

**COLLEGE & UNIVERSITY PROFESSIONAL
ASSOCIATION FOR HUMAN RESOURCES
BUDGET & FINANCE COMMITTEE**

FIRST DRAFT OF MINUTES

The call was convened Tuesday, January 26, 2016 at 3:00 pm EDT.

Members present: Barb Carroll, Chris Byrd, Kevin Fowler, David Blake, Deb Benton, Rob Shomaker, Glee Wilson

Members absent: Andy Brantley

Financial Indicators

Chris reported that 2015-16 dues collections to date are 103.57% of budget.

Rob reported that region conference sponsorships are all ahead of budget and exhibit halls are sold out with waiting lists. Western Region has 154 registrations for their budget of 175 with more than one month to go. Survey sales have reached \$748,000 of the 1,448,000 budget with data collection ending next week. We will have a more accurate picture in mid-February for survey sales.

3 year average calculation

Rob reviewed the calculation of the 3 year average that is used to determine the increase to revenue for the 2016-17 budget. With an updated return to reserve projection of \$456,217, our revenue and expense graph lines are not forecasted to cross until year ending 6/30/2022. Rob also noted that dues represents roughly 40% of our revenue and in order to maintain revenue that is diversified, we are sensitive to pushing this area too much. Therefore, we are using the same rate to increase revenue of 3.36% that we have used the past several years.

Dave asked: What is the amount that we wish to have as the difference between the revenue and expense lines? Rob answered that the difference between revenue and expense is our ability to take on risk. We wish to maintain at least \$100,000 return to reserve each year.

Chris commented that the years where revenue exceeds expense, we receive a greater return to reserve which also provides a stronger buffer for future years.

Dues rate changes

Rob applied the IPEDS expense by function data from 2014 to our current dues tiers. This resulted in 11% of our institutions moving 1 tier with 8% of those moving up a tier. When those changes are applied with the rate increase of 3.36%, the total additional revenue would be \$116,978. This calculation keeps the retention rate at 95% (which is our actual historical rate) and allows for 85 new members.

Barb commented that the number of member institutions decreases significantly between tiers 4 and 5 and that the difference in price between tiers is greater than the others. She proposed that we reduce the rate difference from \$40 to \$30 for tier 5 to in an effort to balance this out. Then, she proposed to increase

the rate difference for tiers 6 - 10 to \$50, \$60, \$70, \$80 and \$90 respectively. Rob applied this change for the committee to review. With this change, the total additional revenue would be \$119,077.

MOTION – Dave moved and Kevin seconded a motion to approve the revised dues rates for the fiscal year 2016-17. The motion passed unanimously.

Mutual Funds

Glee reviewed the annual calculation of mutual funds % of total investments for the calendar year 2015. Per board policy, the investment portfolio must maintain an average of at least 10% mutual funds each year. The calculation for 2015 is 18.98% mutual funds.

Glee briefly reviewed the performance of our mutual fund portfolio for the quarter ended December 31, 2015. This quarter rebounded some from the downturn last summer, but the year still showed a negative rate of return of 3.31%. Chris commented that we are not to concern ourselves with the short term, but we are investing for the long term.

Glee reported that as of today, she has invested \$750,000 of the \$1,000,000 funds approved by the board to add to our mutual fund portfolio. She should be able to invest the rest in the next couple of weeks.

The call was adjourned at 3:45 pm EDT.

Next scheduled call/meeting

The next meeting will be Saturday, March 19, 2016 in Chicago. Plan to arrive on Friday for dinner and depart Sunday morning.