

Fitchburg State University

Board of Trustees

Minutes of Meeting

Held at Fitchburg State University
Fitchburg, Massachusetts

On

October 16, 2012

Minutes of Meeting Held on October 16, 2012 at 12:15 p.m.

FITCHBURG STATE UNIVERSITY BOARD OF TRUSTEES MEETING

Tuesday, October 16, 2012

12:15 p.m.

Hammond Tower 214

160 Pearl Street, Fitchburg, MA 01420

Trustees Present: Robert Babineau Jr., Anna Maria Clementi, Martin F. Connors, Jr., Nathan Gregoire, Donald Irving, Michael Mahan, Anthony Mercadante, Frank O'Donnell, Gladys Rodriguez-Parker, Carol Vittorioso

Trustees Absent: Cynthia Stevens

Also Present: Robert V. Antonucci, Robin Bowen, Jay Bry, Stan Bucholc, Cathy Canney, Cathy Daggett, Gail Doiron, Sean Goodlett, Chris Hendry, Kelli Lundgren, Jessica Murdoch, Michael Shanley, Steve Swartz

The meeting was called to order by Chairman Vittorioso at 12:15 p.m.

Chairman Vittorioso opened the floor for public comments. There were none.

President Antonucci welcomed our two new Trustees, Michael Mahan and Donald Irving, to the first meeting of the academic year.

The consideration of the minutes from May 8 and July 25, 2012 were presented. There was a small change to the July 25 minutes related to the approval process for the Gaming major. This change was reflected in the final approved minutes.

Upon a motion duly noted by Mr. Mercadante and seconded by Dr. Babineau it was

Voted: to approve the minutes of the meetings held on May 8, 2012 as
(8-0) presented.

Upon a motion duly noted by Mr. Mercadante and seconded by Mr. O'Donnell it was

Voted: to approve the minutes of the meetings held on July 25, 2012 as
(8-0) presented.

Mr. Mercadante next gave the Finance and Administration report. He said the committee met with the auditors from Ercolini & Company, Inc. - Mr. Jeff Caputi, Mr. Philip Weitzel and Mr. Jay Kaufman, that morning. He said the booklet includes the formal financial statements and analysis. The committee discussed the audit in complete detail and it is a "clean opinion." There were no findings with the Financial Aid audits or internal controls. There was no need for a management letter.

Mr. Gregoire joined the meeting at 12:20 p.m.

There was a brief discussion regarding the audits. Mr. Mercadante stated that the university appeared strong and from an operating standpoint, we are operating similar to last year. He also stated that the Foundation and Supporting Organization also received clean opinions.

Ms. Rodriguez-Parker joined the meeting at 12:25 p.m.

Mr. Connors asked if we could get a management letter. President Antonucci requested that Ercolini and Company provide a management letter that reflected a clean audit. Ms. Daggett will follow up.

Mr. Mercadante mentioned Government Auditing Standards Board (GASB) 61 standard will be in effect next year and will show the university and Supporting Organization statements as a combined report. He also mentioned GASB 68, which will be in effect in FY2015, and will require universities to pay a share of the pension for employees. There are some concerns that universities will have to confirm this amount, and also some faculty members' work at multiple institutions, which further complicates the issue.

Upon a motion duly noted by Mr. Mahan and seconded by Mr. Gregoire it was

Voted: to accept the Audit Report for the fiscal year ending June 30, 2012.
(10-0) (04-12/13)

President Antonucci recognized Jay Bry, Vice President of Finance & Administration, Cathy Daggett, Director of Financial Reporting; and the entire financial team for a job well done.

President Antonucci next presented his goals. They are as follows:

***President's Report to Trustees on
Goals for 2012-2013 Academic Year***

Overview

Each year at this time I present goals to the Board of Trustees for the current academic year. What follows is a prioritized selection based on level of importance to our larger mission of advancing the university to ever-higher levels.

Goals

Lead the university in an effective and efficient manner, and administer the daily operations of the university with a primary focus on excellence and quality. This is a goal I include each year as it represents a macro view of leading a complex organization with an \$80 million budget and more than 600 employees. Among the many focal points are fund raising, capital needs, foundation and trustee boards, collective bargaining, professional development, sustainability, public relationships, alumni affairs, and community outreach.

Oversee the opening of the science center.

Our first new academic building in decades is slated to be completed by next summer. It will represent more than a long-awaited, high-quality space for the sciences; a host of opportunities will arise, and it is critical that we take full advantage of them.

Integrate the recommendations made by the New England Association of Schools and Colleges (NEASC) in their final report.

Last March, a team from the association visited the university to validate and review our self-study. From the beginning of this lengthy process our goal was to earn another full 10-year approval. We recently learned that we have indeed been granted full approval. However, as is generally the case with NEASC reports, there are recommendations regarding interim steps they would like to see taken. Over the next few years the university will be addressing those issues as we continue our efforts to be on the cutting edge of regional and national standards.

Maintain enrollment levels.

In recent years the university has returned enrollment to optimal levels, allowing us to sustain necessary fee income while retaining our “small college environment.” Local, regional and national forces all play a role in influencing enrollments. We must stay abreast of the myriad competitive and demographic forces at work.

Ensure campus-wide adherence to the Department of Higher Education’s Vision Project and other proposals emanating from the central office.

A sea of change is occurring on both the state and national levels, as colleges and universities are mandated to devote ever-larger portions of time and resources to assessment, economic development, retention and completion rates, workforce alignment, cooperative agreements, achievement gaps, civic engagement, exam pass rates, and other such initiatives. The university has, of course, long been engaged in such efforts, but Massachusetts has now codified and targeted funding via the Vision Project. We must remain actively involved, and ever-poised to meet new challenges.

Continue to enrich the teaching and learning environment through the thoughtful expansion of technology.

Few could have predicted the extent to which technology has overtaken the teaching and learning experience. Techno-revolutions are occurring with stunning regularity, impacting budgets, staffing and the fundamentals of long-held educational theories. Success will go to those who can straddle the line between boldness and prudence.

Address capital needs.

The science center, the Hammond project, the Miller faculty offices, and the Highland Avenue plaza are just a few of the modernization projects underway or recently completed. These efforts will positively impact the larger university experience. We will continue to explore options to finance other projects as part of our capital plan. We have an aging infrastructure and need to aggressively address the many needs that remain.

Oversee implementation of proposed new major in game design.

Early in 2013 we anticipate receiving approval for our first new major in years. Building on our strength in Communications Media, there exists the opportunity to become a driving force in this exciting new field.

Continue enhancement of development and alumni relations.

On the heels of our successful capital campaign, we have renewed our ongoing effort to strengthen our approach to fundraising and alumni relations. Key activities will begin with assessment of the annual fund, major gifts, grants, and alumni engagement.

Conclusion

As I have said since my first day as president, the student learning experience is what the university is all about. We are here because of students. We are here to ensure that their educational needs are met at the highest levels of excellence. We are here because we believe that our institution is among the best in its class, and that its future remains bright. We need to demonstrate this through action and results. I believe in this university, in what it does, and its limitless future.

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President Antonucci next discussed his goals in detail. The president was hoping that he would have received the official accreditation letter; however it has not been received to date. He did receive a phone call stating Fitchburg State's next accreditation will be in 10 years. We have a press release ready when we receive the official notification.

In regards to enrollment, the president said we are currently at 3,250. We like to have enrollment be between 3,600-3,800, but there is competition. The economy helped us with enrollment numbers.

In conclusion, the president stated he is running the institution day-to-day operations as always, with students at the forefront. Their safety and student experience is our main focus.

Upon a motion duly noted by Mr. Mercadante and seconded by Ms. Clementi it was

Voted: to accept the President's Goals for the 2012-2013 academic year.
(10-0) (05-12/13)

Mr. Bry then discussed the Hammond Building and the next steps. Phase I-I-B is complete and phase 2 is in progress and includes the air handler and roof. The next phase is Phase 3, which will continue the renovations on the campus center side and the library, the main lounge, meeting rooms, additional restroom facilities, game room, and the alumni rooms. This phase is set to start in March 2013 and is scheduled to be completed in December 2013.

Mr. Connors stated the \$20 million spent over the summer was borrowed and the university will be responsible to pay it back, but that the \$6 million from DCAM will not be paid back; however, that amount will still show on the books.

Mr. Gregoire then asked where the game room will be located to which Mr. Bry replied that it will be located where the alumni rooms are now. The meeting rooms will then be located where the archives are currently.

There were no further questions.

Upon a motion duly noted by Mr. Mahan and seconded by Mr. Mercadante it was

Voted: to accept the following resolution.
(10-0) (06-12/13)

MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY

FITCHBURG STATE UNIVERSITY

HAMMOND CAMPUS CENTER

Description of Project

- (a) The carrying out of preliminary work, including obtaining cost estimates, revenue estimates, preliminary design specifications, feasibility studies, surveys, and site analyses to determine the feasibility, approximate size, scope, purposes, location and other characteristics of any building, structure or facility the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide;
- (b) The renovation of the Hammond Campus Center as described herein including building systems and components, furniture, and equipment primarily for the use by students and staff of the University, and their dependents, and which the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide; and
- (c) The carrying out of improvements, renovations, and other work on and the provision and installation of furnishings, fixtures and other equipment for other buildings, structures, or facilities the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide.

Project Overview

- Project is the continuation of the renovations at the Hammond Campus Center building. This work will include areas on the Street, Ground and First levels in the Campus Center which have not yet been renovated. Street level renovations include bathroom upgrades and conversion of the former commuter lounge, FAB, club and student leadership offices into new meeting rooms and archives. Ground floor renovations include new archives mechanical room, game room, art gallery, alumni meeting rooms, and student academic life office suite, as well as fire protection in the Ellis White lecture hall. First level renovations include bathroom upgrades, new meeting rooms and updated event space/main lounge. Scope of work in all of these areas includes new finishes (floors, walls and ceilings), lighting, fire alarm, HVAC ductwork and controls, and fire protection.
- The University has provided \$500,000 as initial funding for pre-design exploratory work and the design phase. The project revenue source will be an increase in general student fees not to exceed \$275.

INDICATOR	PRIMARY RESERVE	VIABILITY	RETURN ON NET ASSETS	NET OPERATING REVENUES
Target	25.0%	>1.0	3.0% – 4.0%	2.0% - 4.0%
Fitchburg (FY11)	48.4%	1.4	19.7%	9.6%

Project Budget and Schedule

Budget

Total Project Cost	\$ 11,000,000
Project Fund Deposit	11,000,000
Cost of Issuance/Reserves	(1,400,000)
Total	\$12,400,000

Schedule

Design Started	August 2012
Construction Started	March 2013
Occupancy Completed	November 2013

Mr. Bry then talked about the parking expansion vote. The Foundation purchased the property on the corner of Ross Street and Highland Avenue. The house currently residing on the property will be demolished and parking will expand for both the Ross Street lot and McKay by approximately 150 spaces. The space will be evaluated before parking designation will be assigned.

Mr. Gregoire asked whether the student parking fees will be increasing with this project. Mr. Bry assured him that the parking fees would not increase. Mr. Gregoire mentioned one of the biggest resident student complaints is about parking and why it's so far away from their classes. He stated that he feels commuter students should be able to park closer to campus as they commute to the university, where resident students are already on campus and don't need to search for parking.

Mr. O'Donnell asked if there had been any thought about putting in a parking garage on campus. Mr. Bry stated that option has been explored and is in the long term plans of the university. President Antonucci mentioned that the MART lot is never full and is an option for student parking. The problem with parking there is that there is an extra fee for students, stated Mr. Gregoire. Ms. Vittorioso also thought it must be somewhat of a liability to use that lot.

The President mentioned that one of the biggest complaints from students resolves around parking. Students don't consider the Civic Center as a parking lot, but they have to consider that as a viable option. Mr. Gregoire agrees the Civic Center is a great option for parking.

There was no further discussion.

Upon a motion duly noted by Mr. Gregoire and seconded by Mr. Mercadante it was

Voted: to accept the following resolution.
(10-0) (07-12/13)

FITCHBURG STATE UNIVERSITY

REQUEST FOR TRUSTEE ACTION

To: Board of Trustees Date: October 16, 2012

From: Dr. Robert V. Antonucci, President

Subject: Approval for Hammond Center Project, Phase 3 and Parking Expansion

RESOLUTION

1. The Board of Trustees (the "Trustees") of Fitchburg State University (the "State University") hereby approves the project (the "Project") described in EXHIBIT A hereto and the cost thereof approximately as presented to this meeting and otherwise substantially as presented to this meeting.
2. The Trustees hereby approve the pledge by the Board of Higher Education pursuant to the first paragraph of Section 18A of Chapter 703 of the Acts of 1963, as amended, to secure bonds (the "Bonds") issued by the Massachusetts State College Building Authority (the "MSCBA") to finance the Project (which Bonds may be issued together with or separately from bonds issued by the MSCBA for other purposes), of the following: (a) an amount, not to exceed one-fourth (1/4) of the average annual debt service on the Bonds, of funds held as trust funds for Fitchburg State University under the provisions of the Clause (e) of Section 22 of Chapter 15A of the Massachusetts General Laws, the particular trust funds, gifts, grants and trusts and the amount from any particular trust fund, gift, grant or trust to be so pledged to be determined by the President of the State University in consultation with the Executive Committee of the Trustees, and (b) funds made available for expenditure on behalf of Fitchburg State University pursuant to an appropriation made by the General Court or otherwise available for expenditure by the Board of Higher Education.
3. Pursuant to Section 22 of Chapter 15A of the Massachusetts General Laws, as amended, the Trustees hereby delegate to the President of Fitchburg State University the power, and hereby authorize the President of Fitchburg State University, in consultation with the Executive Committee of the Trustees to do all things necessary or desirable in connection with the carrying out of the Project, the Bonds, the payment of and security for the Bonds and all other matters authorized by this Resolution, including without limitation the approval acknowledgement, execution and delivery on behalf of Fitchburg State University of contracts, certificates and other documents.
4. The President of Fitchburg State University and all other officers of Fitchburg State University and all other officers of the Trustees, each of the foregoing persons acting alone, are hereby authorized to do all things and take all action as the person so acting shall, as conclusively evidenced by the doing of any such thing or the taking of any such action, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

EXHIBIT A

MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY

FITCHBURG STATE UNIVERSITY

PARKING IMPROVEMENTS

Description of Project

- (d) The purchase by the Authority of parcels of land, if required, in the vicinity of the campus of Fitchburg State University, Fitchburg, Massachusetts; and the transfer by the Authority to the Commonwealth of Massachusetts (the "Commonwealth") of said parcels of land;
- (e) The leasing by the Authority, as lessee, from the Commonwealth (or an entity authorized therefor), as lessor, of parcels of land owned by the Commonwealth in Fitchburg, Massachusetts, for Fitchburg State University (the "University");
- (f) The carrying out of preliminary work, including obtaining cost estimates, revenue estimates, preliminary design specifications, feasibility studies, surveys, and site analyses to determine feasibility, approximate size, scope, purposes, location, and other characteristics of any building structure or facility the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide;
- (g) The construction of parking improvements, consisting of either surface parking, structured parking, or a combination thereof, primarily for the use by students and staff of the University, and their dependents, and which the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide; and
- (e) The carrying out of improvements, renovations, and other work on and the provision and installation of furnishings, fixtures, and other equipment for other buildings, structures, or facilities the Authority is authorized by Chapter 703 of the Acts of 1963, as amended, to provide.

Project Overview

- Project is the improvement or construction of parking capacity to the Ross Parking Lot and the McKay Parking Lot.
- The project revenue source will be student parking fees.

INDICATOR	PRIMARY RESERVE	VIABILITY	RETURN ON NET ASSETS	NET OPERATING REVENUES
Target	25.0%	>1.0	3.0% – 4.0%	2.0% - 4.0%
Fitchburg (FY11)	48.4%	1.4	19.7%	9.6%

Project Budget and Schedule

Budget

Total Project Cost	\$2,500,000
Project Fund Deposit	2,500,000
Cost of Issuance/Reserves	400,000
Total	\$2,900,000

The president then mentioned that the Conflict of Interest acknowledgements are due on an annual basis. Ms. Lundgren will send the Conflict statement to all Board members. They should be completed and returned to her as soon as possible.

President Antonucci then continued with his report. He mentioned we had a great school opening and has asked three of the Vice Presidents to provide an update on their respective areas.

Dr. Bowen started with the Game Design update. There was a team of external reviewers on campus last week and we should receive their report shortly. Dr. Bowen was hoping to have approval by December, but it will probably be in January. We are hoping to have the Game Design major available to students next fall. There is also an internal review going on now for a new Chemistry major, which will hopefully be available in the fall of 2014.

Dr. Bowen also announced that we have received \$230,000 from the BHE for a developmental math program. This grant will require students to start taking math immediately and continuously until their math requirement is fulfilled. The grant will also allow us to purchase an “alert system” that will allow a report to be generated to students so that they can evaluate how they are doing. This will also allow a professor to send a personal message to students with recommendations so that they can improve in areas needed.

Mr. Hendry then gave an overview of Alumni and Development.

Fund raising – They are in the midst of the phone-a-thon. The golf tournament was very successful and fund raising is 7 percent ahead of last year, however, final figures will not be evaluated until December.

The Capital Campaign was a success and now the office is determining how to move forward. There is a process that has been implemented for prospect screening, which identifies top donor potential.

Mr. Hendry also mentioned they have two open positions in the Alumni and Development Office; one is the Executive Director of Development, which will focus on major gifts. The other is a junior fund-raising position, focused on the private side.

There are several openings on the Foundation Board and if anyone feels they know a good candidate for the Board, please contact Mr. Hendry directly.

He also mentioned the 50th Anniversary of Nursing will be held on October 20 with approximately 160+ alumni in attendance; the largest in ten years.

Ms. Rodriguez-Parker left the meeting at 1:02 p.m.

Mr. Bry then gave a quick overview from Finance & Administration. Now that the audit is complete, the finance group is ready to start the FY2014 budget, while continuing to monitor the current budget.

Building updates:

- The science center construction is going well
- A portion of the quad and Edgerly Hall porch are complete
- Miller phase 2 is also complete and the elevator will be complete in the spring

- The Exercise science lab on 155 North Street is complete
- There are approximately 10 classrooms with new furniture
- The campus center is moving to phase 3
- Working on expanding parking

President Antonucci then updated the Board on various projects and commented on the enclosures included in the packet. They are as follows:

- The updated anti-violence policy
- President Antonucci was recognized by the YWCA with the "Great Guy" award
- Board of Trustees self-assessment
- Sub-committee members
- Residence Hall occupancy report
- Commissioner Freeland letter re: evaluation of the President
- Goals and evaluation from 2011-2012
- Letter from James Cox
- News articles

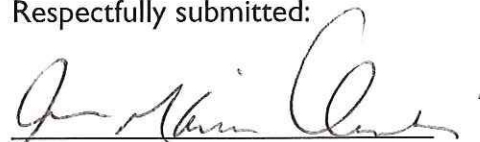
Ms. Vittorioso discussed ideas on sub-committee members, and will send an email to the Board for feedback.

Ms. Vittorioso requested a motion for the Board of Trustees to go into Executive Session.

Upon a motion duly noted by Mr. Mercadante and seconded by Mr. Mahan, it was voted by roll call (9-0) to go into Executive Session at 1:15 p.m. to discuss buildings and contracts. Open session would not reconvene after the conclusion of Executive Session.

With no further business before the Board, the meeting was adjourned at 1:14 p.m.

Respectfully submitted:



Anna Maria Clementi, Clerk
Board of Trustees

Fitchburg State University
REQUEST FOR BOARD ACTION

TO: Board of Trustees	DATE: October 16, 2012
From: President	REQUEST NUMBER: 07-12/13
SUBJECT: Parking Expansion	

It is requested that the Fitchburg State University Board of Trustees vote to approve the attached resolution.

Approved

OCT 16 2012

Fitchburg State University
Board of Trustees

**Fitchburg State University
REQUEST FOR BOARD ACTION**

TO: Board of Trustees	DATE: October 16, 2012
FROM: The President	REQUEST NUMBER: 04-12/13
SUBJECT: FY2012 Audit Report	

It is requested that the Board of Trustees of Fitchburg State University accept the Audit Report for the fiscal year ending June 30, 2012.

Approved

OCT 16 2012

**Fitchburg State University
Board of Trustees**

**Fitchburg State University
REQUEST FOR BOARD ACTION**

TO: Board of Trustees	DATE: October 16, 2012
FROM: The President	REQUEST NUMBER: 05-12/13
SUBJECT: Accept the President's Goals for FY2012/FY2013	

It is requested that the Board of Trustees accept the President's goals for 2012-2013.

Approved

OCT 16 2012

Fitchburg State University
Board of Trustees

Fitchburg State University
REQUEST FOR BOARD ACTION

TO: Board of Trustees	DATE: October 16, 2012
From: President	REQUEST NUMBER: 06-12/13
SUBJECT: Hammond Building Phase 3	

It is requested that the Fitchburg State University Board of Trustees vote to approve the attached resolution.

Approved

OCT 16 2012

Fitchburg State University
Board of Trustees

