Loyola University New Orleans Board of Trustees

Executive Committee Meeting

MINUTES

August 1, 2014

10 a.m., CST

President’s Dining Room – Thomas Hall


By Phone: Virginia Angelico-Tatum, D.D.S., John Simmons, Michael Braden, S.J., James Bowler, S.J., Kevin Wm. Wildes, S.J., and Peter Rogers, S.J.

Fr. Wildes called the meeting to order at 10 a.m. CST.

Fr. Wildes began the meeting by explaining that at the May 2014 Board meeting the Trustees charged him to develop a plan to address Loyola’s budget challenges as the university rebuilds its enrollment over the next few years. Since then, Fr. Wildes and the Cabinet have worked to develop a plan and recommendations. As stipulated in the resolution the plan and recommendations are being presented to the Executive Committee today for review.

Prior to today’s meeting, Fr. Wildes distributed a memorandum to the Executive Committee which outlines the plan and recommendations to address the budget deficit. Board Chair, Mr. John Finan, Jr., asked if the committee had any questions about the plan and recommendations.

Fr. Michael Braden, S.J., inquired about the eligibility and terms of the proposed Voluntary Severance Program (VSP). Fr. Wildes responded that rather than capping the number of employees who can participate, the university would accommodate any eligible employee who opts to take the VSP and that the terms of the VSP are consistent with what the university has offered in the past. The question was then raised as to what Loyola’s exposure would be if all VSP eligible employees took the package. Mr. Calamia responded that the draw from the endowment would be $18,524,480. He further explained that the last VSP had a participation rate of 25%, so, therefore, in projections they used the participation rate of 25% for this VSP.

Mr. Edgar Chase inquired about how the VSP would affect faculty to student ratio and quality of faculty. Mr. Calamia stated there are 164 eligible employees of which 99 are faculty with 88 of them being tenured faculty. He explained the deans have a heads up on which faculty are VSP eligible in order to be able to look at what positions would need to be filled. He said there will be no problem in maintaining the quality of the faculty.
Mr. John Simmons stated he is in agreement with the proposal and asked if additional forecasting has been done for another 2-3 years out and what challenges the university would face if the number of incoming freshmen were to remain the same as now.

Fr. Wildes and Mr. Finan made the following three points regarding enrollment: it will take a couple of years to rebuild Loyola’s enrollment; the university must address the question of what the right size for Loyola is and be disciplined in sticking with that number; economic factors and the willingness of families to pay for private education will affect enrollment.

Mr. Finan asked the Executive Committee to approve the recommendations to reduce the budget deficit as specified in the memorandum from Fr. Wildes to the Executive Committee dated July 30, 2014 (see attached):

1. Offer eligible employees a Voluntary Severance Program (VSP) with no participation dollar cap, allowing employees aged 55+ and with 10+ continuous service the opportunity to participate. Faculty would receive 1 ½ times annual salary and staff would receive 1 times annual salary.

2. Implement a reduction in the University’s Contribution to Retirement from its current level of 8% to 4%. This change would take place with the first day payday in January 2015. This would result in annualized savings of $1,750,000. The term of the reduction would be for two plan years.

Fr. Braden, moved to approve these recommendations and the motion was seconded by Mr. Simmons. The committee unanimously approved these recommendations.

The meeting adjourned at 10:35 a.m.
RESOLUTION
THE BOARD OF TRUSTEES
OF
LOYOLA UNIVERSITY NEW ORLEANS
AUTHORITY TO REDUCE
EMPLOYER'S CONTRIBUTION TO THE RETIREMENT PLAN AND OFFER
VOLUNTARY SEVERANCE PROGRAM TO REDUCE THE DEFICIT

WHEREAS, Loyola University New Orleans is a Louisiana nonprofit corporation duly
organized and validly existing under and pursuant to the laws of the State of Louisiana (the
"University"); and

WHEREAS, the Board of Trustees of the University (the "Board") is the governing body
of the University; and

WHEREAS, pursuant to the Board bylaws, Article XII, Section 2(H), the Board is
authorized to oversee the fiscal affairs of the University; and

WHEREAS, the University currently contributes an amount equal to eight (8%) percent
of an employee’s base salary as the Employer’s Contribution to the Retirement Plan; and

WHEREAS, the University believes that a savings could be realized by reducing the
amount contributed to the Plan from 8% to 4%; and

WHEREAS, the University believes additional savings may also be realized by offering a
voluntary severance program; and

NOW THEREFORE BE IT RESOLVED, the Executive Committee of the Board
approves the President to move forward with changes to the Employer’s Contribution Retirement
Plan and the voluntary severance program, as part of the University’s efforts to
close the remainder of the fiscal deficit.

IN WITNESS WHEREOF, the University has caused this document to be signed by its
duly authorized officer, and the Trustee has accepted this amendment, on the date before written,
at New Orleans, Louisiana.

BE IT KNOWN, that on the 15th day of August, 2014, the
undersigned personally came and appeared:

[Signature]
Peter S. Rogers, S.J.
Secretary, Board of Trustees
LOYOLA UNIVERSITY NEW ORLEANS
Loyola University New Orleans Board of Trustees

Executive Committee Meeting

AGENDA

September 2, 2014

10 a.m., CST

President’s Dining Room, Thomas Hall, 1st Floor

General Update                      Kevin Wm. Wildes, S.J.
October 2014 BOT Meeting            Kevin Wm. Wildes, S.J.
Healthcare Insurance                Kevin Wm. Wildes, S.J.
Legal Update                        Ms. Gita Bolt
Loyola University New Orleans Board of Trustees

Executive Committee Meeting

MINUTES

September 2, 2014

10 a.m., CST

President’s Dining Room, Thomas Hall


By Phone:  Virginia Angelico-Tatum, D.D.S., Michael Braden, S.J., James Bowler, S.J., John Finan, Jr., and John Simmons, Jr.

Absent:  Anne Gauthier

Fr. Wildes called the meeting to order at 10 a.m. CST.

**General Update.** Fr. Wildes reported that budget wise we are in a good position with the incoming class as we have over 620 freshmen enrolled and that the administration is moving forward in rebuilding enrollment. At the May 2014 Board meeting a $4.2 million deficit was projected; however, he said, we closed the fiscal year with a $2.1 million deficit. Fr. Wildes said the vice presidents did a good job in holding back expenses and tighten budgets.

Fr. Wildes reported the transformation of Monroe Hall has had a dramatic effect. It is exciting to see the students and faculty and staff interactions in the renovated spaces. The feedback from the faculty has been very positive.

In the area of Student Affairs, Fr. Wildes reported Loyola now has a Starbucks in the Danna Center and Slice Pizza on campus. This is upping our game in food services, he said. Additionally, we are in conversations with Jefferson Parish regarding playing fields. Upgrades on residential halls are ongoing. In an effort to enhance recruitment and retention, Dr. Petty and Ms. Kaskel are working on ways to leverage intercollegiate athletics and club sports.

In the area of Institutional Advancement, Fr. Wildes reported we have $43 million committed to the Capital Campaign.

Fr. Wildes said he is reviewing the university’s organizational chart in terms of where marketing and communications is housed. Currently, it is in the Offices of Institutional Advancement. Fr. Wildes is considering a re-organization of Loyola’s marketing and communications operations. He is looking at how Loyola can best structure marketing and communications so that enrollment has the support and
resources it needs. After reviewing the organizational structure at other Jesuit universities and talking to the Cabinet, he will make a decision on what would be best for Loyola.

In the area of governmental relations, Fr. Wildes reported that hearings on the Higher Education Reauthorization Act are underway in Washington, DC, and that Mr. Tommy Screen, Loyola’s Director of Governmental Relations, is working with the Association of Jesuit Colleges and Universities (AJCU) to ensure input in these important discussions. On a local level, the City of New Orleans is looking at its revenue sources and the loss of tax dollars from non-profit institutions such as churches and universities who are exempt from property taxes. Fr. Wildes said he would like to stay in front of this issue as it is one that would have direct impact on Loyola. He explained in other places such as Boston, where there is high concentration of institutions of higher education, there are programs known as, PILOTs, Payment In Lieu of Taxes. PILOTS are used as a way to have non-profits pay for such city services as police, fire, and ambulances. He also said he would support a PILOT as a method for the city to raise revenue. Mr. Chase commented the Bureau of Governmental Research supports PILOTs.

Fr. Wildes was happy to inform the Executive Committee that the Civil Service reform passed last Monday. He said he will stay on the Commission for another year, but not as chair.

**October 2014 BOT Meeting.** Fr. Wildes said the October Board meeting will coincide with the public launch of the Comprehensive Capital Campaign and discussed with the committee revising the committee schedule in order to allow for all committees to meet in a shorten time frame. The committee agreed to this plan. The Strategic Plan will be the main topic for the October Board meeting. The planning process has involved input from all areas of the university and at the upcoming Board meeting the final plan will be presented for approval. Another action item from the Academic and Student Affairs area will be a final recommendation on how to restructure the colleges. Mr. John Finan asked if the restructuring of the colleges is part of the strategic plan. Fr. Wildes responded that it is separate however there is some overlap. Additionally, there will be four resolutions for professorships presented for approval in order to request matching fund from the Board of Regents.

**Healthcare Insurance.** Fr. Wildes mentioned that he has been in discussions with Mr. Finan about healthcare insurance and the implications the Affordable Care Act is having and will have on Loyola. He is looking at ways to control Loyola’s insurance cost and is reviewing other models in an effort to look at long term solutions to the ever escalating cost of insurance.

**Legal Update.** Ms. Gita Bolt gave an update on pending litigation.

The meeting was adjourned at 10:35 a.m.