Minutes

VSAC Finance Committee Meeting

May 22, 2017
10:30 a.m.

Board Room, VSAC Offices
10 East Allen Street
Winooski, Vermont

Attendance:

Committee Members Present:	Michael Smith (Chair), Beth Pearce, and David Coates
Other Board Members Present:	Dodie Mitchell
Staff:	Scott Giles, Mike Stuart, Tom Little, Marilyn Cargill, Patrick Leduc, Bruce Hicken, Laurie Oliver, and Kristi Rocheleau

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Michael Smith called the meeting to order at 10:40 a.m. A quorum was declared present, and the Committee proceeded to take up the first item of business.

Approval of Minutes

> ***Upon a motion made by David Coates and seconded by Mike Smith, the Committee voted unanimously to approve the minutes of the Committee meeting of March 27, 2017 as presented.***

FY17 Budget
Mike Stuart introduced the 2018 Fiscal Year budget, outlining the corporate and operating budget summary based on the current assumptions, and then responded to Committee Member questions.

Corporate Budget Assumptions

- Originate $52 million student and parent Advantage private loans.
- Key debt indices (T Bill, 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 Committee asked questions of management concerning portions of the budget.

> ***Upon a motion made by Beth Pearce and seconded by David Coates, the Committee voted unanimously to recommend the Board approve the FY18 Budget Resolution as presented.***

FY17 Financial Information

Mike Stuart and Bruce Hicken reported on the FY17 Financial Statements and Variance Analysis through April 30, noting nothing new or unexpected. Mike Stuart also pointed out the Income Statements for the individual Bond trusts, communicating that the bonds are increasing parity as expected.

Series 2017A Student Loan Bond Update

Mike Stuart updated the Committee on the competitive and successful bond sale, and on Vermont Community Foundation support related to the bond sale. As announced to Board Members via email, the borrower interest rates remain competitive and the 2017/2018 academic year application is expected to be available to the public by the end of May.

Other Business

As requested by Committee Members, Scott Giles provided a federal update with regard to Gear UP funding for FY17 and FY18, and the status of federal loan servicing. There being no other business, the meeting adjourned at 11:31 a.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary