

## Minutes of FAP Meeting #17 AY2021-22

January 31, 2022

4:00 PM – 5:00 PM

### Meeting Held Electronically via ZOOM

Members in Attendance: Tanja Dominko, Joseph Fehribach (FAP Chair), Mike Horan (Executive Vice President/CFO) David Spanagel (FAP Secretary; RPC Representative), Kris Sullivan (Associate Vice President for Academic Affairs)

**Call to Order.** Chair Fehribach called the 17<sup>th</sup> FAP meeting of the year to order at 4:01 PM.

- 1) **Finalize details of FAP Membership Expansion Motion.** Chair Fehribach reiterated the points that we had discussed the previous week's FAP meeting regarding the motion's openness to the eligibility of non-tenure-track TRT faculty to serve as members of FAP, but with the proviso that no untenured faculty member (of any category) should be burdened with the responsibility of serving as FAP's Chair. FAP members confirmed their support for the restriction regarding FAP's top committee leadership position to be included in revised motion language.

Chair Fehribach also noted that the implementation language of the motion required some further clarification. He proposed that during the ramp-up period from the current number of three elected Faculty members on FAP to five, taking the increase in two steps will most clearly establish the future rotation of all staggered 3-year terms. In other words, assuming that the motion is approved at the February faculty meeting, two faculty members will be elected later this Spring for 3-year terms to succeed Prof. Fehribach at the end of his current term (bringing the total number of elected faculty FAP members to four for AY '22-'23). Then in the Spring of 2023, two more faculty members will be elected for 3-year terms to succeed Prof. Spanagel at the end of his current term (bringing the total number of elected faculty FAP members to five for AY '23-'24). Thereafter, the election rotation will be **1, 2, 2** to maintain the total of five elected FAP members through successive years. This implementation proposal was acceptable to all FAP members at the meeting.

- 2) **WPI Leadership Change.** FAP members had a brief conversation about the recently announced planned departures of Trustee Aberdale and President Leshin to each pursue exciting new opportunities. FAP members were interested to learn CFO Horan's initial impressions about how quickly the process may unfold for selecting an interim replacement who will lead the institution

while a search for the next President is prepared and undertaken. FAP members also asked whether there may be specific needs for transition planning regarding annual budget preparation, strategic plan implementation, and the major capital budget/construction items to go forward smoothly during the 12 to 18 months while an Interim President is in place. CFO Horan responded that he expects all of those processes to proceed as normal, but the potential need for any additional transition planning would be clearer after we learn who will serve as Interim President.

CFO Horan intends to give FAP a preview of his impending presentation to the Trustees regarding capital plans (including a co-generation plant), probably at FAP's February 14 meeting. Chair Fehribach will reach out to invite the two faculty representatives to the Trustees' Budget and Finance Committee (Profs. Gericke and Miller) to attend this FAP capital budget preview discussion if they can.

AVP Sullivan helpfully alerted us that the timing of the Trustee Budget and Finance Committee meeting itself will conflict with the February 17 Faculty meeting. Chair Fehribach may need to delegate responsibility to another FAP member so the committee can be fully represented at both of those meetings simultaneously.

3) **Retirement Plan Committee Report-continued.** Following up on FAP's Faculty RPC Representative Spanagel partial report of the most recent quarterly RPC meeting from last week, CFO Horan summarized all of the decisions that RPC made with respect to the Fiducient Advisors' recommendations on possible fund replacements or removals. RPC did not accept the recommendation to eliminate either the **BlackRock High Yield Bond Instl** or the **Columbia Emerging Markets Bond Adv** fixed income investment options, even though neither of them provides any element of investment diversification not already available through other funds also in our portfolio. RPC did accept a number of fund replacement recommendations, each of which were justified in terms of superior fund management quality, better fund performance, or reducing volatility and unnecessary risk:

- a) in the Large Value Domestic Equity category, the **Dodge & Cox Stock** fund will be added but **BlackRock Equity Dividend Inv Instl** will be subtracted from WPI's TIAA/CREF menu;
- b) in the Large Blend Domestic Equity category—where we have our only dedicated “Environmental, Social and Corporate Governance” (ESG) investment options—the **Vanguard**

**FTSE Social Index Adm** fund will be added but **Parnassus Core Equity Inv** fund will be subtracted from WPI's Fidelity menu;

c) in the Large Growth Domestic Equity category, the **T. Rowe Price Blue Chip Growth** fund will be added and **CREF Growth R2** fund will be subtracted from WPI's TIAA/CREF menu;

d) in the Global/International category, the **Vanguard Total International Stock Index Adm** and **Wells Fargo Special International Small Cap Instl** funds will be added but the **Vanguard Developed Markets Index Adm** and **Victory Trivalent International Sm-Cp Y** funds will be subtracted from WPI's TIAA/CREF menu.

4) **Approval of Minutes.** FAP's Meeting #16 minutes were approved unanimously as distributed.

5) **Upcoming meeting agenda items.** FAP members identified meeting agenda topics that may take us through the remainder of C term, including:

a) a visit from IT folks next week to update FAP on Workday Student implementation issues,

b) CFO Horan's Trustee financial presentation preview the following week,

c) a visit to introduce the new VP for Talent and Inclusion to FAP the following week after that, and, as time permits we also hope to ...

d) assess how well WPI Forward's stated goals of translating savings into student affordability have played out thus far, as well as ...

e) examine data and materials Prof. Spanagel has been preparing which can initiate a strategic and philosophical discussion of the pluses and minuses that have arisen after more than a decade of divergence between WPI's Executive and VP Compensation policies and practices (which incorporated both competitive external benchmarking and internal performance incentives) versus the fiscal discipline of annual Trustee-approved salary increase pool percentage parameters (which govern how much money is typically available each year for promotions and annual compensation increases across the rest of the Institute).

6) **Adjournment.** The meeting was adjourned at 4:51 PM.

Respectfully submitted,

David Spanagel

FAP Secretary