

Minutes of FAP Meeting #16 AY2021-22

January 24, 2022

4:00 PM – 5:00 PM

Meeting Held Electronically via ZOOM

Members in Attendance: Tanja Dominko, Joseph Fehribach (FAP Chair), Joseph Sarkis (FBC Co-Chair), David Spanagel (FAP Secretary; RPC Representative), Kris Sullivan (Associate Vice President for Academic Affairs)

Call to Order. Chair Fehribach called the 16th FAP meeting of the year to order at 4:01 PM. He also noted that he is working on scheduling a visit to FAP by CIO Patty Patria and Change Management & Training Manager Veronica Brandstrader to take place sometime during February so that FAP members can ask questions and get an update on issues with Workday.

1) **Proposed expansion of FAP membership, and possible restrictions.** Chair Fehribach noted that he had presented our proposal to expand FAP membership by two additional elected faculty members at last week's faculty meeting, including the idea that there would be no restrictions on who among the full-time faculty would now be eligible to stand for election to a seat on FAP. While the FAP membership proposal did not generate any discussion, COG's proposed new membership composition and restrictions discussion which immediately preceded the FAP proposal did raise some significant faculty governance issues and considerations which we may want to take into account as we look ahead to what the faculty will vote upon at next month's faculty meeting.

Specifically, we had not previously considered the difficulties that an untenured faculty member might experience should they be selected to Chair FAP (untenured faculty have certainly served on FAP in the past but never as Chair, at least not within living memory). Through our discussion of this point, we reaffirmed our sense that TRT members can certainly provide an important perspective on FAP discussions, but we came to a consensus view that we do not feel it would ever be advisable to place the responsibilities of chairing FAP onto any untenured faculty member (whether a traditional probationary TT or a TRT). Discussion of this item will continue as we think further and receive any other feedback to prepare a revised version of the proposal which may come up for a vote at the next Faculty meeting.

2) **Retirement Plan Committee Report.** FAP's Faculty RPC Representative Spanagel gave a partial report of the most recent quarterly RPC meeting, which was rescheduled from December 12, 2021 to the first day of C term (January 12, 2022). At this meeting, the two Fiducient retirement plan advisors (who WPI hired during the summer of 2021) shared what they called the "second phase" of their Plan Diagnostic Report to the six WPI administrators present (including CFO Horan) plus Prof. Spanagel, who unfortunately had to leave the meeting after 53 minutes to teach his "Monday class."

Regarding the portion of the meeting that he had experienced, Prof. Spanagel learned that Fiducient has renegotiated the administrative fee structures that TIAA-CREF and Fidelity each charge WPI to manage our employee retirement investment portfolios. TIAA's annual recordkeeping fee had been reduced in July 2021 to \$95 per participant. "As a result of recent negotiations, Fidelity has agreed to reduce required revenue from 13 basis points (0.13%) to 10 basis points (0.10%) effective 1/1/2022." This effectively reduces the Fidelity fee per participant from \$152 to \$117, yielding a combined average reduction for WPI participants from \$119 to \$108.

The Fiducient advisors then proceeded to review the current investment menu, giving recommendations to RPC about which funds WPI might wish to eliminate and which funds they might wish to replace with better managed, better performing, or less volatility-susceptible alternatives within each of the WPI Retirement Plan's existing investment categories: Multi-Asset (including our Social Choice option), Capital Preservation, Fixed Income, Domestic Equity (funds that address Value, Blend, and Growth investment objectives through Large, Mid, and Small sized companies), Global International, and Real Estate. Prof. Spanagel had to leave before this part of the discussion was completed, so perhaps CFO Horan can provide an update to this report at a future FAP meeting to disclose whether RPC approved any of the fund replacements or removals that were suggested.

3) **Approval of Minutes.** FAP's Meeting #13 minutes were approved unanimously as amended. FAP's Meeting #14 and Meeting #15 minutes were also approved unanimously after the group reviewed and made corrections to recently circulated drafts of each of those documents.

4) **Adjournment.** The meeting was adjourned at 4:49 PM.

Respectfully submitted,

David Spanagel

FAP Secretary