

## VSAC Finance Committee Meeting

May 20, 2019

12:30 p.m.

**Boardroom, VSAC Offices**

**10 East Allen Street**

**Winooski, Vermont**

### **Attendance:**

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

Committee Members Absent: Beth Pearce

Other Board Members Present: N/A

Staff: Scott Giles, Mike Stuart, Marilyn Cargill, Bruce Hicken, Laurie Oliver, and Jodie Ducharme

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The meeting was called to order at 12:30 p.m. With a quorum established, Chair Michael Smith took up the first order of business.

### **Approval of Minutes**

*Upon a motion made by David Coates and seconded by Matt Trieber, the Committee Members present voted unanimously to approve the Finance Committee Minutes of March 25 and April 15, 2019 as presented.*

### **FY19 Financial Statements**

Mike Stuart reported on Financial Statements and the Operating Budget through April 2019 and responded to Committee questions. He pointed out there are no new trends emerging and the FFEL portfolio continues to pay down. He noted that building lease revenue is now broken out in the Financial Statements.

Bruce Hicken reviewed the Variance Analysis for the ten months ending April 30, 2019, drawing attention to the large variance in Guarantee Operations. Bruce explained revenue from Guarantee Operations is down year over year due mainly to decreased revenues from sales of rehabilitated loans.

### **FY20 Budget Presentation**

Mike Stuart introduced the 2020 Fiscal Year budget, defining the corporate and operating budget assumptions provided in previously distributed materials.

#### *Corporate Budget Assumptions*

- Originate \$48 million student and parent Advantage private loans.
- Key debt indices (Tbill, SIFMA, CP, etc.) remain unchanged.
- Returns on liquid investments and cash will average 2.30%.

#### *Operating Budget Assumptions*

- No reductions in permitted student loan service draw levels.

- FFEL portfolio continues to amortize at 15%.
- Private loans originated: \$48 million
- Funding merit payments and an increase to base salaries.
- Employee contribution to health care increases by 12% (on average)

*Upon a motion made by David Coates and seconded by Matt Trieber, the Committee Members present voted unanimously to recommend the Board approve the FY19 Budget Resolution, as presented.*

#### **2019/2020 AY Private Loan Update**

Mike Stuart updated the Committee on the bond sale that took place May 8 and reviewed VSAC's 2019-2010 private loan interest rates in comparison to the federal PLUS loan as well as two select competitors.

#### **Other Business**

There being no other business, the meeting adjourned at 1:20 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary