

**MINUTES
COMMITTEE ON GOVERNANCE
NOVEMBER 29, 2007**

The Committee on Governance met on November 29, 2007. All Committee members were present. The meeting was called to order by Chairman Earl Powell and the Minutes from the meeting on September 13, 2007 were approved as submitted.

Chairman Powell reported that the Committee had received consultant Tom Ingram's favorable report regarding President Machen's performance with respect to the short-term and long-term goals which had been set for him and that the recommendation is that Dr. Machen be awarded full performance bonuses totaling \$285,000. After discussion, the Committee unanimously agreed to recommend to the full Board of Trustees that Dr. Machen be awarded the proposed bonuses.

The Committee next considered proposed revisions to the Internal Operating memoranda for DSO's, HSSO's and the Faculty Practice Plans along with revisions to the Summary of Desired Standards for Affiliated Organizations governance. Committee Member McGriff summarized the proposed revisions as allowing individual organizations to approve the selection of their respective directors without the need for approval by the University President since he/she would retain the authority to remove a director "for cause" after consulting with the organization's board of directors. Mr. McGriff also noted that because of the recommended changes the goal for bylaw revisions for the affiliated organizations would now be to get the proposed changes to the organizations by March 31, 2008. After discussion, the Committee unanimously approved the proposed revisions.

Chairman Powell next asked the Committee to consider the proposed standards for Vice Presidential sub-delegations to subordinate employees and asked Vice President and General Counsel Jamie Keith to summarize the proposed standards. Mrs. Keith outlined the process for the development and implementation of the proposed standards and requested the Committee to approve an implementation date of July 1, 2008 in order to permit the review and modification of existing standards in order to conform to the standards now being approved. Committee Member Daniels asked if there was a central repository for the written delegations and was advised by General Counsel Keith that copies of written delegations were kept on file by the Assistant Secretary of the Board of Trustees and the General Counsel's Office. After discussion, the Standards for Vice Presidential Sub-delegations were unanimously approved for implementation on July 1, 2008.

Chairman Powell next asked the Committee to consider the reappointment of S. Andrew Banks and Jerry W. Davis as directors of UFICO for 3-year terms commencing July 1, 2007. Committee Member McGriff raised the question of whether the Board of

Trustees should continue the appointment of UFICO directors or should UFICO select its own directors as do the other DSO's. Chairman Powell suggested that the Committee members might want to think about this question and discuss it at a future meeting. He also suggested that consideration be given to reducing the number of UFICO directors, particularly in the context of whether a director should be appointed because of Craig Cohen's resignation from UFICO's board. After discussion, the Committee unanimously approved the reappointment of Mr. Banks and Mr. Davis as directors of UFICO.

The Committee next discussed the matter of board evaluations and the upcoming retreat. BOT Chair Dianna Morgan noted that the University was about to enter a period of fiscal austerity and inquired whether the Committee thought it would be beneficial to have a speaker at the retreat who might give the Board some insight on how to manage the prospective changes or whether the Board should use the time to have a dialogue with President Machen similar to the previous retreat. Chairman Powell responded that he thought the Board members had considerable experience in dealing with fiscal and management issues and that the time available would be best devoted to discussing specific strategies for the University because in his view the BOT needs to have a consensus on strategic priorities.

Chair Morgan volunteered to work with BOT Assistant Secretary Brian Beach to develop a BOT evaluation format for distribution prior to the retreat. Committee Member McGriff then suggested that because of the fiscal constraints under which the University would be operating the BOT should consider whether moving the site of the retreat and asking Trustees to absorb more of the expenses associated with the retreat might be appropriate. Mrs. Morgan responded that she would work with Brian Beach to see whether moving the retreat would be feasible and the economic implications of holding the retreat as planned or at some alternative location.

The Committee next met in closed session with the University's collective bargaining team for an update on union negotiations. At the conclusion of that discussion the meeting was adjourned.