

MINUTES

COMMITTEE ON GOVERNANCE

March 15, 2010

The Governance Committee met on March 15, 2010. Committee members Earl Powell and Steve Scott were unable to attend the meeting.

The Committee approved the Minutes from its December meeting on motion of Trustee Ponce and second by Trustee Alfonso.

Committee Chair Morgan summarized and then the Committee discussed President Machen's current short and long-term goals, as well as his performance against the goals over the last few years, noting the consistent achievement of goals. President Machen expressed his comfort with the current goals, while he and the Committee noted the challenging environment for the capital campaign goal. Everyone agreed with President Machen that the goals relating to the quality of students should be to maintain the high quality of our student body; there is no need to change existing metrics because they are already very high. The goal of hiring 100 net new faculty was also discussed. President Machen expressed his comfort with the goals generally, while noting the challenges relating to fundraising and net increases in faculty that will improve faculty-student ratios. He expressed his optimism that UF will hire 100 new faculty, but the offset from retirements and attrition is uncertain. After further discussion and motion by Trustee Ponce and second by Trustee Alfonso the Committee unanimously agreed to recommend that the Board approve the President's goals as set forth in the Board materials.

Board Chair McGriff then summarized the outside consultant's report assessing President Machen's performance against last year's goals. Board Chair McGriff and Committee Chair Morgan noted that the President had a spectacular year in achieving the goals. President Machen reviewed his self-assessment. Committee members agreed that the President's performance was excellent and noted that UF is fortunate to have a President with these performance results. The Committee members also expressed their optimism that the President will have another outstanding year. Trustee Ponce expressed his strong support for the performance assessment process and noted that there is great unanimity in the Trustees' assessment. The Committee noted that the consultant, Bill Weary, does an excellent job of capturing the Trustees' views.

The Committee next addressed an amendment to President Machen's employment contract. Vice President and General Counsel Jamie Lewis Keith explained that the President earned a sabbatical payment on January 1, 2009 under his original contract, after serving as President for five years. The payment was due on January 1, 2009. President Machen later agreed to an amendment which provided for the payment to be made over four years. However, an unintended and unfair consequence of this change is that the Internal Revenue Code will tax the entire sabbatical payment as if it were paid on January 1, 2009—when President Machen actually only received one-fourth of the total payment in 2009. To make the pay-out fair in light of its tax treatment, and recognizing that there would still be a delay in the pay-out from what the President's contract originally required—with payments being made in 2009 and 2010 -- the Governance Committee after motion by Trustee Ponce and second by Trustee Roberts

unanimously voted to recommend that the Board approve payment of the balance of the sabbatical amount at this time.

The Committee then announced it would meet in executive session to discuss the collective bargaining process and would reconvene in public session to vote on ratification of the Florida Police Benevolent Association, Inc. and the United Faculty of Florida contracts which have been ratified by the unions.

After the executive session, the Committee again met in open session and separately, after motions by Trustee Alfonso and seconds by Trustee Ponce, unanimously voted to recommend to the Board that it ratify the PBA contract and the UFF contract, after which the meeting was adjourned.