

Draft for Committee Review and Approval

REPORT OF THE INVESTMENTS AND CAPITAL PLANNING COMMITTEE Meeting October 24, 2024

The Investment and Capital Planning Committee met at 12:30 p.m. on October 24, 2024, at Keene State College

Committee members participating at the meeting location: Kevin Knarr, Mike Pilot, Wayne Semprini, George Hansel, Brain McCabe and Karen Benincasa; Committee member via video conference Joel Nkounkou; Other trustees participating at the meeting location for some or all of meeting: Peter Paul, Frank Edelblut, Ethan Dubois, MJ Condon, and Chancellor Provencher, PSU President Don Birx, UNH President Chilton and KSC President Melinda Treadwell.

Staff: present at meeting location, (PSU) mid

-meeting for review of capita

Other staff and guests attended by video conference.

Call to Order

Chairman Knarr called the meeting to order at 12:30 pm noting a quorum was present for business. He said the Board needs to shift its focus to conserving and managing assets as the focus of much of the day's discussion. He discussed the need to have a plan to slow/reduce the cash burn projected as soon as possible. On average, the cash challenge USNH should target addressing, based on the direction of the Board, is \$50 million per year.

UPDATE FROM PRIME BUCHHOLZ

Mr. O'Quinn commented on the market environment for the period ending September 30, 2024. He noted that the stock market is at an all-time high. He reviewed the portfolio performance results for the period ending September 30, 2024. He said the market value of the portfolio was \$644 million (an all-time high), and the portfolio had a return for the fiscal year to date of 4.3%, Calendar year 11.7%, and over the trailing year 19.5%. He reviewed USNH's allocation relative to target and commented on actions taken since the last meeting including a \$7.5 million redemption in Adage to bring the position within policy limits. He said that the USNH portfolio has \$250 million in daily liquidity.

Mr. Jarry reviewed the short-term investment pool noting the total fund (excluding other cash accounts) was \$261 million and had a yield of 5.1% and compares favorably to benchmarks and no current change planned.

Prime Buchholz also reviewed the USNH endowment fund investment performance relative to peers for FY24 indicating that USNH has performed at or above 1st quartile with the more recent 3 year prior period, since transiting to the OCIO model, above the 1st quartile.

APPROVAL OF CONSENT AGENDA (Moved and duly seconded)

VOTED, that the consent agenda of the October 24, 2024, meeting be approved.

{The Committee voted unanimously by roll call vote to approve this motion}

Items on the Consent Agenda:

Approve minutes of the Committee's meeting of June 27, 2024

End of Consent Agenda

USNH Finance Update

Update of Institutional Facilities Management (EMC) fact B2 (actions)-1(Li)-24 (l)-o6Cat5 0 (ous)-1(1)-2 (y by r)

Vice Chancellor Benincasa said that USNH can't afford the current size of its footprint, especially considering a future continued decline in enrollment, a future systemwide vision is needed to

capital reinvestments and the implications of that reduction. She said the model does not assume additional debt.

Trustees asked leadership to consider any ability to further reduce the FY25 Budget for capital spending. Campus presidents shared concern about cutting funding for deferred maintenance and the risk of letting facilities deteriorate and not addressing life safety issues. They said capital spending has already been significantly scaled back. Committee members shared thoughts on deferred maintenance, historical approaches to capital spending, the need for ROI analysis on new capital projects, allowing for the ability to take advantage of opportunities and the need for a long-term plan. Understanding the concerns, the Committee directed leadership to review the capital plan for FY25 to see if any adjustments could be made.

CAPITAL ITEMS

First Look – UNH Utility Distribution

Due to time constraints, Vice Chancellor Benincasa directed Committee members to the materials in the meeting package.

UNH Combined Heat & Power Plant – Back Pressure Steam Turbine (first look and approval)

MOVED

ERM Update on Facilities and Infrastructure

OTHER BUSINESS

Next meeting date is March 20, 2025

The Committee adjourned at 3:20 p.m.