



WILLIAM & MARY

CHARTERED 1693

ADMINISTRATION/ BUILDINGS & GROUNDS

April 21, 2016

UPDATE - OPTIONAL RETIREMENT PLAN



BACKGROUND

- VRS Optional Retirement Plan currently provides participants with access to TIAA-CREF and Fidelity funds only
- VRS will add ICMA-RC as an additional option in the Fall of 2017
- VRS has not finalized the TIAA-CREF contract nor has it communicated a new investment lineup

PLAN DEMOGRAPHICS

W&M Plan participation:

	TIAA-CREF	Fidelity	Total
Active Employees:	623	358	981
Former Employees:	<u>2004</u>	<u>146</u>	<u>2150</u>
Total Participants:	2627	504	3131

W&M Plan Assets:

(in thousands)

Current Assets	TIAA-CREF	Fidelity	Total
ORP	\$163,128	\$25,465	\$188,593
403(b)	\$92,758	\$47,289	\$140,047
Cash Match	<u>\$5,943</u>	<u>\$3,200</u>	<u>\$9,143</u>
Total Assets	\$261,829	\$75,954	\$337,783

UPDATE

- Formed Investment Committee:

- Michael Halleran, Provost
- Amy Sebring, Chief Financial Officer
- Brian Hiestand, Chief Investment Officer
- James Haltiner, Professor, Mason School of Business
- Sarah Stafford, Professor, Economics
- Deb Love, University Counsel, Ex Officio
- Sam Jones, SVP Finance & Administration
- John Poma, Chief Human Resources Officer
- William Copan, Assistant Vice President, Investment Admin.
- Eric Chason, Professor, Marshall Wythe School of Law
- Ed Shugrue, Executive Partner, Former IBM VP of HR
- Rita Metcalfe, Director of HR Operations, Ex Officio

- Committee has been advised by CapTrust

- Committee recommends pursuing application to opt out of VRS

OPT-OUT ADVANTAGES

- Plan flexibility – broad investment platform; less complex than 3 record keepers.
- Lower participant fees.
- Lower administrative fees for the University.
- Improved retirement plan services for employees.
- Improved plan administration – online enrollment.
- CapTrust has also agreed to serve as fiduciary of our current 403(b) cash match plan, which reduces W&M exposure in this other plan.

NEXT STEPS

- Approve Board Resolution
- April – Conduct town hall meetings with ORP participants
- May – Submit application to VRS:
 - Application fee of \$5,000
 - Investment Policy Statement
 - Charter
 - Plan Document (TIAA-CREF)
 - Written operational guidelines (CapTrust)
 - Investment options review process (Investment Committee)
- June – Finalize investment lineup
- July – Advise participants
- August to September – Conduct employee sessions
- October – open enrollment
- Q1 2017 – Go live

UPDATE EMPLOYEE CLIMATE SURVEY



EMPLOYEE SURVEY

- Emailed to 2,765 employees
 - Faculty were included for the first time
- 71% response rate (n=1,955)
 - Higher than the two previous surveys
 - 55.5% in 2007
 - 45.6% in 2010
- Partnered with different groups and offices to conduct the survey, including Task Force on Race and Race Relations

RESPONSE CATEGORIES

- Favorable
- Neutral
- Unfavorable
- The Gelfond Group used these three general categories to reflect responses to the various 5-point scales in the survey
- All three response levels must be considered to determine the relationship of one to another

CONSIDERATIONS IN COMPARING RESPONSES AMONG GROUPS

- Fewer “favorable” responses do not always indicate more “unfavorable” responses
- More “unfavorable” responses do not always indicate fewer “favorable” responses
- In either case, the level of “neutral” responses must be considered

OVERALL W&M POSITIVE TAKE-AWAYS

- 90% of employees responded in a favorable or neutral way that they feel that they are treated fairly without regard to gender, sexual orientation, gender identity, age, race, color or national origin;
- 98% of employees have a good understanding of what constitutes discrimination, sexual violence or harassment;
- 87% of respondents stated they are proud to work at W&M;
- 72% responded that they have no plans to leave their employment in the near future; and
- Less than 10% would not recommend W&M as a place to work.

OTHER FAVORABLE RESPONSES

- 92% of employees stated they have a good understanding of their job responsibilities;
- 89% said they understand the mission of their department;
- 84% stated they believed their most recent performance review was accurate while 82% said that same review was effective in letting them know where they stand;
- 80% believe that the person they report to treats them with respect;
- 81% responded favorably to a question asking how well they were being kept informed.

OPPORTUNITIES FOR IMPROVEMENT

- My pay
 - Only 30% of employees favorably rate their pay and/or do not believe they are fairly compensated for the work that they do
- My job
 - Only 31% of employees favorably rate their opportunity for advancement
 - One in three employees believe that stress in their jobs is a problem
- My supervisor
 - Only 50% of employees favorably rate their supervisor with respect to coaching them in their career development

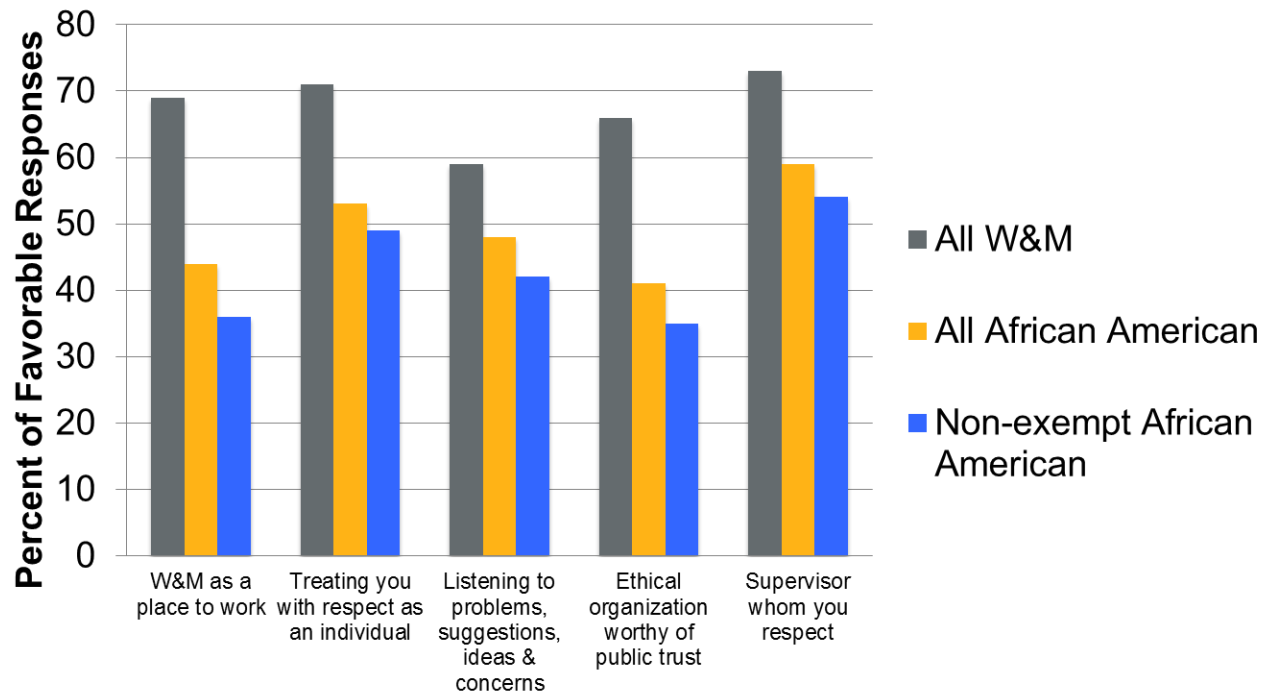
OPPORTUNITIES FOR IMPROVEMENT

- Quality of Management
 - Only 42% of employees rate management as applying policies & procedures the same way to all employees
 - Slightly more than half of our employees believe that their contributions are not recognized when things go well
 - One in three believes that W&M tolerates poor performance
 - More than one-third of employees are reluctant to reveal problems or errors to management above them

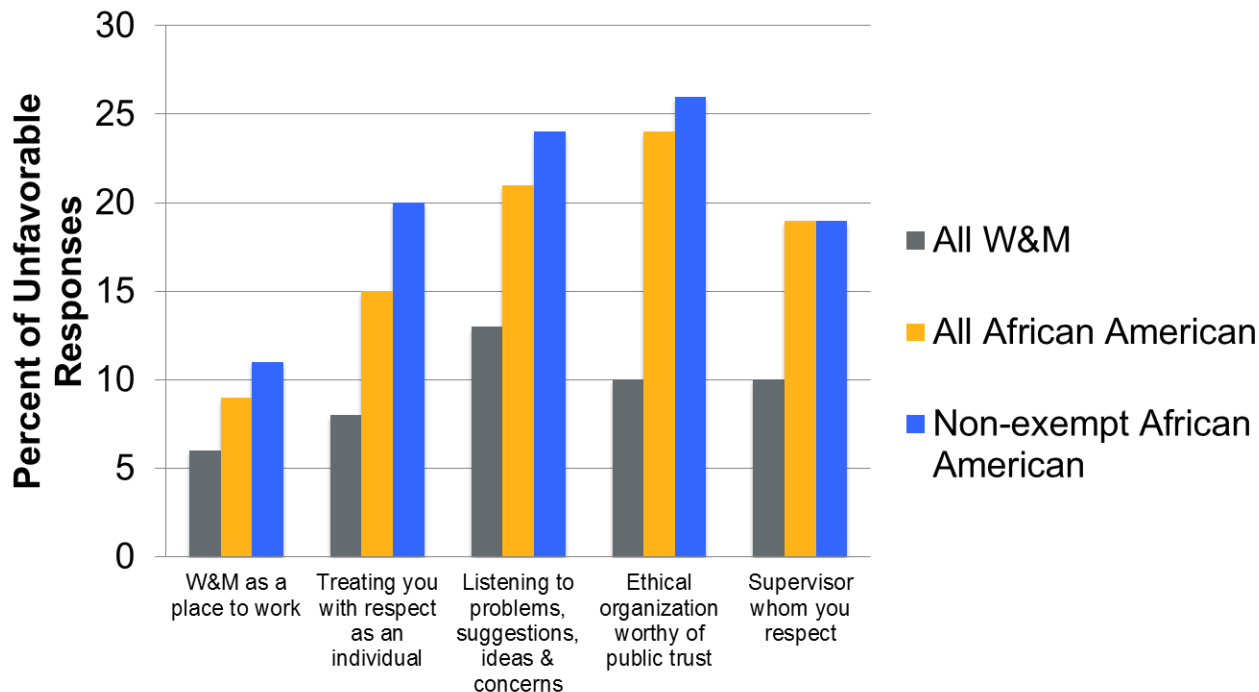
AN AREA OF NEEDED ATTENTION

- African Americans responded “favorable” less often than W&M employees overall
- Non-exempt employees responded “favorable” less often than W&M employees overall
- African American non-exempt employees impacted the aggregate response for both groups
- We know we have work to do in terms of improving the campus climate for all African American employees. This survey also clearly shows that improving the campus climate for African American non-exempt employees should be of particular concern.

FAVORABLE RESPONSES TO KEY SURVEY QUESTIONS



UNFAVORABLE RESPONSES TO KEY SURVEY QUESTIONS



ACTION STEPS

- Meeting with each school and major unit to review survey results for all areas;
- HR will continue to partner with Task Force and other groups to promote diversity initiatives;
- Launching new performance management and learning management systems;
- Expanding employee assistance programs;
- Supervisory training; and
- Improving employee feedback opportunities.

QUESTIONS?

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GENERAL ASSEMBLY CAPITAL BUDGET ACTIONS

Maintenance Reserve	\$2,234,467 FY 2017
	\$2,452,332 FY 2018
Improve Auxiliary Facilities	\$5,000,000 9(d) Bond Proceeds
Improve Athletic Facilities	\$5,000,000 9(d) Bond Proceeds
Renovate Dormitories	\$2,500,000 9(d) Bond Proceeds

GENERAL ASSEMBLY CAPITAL BUDGET ACTIONS

West Utilities Plan	Approved for Construction
Integrated Science Center, Ph. 4	Detailed Planning Authorization May begin planning July 2016 with institutional funds; State to Reimburse; Cannot move to Construction prior to December 2018
Fine Arts Center	Authorized for Planning and Construction, Phases I & II – Effective July 2016

RESOLUTIONS # 9-16

- Approve Optional Retirement Plan for William & Mary Faculty
- Approve Capital Project: Busch Grass Field Replacement
- Approve Revised Budget: Construct Integrative Wellness Center
- Approve Naming: The McLeod Tyler Wellness Center
- Approve Naming: Martha Wren Briggs Amphitheatre at Lake Matoaka
- Approve Demolition of 406 Jamestown Road
- Approve Demolition of 1984 Addition of One Tribe Place
- Approve Sale of Surplus Property: Parcel C-3 at Hofstadter Road

MCLEOD TYLER WELLNESS CENTER

- Total: \$17.0M
 - 9d: \$13.4M
 - Private: \$1.4M
 - College: \$2.2M
- GSF: 28,600
- Programming: 28,600 GSF (19,190 NASF)
 - Counseling: 4,660 NASF
 - Health Center: 6,090 NASF
 - Wellness: 3,300 NASF
 - Shared Space: 2,500 NASF
 - Mechanical: 2,640 NASF





MARTHA WREN BRIGGS AMPHITHEATRE AT LAKE MATOAKA

- Total cost: \$7.5M
 - Private: \$5.0M
- Year complete: 2007









406 JAMESTOWN ROAD

- Purchase Price: \$380,000
- Year: 2012







PARCEL C-3

- Sale price: \$240K/acre
- Contract amount: \$771,000
- WM Jordan Offer: \$140K/acre
- Appraisals: \$350K/acre and \$230K acre