

MINUTES

UNIVERSITY MANAGEMENT COMMITTEE

July 19, 2018

ATTENDEES: Phil Phillips (chair), Lauren Cosentino, Donna Nofziger, Gary Hanson, Marc Goodman, Nicolle Taylor, Michael Feltner, Connie Horton, Agus Harjoto

ABSENT: Hung Le, Rick Marrs, Lee Kats, Rick Gibson

RETIREMENT PLAN COMMITTEE ATTENDEES: Naomi Goodno, Larry Baumgardner, Joseph Fritsch

RETIREMENT PLAN COMMITTEE ABSENT: Jack McManus, Pete Peterson

Together, the UMC and Retirement Plan Committees form the Benefits Committee.

I. UNIVERSITY MANAGEMENT COMMITTEE CALL TO ORDER:

Vice President for Administration Phil Phillips called the Benefits Committee meeting to order.

The date was Thursday, July 19, 2018 in the TAC Lobby Conference Room – Malibu Campus.

Dr. Donna Nofziger opened in prayer.

II. BENEFITS UPDATE

Chief Human Resources Officer Lauren Cosentino updated the committee on the recent changes to the University's benefits plans. She reviewed medical plan premium renewal proposed increases – Anthem at 20.5% and Kaiser at 7.8%. The committee discussed at length medical premium cost share history, data on enrollment history by medical plan, University premium costs, salary demographics, cost drivers and loss history for both Anthem and Kaiser, the top five Anthem health conditions by paid amount, and HSA contribution levels.

A review of enrollment history by plan showed the HDHP plan significantly increased in enrollment with help from the planned seed money incentive. Kaiser's planned enrollment decrease exceeded expectations, declining by about 100 enrollees. Ideally, the new Vivity plan will eventually replace the Anthem Advantage HMO plan. However, Vivity does not currently have a large enough footprint, but will increasingly expand into areas where the University's population lives.

Chief Cosentino reported 30% of Pepperdine employees are ages 55 and over, and informed the committee about the retirement taskforce that gathers on a regular basis to strategize retirement incentives.

In summary, 2018 benefits plan changes were as follows:

- Added Vivity HMO option
- Increased EPO deductibles from \$500 single, \$1,000 family to \$750 single, \$1,500 family
- Increased EPO office visit from \$25 to \$45
- Changed Anthem RX to the Essential Formulary
- Seeded HSA Account at \$1,000 single, \$2,000 family
- Changed default medical plan to Anthem Vivity HMO
- Priced Anthem Vivity HMO as lowest cost plan

Chief Cosentino also presented salary and enrollment data. A committee member recommended Human Resources call employees from a specific salary tier to investigate whether a switch to a less expensive plan would serve the employee.

Chief Cosentino will return to the committee in August with further updates. At this time, the Retirement Plan Committee members left the meeting, which ended the Benefits Committee meeting, and the UMC meeting commenced.

III. SOL FITNESS CENTER

School of Law (SOL) Dean of Students and Administration Danny Dewalt and Director of Campus Recreation Doug Hurley presented a proposal to relocate the law school's basic exercise equipment and a workout floor to the student lounge. The proposed relocation space currently contains a ping pong table and a pool table - the ping pong table would be relocated to a different student lounge, and the pool table would be removed, as it is in poor condition and not often utilized. The space where the fitness center is currently located would be used as a classroom. No funding would be required for this project.

Director Hurley expressed his department's support for the proposal. Campus Recreation analyzed the committee's previous request to consider moving the SOL fitness center to the Lovernich Commons but discovered it was not a viable option.

At this time, Dean Dewalt and Director Hurley left the meeting.

A committee member asked whether air handling would be a concern at the proposed location. Vice President Phillips will investigate this question. A committee member moved to accept the proposal as presented and asking the School of Law to return to the committee in two years to address long-term solutions. The motion was seconded and approved.

IV. DRESS CODE

Chief Cosentino presented proposed changes to the existing dress code policy. The committee discussed the implications of the more detailed proposed policy language and considered the ways in which it would impact various departments across the University. Multiple members asked Chief Cosentino to modify to the policy in order to allow flexibility for supervisors to use discretion based on their department's needs.

The new policy language was approved with the following modifications:

"Personal appearance and professional attire is necessary to fulfill the Mission of the University. Each employee is responsible to convey a professional image to all Pepperdine community members through his or her contact with others. Supervisors are to ensure that employee's dress be appropriate for the position and be neat, clean, modest, safe, and in good repair. All employees are expected to exercise appropriate hygiene and respect the reasonable sensibilities of coworkers.

For positions that require it, all Personal Protective Equipment (PPE) must be worn at all times to ensure employee safety. Departments may have their own dress code relevant to the work function."

A member made a motion to approve the aforementioned language which adds supervisor flexibility and strikes specific references to tattoos and hair color. The motion was seconded and approved.

V. VARIOUS POLICY MODIFICATIONS

Vice President Phil Phillips asked for committee approval to make minor modifications to the animals on campus, hoverboard, and smoking policies. The changes are summarized as follows:

- The Hoverboard policy was updated to include a reference to student disciplinary action.
- The statement about disciplinary action in the Smoking policy previously referenced "discipline by the applicable dean's office in the case of a student." To align the policy with the new disciplinary process, this language was updated to say "discipline by the Office of Community Standards in the case of a student."
- Two outdated references in the Animals On Campus policy were modified: 1) language referencing the Disability Services Office was updated to reflect its new name - the Office of Student Accessibility, and 2) language stating "students may also file a

complaint in accordance with their school's student handbook" was updated to state "students may also file a complaint in accordance with the University's ADA Compliance Procedures."

A member made a motion to approve the changes as presented. The motion was seconded and approved.

VI. MEMORIAL POLICY

Chief Business Officer Nicolle Taylor presented a proposed memorial policy. Working with Advancement, Chief Taylor drafted a policy noting the establishment of memorials would generally not be permitted on any Pepperdine University campus. The University's preferred method of recognizing a deceased individual would be by contribution to the unrestricted scholarship fund or a named scholarship fund.

Rare exceptions to this policy may be made in extraordinary circumstances. Requests for such exceptions would be directed to the Office of Advancement, and following vetting, brought forth for consideration and approval by the University Management Committee. Additionally, the president may make exceptions to this policy at any time.

A member made a motion to approve the policy. The motion was seconded and approved.

VII. CONTRACT REVIEW

General Counsel Marc Goodman presented a proposal to increase the contract review threshold to \$75,000 from the current threshold of \$50,000.

A committee member asked Counsel Goodman if his office could draft a document or guide with helpful tips for supervisors to determine when contracts, regardless of amount, should be shared with the General Counsel office. Counsel Goodman will share such document with the community before the new fiscal year begins. Another member suggested incorporating contract review into the University's policy manual.

A member made a motion to approve the increase in the contract review threshold as presented, as well as including the contract review policy in the University's policy manual. The motion was seconded and approved.

VIII. UCU CONTRACT

Associate Director of Athletics for Marketing Karina Herold and Director of Athletics Steve Potts requested committee approval for Athletics to enter into a university-wide sponsorship agreement with University Credit Union. They discussed the terms of the proposed agreement and answered questions.

At this time, Associate Director Herold and Director Potts left the meeting.

Chief Business Officer Nicolle Taylor provided additional information to clarify the terms of the agreement. The committee deliberated over the proposal and asked further questions.

A member made a motion to not approve the proposal to enter into a sponsorship agreement with University Credit Union. The motion was seconded and approved. Athletics will be encouraged to negotiate a deal exclusive to Athletics.

IX. May 17, 2018 MEETING MINUTES

Upon the motion duly made and seconded, the minutes of the May 17, 2018 meeting were approved as presented.

X. ADJOURNMENT

There being no further business, the meeting was adjourned. Unless otherwise notified, the next meeting will be held on August, 2018.