

**Soldiers' Home in Holyoke  
Finance Committee Board of Trustees Meeting Minutes**

A meeting of the Board of Trustees of the Soldiers' Home in Holyoke (HLY) was held telephonically on May 23, 2022. The meeting began at 5:32PM.

**Finance Committee Members Present:**

Kevin Jourdain, Finance Committee Chair; Cindy Lacoste; Isaac Mass

**Also Present:**

Robert Engell, Michael Lazo, Interim Superintendent; Michael Lynch, Chief Financial Officer; Stephen Giordano, Business Office; Michael Ravosa, UBS; Nicholas Tsaparris, Deputy Director of Real Estate (DCP); Rayna Rubin, Regional Planner (DCP); Joe Fazio, Construction Coordinator (DCP); and Kathleen Denner, Recording Secretary.

Roll Call is as follows: Trustee Jourdain (Yes), Trustee Mass (Yes), Trustee Lacoste (Yes).

**Pledge of Allegiance** - All present recited the Pledge of Allegiance

**Approval of Minutes of the April 20, 2022, Finance Committee Meeting**

Upon motion by Trustee Lacoste to approve the April 20, 2022 Finance Committee meeting minutes and seconded by Trustee Mass. It was unanimously VOTED to approve the minutes from the Finance Committee Meetings held on April 20, 2022. Motion passed unanimously.

**Unanimously voted to take agenda items out of order.**

**Review of UBS Fund Performance**

Mr. Ravosa reviewed the portfolio with the Finance Committee members, he stated that the past 8 weeks have been challenging there has been irregularities interest rates and the stock market and inflation. He continued that in times like is why we have an asset allocation like we have with cash, fixed income and equities between cash and fixed income about 50% of the money. Mr. Ravosa said with the interest rates all over the place our bond portfolio has moved but we have most of our fixed income in maturities that are going to come due and we are going to bet all of our money back. He continued with all of our positions and fixed income and equities we are extremely diversified we are spreading our risk across many different asset classes, most of it is short end bonds and value and core securities still stressing dividend paying stocks for our equities.

Mr. Ravosa went to page 5 to show us benchmark returns, so if you look in the past in 2021 our portfolio did 11.47 and the 3-month tea bill was up .04 the aggregate bond index was down 1.3 and the moderate aggressive benchmark was up 10.96 which is what we are being measured up against So you can see we outperformed in 2021; in the last rolling year our portfolio is down 3.2%, cash is up .08, bonds are down 8.45 and the US moderate is index is down 9%. Mr. Ravosa reported that the allocations are

working but the past 8 weeks have been tough. He continued that depending on midterms it will decide if we can recover some losses.

Mr. Ravosa reviewed the expected cash flow graph showing that there is going to be \$74,000 in cash flow coming into the account, but that is why when market gets dicey you stay with value investor.

## **Old Business**

### **Soldiers' Home Budget Process and Capital Plan**

Mr. Lynch thanked DCAMM for joining the call. He continued regarding the capital plan we have made it through the Senate Ways and Means Committee and the budget for FY23 is still at \$29.7 million and he is not anticipating any changes. Mr. Lynch stated that the same projects remain in our scope, the one update that I can tell you is regarding the screening trailer and the site area is cleared, electrical and plumbing has been roughed in and the state plumbing board will be here the first week in June once that is okay the state building inspector comes by and inspects it as well and then the trailers can be dropped so we are looking at mid to late summer to be in place. He continued that being ahead of any increment weather this will be beneficial.

### **Unanimously voted to take agenda items out of order.**

### **Tower Revenue opportunities for current building and new building**

Mr. Lynch welcomed the DCAMM members. Trustee Jourdain stated that the current Soldiers' Home we had the capacity to generates tower revenue, we are blessed with this loction unique property and we feel it is well suited to generate significant revenue for the facility in terms of a cell tower or other uses. He continued that in the past we have allowed safety departments, police fire department, state police to have a tower for public safety and does not believe we are not charging for those and we have identified this as a great revenue source. Trustee Jourdain shared that now we are very thankful the Commonwealth is going to give us a new building in 4-5 years from now so we want to make sure, in the plans for the new building, that we incorporate this revenue source, and make sure the staging of it is able to max that type of revenue and that is fitted for that purpose. He continued that he wanted to ask them about how down the road we can put that process out there in order to develop these types of agreements and capture this revenue which we think is in the best interest of Massachusetts taxpayers and this tower revenue is considerable every month, this is our frame of reference, would love to hear your thoughts on those points.

Mr. Tsaparris Deputy Director with the office real estate management within DCAMM and I am personally responsible for managing DCAMM's telecommunications leasing program statewide. He continued that you are correct we have been involved at the Soldiers' Home in the past we do currently asset management site telecommunication on the property, we did have an RFP that Ms. Rubin put together however when funding was appropriated for new Home made the decision to pull the RFP because we did not

want to through the process of leasing up space to a national wireless provider and then a few years down the road have to relocate, when we relocate equipment we lose a number of years rent which is compensation to the provider for moving the equipment. Mr. Tsapalis shared that he has been through this process before with the Chelsea Soldiers' Home and my experience in Chelsea we did get in while the building was still in design phase, these are not towers, this is equipment that is usually placed on the roof and we termed them small cell installation. He continued that what is occurring in Chelsea a metal shed on the roof, and they are in the same situation as you being on a hill overlooking the Boston Harbor, and has a slew of public safety equipment on its roof so the plan in Chelsea is this roof shed will be bifurcated within and the public safety equipment whether it be homeland security, local police, fire, state police, FBI would be on one side of the shed, the other side would be for private for profit wireless providers equipment. He continued that the shed is most visible symbol of the installation what is most important when you are designing the building is that you have the electrical capacity to allow both public safety providers and wireless provider to tap in, enough juice to power everything in the building plus the equipment. He explained that it is important to size the conduit because it is cored through the flooring slats so you have to have width to run the wireless provider cable besides everything else you use to run the building. Mr. Tsapalis shared that how all this occurs once its designed we will assume everything is as said, we would go out again for a competitive RFR for wireless providers. He continued that typically the existing law enforcement public safety providers would be put under license by the Home and the Home issues a one-year license, you don't have to charge them it is just to have something on file, and they can help with that. He continued that somebody general counsel take responsibility for that and we can provide technical assistance. He heard Mr. Chairman about substantial revenue, these revenues depending on your definition of substantial, we are in a 5G market now not a 4G market so a lot of these providers are getting out of the big real-estate footprint and because the equipment is much smaller it can be hidden in light post or hung on the side of a building there is interest, and we could sign a lease out to 30 years. Mr. Tsapalis stated that in Western Mass we have seen first year rent of \$24,000 with 3% escalate over 30 years adds up to a nice bit of change but the hospital only gets 40% by statute under the asset management board 50% has to go to the general fund, 40% to site (Soldiers' Home) and 10% would go to DCAMM for administrative purposes because we are going to manage the lease and collect the money. Mr. Fazio added that the current design is consistent with Chelsea in that we are providing for all of the current users which are about 12-13, most of which are government or utility organizations, serving public safety, some federal security apparatus on the roof, post office, HCC and some other emergency management users that use the roof, all are in current design which is about 300 sq ft on the roof dedicated to services. He continued that we have the Infrastructure to pull their service and install their equipment, He further explained that when we are talking about communications companies and potentially the revenue services we are not currently providing for that and if we are to provide for that, it could impact the facility, in commercial communication it is a much larger apparatus then we currently have provided for, and we would need to potentially revisit the design of the facility, the roof and the equipment working with the provider to incorporate that into the lease terms so if we are going to

use the roof for commercial purposes we will need to engage them now before we go out to bid the main project. Mr. Tsaparis explained that we don't have anybody right now and Chelsea was different because Verizon had been on-site for years, while it is being completed, in Holyoke we don't have a provider right now. Mr. Fazio shared that there were negotiations between 2019-2021 to bring somebody on board and when the design of the new facility began it was determined that we would not pursue those services on the building, up to this point we had not provided for any new services for the new building we would have to go back and look at that again and incorporate the provisions for that equipment if that service we need to provide. Mr. Tsaparis added we could use the Verizon at Chelsea but the new home will be operational in 5 years and the problem is that this technology turns over every 1-2 years, but may not be relative 4-5 years out.

Trustee Mass asked why are we not putting an RFP out now announcing that the building will be built 5 years from now so we can get their specifications and incorporate them into the design. Mr. Tsaparis replied that the problem is they are going to want them go up now they are not going to want to wait 5 years when they will find another location in this area. Trustee Mass said they will not find a comparable location. Mr. Tsaparis added If they really need the coverage they will not wait. Trustee Mass shared they may be planning. Mr. Tsaparis said that anything is possible but, in his experience, even when we go out with an RFP it can still take a couple of years because it is the state and it is more bureaucratic, he will feel out his contacts at T-Mobile and Verizon. Trustee Mass is concerned that it makes sense that it takes a couple of years, but if we build that into the building process really is only 1-2 years waiting and maybe we can cut some of that time out by planning for it now. Mr. Tsaparis stated that he will make some inquiries to see if it makes sense to the wireless provider community and he can report back to this committee. Trustee Lacoste asked Mr. Fazio since he is doing the build design and you will have to look at what would have to go in is this at the expense of any rooms that we would lose to run what will we need through the structure façade to get to the roof. Mr. Fazio replied that this will not impact on rooms we have plenty of internal space my concern is that the equipment that might be utilized by the communications companies could be a large structure built on top of the roof and we currently do not have any provisions for anything like that we would need to make sure it can be integrated structurally since the building does have a prominence in the valley we would not want it to distract from the appearance of the facility. Trustee Jourdain stated that this is exactly why he wanted to have this conversation because he is concerned were not having these discussions with the designers and he wants to run that log to have the team have those discussions and so it is all incorporated and wishing we planned for it, how do we connect you to them so it is part of the master plan, and we maximize the opportunity. He continued that maybe it is only \$2,000 a month but if you get 3-4 providers it could be serious money and he has been a part of the city of Holyoke that has negotiated deals like the water department where we have massive quantities of reservoir land and high areas that have actually go in one time payments in the beginning lump sum checks, in addition to monthly income and local churches with large steeples that have gotten significant revenue greater than the \$2,000. Trustee Jourdain added that you may be surprised

with our location some of the rates that are out there, just on the other hill from the Soldiers' Home is Scott's Tower and it is getting more than \$2,000 a month. Mr. Tsapalis said therein lies the problem with only 3 major wireless providers, T-Mobile who bought out Sprint, Verizon, and ATT if they have coverage on the hill behind you they do not need the Soldiers' Home. He continued that we do not know the gaps in the coverage, they will call him to seek out sites from the state and that has not been happening in in the last 3 years. He shared that they have put out many RFP's with no responses and would like us to be prepared that could happen. Trustee Jourdain stated that his is looking for to get you thinking about this topic and how it incorporates with our new building, and to begin to reach out and have those conversations to connect you to the right people. He continued that even if worst case scenario and we did not have an immediate vendor and hopefully this building will be here for 70 years just like this current building is and I would like it to be retrofitted so that we can accommodate the situation because I cannot think of a better location in the Pioneer Valley. Trustee Jourdain asked how much lead time to you think you need to begin to have those conversations, is it two years out from the opening. Mr. Tsapalis his questions for the major provider will be if they have major gaps in coverage or do you anticipate gaps in coverage the near future and if they say yes how immediate is your need and can you wait a couple years extra and how far out do you forecast. He continued that he has been running this program since 2006 and we do have many leases across the Commonwealth, whether it be the Chelsea Soldiers' Home, community colleges, department of public health facilities, and a tower at the in Shirley correctional complex. Trustee Jourdain asked if we can get a list of those government ones that you mentioned that there was a list of 12-13 that we currently have so I can report it out to the full board. Mr. Fazio will email the list to Mr. Lynch. Trustee Jourdain asked if we should touch base in 6 months. Mr. Tsapalis replied that we can touch base in the Fall after Labor Day.

### **Non-veteran license plate inquiry**

Trustee Mass reminded Trustee Jourdain that we were going to get information on the existing plate that isn't really being appropriated for its intended use. It is the "We the People" plate. Trustee Jourdain will reach out to them and report back.

### **CFO Annual Evaluation Due by June 3, 2022**

Trustee Jourdain shared that Chairman Keefe requested the board to send him any feedback. Mr. Lynch said he is looking forward to the process and getting feedback from the board. He has been here just over a year he came into the Soldiers' Home leaving a position he loved and with people that I loved working with, and he believes in serving the public. He continued that he came to the Soldiers' Home excited and with a strong drive and wanted to help veterans. He only knew what was reported in the media and he walked in the door and my goals for the first year were to identify any needs, challenges, or opportunities that he saw within the Homes finances and their team. Mr. Lynch wanted to make sure that we were compliant and responsive with all requests for oversight agencies which many. He continued that he wanted to make sure we performed well in audits, and if we didn't, we identified issues and corrected them, I wanted make sure that training and culture so that employees would come to

work and truly enjoy working with this team and creating a new vision for the future. With the opportunities the Home is facing we were really still within the pandemic that caused so many changes in the Home he wanted to make sure that the budget was managed appropriately with a short and a long-term vision. He also wanted to make sure that regarding in COVID19 that the Finance team was doing everything they can do to make sure they were doing everything that we can to make sure the Home had the correct type of PPE and quantity, short and long term. Mr. Lynch said those were his goals to make sure working with the Board to make sure that we could build a strong relationship and to impact veteran in a positive way and maintain good communication. Mr. Lynch gave the example of earlier tonight regarding revenue that we can have this conversation and make what we are doing makes it a better place. He continued that those were his goals coming into the home and a lot remain with me today of what I see in the Home short term and long term. Trustee Mass asked how would you evaluate yourself as to reaching those goals and where have you found obstacles for reaching those goals and what are your plans for overcoming obstacles in the coming year. Mr. Lynch replied that we have made incredible progress there are really talented individuals at the Home and he is excited about training opportunity that have taken place, excited about the support of the new staff, support from leadership, support from other individuals at the Home and the oversight agencies. He believes that the budget has been managed in a way that responds to short terms needs and challenges and also plans for the future, we are looking at finance as a way to get the most value out of our dollars that are appropriated to us, we always want to make sure we are getting high quality supplies and services. Mr. Lynch stated that at the end of the day we are here to serve the public and the veterans so everything that we do we want to make this the best place it can be. We have done really well in terms of managing the budget, and in responding to oversight agencies and audits, we have done well with training with staff development and adding staff. Mr. Lynch stated that his relationship with the board is a strong one with open communication and good conversations and we have made progress and achieved putting a spending plan in place. He continued that we learned from it and we can make it better each and every year and make in a way that it impacts the veterans in a positive way. He is pleased with what has taken place since he has walked in the door and is excited about what is to come and the direction we are headed in, we are making a huge difference. Mr. Lynch said that this is an exciting time and he is thrilled to be in this position and thinks that this past year has been good, and going forward it will be great. Trustee Mass asked if he has any changes in your goals for the coming year. Mr. Lynch thinks he wants to review the internal control manual, this is something every state agency has and wants to make sure that it is robust and up to date and in compliance with the comptroller best practices. He continued that the new employees have the best training opportunities possible and to continue to be compliant with state finance law and best practices and make sure day in and day out we are compliant.

Mr. Lynch shared that we started to navigate from a paper system and we have these digital opportunities, we have not implemented all of them because they are changing and right now our team is in the building every day and paper is the primary way to review and approve quotes or transactions. He continued that 95% of our invoices are

sent to the Home electronically and 70-80% of quotes are done the same way, sometimes we have contracts that are physically signed, we have the ability to sign digitally so this a challenge and an opportunity to figure out how to put that into the day to day. Mr. Lynch continued that looking forward a year or so how does EMR look like. He continued that in the past year we have raised the bar and we will raise it again this year with things that will make us stronger.

Trustee Lacoste stated that Mr. Lynch has touched on everything they have discussed already and that she sent her statement to Trustee Jourdain.

Trustee Mass stated that he will discuss his notes with Mr. Lynch before he sends them to Trustee Jourdain.

Trustee Jourdain asked in the Finance team who is under you and if he could walk through the team and their positions. Mr. Lynch replied that we have posted for the Budget Director position. He continued that we have 3 teams, the accounting team with Mr. Giordano who is the Accounting Supervisor and he had 1 accountant and recently hired a second accountant her name is Rose Goyette. He continued that we have Treasury team with an Account 1 and a Clerk and the Central Supply team which has 2 storekeepers and 1 buyer the buyer is the supervisor of that team. Mr. Lynch shared that they are looking to hire a Medical Buyer that will be part of the Central Supply team. He continued that we have may types of contracted services i.e. barber, services and we have a UMASS billing team that works out of the Home processing Medicare and Medicaid payments so they indirectly report to him. Trustee Jourdain asked for Mr. Lynch to send the organizational chart, Mr. Lynch replied yes. Trustee Jourdain stated that they would like to have the building certified for Medicare for billing so what steps or business plan do you have in place to begin to move us in that direction. Mr. Lynch replied that is one of the goals at the Home and we plan to have in place prior to moving into the new building, he believes that DVS has started to research a consultation service to outline some of the first steps that we can get on this path, this is a top priority, and our goal is to be certified. Trustee Jourdain thinks it would be important to have benchmarks for the next year that we can see steps so could you show us the benchmarks. Mr. Lynch said he can give the committee quarterly reports.

Mr. Giordano added that he has been at the Home for 6 years and Mr. Lynch is the 3<sup>rd</sup> CFO that he has worked for. He continued that from his past experience that his past year he is a great asset to the home and to myself and with his strong financial background working for the state in his previous position and I glad to have him here that the Soldiers' Home and he has made great strides in our team.

### **Review of FY22 Trustee Fund Spending Plan/Budget**

Trustee Jourdain asked Mr. Lynch if he had any additional information. Mr. Lynch replied that we are in a good place with our spending plan for FY22 the goal is to build a plan that the Home received more donations than what we have spence and if an opportunity came up where we need to over expend that is what we have the fund for.

He continued that he mentioned at the Board meeting that we have just over \$42,000 in donations and \$34,000 in expenses so far this year.

Mr. Lynch reviewed the FY23 spending plan side by side comparison document that he sent to the Board. He continued that looking at FY22 we still have to enter donations through May and June and June expenses. He shared that you can see considerably less than what the spending plan was, we saw in the analysis spending over prior years has been night and day. He continued that we are funding the right types of activities. Looking forward to the FY23 the spending plan he provided a descriptor of the activities you can see some changes we have reduced the overall plan \$100,000 to \$80,000, we saw two activities hit the reserve amount discussed one for relocation exercises which we did not anticipate that this type of reserve this could fund and the other was a budget transfer relating to subscriptions in IN2L and we can go line by line to review the breakdowns you will see entertainment staying the same because we talked to Ms. Feyre and we want to continue to progress and to have entertainment more regularly with different types of groups. Mr. Lynch shared that we have two bands in June with this being one of the most pivotal categories in our spending plan. He continued that subscriptions went up by \$850 and we renegotiated IN2L subscription and we also have the Holyoke Chamber of Commerce annual dues under subscriptions. Mr. Lynch explained that memorials includes patio pavers, tree of life inscriptions so you see a reduction of \$800 and we are at almost \$900 now, prior year audit fees \$10,000 this upcoming year on a two year cycle, about \$5000 or less, holiday expense gifts or meals, He stated that the QuickBooks charges went up \$20 over the previous year being \$85 per month fee, volunteer activities is slightly adjusted we have had no expenses yet because we are just getting back to having volunteers in the building there was talk of a volunteer banquet in the future. He also stated that they left travel in here because in case a trustee would like to attend one of the NASVH conferences as well. He continued that we have events and supplies relating to petty cash which could also relate to the trustee picnic, bingo is very consistent, equipment is the one item that is zeroed out for this upcoming plan because any type of equipment that is needed for the Home can fund through state appropriated funds if there is a unique piece of equipment that changeling getting through supply chain then we can use legacy fund. Mr. Lynch would like to have the plan approved by the full board by July 1. Trustee Jourdain asked if there could be an amendment for is the 5-year audit is \$15,000 he does not know if a two-year audit, we may want to budget \$7-7,500 there in place of \$5,000 because that could be cutting it close, maybe we can work a deal with the same firm that may be able to do it. I think we should put \$7,500 in that line. He added we are being good stewards of the money and that is why we are spending less on things we do not have to fund. We are being fully funded for the Home for the things we need, and we can build something big and build the endowment for the future of the facility so it can be here 50-70 years from now. Trustee Mass stated that a reduction in volunteer activities was a place holder last year. He would also like to see the subscription line item doubled so we can look into subscriptions for more programming i.e. cable, streaming services, large print magazines, we could take it out of the Legacy Fund if we need to. He added with the COVID 19 crisis one of the things that happened is the elimination of the aviary and that was one of the most popular features of the Home and



I am not sure that it can come back but would like to start thinking about a line item for exploring new projects for animal therapy for the residents. May not be for this year but for future event for our residents. Trustee Jourdain agreed doubling to \$10,000 would be fair. Mr. Lynch updated the spending plan so new total is \$86,500. Mr. Lynch mentioned that we currently have a service dog that comes into the building and the point on subscriptions and that has been part of our discussion and to have that flexibility built into the plan. Trustee Jourdain asked if the residents are allowed to have the birds back, Mr. Lynch will ask what happened and what is going on. Trustee Lacoste added that it was an infection control issue. Trustee Mass added maybe a fish tank, just to start the conversation.

Trustee Lacoste motion to approve with updates of Subscriptions being \$10,00 and Professional being \$7,500. Trustee Mass seconded, no discussion all in favor, the motion is passed unanimously.

### **Report from CFO on status of tablet access for all residents**

Mr. Lynch reported that we have 170 tablets with 38 currently being used. He continued that all of the veterans and new admissions are offered a tablet. Mr. Lynch shared that some families have subscriptions for their veteran. He continued that some of the tables are new in box and some previously issued. Trustee Jourdain stated if there is some type of programming support let us know.

### **Westfield Bank Checking Account balances**

Mr. Lynch shared that the balance is \$258,611.07. Trustee Jourdain asked how does that compare to last month and Mr. Lynch responded he believes the balance was \$262,000 balance one of the expenses were entertainment, bingo and IN2L for a large amount. Donations have been averaging \$3,000 per month and this past Saturday the American Legion Post 138 out of Spencer MA they did a motorcycle ride and came by the Soldiers' Home, and they provided a donation of \$1,000 to the trustee fund. Trustee Jourdain asked who does the thank you cards when we get these types of donations and do you need any materials for that. Mr. Lynch replied that the administrative staff prepared the thank you letters and Mr. Lazo signs. Trustee Jourdain asked if the \$258,611 total includes what he signed today, Mr. Lynch replied no those checks have not been cashed by the recipients yet.

### **New Business**

#### **A review of any new requests for expenditures from Trustee Fund**

Mr. Lynch stated two new requests for approval are entertainment and bingo for June. Bingo for \$100 and entertainment is \$4,850 which includes two bands plus 16 entertainers.

Motion was made by Trustee Mass and seconded by Trustee Lacoste. Unanimously approved.

### **Trustee Picnic logistics for August 9, 2022**

Trustee Jourdain confirmed the date of August 9 and if Mr. Lynch needed a budget from us for the picnic, Mr. Lynch has no concrete numbers yet there will be a DJ for the event, a second grill, propane, and steaks were from Trustee Fund and the expenses would be similar. Trustee Jourdain suggested two options for the budget. One being wait until the June special board meeting or make a motion to spend up to a certain amount.

Trustee Lacoste made a motion to authorize up to \$3000 for the August 9 Trustee picnic, Trustee Jourdain seconded. Unanimously approved

Trustee Jourdain added that there is not June or July Finance Committee meetings.

Motion to adjourn was made by Trustee Mass and seconded Trustee Lacoste. It was unanimously voted to adjourn the meeting at 7:03pm.

Respectfully submitted,

Kathleen Denner  
Acting Secretary for the Board of Trustees

Attachments:



BOT May  
Finance  
Data April  
2022



FY23  
Trustee  
Fund  
Spending...



Petty Cash  
7-23-20 to  
5-10-2022