

VSAC Finance Committee Meeting

November 19, 2018

2:00 p.m.

Board Room, VSAC Offices

10 East Allen Street

Winooski, Vermont

Attendance:

Committee Members Present: Michael Smith (Chair), Beth Pearce, David Coates, Matt Trieber

Other Board Members Present: Dodie Mitchell

Staff: Scott Giles, Mike Stuart, Marilyn Cargill, Bruce Hicken, Patrick Leduc, Kristi Rocheleau

Michael Smith called the meeting to order at 1:50 p.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 Matt Trieber and seconded by David Coates, the Committee voted unanimously to approve the Committee meeting minutes of September 24, 2018, as presented.

Beth Pearce joined the meeting at 1:55 p.m.

FY19 Financial Statements through August

The Committee reviewed the details of the previously distributed FY19 Income Statement and Balance Sheet through October 31, 2018. Mike Stuart noted that year over year revenue projections are slightly lower than expected, largely due to two areas that Management is watching closely. In response to questions as to when the Committee would get a better sense for how these will affect the budget, Mike Stuart noted that due to some seasonality in the revenue, it's likely that the January financials will be a better indicator of revenue in those two areas.

On the balance sheet side, the Committee noted the addition of new row to reference facility lease revenue that was requested in September. There being nothing new to note on the Balance Sheet side, Bruce Hicken reviewed the Variance analysis with the Committee Members, noting nothing out of scope to date.

Private Loan Volume Update

The Committee reviewed the latest private loan volume reports and was updated on the status of the private loan origination system implementation. The combined parent and student loan volume is tracking to end up roughly 4% compared to the 5% projected in the budget process. However, due to the transition to a new origination system, it is difficult to accurately compare year over year results to date. Scott Giles then briefed the Committee on national benchmark

survey results, potential factors that may influence the overall loan portfolio growth, and Management's continued efforts to evaluate and improve results.

VSF Performance Reports

As part of the biannual Vermont Student Development Fund Inc., investment performance review, Mike Stuart walked the Finance Committee through the October 31, 2018 report from Vanguard. The Committee discussed market volatility as it relates to equity and bond funds. Beth Pearce commented on the inflationary environment and indicated that this trend may continue for the next 18 months. With an emphasis on results against benchmarks and recent market performance, Mike Stuart noted that there is nothing unexpected in the Vanguard report. No recommendations were made.

Other Business

There being no other business, the meeting adjourned at 2:24 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary