

**VSAC Board of Directors Meeting
June 14, 2017
8:30 a.m.**

**Harbor Room, Courtyard Marriott
25 Cherry Street
Burlington, VT 05401**

Attendance:

Present: Dodie Mitchell (Chair), Dave Larsen, Martha Heath, Matt Trieber,
Pam Chisholm, Katharine Hutchinson, Dennis O'Brien, Ann Cummings

Absent: Mike Smith, David Coates, Beth Pearce

Staff: Scott Giles, Tom Little, Patrick Leduc, Mike Stuart, Marilyn Cargill, Kristi Rocheleau

I. Call to Order & Review of Agenda

Chair Dodie Mitchell called the meeting to order at 8:32 a.m. and a quorum was declared present. Dodie and the Board agreed to a revised sequence to the agenda topics in order to support the meeting flow. The revised agenda is attached to these minutes.

II. Approval of Minutes

Upon a motion made by Martha Heath and seconded by Dennis O'Brien, the Directors voted unanimously to approve the Board meeting Minutes of April 17, as presented.

III. President's Report

Given that the State is still in session and there are several unknowns at this time, Scott Giles focused his report on the federal conversations covering reconciliation, reauthorization, and the President's Budget.

IV. Committee Reports

- a. **Audit** – There being no action required, the Board deferred this report to the October Board Meeting.
- b. **Human Resources** – Chair O'Brien summarized the meeting record of May 15, focusing on Management's healthcare and compensation strategy for fiscal year 2018.
- c. **Finance** - On behalf of Finance Chair Mike Smith, Mike Stuart presented the Vermont Student Assistance Corporation Corporate and Operating budgets for Fiscal Year 2018. The Board then reviewed and discussed the assumptions presented.

Corporate Budget Assumptions

- Originate \$52 million student and parent Advantage private loans.
- Key debt indices (Tbill, SIFMA, CP, etc.) remain unchanged
- Returns on liquid investments and cash will average .50%

Operating Budget Assumptions

- No reductions in permitted service draw levels.
- FFEL portfolio continues to amortize at 15%
- Private loans originated: \$52 million
- Funding one-time merit payments and an increase to base salaries.
- Employee contribution to health care increase by 5.3% (on average)

The Board Resolution

While the entire corporate financial projection has been included in this document, and referred to as the corporate budget, the Board of Directors approves the operating portion of that budget.

Be It Resolved

That the Board of Directors approves a Fiscal 2018 operating budget for the Corporation as presented at the Board's June 14, 2017 meeting. Operating revenues and resources are budgeted at \$24,135,000, with operating expenses of \$24,120,000. The Board recognizes that the budget is subject to adjustments resulting from increases or decreases in revenue expenditures. The President/CEO of the Corporation is authorized to make adjustments to the operating budget, and report them to the Chair of the Finance Committee, under the following circumstances:

1. to expend additional revenue which may become available for student assistance programs;
2. to accept and expend additional funds received for corporate programs/services;
3. to reduce or increase individual expenditures when necessitated by changes in programs and services;
4. to draw up to 7% of the State grant appropriation as operating revenue if needed; and

That the President/CEO shall report at the next regularly scheduled Board meeting any actions which have been taken under this authority.

Upon a motion made by Martha Heath and seconded by Dave Larsen, the Board of Directors voted unanimously to approve the recommended budget resolution for FY18, as presented.

- d. Governance** – Chair Dave Larsen reported on the May 15 committee meeting which emphasized the Board Chair evaluation results and the ongoing Board leadership and membership risk review. The Board expressed their gratitude for the Board Chair's leadership and dedication to the VSAC Mission and the Board of Directors.

- e. **Programs & Services** - Martha provided an update on the May 15 committee meeting and reviewed the two policies requiring Board action, and the rationale for removing the procedural document, "Withdrawals of Applications," from policy review.

Upon a motion made by Martha Heath and seconded by Katharine Hutchinson, the Board voted unanimously to approve the Non-discrimination and Late Applicants policies as presented.

I. Other Business & Meeting Review

Board Chair Mitchell led a discussion and collected input to help inform future conversations and Board work.

The Board of Directors then recessed at 10:38 a.m. for purposes of the Vermont Student Development Fund Board of Directors meeting, which includes the same membership as the VSAC Board.

The VSAC Board of Directors meeting reconvened at 11:24 a.m.

V. CEO Evaluation

Dodie Mitchell transitioned the Board to the CEO annual performance evaluation and recommended that the Board entertain a motion for an executive session.

Upon a motion made by Dave Larsen and seconded by Pam Chisholm, the Board voted unanimously to enter executive session at 11:23 a.m. in order to consider contractual and personnel matters involving a public officer, for which premature public knowledge would clearly place VSAC at a substantial disadvantage. 1 V.S.A. sec. 313 (a).

The Board exited the executive session at 12:30 p.m.

There being no other business, the meeting adjourned at 12:40 p.m.

Respectfully submitted,

David Larsen, Secretary



VSAC Board of Directors Meeting

**Courtyard Marriott
Harbor Room
25 Cherry Street
Burlington, Vermont**

**Revised Agenda
Wednesday, June 14, 2017**

8:30 a.m.	Call to Order & Approval of Minutes April 17, 2017	Action
8:35 a.m.	Chair's Report	
8:45 a.m.	President's Report	
9:15 a.m.	Committee Reports	
	<ul style="list-style-type: none">• Audit• Human Resources• Finance<ul style="list-style-type: none">○ FY18 Budget• Governance<ul style="list-style-type: none">- Board Leadership update• Programs & Services<ul style="list-style-type: none">- Policy updates- FY18 Grant funding update	Action
10:15 a.m.	Other Business	
10:30 a.m.	Meeting Review	
10:45 a.m.	Recess for Vermont Student Development Fund, Inc. meeting	
11:45 a.m.	CEO Evaluation	Action