

COLLEGE OF MICRONESIA-FSM BOARD OF REGENTS
Minutes of the December 19, 2019, Meeting
Board Conference Room, National Campus

Present: Regent Tulensru Waguk, PhD, from Kosrae (chairman); Regent Jesse Salalu from Yap (vice chairman); Regent Pelma J. Mingii representing the National Government (secretary/treasurer); Regent Johannes Berdon from Chuuk; Regent Suzanne Gallen from Pohnpei; and President & CEO Joseph M. Daisy, EdD (*ex officiomember*)

Resources: Vice President for Administrative Services Joseph Habuchmai; Vice President for Enrollment Management and Student Services Joey Oducado; and Vice President for Instructional Affairs Karen Simion

1. CALL TO ORDER – 12:03 PM

Chairman Waguk called the special meeting to order and asked for a moment of silence. Everyone recited the mission statement.

2. ROLL CALL

All regents were present; a quorum was declared.

3. REVIEW OF AGENDA

Gallen/Salalu

Moved to adopt the agenda as presented.

CARRIED

4. COMMUNICATIONS

- a. **Letter from Secretary of Finance and Administration** clearing the issue of drawdown of funds from the national appropriation.

5. NEW BUSINESS

a. **Presidential Succession Plan**

At its November 27 meeting in Guam, the board appointed a steering committee with Regent Gallen as chair and setting the role and scope of the committee. Among the charges was appointing a search committee for the new president. The steering committee met earlier in the week and discussed duties and composition of the search committee and tentative timeline for the search.

Gallen/Salalu

Moved to adopt the succession plan.

CARRIED

b. **Change International Equity Manager (IE)**

During the November board meeting Raymond James recommended replacing Brandes Investment Partners (BIP) as International Equity Manager (IE) with Lazard Asset Management (LAM) for both the endowment and the reserves funds due to underperformance by BIP of nearly 2% annually for the past three years.

Berdon/Mingii

Moved to approve terminating Brandes Investments Partners (BIP) as International Equity Manager (IE) and replacing with Lazard Asset Management (LAM) for both the endowment fund and the reserves fund.

CARRIED

- c. **Place Clarkson Capital Partners (CCP) on “Watch Status”**
 This is another recommendation from Raymond James due to CCP underperforming its benchmark over the last several years. For the endowment fund, they recommend indexing this allocation if CCP performance does not improve by mid-2020 fiscal year.
 Salalu/Berdon
Moved to approve placing Clarkson Capital Partners on “watch list” until the mid-2020 fiscal year. CARRIED
- d. **Replace iShares Natural Resources ETF**
 iShares was originally recommended as an inflation hedge and while it has effectively provided that hedge, it generates no current income. Raymond James recommends replacing them with Lazard Global Infrastructure Fund who while providing many of the same attributes, will at the same time generate a high current yield (currently around 7%).
 Mingii/Salalu
Moved to approve replacing iShares Natural Resources ETF with Lazard Global Infrastructure Fund for the endowment fund. CARRIED
- e. **Add 5% Allocation to Private Markets**
 In November Raymond James informed of the opportunity of a private offer for diversification in the private markets space with potential for high returns from a very high-quality investment manager as General Partner with reasonable fees when compared to other private offerings. It does have a ten year lock up, but a 5% allocation is not unreasonable given the effectively perpetual life of our endowment fund. The offer from Blackstone iCapital-BTAS VI expires at the end of December.
 Salalu/Mingii
Moved to approve adding 5% allocation to Blackstone iCapital-BTAS VI Access Fund, L.P. CARRIED
- f. **College Credit Card**
 The college credit card is currently under the name of Joseph M. Daisy. His term with the college officially ends on January 31, 2020, making the card invalid. The bank advised getting a boards resolution to cancel the card and have a new card issued under another name until an interim president is named and to update the signatories.
 Berdon/Gallen
Moved to cancelling the current college credit card and applying for a new card under the name of the Vice President for Administrative Services Joseph Habuchmai. CARRIED

6. MISCELLANEOUS

- a. **Steering Committee Update**
 The steering committee met on Monday and Wednesday to go over its charges. The outcomes were: memo to college community regarding membership of the search committee by January 10, 2020 (committee to be made up of a regent, two faculty, a staff, an SBA officer, four campus reps, a stakeholder, and a vice president); draft letter to community regarding President Daisy leaving; and draft timeline (final to depend on action regarding an interim).
- b. **For the record**, the board unanimously voted electronically to approve the new signatories for the FSM-FMI imprest fund bank account #77314-00458 at the bank of FSM –Yap.

10. NEXT MEETING

The date for the next meeting was changed to the last week of March, March 30-April 3 in Kosrae.

11. ADJOURNMENT – December 19, 2019

In closing, the chairman thanked the regents for making time for the special meeting to take up critical issues. On behalf of the board, he thanked VPs for joining the meeting and expressed appreciation to President Daisy for his time with the college and his leadership. The meeting adjourned at 12:54 PM.

Minutes of the COM-FSM Board of Regents December 19, 2019, meeting was approved this 2nd day of April 2020.