The meeting was called to order at 4:03 p.m.

There were present:

**Committee Members:**
- Hon. Valerie L. Beal, Chair
- Hon. Rita DiMartino, Vice Chair
- Hon. Carol A. Robles-Roman
- Prof. Kathleen Barker, faculty member
- Mr. Alberto Rivera, student member
- President Marcia Keizs, COP Liaison

**Ex-officio:**
- Hon. Benno Schmidt

**Trustee Observer:**
- Hon. Terrence Martell

**Trustee Staff:**
- Senior Vice Chancellor and Secretary of the Board Jay Hershenson
- General Counsel and Senior Vice Chancellor Frederick P. Schaffer
- Deputy to the Secretary Hourig Messerlian
- Ms. Towanda Lewis
- Ms. Fenella Ramsami
- Mr. Anthony Vargas

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The agenda items were considered and acted upon in the following order:

I. **ACTION ITEMS:**

A. **APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 9, 2015.** The minutes were approved as submitted.

B. **POLICY CALENDAR**

1. **Amendments to the Governance Plan of Hunter College.** President Jennifer Raab asked for the Committee's approval to adopt the proposed amendments to the Governance Plan of Hunter College that were approved by the College's Senate. The proposed plan includes the School of Urban Public Health as a department for promotion and tenure purposes. In addition, as a division, that is the next step in the training and promotion processes. The Plan recognizes that the Schools of Nursing, Health Professions, and Urban Public Health comprise a division. For clarification purposes, the College wants to ensure that the structure in the charter reflects the academic business of promotion and tenure. A second part of this proposed amendment is to give the College more continuity and flexibility in leadership. Specifically defining the terms of office for representatives. The Chair and the Vice Chair of the Senate had been allowed to serve three consecutive terms and this amendment will allow them the option to serve four. Also, coordinating the term of the College’s exam periods to the Senate calendar, and making sure that the Plan conforms to current practices.
Following discussion, the item was approved for submission to the Board.

2. Naming of the “Claude V. Palisca Collaborative Research and Study Area” at Queens College.

3. Naming of the “Saul Novack Studio and Practice Room” at Queens College.

4. Naming of the “Charles G. Weekes Faculty Lounge and Conference Room” at Queens College.

President Felix V. Matos Rodriguez asked the Committee to approve these three naming resolutions at Queens College. The first naming resolution, the “Claude V. Palisca Collaborative Research and Study Area” is in recognition of Dr. Claude Palisca, who was a Queens College graduate and taught music at Yale, and his wife and he have been long-time donors to the College. They established a gift of $10,000 for a scholarship fund, and they also left close to $750,000 for the Music Library Fund. The second naming resolution is the “Saul Novack Studio and Practice Room.” Saul Novack was a former Dean of Arts and Humanities at Queens College and taught in its music school. He helped create the Aaron Copland School of Music. His daughter, Carol Novack, a poet, also donated close to $258,000 for a scholarship fund. In recognition of her generosity in honor of her father’s legacy, the College is naming Room 351 in the Music Building after him. The last naming resolution is the “Charles G. Weekes Faculty Lounge and Conference Room.” Geraldine Weeks who graduated from Queens College has bestowed a gift of $328,484 to the College for scholarships to students majoring in English, in memory of her late son, Charles G. Weekes.

Following discussion, items I.B.2 through I.B.4 were approved for submission to the Board.

5. Amendments to the University’s Optional Retirement Plan and Tax Deferred Annuity Plan. Deputy to the Vice Chancellor Esdras Tulier asked the Committee to approve the five provisions of this resolution, implementing changes to the operation of the University's Optional Retirement Plan and Tax Deferred Annuity Plan. In order to improve CUNY's ability to properly administer the plans, reduce plan costs, and enhance the investment options available to participants, the resolution provides that the University's Tax Deferred Annuity Plan will be amended to add a Roth Account option. A Roth Account is a valuable savings option that allows participants to contribute to the tax deferred annuity plan on an after-tax basis. If certain requirements are met the contributions plus earnings can be withdrawn tax free. The availability of the Roth Account will be in addition to a participant's current right to contribute amounts to the tax deferred annuity plan on a before-tax basis.

The resolution also authorizes this Committee to develop specific recommendations of mutual funds for the University's Tax Deferred Annuity Plan. The Tax Deferred Annuity Plan currently offers participants a range of annuity accounts as investment options. The plan's investment advisor has recommended offering additional mutual funds from TIAA-CREF and MetLife to enhance the investment choices available to plan participants. Another provision of the resolution authorizes establishment of revenue credit accounts that will be funded by TIAA-CREF based on revenues generated by the University's Optional Retirement Plan and Tax Deferred Annuity Plan. A revenue credit account is a plan account funded by excess revenue earned by the investment provider above and
beyond what is needed to service the plans. Establishment of these accounts will provide CUNY with additional resources to operate the plans.

TIAA-CREF will calculate annually the amount that it will contribute to the revenue credit accounts based on revenues in excess of a targeted amount agreed to by the University. It is important to note that funds in the revenue credit accounts belong to the respective plans, not to the University. Consequently the funds can only be used to pay certain expenses associated with operating the plans or as additional contributions to participants' accounts. The Vice Chancellor for Human Resources Management will report annually to this Committee on expenditures paid out of either revenue credit account.

The resolution also amends the Tax Deferred Annuity Plan to eliminate, effective January 1, 2016, the special catchup election under IRS Code Section 402(g)(7). This is a special IRS code rule that allows an employee who has completed 15 years of service with the University to contribute an additional amount to the Tax Deferred Annuity Plan if, in previous years, his or her contributions were significantly less than the maximum permissible amount. But the formula for determining the correct catchup amount is very complex and requires considerable data from both CUNY and the fund record keepers. Calculation errors violate IRS rules resulting in tax liabilities to the employee and potential fines for the University.

Because only a small number of employees can benefit from this rule, the University has determined that it makes sense to eliminate this option. This will simplify plan administration and also reduce costs. Instead participants may make pre-tax contributions to the New York State Deferred Compensation Plan in addition to any contributions made to the Tax Deferred Annuity Plan. CUNY will retain the age 50 catchup option.

Lastly, the resolution limits the number of loans available to a participant from the Optional Retirement Plan and the Tax Deferred Annuity Plan to five outstanding loans at any one time. Also no loan would be available to a participant who was defaulted on a loan from either the Optional Retirement Plan or the Tax Deferred Annuity Plan. IRS limits on the amount of money that can be borrowed by participants from their retirement accounts, but CUNY currently places no restrictions on the number of loans that participants can take from the Optional Retirement Plan and the Tax Deferred Annuity Plan. Review has shown that some participants regularly have many outstanding loans as well as an unacceptable default rate. This adds complexity and cost to the administration of the plans. It represents a significant change in CUNY’s current policy but one consistent with best practices in the retirement plans of other higher education institutions around the country.

Committee Chair Valerie Beal stated that the recommendations in this resolution are the result of more than a year's work by the Pension Advisory Taskforce which she chairs, and whose members are comprised of University Faculty Senate (UFS) Chair and Trustee Terrence Martell, and representatives from the Office of Human Resource Management, the Office of Budget and Finance, and the Office of General Counsel.

Mr. Michael Webb, Cammack Retirement, stated that in the relatively short time that the Taskforce has been in place, they have actually negotiated a cost savings in terms of the fees that the participants pay in excess of $2.5 million, an annual savings that will only increase as plan assets increase. The $2.5 million in savings is a starting point for future negotiations with the record keepers that will result in additional savings to the
participants and the plan. As mentioned, state law restricts the use of revenue credit accounts to the plan and the participants, and Cammack will work diligently on the task of applying those savings to participants. In simple terms, it means they get cheaper investments—investments that are less costly to them—because any time Cammack can increase that savings number, it can be applied directly to the investments in the plan. In terms of the work, although not done yet, Cammack intends to move it forward in as expedient a fashion as possible, and will strongly consider some additional changes to the plan that not only will result in additional cost savings for participants but also greatly streamline administration.

Committee Chair Beal added that this Committee has involved the input of the unions in this process.

In response to a question from Chairperson Benno Schmidt, Committee Chair Beal stated that the Taskforce will be continuing their work, and every few months they will update this Committee on the progress of the plans. Ultimately, by the end of this program year the Taskforce will have significantly cleaned up the process.

Chairperson Schmidt and other members of the Committee thanked Committee Chair Beal for her leadership in this process.

In response to a question from President Marcia Keizs, Mr. Webb stated that every item in this resolution is being immediately implemented. Keep in mind that some of them have more work attached to them. It is merely the Board's authorization for the work.

Committee Chair Beal stated that this Committee requires that the selected record keepers, as part of their deliverables, will show how successful they are in educating the constituents about the plan. It will not be the sole responsibility of the Office of Human Resource Management, because the record keepers are being evaluated on how many resources they are willing to commit to that educational process.

Following discussion, the item was approved for submission to the Board.

C. CHANCELLOR'S UNIVERSITY REPORT

1. Appointment of Richard R. Elliot as Interim Vice President for Administration & Finance at Bronx Community College. President Thomas Isekenegbe gave a brief presentation on this item. Following discussion the item was approved for submission to the Board.

2. Appointment of Milton Santiago as Interim Vice President for Workforce Development & Continuing Education at Lehman College. President Ricardo R. Fernández gave a brief presentation on this item. Following discussion the item was approved for submission to the Board.

II. INFORMATION ITEMS:

- Presidential Search Guidelines Process

Chancellor James Milliken stated that the Chancellery have asked the Board to take a look at a couple of elements of the Board's Policy on Presidential and Chancellor Searches, specifically provisions relating to interims and the provisions relating to membership. Tentative drafts have been made, and have been discussed with some members of the Board. The Chancellery was
then asked to take a look at whether or not there are other changes that would be advisable by some Board members who had served recently chairing search committees for presidents and asked whether or not having public visits and public release of the finalists’ names inhibited pools, and restricted in particular whether sitting Presidents were interested in being candidates. In terms of the current draft, the Chancellery has consulted with search consultants, and has also relied on personal experience. The current draft addresses each of these three elements and proposes a number of other changes essentially to streamline, clean up, and provide more flexibility in the processes.

General Counsel and Senior Vice Chancellor Frederick Schaffer stated that the principal change to the proposed draft is the composition of the search committee. Rather than mandating five Trustees on a search committee, the proposed draft would say up to five. It includes the possibility of the Chancellor appointing a senior level administrator or administrators from either the Central Office or campuses but with the proviso that the number of Trustees and senior level administrators would be no higher than five. There has been both a rule and a moderately frequent exception to the rule about interims being permitted to be considered for presidential appointments. Instead of having a rule with an exception, it is recommended that each situation be looked at on a case by case basis. The most significant changes are the ones having to do with campus visits. The proposed draft is intended to identify the problem than to firmly fix the solution. In the course of conversations with the Chancellery, the idea is to continue that conversation, to hear from members of this Committee today, see whether a consensus develops, not necessarily to take a vote, and then continue that conversation because a number of searches are approaching.

In response to a question from Chairperson Schmidt, Chancellor Milliken stated that the proposed draft is not up for approval today, it is only for informational purposes.

Committee Chair Beal stated that she is indebted and in awe of the confidentiality with which the search committees have worked, and for the diligence and the time they have committed. As a result, the University has had phenomenal presidents appointed. So the Committee will continue to have conversations, expeditiously, about options that would potentially increase the pool but simultaneously not cause any incentive for any individual or groups of individuals to not respect that confidentiality.

General Counsel and Senior Vice Chancellor Schaffer stated that under CUNY’s current guidelines, the search committee recommends three or four finalists. They then visit the campus under guidelines that are quite specific about the extent and nature of those visits. The concerns are that this process is of highly public nature, particularly when there are as many as four finalists. It makes some potential candidates, particularly sitting presidents, cautious. This has been seen less with candidates for community college presidencies than with senior colleges but this is something that the search consultants and others have identified as a problem. So when this was drafted, CUNY looked at what SUNY and other colleges/universities around the country are doing, and one suggestion that has come up in recent conversations is that if there were to be campus visits, maybe there ought to be a further calling of the group.

UFS Chair and Trustee Martell stated that anything that would exclude participation from any of the significant groups on a campus would probably cause the unintended consequence of signaling to the candidate that there are issues that should be more fully considered.

In response to a question from Committee Chair Beal, Chancellor Milliken stated that it is clear that this is a balance of interest. As somebody who has appointed presidents, and in the CUNY system recommends the appointment of a single person, it is useful to get input in the process and different perspectives as it does have an impact on the pool. But this is something that the
Board, this Committee first, has to get comfortable with and decide whether it wants to strike the balance between these legitimate interests.

Trustee Carol Robles-Roman stated that if she had to pick one premise to start with, CUNY needs to make sure it is getting the best people.

In response to a question from Committee Chair Beal, Chancellor Milliken stated that he will take this discussion under advisement, working with Senior Vice Chancellor and Secretary Jay Hershenson and General Counsel and Senior Vice Chancellor Schaffer, as well as getting additional feedback from the faculty and students. In the meantime, more information will be provided to this Committee.

Upon motion duly made, seconded and carried, the meeting was adjourned at 4:45 P.M.