Benefits and Finance Committee Meeting
October 7, 2014

Attendance: Mark Hampton, (Chair); Alan Chesney, Joe Holt, Peggy Fulton, Shirley Haymaker, Eugene Hamilton, Laura Johnson, Andrea Lange, Ken Schweitzer, Lansing Williams and Sean Meehan, Faculty Council

Eugene Hamilton distributed a handout to the Committee regarding an endowment analysis.

Mark Hampton, VP for Finance and Administration began the meeting. The minutes from September 23, 2014 meeting were approved.

Mark asked if a faculty member of the Benefits & Finance Committee would volunteer to serve as liaison to the faculty. Ken Schweitzer stated that he provided information to the faculty last year and he would continue to volunteer; however, in doing so it caused some confusion as to who was chair of the Committee. Sean Meehan stated that Ken provided very knowledgeable information to the faculty during faculty meetings and to other faculty groups. Ken suggested that the role be rotated in the future but for the time being he agreed to continue to serve as liaison. Alan stated that Ken’s role as liaison should be communicated to faculty so that it was clear he was representing the Benefits & Finance Committee. Mark stated that the Finance Office will post the minutes from the Benefits & Finance meetings on Canvas for faculty; the minutes are also available on the Human Resources website.

Mark moved the discussion to the purpose of the contingency fund, rules associated with the fund and how the fund is used. This year’s contingency fund is approximately $500,000. The contingency fund is set aside and used for one-time unplanned expenses, or used for opportunities that are too great to pass up. Unplanned expenses could be legal fees, costs associated with our search for the College’s new president, one-time overages for utilities, or additional costs for Kibler Field. Peggy Fulton added that if a department is over budget at the end of the year the contingency fund may be used. Once budgets are reconciled, the contingency fund is be rolled over in cash reserve and reinvested in deferred maintenance, or can be used in other ways that benefit the College. Ken stated that last year some faculty felt a lack of trust and transparency when discussing the contingency and this created some tension. Joe stated that contingency fund is normally 1% of the total budget. Mark stated that we need to think about the amount of the contingency fund; it is too large particularly when we are trying to grow, fund priorities and jump start the strategic plan.

Andrea Lange mentioned the presentation that was given at the faculty meeting by Briggs Cunningham on the Washington College electricity dashboard. It displays electricity consumption in real time for 16 buildings on campus. The url for the dashboard is: buildingdashboard.net/washcoll/#/washcoll/

Mark stated that discussions continue with multiple providers regarding energy efficiency and this topic will be on the agenda for future discussions.

Peggy asked everyone to refer to the handout provided for the FY16 budget assumptions. This is based on the following: First year students 415; transfer students 40; continuing students 990 for a total of 1,445 students (this is an additional 49 students than FY15). The discount rate is proposed to increase to 48% for first year students; 43% transfer students and the combined continuing students 42%. Retention is projected to increase by cohort as follows: first year to sophomore 82.3% to 86%; sophomore to junior 91.6% to 93% and junior to senior to remain at 95%. Tuition is proposed to increase 3%. The room and
board fee is projected to increase 6% and student comprehensive fee is projected to remain the same. Other sources include 5% funds released from the endowment plus an additional .5% for campaign support. Campaign gifts are projected to be $3,000,000 to support the expenses for the strategic plan initiatives. The Washington Fund is projected to raise $1,475,000. The Sellinger Grant is the same as FY15; it is based on FTE enrollment. Other gifts and grants reflect Federal Work Study funds, gifts and unrestricted bequests. Auxiliary Enterprises (Conference Services, retail operations, bookstore commissions, swim center revenue and facilities rentals) are all projected at FY15 level.

Expenses for FY16 compensation is projected to increase 3%, health insurance is projected to increase 8%, departmental operating expenses overall increase of 2% (with the exception of energy 5%), facilities management 7.5%, and maintenance contracts for software 10%. The debt service is based on lender schedule and depreciation is based on current assets and on projected capital expenditures for FY15. The contingency in FY16 is currently $600,000. The strategic plan initiatives have been projected by the Planning Committee and is projected to at $3,000,000 not $2,644,036 in FY16. This is still in the preliminary stages. Based on these assumptions revenue totals $65,186,000. Total expenses equal $64,007,000. At this point total operating surplus of $1,179,000. This total does not include strategic plan initiatives of $3,977,000 or campaign gifts $3,000,000. Total surplus of $202,000.

Peggy stated that the FY16 budget is EXTREMELY PRELIMINARY but this is where we need to start. Joe asked about the persistence rate for this year after drop/add and about measurable growth. Peggy stated she will provide the information regarding measurable growth. Joe asked Peggy if she could create a model of how much revenue for next year will result from higher retention assumptions. Peggy stated that she could provide the information.

Joe suggested that Peggy schedule a meeting with Connor Harrison, SGA President to discuss student fee increases for programming and to discuss plans to increase tuition. Joe expressed the possible need for additional funding for Xavier Cole, VP for Student Affairs for programming support. Mark stated that discussions with Xavier indicate that he will submit tactics for consideration in the strategic planning process.

Other Business

United Health Care Vision Plan: Shirley Haymaker updated the Committee about concerns regarding the lack of availability of providers participating in United Health Care Vision plan. Two local providers (Dependable Eye Care & Dr. Bergan’s office) have stopped participating in the plan. United Health Care representatives continue to work with providers in hopes that they will return to the network; however, this could take up to a year. The vision/dental coverage was moved under the United Health Care umbrella because it was a much better plan for employees and the providers. Human Resources will provide employees an informational fact sheet about the vision plan as well as information about the Vision/Dental Day event that will be held on campus.

There was some discussion on the Employee Educational Programs. Employees have expressed frustrations about the availability of college funds. The committee plans to discuss the Employee Educational Assistance Program Benefit at the October 21st meeting. Peggy will provide the budgetary information on educational benefits for employees.

There was no further business to discuss. The meeting adjourned at 3:32.

The next Benefits & Finance meeting will be held on October 21st at 3:00 in Bunting Conference Room.