MINUTES FROM THE AMC GENERAL MEETING
Tuesday, March 3, 2015

The meeting was called to order at 9:06 a.m.

ATTENDANCE


The requirements for a quorum were met.

APPROVAL OF THE MINUTES

The minutes from the last meeting were provided in advance with the agenda; reading of the minutes was waived. The minutes from the February 2015 meeting were approved with corrections. The final version of the minutes is posted on the AMC website.

REPORTS OF THE OFFICERS

PRESIDENT’S REPORT
David Vintinner, President

- Discussion of attendance policy that requires no more than three meetings may be missed without an alternate. A vote was called to remove one representative from the provost division. The vote was unanimous in favor.
• Communications update to change format to allow individuals to attend via remote access. We will test webex at the next AMC meeting.

VICE CHAIR REPORT
Melissa Lucas-Ludwig, Vice Chair

• The Vice Chair introduced the guest speaker, Martin Dorph, Executive Vice President. Martin Dorph gave a presentation and answered the following questions:

1. Q: How does the University decide what the cash reserve ratio should be? Does the University aim for a particular ratio of our annual operating budget to be kept in cash reserves? If so, what are the plans for reinvesting the operating margins?

• The NYU NYU operating budget is $2.7B and when combined with the NYU School of Medicine it’s a $7B budget.
• Our goal as an institution is not to create profit but under accounting rules some amount of net income is necessary to pay for everything we need to pay for. Year ending 2013: Moodys uses cash and investments and they subdivide that # according to the category you fall in. NYU’s ratings is AA3.
• There are 13 categories of good credit quality. NYU is #4 on that rating. The Moodys ratio for cash and investments: NYU had $4.8B. This is very good.
• NYU is the largest private University in the country. Expendable financial resources to operations (Moodys) - measures all the stuff we have that we could spend if we needed to such as cash in bank, unrestricted endowments, accounts receivable. This is then divided by your operations.
• NYU endowment is over $3B. NYU’s endowment is $75K per student. At other Ivy+ institutions the endowment is $250K per student.
• Our real estate is of higher value than other institutions.
• NYU has 140 days of cash on hand. This drives us to build more reserves than we currently have. Building reserves allows us to operate in times of stress. When the School of Medicine had to shut down for 4 months after Hurricane Sandy, their sufficient cash reserves allowed them to weather the shut down and they had additional lines of credit to borrow from.
• July and August is the low point for NYU’s cash position.
• Cash flow margins (about a 1/3) are used to pay for capital expenses and improvements.

• Regarding the article that cited the $400m profit (http://nyulocal.com/on-campus/2015/01/26/nyus-400-million-profit/) – this was a bad miss by the article author. The person was citing the tax return for 2013. The tax return is public information and available on websites like Guidestar. NYU published the audited financial statements in Jan. 2014 and it was available on the University website. The IRS filing includes the School of Medicine. The operating margin for NYU was $60m but the SoM had a negative $70m due to Hurricane Sandy.
• NYU is allowed to spend 5% of the “profit.” In 2013, after spending we had a $122M gain in the endowment that was not spendable.
• There was a change in our pension spending, our obligation went down under the pension fund (does not affect admins). The gain was $187M.

2. **Q:** When planning the annual budget, when should cost inflators be added to underlying drivers vs expense lines? In particular, if the overall benefits expense budget is inflated, shouldn’t the tiers defining eligibility requirements for those benefits also be inflated?

  - The University budgets benefits as a % of the salary. Fringe is 30%.
  - The government does not reimburse tuition remission on federal grants.
  - When we increase salary in the budget (AMI 2.5%) this means the benefits line also increases at 2.5%.
  - What goes up is Social Security and pension contributions.
  - The fringe rate went up from 28.5% to 30% because there was a disproportionate increase to health insurance benefits.
  - The constraining factor to increasing tiers is that we need to stay within the envelope (benefits budget). The University is willing to revisit the tiers.

3. **Q:** Should the University pursue the AMC’s suggestion to increase the school’s fringe rate in the near future to match those of other peer institutions (as outlined in the AMC letter to the SFC dated 2/4/15), what impact would that proposed fringe rate increase have University wide? Would the Executive Leadership consider reverting the tuition remission benefit (not for spouses or dependents) to 100% for administrative staff enrolled in degree programs? If so, what would be the effects on the budget?

  - When we increase the fringe rate, this becomes a burden that the University and Schools has to cover within their budgets.
  - The benefit rate was already increased. *We’re not looking to increase the fringe rate again.*
  - Our concern is the Affordable Care Act’s excise tax.

  The tuition remission benefit as it stands was part of a working group that changed in 2007. The reduction to the employee tuition remission allowed the portable tuition remission benefit to be increased.
  - If we can stay within the envelope, then we can enhance one benefit if we reduce others.

**TREASURER REPORT**
Andrea Fannelli, Treasurer

• No report.
SENATE REPORT
Regina Drew, Senator,

- Executive Vice President Alison Leary reported on the university’s emergency preparedness initiatives. Last fall, NYU rolled out workplace violence prevention training, which aims to increase awareness so that employees and the University can be more proactive in trying to prevent or react to such violence. As of early February, only 20% of employees have enrolled in or completed the training. All administrators are encouraged to attend the training soon to learn more about this important issue.
- The university is considering a “health realignment plan” and has been discussing it with the other councils. The proposal would create a Faculty of Health encompassing three separate schools: College of Dentistry, College of Nursing, and College of Global Public Health.

COMMITTEE REPORTS

Nominations & Elections, Regina Drew (amc.elections@nyu.edu)

- Elections are now starting. Representatives are needed in College of Dentistry, Division of Student Affairs, Executive VP for Finance, Executive VP for Operations, Office of the President, Polytechnic School of Engineering, Provost Division, Silver School of Social Work, Stern School of Business, Tisch School of the Arts, Wagner School of Public Service. See the link on the main AMC webpage and opt in by March 9 to get on the ballot. Elections will begin in late March.
- Officer elections will take place in April at the AMC meeting. We continue to accept nominations for Chair, Vice Chair, Secretary, or Treasurer to contact any current officer or the Nominations & Elections Committee (amc.elections@nyu.edu). All nominations must be received by Tuesday, March 21.
- Senator elections will take place in May. There will be at least two open Senator positions and four Alternate Senator positions. A link to the nomination form is available on our website through the Elections page, or email amc.elections@nyu.edu
- The following officer nominations were made from the floor:
  - David Vintinner, president
  - Kristi Schwindt-Ramos, Vice Chair
  - Andrea Fannelli, Secretary
  - Michael Marino, Treasurer
  - Shakera Jones, Treasurer

Community Service, Ida Longarino (amc-community-service-group@nyu.edu)

- Report attached at the end of the minutes.

Benefits and Compensation, Melissa Lucas-Ludwig (amc-benefits-group@nyu.edu)
Bylaws, Norma Kenigsberg

- No report.

Superblock Stewardship, Barbara Albrecht, AMC Member and Chair of the Construction/Mitigation Subcommittee, (balbrech@stern@nyu.edu).

- No report.

Special Events, Julie Kaplan (amc-special-events@nyu.edu)

- Report attached at end of minutes.

Communications, Anne Stubing (amc-communications-group@nyu.edu)

- No Report

Healthcare Working Group, Nadia Cureton (nadia.cureton@stern.nyu.edu)

- The final draft of the healthcare working group’s letter will be circulated via email to the AMC prior to the next meeting.

Professional Development, Michael McCaw (mike.mccaw@nyu.edu)

- No Report.

NEW BUSINESS

- The top openamc issue(s) were introduced by David Vintinner:
  a. We are looking into remote access/attendance.
  b. Monitor drug benefit changes. Encourage employees to go to peapling and register any complaints there. We will request updates from the benefits office.
  c. Coles gym closing. There are corporate agreements with YMCA, NY Sports and Racket Club and David Barton. YMCA is waiving enrollment fee for one month, some branches are offering discounts.

ANNOUNCEMENTS

- Community Service recycling campaign ended; 95 blankets and 106 eyeglasses were collected and donated. Max Cure Campaign continues to the end of March. Book drive campaign will start, look for information in April.
- Special Events – the Art Exhibition will run May 9 – 14. Keep sending in art. The retiree
lunch will be April 30, details will follow. The next Book Club meeting is March 16.

- The scheduled speaker for the April AMC meeting is Bill Berkeley, Chairman of the Board of Trustees.

CLOSING REMARKS

The next meeting will be held Tuesday, April 7, 2015 in the Colloquium Room.

The meeting was adjourned at 10:31 a.m.

Attachments:

Community Service Committee Report
Special Events Committee Report
Speaker Martin Dorph Presentation
The **January / February General Recycling** collections are now completed and all items have been distributed to the various organizations:

115 Blankets, Towels, Sheets  **“Mighty Mutts/Kitty Kind” Program**
58 Glasses  **Lenscrafters “One Sight Program”**
42 Cell phones  **“Chemo Comfort”**

and

1377 greeting cards  **St. Jude’s Ranch for Children**

A very warm thank you to all who participated in this collection, those items donated will help to make another person’s life, and our furry friends, just a little more comfortable, and our landfills just a little lighter.

A most special thank you of appreciate to our Community Service Members who continually volunteers as site coordinators for these collections. Truly we cannot do this type of community work without them.

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**The Max Cure Sneaker Campaign** is still ongoing (total amount collected thus far is 100 plus) until the end of March. If you have sneakers you would still like to donate, please drop off at any of these locations until the end of March:

721 Broadway, Post Production Center, 10th fl. Rm 1066 (Steven Azo Michels) and 721 Broadway, 12th floor (Carrie Meconis)
Coles Sport & Recreation Center, 181 Mercer St (Stephanie Pryor)
Palladium Athletic Facility, 140 E 14th Street, Floor C1, Reception Desk (Stephanie Pryor)
School of Professional Studies & Int‘l Student Support Center, Room 1009 @ 11 West 42nd Street (Leo Schmidt)
GSAS, One-Half Fifth Ave, (Between Wash. Sq. North & 8th Street), Garden Level, (Kristi Schwindt Ramos)
Brooklyn Collection Site:
6 Metro Tech Center, Polytechnic School of Engineering, Jacobs Building, 1st Floor Gym Entrance (Stephanie Pryor)
2015 Book Drive Collection

Please look for information on the AMC Book Drive which we are currently coordinating for two New York City public schools. Books will be available through the NYU Bookstore and your employee discount will be honored. A flyer with all relevant information and the book list will be posted on the AMC website in April. This book collection is very significant as there are significant budget cuts each year to our schools. Your donation of one book is vital for all our children’s education, because they are our future.

For interested parties......our next AMC Community Service Meeting will be held on Wed, April 14th at 12:00 noon, Tisch School of the Arts, 12th floor Dean’s Conference Room, 721 Broadway.

Thank you,
Ida Longarino
AMC Community Service Co-Chair
The next meeting of the AMC Book Club will be on Monday, March 16 at 12:30 in Bobst Library. The group is currently reading The Woman in the Fifth by Douglas Kennedy. Details can be found on the AMC website. Anyone who is interested in the book club should contact either Michael Hanrahan at michael.hanrahan@nyu.edu, or Eric Stedfeld at eric@nyu.edu. Don’t forget to pick up your AMC bookmark on your way out today, even if you can’t make it to the meeting.

The call for artworks is out! If you would like to participate in this year's AMC Art Show, please let Scott Lewis know, at scott.lewis@nyu.edu. If you know anyone who might be interested in submitting a work for the first time, please let him/her know about the show and pass along Scott's contact info. All who have participated in the past are already "in the loop," as we say. The show will run from May 9 to June 14 in the Kimmel Center’s Stoval Family Gallery.

The Retiree’s Luncheon date has been set for Thursday, April 30. Feel free to pass this date along to retired friends and colleagues with whom you may be in touch. Many retirees have been known to reach out for advance notice, and we are happy to share the date at this point. Something to look forward to when you retire!

Keep your calendars marked for the Year-End Luncheon, Thursday, May 7.

As always, if you are interested in joining the Special Events Committee, or in pitching in during events (we can always use extra hands on the “day of”), please contact Julie Kaplan at Julie.kaplan@nyu.edu.
Presentation to AMC

Martin S. Dorph
Executive Vice President
Finance and Information Technology
March 3, 2015
Target Cash and Reserves?

• Rating Agency Standards (Aa Credits – Moody’s Ratios 2013)
  – Total Cash and Investments (incl. Endowment)
    • Moody’s: $992 million
    • NYU: $4.8 billion
  – Expendable Financial Resources to Operations
    • Moody’s: 2.92 x
    • NYU: 0.3 x
  – Days Cash on Hand
    • Moody’s: 488 days
    • NYU: 140 days
  – Operating Cash Flow Margin
    • Moody’s: 14.5
    • NYU: 9.7%
Target Cash and Reserves?

• Endowment and Endowment per Student
  (2014 NACUBO Endowment Fund Survey)

  – Total Endowment
    • NYU: $3.4 billion
    • 18th of 516 Private Universities in survey

  – Endowment per FTE Student
    • NYU: $89,000
    • 162nd of 516 Private Universities in survey
    • 25th of 25 Universities with Endowments > $2 billion
    • Average of Universities with Endowments > $2 billion: $739,000
2013 Financial Results


- $424mm increase in net assets ($353mm WSQ, $70mm SOM)
  - Operating Margin: - $9mm (WSQ +$63mm, SOM -$72mm)
  - Investment Return (net of Spend): $122mm
  - Contributions: $218mm
  - Change in Pension Obligation: $187mm