

**Fitchburg State University**  
**Finance & Administration Committee**

Minutes of Meeting

Held at Fitchburg State University  
Fitchburg, Massachusetts

On

January 23, 2012



MINUTES OF THE MEETING HELD ON TUESDAY, JANUARY 23, 2012 AT 10:00 A.M.

FITCHBURG STATE UNIVERSITY BOARD OF TRUSTEES  
**Finance and Administration Committee Meeting**

**President's Conference Room, Sanders Building  
300 Highland Avenue, Fitchburg, MA 01420**

Committee Members Present: Carol Vittorioso, ex-officio

Trustees Present: Beverly Farias, Robert Pontbriand

Also Present: Robert V. Antonucci, Jay Bry, Gail Doiron, Cathy Daggett,  
Kelli Lundgren

President Robert V. Antonucci welcomed everyone to the meeting. He clarified that this would be an interim Finance Committee Meeting. It was noted that it would be a conflict to have Mr. Martin Connors and Mr. Anthony Mercadante present at this meeting as we were to discuss moving finances from the Commonfund to other financial institutions. The meeting was called to order by Ms. Vittorioso at 10:00 a.m.

Upon a motion duly noted by Ms. Beverly Farias and seconded by Mr. Robert Pontbriand, it was

**Voted:** to have Ms. Vittorioso serve as the Interim Chairman for the Finance Committee  
**(3-0)** for this meeting only.

Upon a motion duly noted by Mr. Pontbriand and seconded by Ms. Vittorioso it was

**Voted:** to approve the Finance and Administration minutes of the meeting held on  
**(2-0)** October 18, 2011 as presented. Ms. Farias abstained from the vote.

President Antonucci made the Board aware that the reason for this meeting was to discuss university investments. He mentioned there was some history regarding this discussion as this process had been discussed about one year ago and it was decided then that there may be a conflict of interest with Mr. Connors, as he is employed by Rollstone Bank and Trust. Rollstone Bank and Trust is one of the institutions that the university is considering transferring funds. The conversation was tabled until today's meeting. Since the potential conflict, Mr. Connors went through a very costly and lengthy legal process to assure there was no conflict. Mr. Connors proceeded with this process on his own time and with his own funding and has

received approval from both the State Ethics Committee and the Governor; there is no conflict with Mr. Connors being on the Finance committee. There may be a trickledown effect to Mr. Connors' deferred Compensation plan whereby he may benefit up to \$400, which he has agreed to reimburse the Bank, per his agreement with the Governor. He and Mr. Mercadante will have to abstain from any votes that will determine where the funds are allocated.

A question was raised whether we have the decisions in writing, the president assured the board that we do have copies, but copies were not given to the Board as Mr. Connor's compensation is listed in the paperwork.

President Antonucci then explained that we did request RFPs (Request for Proposals) from several financial institutions so that the returns, etc. could be reviewed. He then referred to the handouts that Mr. Jay Bry prepared for the meeting. The Foundation funds have already been moved from Commonfund to other institutions, and we are currently seeking to do the same with the university funds. The information on the handout is only an overview; the \$13.8 million in university funds still resides with Commonfund.

Ms. Cathy Daggett then stated that the Foundation has 2/3 permanently endowed funds and that the university does not have much endowed funds. She also wanted to clarify that the amounts on the handout vary slightly due to fluctuating interest, etc. She mentioned the importance of fluidity of the funds as the university may need access to the funds for capital projects, etc.

There was a discussion on past investments.

The president then mentioned that our investments are fragile and we have a big obligation to assure they are resting in the correct institutions. He also clarified that we, of course, cannot control the market, but if we do our due diligence, we are protected.

Ms. Vittorioso questioned whether there would be any penalties for withdrawing the \$13.8 million from Commonfund. Ms. Daggett stated there is no penalties and that there is one day per month that we are able to shift funding as long as notice is given.

President Antonucci said he believes that enough thought has been given regarding moving the funds from Commonfund and that a motion to transfer funds should be entertained.

Upon a motion duly noted by Mr. Robert Pontbriand and seconded by Ms. Beverly Farias, it was

**Voted:** to transfer funds out of Commonfund and into alternative institutions.  
**(3-0)**

President Antonucci then stated the second part of the discussion is a bit more involved. We now need to consider where to transfer the funds. He is recommending moving some assets into smaller local institutions and some into national institutions. We do currently have some funds with local institutions, and although their fees tend to be a bit higher, they provide us

with excellent customer service and we get the attention deserved. The president then asked Ms. Daggett to clarify which institutions we currently have a relationship with. Ms. Daggett mentioned we currently have relationships with Workers Credit Union, Fidelity (local) and Enterprise. When asked about TD Bank, Ms. Daggett said we do not have any investments with them, but we do have investments with Sovereign as they provide service with no fees. We had requested RFPs from local institutions for our banking services, Sovereign offered no fees. It was also noted that the university currently has funds invested with MMDT (Massachusetts Municipal Deposit Trust), however that fund does not have a good return and we may look into moving those funds at a later date to an institution where there is a higher return.

President Antonucci would like to explore the institutions where funds may be allocated. He would like to see some transfers remain local and others to be national. In the past, we had considered Rockland Trust (North Shore), Northern Trust (Boston) and Eaton Vance. We chose Eaton Vance, who has a good return. However, Eaton Vance is a huge institution and we are considered a "small" customer. Therefore the customer service is not great. Ms. Daggett stated they are responsive, but seem "hands-off" in regards to our funding. We are assigned an Account Manager; however we are not getting the proper attention. Ms. Vittorioso stated that if each account manager is handling a certain dollar amount, it makes our funds much bigger.

President Antonucci stated that he would like Mr. Bry and Ms. Daggett to meet with Rockland, Northern and Eaton to establish the best options for our funds.

When asked if we have ever had relationships with Northern or Rockland, Ms. Daggett stated that Northern did handle the Amelia Trust and we did not have any problems with them. They were very helpful when that trust closed and even supplied her with 12 months of records. She stated we have not had any relationship with Rockland.

President Antonucci then stated that the allocation amounts in the handouts are not set in stone, and may change. He would like to discuss this again at the February 7<sup>th</sup> Board meeting in executive session.

Ms. Vittorioso stated she thought it was a great idea to have our funds distributed to two local institutions as well as one national. We, as a board just need to determine where to allocate the funds.

President Antonucci then referenced the two additional handouts, which outlines where our investments are allocated for both the foundation and the university. It was noted that we have made limited money from the Commonfund. Ms. Daggett confirmed and said they are in line with the market. Ms. Daggett also expressed that it is important to keep the liquidity of our earnings so that we have access if need be.

President Antonucci then thanked the Board, and asked for questions. There were none.

Upon a motion duly noted by Ms. Farias and seconded by Mr. Pontbriand it was

**Voted:** to adjourn the meeting.  
**(3-0)**

With no further business before the committee, the meeting was adjourned at 10:38 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carol Vittorioso", written over a horizontal line.

Carol Vittorioso  
Ex-Officio, Finance and Administration  
Board of Trustees



