Benefits and Finance Committee Meeting  
September 9, 2014

The following members attending the meeting: Mark Hampton, Peggy Fulton, Kevin McKillop on behalf of Shaun Meehan (Faculty Council); Lansing Williams, Ken Schweitzer, Andrea Lange, Eugene Hamilton, Susanne Kelly, and Laura Johnson

VP for Finance & Administration Mark Hampton opened the meeting by welcoming everyone. He provided a brief background about his interest and vision for Washington College. He stated the important role the committee has with the stakeholders of the college.

The minutes from June 26, 2014 were unanimously approved.

Mark gave the committee an update on child care. The study completed by Hilderbrandt determined it would cost $10K per month in subsidies to serve the needs of faculty and staff. He continued by stating we have insufficient number of potential participants. Discussions continue to see if pursing partnerships with LaMotte, Dixon Valve, and University of Maryland Hospital (Chester River) are possibilities. Mark stated the importance of seeking state or federal grants in order for child care to be affordable for all college employees.

Andrea asked about the child care interim plan that is in place. She stated that having feedback from the three events during the interim would be very helpful. Mark stated Alan Chesney would provide a summary and that it would be sent out prior to our next meeting.

Mark stated the Affordable Care Act requires insurers to refund premiums to employees/employers under certain conditions. This year the refund is $40K. The refund must be spent in the year it is received. There are strings attached on how the one-time refund is used. If employees received the refund they would receive approximately $10.00 before administrative fees. Health promoting programs offered to all employees was suggested. Mark urged the committee to think creatively about meaningful ways to use the refund that would benefit employees.

Summaries for FY14, FY15, and FY16 were provided by Mark. He stated FY14 is a very preliminary report based on unaudited financial statements. He stated that we expect to close FY14 with a surplus of approximately $940,000. Actual revenues were $84,000 less than, or about 99.9% of the 59.1 million budgeted revenue target. The actual expenditures were just over $1 million less than or 98.3% of the 59.1 million budgeted. Variance in budget-to-actual expenditures include $559 thousand in compensation primarily due to open positions, particularly senior staff. Mark will follow-up with Senior Staff regarding the $372K surplus in the operating budget. Mark stated that he and Peggy will work with budget managers to be sure operating budgets are at the levels that they need to be. Other variance shown was due to OIT
expenditures in capital vs. operating, the resulting impact on capital depreciation for FY14, and an interest rebate from PNC that offset budgeted debt service.

Mark provided an update to the FY15 budget presented in June. Since that time, the following modifications to the FY15 budget have been made: increase of $426K in net-tuition revenue reflecting higher-than-projected enrollment, reduction of $109K in Sellinger Grant funding to reflect reduced state support for this program, a one-year deferral of $3M per year in campaign-related fundraising for strategic priorities, and miscellaneous adjustments of $580K to budgeted expenses, including an increase $317K in capital depreciation due to capital purchases in FY14.

The committee members unanimously agreed that 2:30 on Tuesday (alternating) was a good time to meet.

VP for Finance & Administration agreed to meet with Gene to discuss long-term planning strategies, endowment options and other items. The committee expressed concerns regarding growing the endowment, enrollment growth, building space for faculty to teach.

There were no other questions, the meeting adjourned at 3:40 p.m.