



BOARD OF TRUSTEES

Investment Subcommittee

Minutes

President's Boardroom, Horace Mann Center

November 14, 2018

Investment Subcommittee members in attendance: Committee Chair Queenin, Trustee Cameron Swan, Foundation Board member Sheridan Carey, and Stephen Taksar, Vice President of Administration and Finance.

Participating remotely: Trustee Steven Marcus and Foundation Board member John Davies

Dr. Ramon S. Torrecilha, President of Westfield State University, was also in attendance.

The meeting was called to order by Committee Chair Queenin at 2:05 PM who stated that because Trustee Marcus and Mr. Davies were joining the meeting remotely, all votes of the trustees would be by roll call. Chair Queenin welcomed student trustee Cameron Swan to the committee.

MOTION was made by Committee Chair Queenin, seconded by Trustee Marcus, to approve the minutes of the August 7, 2018 Investment Subcommittee meeting.

Roll call vote:

Trustee Queenin	yes
Trustee Swan	abstained
Trustee Marcus	yes

The Motion passed unanimously.

Vice President Taksar gave an update on the Request for Proposals for an investment advisor and stated the deadline to receive proposals was that day. Christopher Raymond, Director of Procurement and Administrative Services, reviewed the process schedule and stated that there had been eight respondents so far, which is a typical return. The proposals will be opened, documented as received, and reviewed to make sure they meet the qualifications required. A committee of employees will be formed to review the proposals and then start negotiations with potential advisors, inviting three-to-five companies to come give presentations. The goal is to have a final selection by December 18, finalize a contract by mid-January, and continue with due diligence so everything will be in place by spring. The Investment Subcommittee and Finance and Capital Assets Committee will provide input on the process.

Vice President Taksar welcomed feedback and constructive comments on the proposed revised Investment Policy, which is the first redraft of the existing policy after feedback from some of the finance staff, review of sister institutions' policies, and inclusion of relevant Massachusetts General Laws for public institutions' investment strategies. The investment advisor may also

suggest language to be added. The final proposed policy changes will need to be approved by the Finance and Capital Assets Committee and then the full Board.

The following suggestions or revisions to the policy were discussed:

- Add language with the criteria for fees and expenses, not to exceed 100 basis points without Board approval. The range of fees should also be added to the grid as proposals are being evaluated.
- Under the Delegation of Authority section, it was agreed that the Finance and Capital Assets Committee, upon recommendation by the Investment Subcommittee, should appoint the investment advisor/manager.
- In the Asset Allocation section, the Investment Subcommittee should meet at least twice a year instead of at least annually and the Investment Subcommittee should be defined somewhere in the policy that it is a subcommittee of the Finance & Capital Assets Committee of the Board of Trustees.
- Also under Asset Allocation, there is a need to think about how long the money will be invested, providing for sufficient liquidity. Vice President Taksar stated that the vision is to keep cash in the current banking relationships to ensure there are funds available for working needs and not draw on the investments other than the income coming off the principal, which will feed into the operating budget. There may also be times when specific amounts are moved into short-term investments for a period of time for specific projects such as the Parenzo renovation.
- Some of the wording on the bottom of page one in subparagraphs (a) through (d) was questioned and it was suggested to define or change some of the adjectives.
- The authority of managing the policy should be with the Finance and Capital Affairs Committee and overseen by the Vice President of Administration and Finance.
- The investment advisor selected should give their perspective on the Rating Service and Dividend Policies shown on page five.
- The policy should be reviewed by the Investment Subcommittee and the Vice President for Administration and Finance and reported to the Finance and Capital Affairs Committee annually instead of every three years.
- On page four under Corporate Bonds, the maximum maturity of seven years should be removed as it is best to lock in the best deal and have the flexibility to pick what's best for the University. In paragraph 2(e), the wording should be changed to "...with credit ratings above Baa/BBB" instead of "below Baa/BBB."

Vice President Taksar will incorporate changes to the policy and email a revised copy to this subcommittee.

The revised Investment Subcommittee Charge was reviewed and it was agreed that the charge, together with an update on the subcommittee, should be provided to the Finance and Capital Assets Committee at the December 5 meeting.

MOTION made by Trustee Swan, seconded by Trustee Marcus, to adopt the Westfield State University's Board of Trustees, Finance and Capital Assets Committee's, Investment Subcommittee Charge, as presented.

Roll call vote:

Trustee Queenin	yes
Trustee Swan	yes

Trustee Marcus yes

The Motion passed unanimously.

A meeting will be scheduled after December 9 with the employee working group, the Investment Subcommittee and interested members of the Finance and Capital Assets Committee to review the second draft of the policy and the investment advisor proposals.

There being no further business, Trustee Swan made a **MOTION** to adjourn, which was seconded by Trustee Marcus.

Roll call vote:

Trustee Queenin yes

Trustee Swan yes

Trustee Marcus yes

The Motion passed unanimously.

The meeting was adjourned at 2:54 PM.

Attachment(s):

- a. Minutes 8-7-18
- b. Investment Policy (0430)
- c. Motion – Committee Charge
- d. Committee Charge