

Minutes

VSAC Finance Committee Meeting

November 20, 2023

12:30 p.m.

Boardroom, VSAC Offices

10 East Allen Street

Winooski, Vermont 05404

Committee Members Present: Michael Smith (Chair), John McSoley, Clarence Davis, Mike Pieciak (present for portions of the meeting)

Committee Members Absent: Caleb Elder

Other Members Present: Dodie Mitchell, Chair

VSAC Staff Present: Scott Giles, Patrick Leduc, Mike Stuart, Tom Little, Bruce Hicken, Jodie Ducharme

Others: N/A

Chair Michael Smith called the meeting to order at 12:36 p.m. With a quorum established, the Committee took up the first order of business.

Approval of September 18, 2023, Minutes

Upon a motion made by Clarence Davis and seconded by John McSoley, the Committee voted unanimously to approve the Committee meeting minutes of September 18, 2023, as presented.

Public Comment

There were no public comments given during the public comment period.

Standing Reports Review

The Committee reviewed the previously distributed FY24 Income Statement and Balance Sheet, Variance Analysis, Operating Budget, and VSF Endowment Report. On the Income Statement, Mike Stuart pointed variations as a result of rising interest rates. Mike noted that the increasing interest rates impacted FY23, and he expects the impact to continue through FY24. Mike reminded the Committee that, on the revenue portion of the Income Statement and Balance Sheet, the state appropriation was received all in one disbursement in July and that we typically receive this money in four disbursements spread out between July and January. Mike stated that the appropriated cash will continue to decline on the balance sheet as we disburse the funds in the form of grants to students throughout the academic year.

Bruce Hicken walked the Committee through the Variance Analysis for the four months ending 10/31/23, highlighting the grant revenue which is over budget as we received the entire annual base appropriation amount in July, where historically we would receive only 60% by the end of October.

Mike Stuart reviewed the Vermont Student Development Fund endowment reports from Vanguard noting the performance reporting format Vanguard used for several years has been

discontinued. The information now available is not sufficient for VSAC's needs and does not meet industry standards. Mike Smith asked Mike Stuart to look into options to change firms and bring those options back to the Committee.

Mike Stuart directed the Committee's attention to the previously distributed New Loan Volume Reports, noting that student loan volume is up from last year by approximately 10% and parent loan volume is up approximately 5%. Mike noted that this year customers were able to select between a 10-year and 15-year term, where in the past they would have been assigned a term based on the loan amount. Mike noted that the majority of borrowers are selecting the shorter, 10-year term, likely due to the lower interest rate.

The Committee discussed the Standing Reports and members of the Executive Committee and Bruce Hicken responded to questions.

Mike Pieciak joined the meeting at 1:35 p.m.

Preview of the Board Retreat

Scott Giles provided the Committee with a preview of the upcoming Board Retreat, noting that it will include a discussion about what remains to be done in the strategic plan. He explained that we want to identify areas of risk that should be discussed with the Board. Scott engaged the Committee members in a discussion and solicited member feedback on items that they felt were important to highlight to the full Board. Scott captured the feedback to incorporate in the upcoming discussion at the Board Retreat.

Other Business

There being no other business, the meeting adjourned at 1:52 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary