



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE MINUTES**

December 5, 2013

Emerson Alumni Hall, University of Florida, Gainesville, Florida

Time Convened: 10:35 a.m. EST

Time Adjourned: 11:17 a.m. EST

1.0 Call to Order and Welcome

Committee Chair, Steven M. Scott called the meeting to order at 10:35 a.m. EST.

Members present were:

Steven M. Scott (Chair), C. David Brown, II, Carolyn K. Roberts, Juliet M. Roulhac, David M. Thomas. Trustees Susan M. Cameron and Marshall M. Criser, III were unable to attend.

Others present were:

Trustees Marc Heft, Bill Heavener and Jason Rosenberg; President Bernie Machen; Joseph Glover, Provost and Senior Vice President; Paula Fussell, Vice President for Human Resource Services; Jamie Lewis Keith, Vice President and General Counsel; Michael Ford, Senior University Counsel; Ryan Fuller, Associate University Counsel; Janine Sikes, Assistant Vice President for Media Relations and Public Affairs; Jamal Sowell, Special Assistant to the President; and other members of the Cabinet and University community, the public and the media.

2.0 Verification of Quorum

After a roll call, a quorum was confirmed, with all members present, except for Trustees Cameron and Criser.

3.0 Review and Approval of Minutes

The Committee Chair asked for a motion to approve the minutes of the September 19, 2013 meeting, which was made by Trustee Roulhac and Seconded by Trustee Thomas. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

4.0 Executive Session

The Chair noted that the Committee would be asked to ratify some routine amendments to the Collective Bargaining Agreement with the Police Benevolent Association as an Action Item, and asked whether any members of the Committee wished to have an Executive Session to discuss collective bargaining. There was consensus of no need for an Executive Session.

The Committee considered the following Action Items:

5.0 Action Items

GV1. Amendments to Collective Bargaining Agreement Between the University of Florida Board of Trustees (BOT) and the Police Benevolent Association (PBA)

The Chair asked Vice President for Human Resource Services, Paula Fussell, to Summarize GV1-- changes to the Police Benevolent Association's Collective Bargaining Agreement.

Ms. Fussell thanked Kevin Clark, the Chief Negotiator for the PBA Union for his work and then summarized the main changes. These are:

- Article 9: requiring individuals to apply for any desired promotional opportunity rather than automatically considering all individuals who pass the promotional exam for every position;
- Article 18: implementing the 2013-14 pay raise;
- Article 23: reimbursing 120, rather than 60, credit hours at Santa Fe College, but requiring courses to advance toward a degree in a declared major in order for tuition to be reimbursed.

After a brief discussion, the Chair asked for a motion to approve GV1—Ratifying the Amendments to the Collective Bargaining Agreement between the University of Florida Board of Trustees and the Police Benevolent Association-- for the Board's approval on the Consent Agenda, which was made by Trustee Thomas and Seconded by Trustee Brown. Chair Scott asked for any discussion, and then, all in favor—any opposed—to the motion, which passed unanimously. Chair Scott added that he is pleased that, after five years of fiscal austerity, the financial picture is more optimistic and the University is able to provide for staff advancement.

GV4. Mid-Term Vacancy in Board Vice Chair

Board Chair Brown noted that Trustee Criser had resigned from the University's Board of Trustees, effective January 1, 2014, to assume the role of Chancellor of the Florida State University System. This creates a vacancy in the Board Vice Chair position.

The Committee Chair asked Vice President and General Counsel Jamie Lewis Keith to summarize the Action Item and Resolution for the election of a successor Vice Chair. Ms. Keith uploaded GV4 and Resolution R13-126 and gave an overview of the resolution after explaining that the Board's custom is for the Governance Committee to recommend a Trustee to fill the

mid-term vacancy in the Vice Chair position for approval by the Board on the Consent Agenda. The Trustee elected to succeed Trustee Criser as Vice Chair will serve from the effective date of the vacancy on January 1, 2014 through June 30, 2016—which is the period specified in the Bylaws in the event of a mid-term vacancy at that time.

Trustee Rosenberg asked why the appointment was not only for the unexpired term of the previous Vice Chair. Ms. Keith explained that this question had been robustly discussed and decided by the Board in 2012 when we had a mid-term vacancy in our Board Chair and reflects a policy to provide for stability, consistency and certainty in leadership--while also providing for a close to regular two-year term and avoiding a three or longer- year term. Ms. Keith also noted that--whatever the term of the Vice Chair-- he or she may be, but is not required to be, elected as Chair at the regular election; there is no bar to this.

The Committee Chair asked for a motion and a second to elect a Vice Chair of the Board under GV4 and R13-126 for the Board’s approval on the Consent Agenda.

Board Chair Brown made a motion to approve GV4 and Resolution R13-126 with Trustee Scott as Vice Chair. In so doing, Chair Brown noted that Trustee Scott is one of the present longest serving Trustees, having been appointed to a second term. He brings a wealth of experience and success from the private sector as well as having valuable experience with UF’s and other universities’ governance and health affairs endeavors. Chair Brown also recognized the generous financial support of the University by Trustee Scott, which is one of the important roles of board members. Trustee Roberts seconded the motion. The Committee members expressed a consensus of support for the election of Trustee Scott.

As a consensus had already been expressed, Chair Scott asked for any further discussion and then for all in favor—and any opposed—to the motion, which passed unanimously. Trustee Scott thanked the Committee for their vote of support and said it is an honor to be put forward for election and that he is looking forward to the opportunities and challenges the University will have in the next five years, particularly the selection of a new President to lead the University and the initiatives to bring the University to top-ten status for public research universities.

The Committee next considered agenda Item GV2 - Conforming Amendments to University of Florida Board of Trustees Bylaws

GV2. Conforming Amendments to the Board’s Bylaws

The Chair asked Ms. Keith to summarize GV2, Conforming Amendments to the Board’s Bylaws. Ms. Keith explained that the amendments are to Section 6.5 of the Bylaws—Appearances Before the Board:

- A bit more detail is provided about how to request an appearance and how appearances are approved and conducted—which is helpful to those making a request-- and conforms with the Board’s longstanding practices and applicable law.

- The Board has welcomed public comment on matters on the agenda, and has followed the time limits and other conventions specified to both accommodate comment and complete the business of meetings.

After a brief discussion, Chair Scott asked for a motion to approve GV2—Conforming Amendments to the Board’s Bylaws-- for the Board’s approval on the Consent Agenda, which was made by Trustee Brown and seconded by Trustee Roulhac. He asked for any discussion—and then, all in favor—any opposed—to the motion, which passed unanimously.

GV3. President’s Strategic Priority Goals

Chair Scott next turned to GV3—the President’s Strategic Priority Goals-- and noted:

- President Machen’s excellent accomplishments over his 10 years leading the University were reviewed in detail at the June 2013 Committee and Board meetings.
- At this time, the Committee is being asked to endorse President Machen’s goals for the remainder of his presidency.
- At the September 2013 Board Retreat, President Machen presented a comparison of UF to other Association of American University-public research universities under a number of metrics, and outlined his plan to focus on (1) number of faculty awards and (2) number of faculty who are members of the National Academies--as areas where UF should be able to enhance its performance, and (3) the six-year graduation rate and (4) percentage of students in the top 10% of their graduating high school class--as additional areas where there is potential to enhance UF’s performance.
- The Board reviewed this plan favorably.
- The Committee is being asked to endorse Board Chair Brown’s and President Machen’s plan for the President to work on making progress in these areas as his focus and goals for the remainder of his Presidency.
- President Machen commented that, with a fixed term remaining for him, the focus on these goals, all of which relate to the University’s preeminence initiative-- is the best focus for his efforts.

Chair Scott asked for a motion to approve GV3—the President’s Strategic Priority Goals-- for the Board’s approval on the Consent Agenda, which was made by Trustee Brown and seconded by Trustee Roberts. He asked for any discussion—then, all in favor—any opposed—to the motion, which passed unanimously.

The following Discussion/Informational Items were addressed by the Committee:

6.0 Discussion/Informational Items

Chair Scott asked Ms. Keith to address the discussion items.

6.1—Update on Category 1 DSO Presentations.

Ms. Keith noted that the Governance Committee had endorsed a plan to have Category 1 Affiliates meet with the Governance Committee at its March or June meeting, to see

whether or not this will enhance oversight and be a good use of the Committee's time—or whether the existing oversight and controls are adequate.

- The CEO of the Affiliate, accompanied by the UF Trustee serving on the Affiliate Board, will make the presentation.
- Ms. Keith uploaded a draft form of Presentation Format/Outline for use by the Affiliates so that there is some consistency and structure to the presentations.

A discussion ensued during which President Machen said he thinks the Board is taking a good and significant step forward to provide for Board oversight of the affiliated organizations. Trustee Scott seconded Dr. Machen's thoughts on this point. Trustee Roberts said that she also supports this initiative but cautioned that the Board avoid micro-management of the activities of well-run affiliates. Trustee Scott noted that the responsibility of the Board should not be the operations of the affiliates and added that he thinks it would be beneficial to have an outside expert in board governance make a presentation to the Board at the February retreat on Trustee oversight and responsibilities. Trustee Thomas suggested that each organization include measurable goals in its presentation of short and long-term objectives, so that the organization can periodically report back. Ms. Keith said the presentation outline will be modified to reflect this point. Trustee Roulhac suggested that the presentation regarding Audit Committees be modified to include information on the Committee's composition, how frequently audits are conducted, and a report on how the organization is responding to any recurring concerns. Ms. Keith noted that the affiliated entity audits are reviewed by the Board's Audit Committee, and the presentation outline will be modified to reflect Trustee Roulhac's suggestions. Trustee Brown closed the discussion by noting that he thinks this initiative is an important step forward in the Board's oversight. He emphasized that affiliated organizations have significant impacts on the University's brand identification and marketing initiatives.

6.2—Update on Affiliate Insurance Review.

Ms. Keith asked Senior Counsel Michael Ford, to update the Committee on the Review of Affiliate Insurance Coverage. Mr. Ford noted:

- We issued a survey to each Affiliate, with a December 15th return date, asking for information about the types and amounts of coverage. We will follow up with any Affiliates for which additional information may be needed.
- Randy Jenkins, the Director of the Self Insurance Program which provides UF's and Shands' medical liability coverage and has deep and broad knowledge of the insurance industry, will assist us in reviewing the responses to determine whether there are any gaps in type or amount of coverage.
- The staff that deals with insurance for the Athletic Association, the Foundation and Shands will also be asked to participate on our internal task force.
- Trustee Thomas asked what benchmark information would be utilized. Mr. Ford said that our initial consultation will be with Randy Jenkins due to his extensive experience. With Randy Jenkins' assistance, we will determine whether any outside advice is needed.

- Florida statutory protections for voluntary service on charitable corporation boards and sovereign immunity will be factors on needed insurance.
- We are aiming to have a report to the Committee by June.

7.0 New Business

The Committee did not discuss any New Business at the meeting.

8.0 Adjournment

After asking for any further discussion and hearing none, Chair Scott asked for a motion to adjourn, which was made by Trustee Thomas and a second which was made by Trustee Roulhac, and, with no further discussion desired, the motion was passed unanimously and the Governance Committee meeting was adjourned at 11:17 a.m. EST.