

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND
OPEN SESSION**

AGENDA

December 22, 2017
10:30 a.m.

*Calvert Hall Conference Room
St. Mary's College of Maryland
St. Mary's City, Maryland*

- I.** Call to Order **Sven Holmes**

- II.** Action Items
 - A.** Finance, Investment and Audit **John Wobensmith '93**
 - a. Action Item 1718-07:** Acceptance of the FY17 Auditor's Report and Audited Financial Statements
 - b. Action Item 1718-08:** Waiver of Maryland Residency Requirements

- III.** Motion to Adjourn Meeting **Sven Holmes**

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

Date of Meeting: December 22, 2017

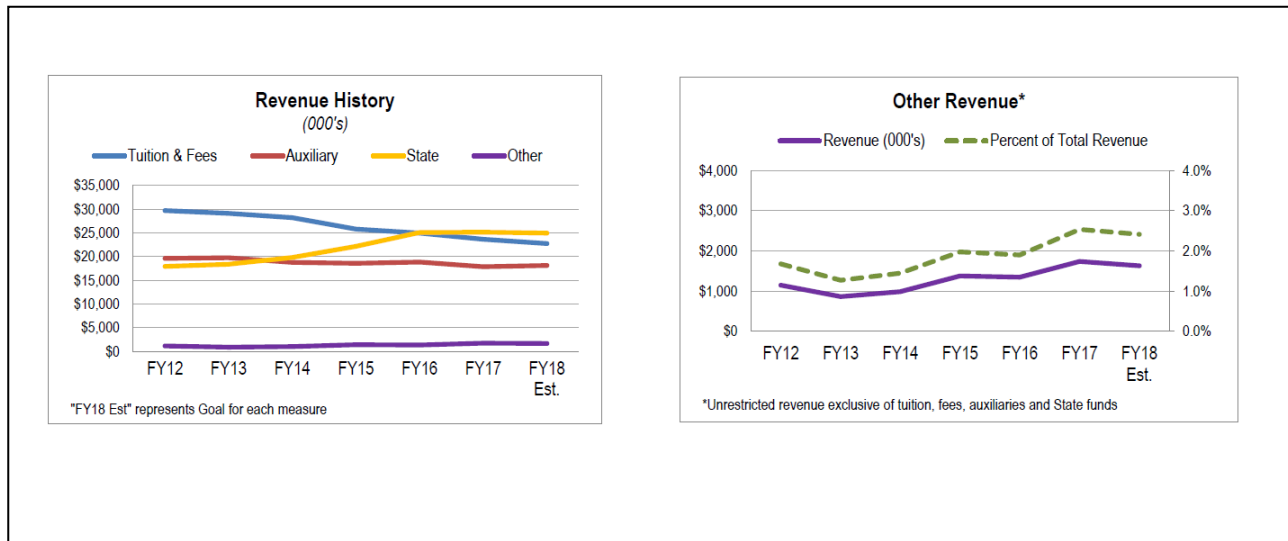
Date of Next Meeting: TBD

Committee Chair: John Wobensmith '93

Committee Members: Anirban Basu, Lex Birney, Donny Bryan '73, Susan Dyer, Sven Holmes, Asif Dowla

Staff Member: Chip Jackson

Dashboard Metrics:



Executive Summary:

No Discussion or Information Items.

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

Action Item I.A.: Statements reflecting the financial transactions and position of the College for the period July 1, 2016 through June 30, 2017 were prepared in accordance with generally accepted accounting principles, reflecting the GASB 34 & 35 reporting requirements. The independent firm of SB and Company, whose report and opinion are included in the document, has audited these statements. To provide evidence that the statements have been provided to

and approved by the Board of Trustees, the Committee is asked to recommend acceptance of the financial statements by the St. Mary's College of Maryland Board of Trustees.

Action Item I.B. Waiver of Maryland Residency Requirements

Requesting a waiver of the twelve-month Maryland Residency Requirements for employees of the Department of Defense Joint Strike Fighter, Hybrid Product Support Integrator Program who move to Maryland should the Program locate at the Naval Air Station Patuxent River.

Committee Action Taken/Action in Progress:

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Recommendation to the Board:

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FINANCE, INVESTMENT, AND AUDIT COMMITTEE

MEETING OF DECEMBER 22, 2017

AGENDA

I. ACTION ITEMS

A. Acceptance of the FY17 Auditors' Report and Audited Financial Statements

- i. Presentation by Audit Firm (SB & Company)
- ii. Vote to close meeting in compliance with Title 10, Subtitle 3 of the General Provisions Article (the Open Meetings Act)

(St. Mary's College management and all others to be excused)

- iii. Closed Session: SB and Company presentation to Trustees regarding assessment of how management is performing with respect to financial health of the College and any issues related to fraud, waste and abuse.

- iv. Adjournment of Closed Session / Reconvene Open Session

B. Waiver of Maryland Residency Requirements

A portion of this meeting will be held in closed session.

**STATEMENT REGARDING CLOSING A MEETING OF THE BOARD OF TRUSTEES
OF ST. MARY'S COLLEGE OF MARYLAND**

FINANCE, INVESTMENT, AND AUDIT COMMITTEE

Date: December 22, 2017

Time: 9:30 a.m.

Location: Calvert Hall Conference Room

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Gen. Prov. Code Ann. ' 3-305 (b):

- (1) To discuss:
- (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - (ii) Any other personnel matter that affects one or more specific individuals.
- (2) To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) To consider the investment of public funds.
- (6) To consider the marketing of public securities.
- (7) To consult with counsel to obtain legal advice on a legal matter.
- (8) To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10) To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
 - (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans.

- (11) To prepare, administer or grade a scholastic, licensing, or qualifying examination.

- (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct.

- (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.

- (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

- (15) Administrative Function.

TOPICS TO BE DISCUSSED: SB & Company, LLC (auditor) assessment of how management is performing with respect to financial health of the College, including identifying any issues related to fraud, waste and abuse.

REASON FOR CLOSING:

To review and discuss items permitted to be discussed in closed session by Md. Gen. Prov. Code Ann. ' 3-305, specifically: matters that relate to the fiscal audit, personnel, as well as matters that relate to potential legal claims against the College.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND**

ACTION ITEM 1718-07

**ACCEPTANCE OF THE FY17 AUDITOR'S REPORT AND AUDITED
FINANCIAL STATEMENTS**

RECOMMENDED ACTION

The Finance, Investment, and Audit committee recommends that the Board of Trustees accept the FY17 auditors' report and audited financial statements of the College.

RATIONALE

Statements reflecting the financial transactions and position of the College for the period July 1, 2016 through June 30, 2017 were prepared in accordance with generally accepted accounting principles, reflecting the GASB 34 & 35 reporting requirements. The independent firm of SB and Company, whose report and opinion are included in the document, has audited these statements. To provide evidence that the statements have been provided to and approved by the Board of Trustees, the Committee is asked to recommend acceptance of the financial statements by the St. Mary's College of Maryland Board of Trustees.

The audit firm has issued an unqualified opinion letter indicating that the financial statements fairly present, in all material respects, the financial position of the College.

The audit also includes an evaluation of certain student enrollment data as required by the Maryland Higher Education Commission.

**BOARD OF TRUSTEES
ST. MARY'S COLLEGE OF MARYLAND**

ACTION ITEM 1718-08

WAIVER OF MARYLAND RESIDENCY REQUIREMENTS

RECOMMENDED ACTION

The Finance, Investment, and Audit Committee recommends that the Board of Trustees authorize a waiver of the twelve-month Maryland Residency Requirements for personnel assigned to the Department of Defense Joint Strike Fighter, Hybrid Product Support Integrator Program ("Program") who move to Maryland should the Program locate at the Naval Air Station Patuxent River (NAS Pax River). The Waiver shall expire five years from the date the Program is established.

RATIONALE

NAS Pax River is a potential home for the Joint Strike Fighter (F-35), Hybrid Product Support Integrator Program. A decision to locate in the State of Maryland would result in a significant gain of new jobs in Maryland and the likelihood for increased educational partnerships. The establishment of the Program at NAS Pax River would result in a number of positions transferred from other states to Maryland and new personnel recruited for positions in Maryland. Waiving the twelve-month residency requirement would allow for a smooth transition of the personnel and their families to Maryland. This waiver shall also apply to the spouses and dependent children of the affected personnel.