundation. The College's vice president for Business and Finance will consider the JIAC recommendation in making a determination of award for a contract with the College, following normal College procurement procedures. The Foundation Board will consider the JIAC recommendation in determining the award for a separate contract with the Foundation.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
INFORMATION ITEM III.C.
ENTERPRISE RESOURCE PLANNING SYSTEM (ERP)**

The College is moving forward with the procurement to replace its aging Enterprise Resource Planning (ERP) and has now selected a new vendor for the ERP System. The new ERP will include human resources, business and finance, and a student information system. The College has \$2.4 million in one-time funds previously reserved and has reserved additional funds as necessary to support the new ERP and its implementation. This selection was based on the campus community feedback; best and final technical assessment; and the best and final pricing. The College has agreed on a statement of work (SOW) and the action is now with the attorneys for the vendor and the College (OAG) finalizing contract language. We intend to award contract to Campus Management and the procurement action should appear before the Board of Public Works on October 31, 2018, for final approval.

The implementation plan includes:

- 1). Project Kickoff and Planning;
- 2). Analysis/Assessment and Requirements Review;
- 3). System Configuration and Administrative Training;
- 4). Data Migration/Validation, Integration/Report Development;
- 5). User Acceptance Testing (UAT) and Final Training;
- 6). Go-Live and Transition Support

It is anticipated that the implementation plan will kick off in early 2019 and it will take approximately two years to fully implement the ERP system.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
INFORMATION ITEM III.D.
REPORTABLE PROCUREMENT ITEMS**

- None to report.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
INFORMATION ITEM III.E.
JOINT INVESTMENT ACTIVITIES**

The Joint Investment Advisory Committee met on September 25, 2018 to review financial information on the Foundation and College endowments. See attached for information related to the Foundation and College investments.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
INFORMATION ITEM III.E.
JOINT INVESTMENT ACTIVITIES**

St. Mary's College of Maryland Foundation

As of August 31, 2018, the total market value of the Foundation's endowment is \$33.5 million. The Foundation's endowment is comprised of three parts - a portion of the JP Morgan portfolio (\$32.8 million), the Student Investment Group (SIG) account (\$312 thousand), and Old Line Bank shares (\$345 thousand).

Of the endowment managed by JP Morgan, the fiscal year-to-date increase in market value of \$651 thousand includes \$5 thousand in contributions, \$68 thousand in income, \$596 thousand increase in investment value and \$18 thousand of withdrawals. The overall rate of return over the current fiscal year-to-date is 2.0%.

St Mary's College of Maryland Foundation, Inc
Consolidated Investment Statement
for the period July 1, 2018 to August 31, 2018

	<u>Beginning Market Value</u> <u>7/1/2018</u>	<u>Ending Market Value</u> <u>8/31/2018</u>
<u>JP Morgan Portfolio</u>		
Endowed Accounts		
A****8008	27,472,234	27,997,779
A****9004	7,175	7,211
S****8005	858,421	886,733
S****8003	1,172,169	1,193,321
W****3000	412	413
W****8003	2,705,974	2,782,186
N****7009	-	-
Donations awaiting transfer to pool	-	0
Total Endowed Accounts held within JP Morgan***	32,216,385.44	32,867,643
Gift Annuity		
V****8001	945,107	968,868
Current Funds	2,697,168	2,713,459
Total Investment Accounts Market Value	35,858,661	36,549,970
Endowed Funds Allocated Spending Account	954	955
Gift Annuity Cash Account		
JP Morgan Annuity Checking	54,577	47,378
JP Morgan - SGA Investment ***	297,024	312,084
Total JP Morgan Portfolio	36,211,216	36,910,387
<u>Other Assets</u>		
Perpetual Trust, PNC (Landers Chair)	1,503,915	1,548,183
Old Line Bank Shares, Common Stock ***	351,718	344,565
<u>Cash</u>		
Old Line Bank Checking Account	3,307,163	3,169,529
Old Line Bank Endowment Spending Account	381,762	339,424
Total	41,755,775	42,312,087

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

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

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MEETING OF OCTOBER 22, 2018
INFORMATION ITEM III.E.
JOINT INVESTMENT ACTIVITIES**

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

The College holds investments totaling \$3.9 million consisting of Endowment and Quasi-Endowment: \$2.87 million are funds functioning as endowment (Quasi) and \$1.02 million represents the Blackistone Endowment.

Invested endowment funds, managed by 19/19 Investment Council, have a market value of \$3.5 million as of September 30, 2018. Funds are currently invested in a mix of fixed income instruments, and equities. The annualized rate of return over the past four months is 4.48%.

The remaining \$0.4 million of College endowment is currently held in a cash investment pool by the State Treasurer. Attached is a summary of the investments and the allocation goals.

St. Mary's College of Maryland
Endowment Fund
As of 09/30/2018

	<u>6/30/2018 Balance</u>		<u>30-Sep-18</u>	<u>Annualized return</u>
Legg Mason / 1919 Investments - Cash & Equivalents	N/A		434,920.73	Cash
Legg Mason / 1919 Investments - Fixed Income	3,095,304.16	Fixed & Cash	2,288,226.09	
Legg Mason / 1919 Investments - Equity Portfolio	417,116.67		828,597.38	
	<u>3,512,420.83</u>		<u>3,551,744.20</u>	4.48%
Cash with Treasurer	385,000.42		385,000.42	Cash
Investable Total	<u>3,897,421.25</u>		<u>3,936,744.62</u>	
Other Investments	977.50		977.50	
Total Investments 6/30/2017	<u>3,898,398.75</u>		<u>3,937,722.12</u>	

	Asset Allocation *			
	Current	Lower	Target	Upper
Domestic Equities	19%	20%	30%	50%
International Equities	4%	0%	5%	10%
Fixed Income	64%	50%	60%	70%
Cash	12%	30%	5%	15%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>145%</u>

Note: Asset Allocation per Board of Trustees approved Investment Policy February 2, 2018

<u>Components of Endowment Fund:</u>	6/30/2018	9/30/2018
Restricted Non-expendable	1,000,117.00	1,000,117.00
Restricted Expendable	19,894.00	19,894.00
Board Designated	2,878,387.75	2,917,711.12
Total	<u>3,898,398.75</u>	<u>3,937,722.12</u>
Cash with Treasurer	285,000.42	385,000.42
FY18 Year End Transfer	100,000.00	

**ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
AND THE JOINT INVESTMENT ADVISORY COMMITTEE**

Date of Meeting: October 26, 2018

Reporter: Michael O'Brien '68, Chair of the Joint Investment Advisory Committee, and Jack Saum '89, President of the SMCM Foundation

Executive Summary

The Joint Investment and Advisory Committee (JIAC) and the SMCM Foundation met on 9/25/18. The JIAC members approved for one-year terms (2018-2019) were as follows: Michael O'Brien (elected chair) and Christopher Holt (appointed by the Foundation); Danielle Troyan and Donny Bryan (appointed by Trustee Chair Sven Holmes); and President Jordan (perpetual member). Michael Garvey from J.P. Morgan reviewed with JIAC the Foundation endowment portfolio as of 8.31.18. The report revealed a market value, net of fees, of \$32.88M as compared to the market value of \$32.24M as of 6/30/18. The total portfolio return on investment reveals an FY19 year-to-date gain of 2.0% (against the composite benchmark of 2.4%), a calendar year gain of 1.4% (against the composite benchmark of 2.0%) and an increase since the portfolio's inception 12/31/12 of 6.4% (against the composite benchmark of 5.3%).

Vice President for Business and Finance Paul Pusecker provided a report from 1/9/19, who manages the College's quasi-endowment and endowment portfolio. It showed a value of \$3.9M as of 8/31/18 with an annualized return of 7.38%.

The JIAC Chair Mike O'Brien '68 reviewed the status of the RFPs for investment manager for both the Foundation's portfolio and for the College's quasi-endowment and endowment. Eighteen vendors bid on the Foundation's RFP and 13 on the College's. Both the Foundation's staff and College's staff, assisted by the Foundation treasurer and by members of FIA respectively, forwarded proposals to the JIAC for review. The JIAC is to review proposals for the Foundation and for the College by the end of October and determine which vendors to invite to campus for interviews. It is expected that finalist interviews will take place in early December with the JIAC recommending a vendor for the Foundation and a vendor for the College shortly thereafter.

At the Foundation's annual meeting on 9/25/18, President Jack Saum '89 reviewed a set of goals and metrics crafted over the summer by a Foundation subcommittee with assistance from Executive Director Carolyn Curry. The approved set will complement the mission, vision and core values to ensure the work of the Foundation aligns with the strategic priorities of the Board of Trustees and the President.



Once again, the SMCM Foundation received a clean audit from CliftonLarsonAllen for the fiscal years ending 6/30/18 and 6/30/17.

Ms. Curry reported that for FY18, \$2.7M was raised, exceeding the goal of \$1.85M. The alumni participation goal of 14% was achieved (up from 13% in FY17).

**BOARD OF TRUSTEES
COMMITTEE BUILDINGS AND GROUNDS COMMITTEE
AND
FINANCE, INVESTMENT, AND AUDIT COMMITTEE
MINUTES**

Date of Meeting: April 20, 2018

Status of Minutes: Approved August 30, 2018

Committee on Buildings and Grounds Members Present: Committee Chair Donny Bryan '73, John Bell '95, Laura Cripps, Board Chair Sven Holmes, President Tuajuanda Jordan

Committee Members Absent: N/A

Staff Members: Chip Jackson, Annie Angueira

Finance, Investment, and Audit Committee Members Present: Committee Chair John Wobensmith '93, Lex Birney, Donny Bryan '73, Asif Dowla, Board Chair Sven Holmes, President Tuajuanda Jordan

Committee Members Absent: Anirban Basu

Staff Member: Chip Jackson

Others Present: Annie Angueira, Allison Boyle, Leonard Brown, Mike Bruckler, Jim Cranmer, Carolyn Curry, Peg Duchesne '77, Cynthia Gross, David Hautanen, Gail Harmon, Kelley Hernandez '08, Chip Jackson, Larry Leak '76, Todd Mattingly, Kortet Mensah, Sharon Phillips '18, Paul Schultheis '98, Maury Schlesinger, Danielle Troyan '92, Chris True, Allan Wagaman '06, Mike Wick, Anna Yates

Executive Summary:

Buildings and Grounds Committee Chair Donny Bryan '73 called the meeting to order at 11:17 a.m.

A joint meeting of the Buildings and Grounds and Finance, Investment, and Audit Committees was held to consider an action regarding the funding for the Jamie L. Roberts Stadium project. The Finance, Investment, and Audit Committee then reviewed and took action on the proposed tuition, fees, room, and board rates for FY19.

Action Items

III.A. Jamie L. Roberts Stadium – Project Budget

The Buildings and Grounds and Finance, Investment, and Audit Committees jointly presented a proposed increase to the capital budget for the Jamie L. Roberts Stadium of \$0.668 million. The total project budget of \$12.310 million is supported by State capital funds (\$8.559 million), St. Mary's College of Maryland Foundation funds (\$3.651 million) and St. Mary's College Plant Funds (\$0.10 million). The Committees brought forward a proposed increase to the St. Mary's

College FY18 capital (Plant Fund) budget in the amount of \$3.651 million to incorporate Foundation funds for the project, representing \$2.983 million initially proposed and the additional \$0.668 million. Additional funding from the \$2.2M gift made by the Roberts Family, and others, has enhanced the project further supporting students and athletic programs. The action item passed unanimously.

III.B. FY19 Tuition, Fees, Room and Board Rates

The Finance, Investment, and Audit Committee approve a 2.00% increase in tuition rates for Maryland resident undergraduate students. The Committee also approved that tuition rates for both Master of Arts in Teaching graduate students and non-resident undergraduate students, excluding residents of the District of Columbia, each increase 2.00% as well. The tuition rate for residents of the District of Columbia is new beginning in FY19. The approved new tuition rates for residents of the District of Columbia is set between the in-state and out-of-state rates to both make the College more affordable for DC residents and enhance the College's enrollment effort. Additionally, mandatory fees increased 2.7% and residence hall fees and dining fees increased an average of 3%.

The meeting adjourned at 11:47 p.m.

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

MINUTES

Date of Meeting: May 8, 2018

Status of Minutes: Approved August 30, 2018

Finance, Investment, and Audit Committee Members Present: Committee Chair John Wobensmith '93, Anirban Basu, Lex Birney, Faculty Delegate Asif Dowla, Board Chair Sven Holmes, President Tuajuanda Jordan

Committee Members Absent: Donny Bryan '73

Staff Member: Chip Jackson

Others Present: Annie Angueira, Allison Boyle, Leonard Brown, Carolyn Curry, Susan Dyer, Mary Grube, Kelley Hernandez '08, Shannon Jarboe, Todd Mattingly, Kortet Mensah, Jenell Sargent, Chris True, Mike Wick, Anna Yates

Executive Summary

Finance, Investment, and Audit Committee Chair John Wobensmith '93 called the meeting to order at 10:02 a.m.

Results of Legislative Session The FY19 operating budget provides a total of \$26.0 million in State funds, which includes \$0.74 million representing the Block Grant inflator, \$0.15 million in wage funding, and \$0.32 million in tuition buy-down funding. The wage and tuition buy-down funds are a result of House Bill 556 passed during the 2017 legislative session. Tuition funding represents a buy-down from 4% to 2% for in-state students. The College's capital budget provided a total of \$6.0 million, which includes \$3.1 million to continue the design of the new academic building and auditorium, \$0.5 million to construct the commemoration of the slave quarters, and \$2.4 million for campus infrastructure projects.

Enterprise Resource Planning System (ERP) Update The procurement process is moving forward. Four proposals were received from which two finalists were chosen. Final selection of the ERP system will conclude by June 2018. Implementation will take approximately two years from contract award.

FY 2018 Financial Results to Date Tuition and fee revenue is 1.8% lower and auxiliary enterprise revenue has decreased 1.3%, both as a result of lower student counts. Revenue collections currently equal 98% of the budgeted level and expenditures are approximately 2.5% higher than the equivalent period last year. Overall, total revenue is 8.4% higher.

Endowment Investment Manager Solicitation The College and the St. Mary's College of Maryland Foundation are developing an RFP seeking investment manager services from a single firm. The Joint Investment Advisory Committee (JIAC) will continue to serve as the primary entity to review the performance of the investment manager and provide oversight of the investments. A projected schedule for the solicitation and award of the contracts was provided.

Action Items

III.A. FY 19 Budgets

The proposed FY19 Operating Budget totals \$69.29 million, based on 1,424 full-time undergraduate students representing 98% of the estimated total enrollment. The budgeted enrollment projection is 13 more than the prior year assumptions. Tuition rates for both in-state and out-of-state students increase 2% and Auxiliary fees 3%. The recommended Priority A FY19 plant projects for consideration total \$1.3 million. The proposed FY20-FY24 State-funded capital budget includes a continuation of funding for the New Academic Building and Auditorium and Campus Infrastructure Improvements, as well as funds for design and construction for the renovation of Montgomery Hall and construction funds for a limited renovation of Goodpaster Hall. The action item passed unanimously.

III.B. Bond Refinance Authorization

The Committee was asked to consider authorizing the refinancing of up to \$22 million of St. Mary's College of Maryland 2005 Series A, 2006 Series A, and 2014 Series A bonds through the issuance by St. Mary's College of Maryland of its Academic Fees and Auxiliary Facilities Fees Revenue Refunding Bonds 2018 Series A. The proceeds of the 2018A Bonds will be used to pay off the 2005A Bonds, 2006A Bonds, and 2014A Bonds and the issuance costs of the 2018A Bonds. The estimated present value savings to the College is, net of issuance costs and prepayment premium, and discounted to present value, \$1.0 million, or 5.39% as a percent of par. This action item passed unanimously.

III.C. Procurement Policy Revision

The revised policy updates certain sections of the current policy to be consistent with State and Federal regulations. These include several standard contract clauses to be incorporated within certain College solicitations and/or contracts. In addition, certain dollar thresholds related to procurement actions will be increased. This action item passed unanimously.

III.D. Handbook Policy Revisions

Revising the current Employee Handbook to update the Acting Capacity Pay Policy to clarify the effective date of acting pay; update the Moving Expenses Policy to reflect current practices; and establish an Email Use Policy to clarify how College email is used, improve information technology security and set best practices. This action item passed unanimously.

The meeting adjourned at 10:34 a.m.