



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

**September 4, 2014
Austin Cary Forest Learning Center
10625 NW Waldo Road, Gainesville, Florida 32609**

**Time Meeting Convened: 3:50 p.m. EDT
Time Meeting Adjourned: 4:15 p.m. EDT**

1.0 Welcome

Chair James W. Heavener welcomed everyone.

2.0 Verification of Quorum and Call to Order

Committee Members present:

James W. Heavener (Chair), C. David Brown, II, Carolyn K. Roberts, Juliet M. Roulhac, Steven M. Scott, and David M. Thomas. Trustee Susan M. Cameron was unable to attend.

After Ms. Keith verified a quorum with all members present except Trustee Susan Cameron who was unable to attend, Chair Heavener called the meeting to order at 3:50 p.m. EDT.

3.0 Approval of Minutes

Chair Heavener asked for a motion to approve the minutes of the June 5, 2014 and July 8, 2014 meetings in a single motion, which was made by Trustee Roberts 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 Informational/Discussion Items

4.1 UF and Affiliated Organizations Insurance Review

Chair Heavener asked Senior University Counsel Ford to address the insurance review of UF and UF affiliates. Senior University Counsel Ford reported:

- Under the direction of the Vice President and General Counsel's Office, UF on its own behalf, and as agent on behalf of UF's Direct Support Organizations and close affiliates, retained the services of Tom Atkins, an independent insurance expert with specialty focus on universities and foundations, to review the type and adequacy of insurance coverage and recommend any advisable changes.
- We did not review Shands' coverages as we understand they have reviews by Marsh or Aon on a regular basis. Also, we did not review University Village Apartments, Inc. since that corporation is in the process of being dissolved.
- Mr. Atkins and his company do not write insurance or receive income tied to insurance transactions so they have no interest in recommending additional coverage. His review considered a wide variety of insurable risks including: Property (real and personal); Loss of Use; Employee Dishonesty and Crime; Automobile; Internet/Web Use and Unauthorized; Disclosure of Personal Information; Professional Liability (excluding medical malpractice); Public Liability; Catastrophe Liability; and Management Liability.
- The General Counsel's Office provided information about sovereign immunity, statutory protections for voluntary service on charitable corporation boards, and state Department of Risk Management coverage.
- The CEO of each of the DSOs and Affiliates will receive a report with Mr. Atkins's advice.
- Additional coverage of different types was recommended in a number of cases, and the General Counsel's Office, on behalf of each affiliate, is reviewing the advice, following up with Mr. Atkins to discuss and assess what is needed, and will ultimately follow up with the CEO of each affiliate and track actions taken. There may be some situations where the initial advice changes after the follow up discussions. Assessment of the relative value of enterprise risk management or insurance will be considered where appropriate. To the extent some additional insurance may be required, economies of scale from collective procurement will be considered.
- After the General Counsel's office completes its review and reviews with President Machen, we will make an appointment with Committee Chair Heavener to discuss the advice so that he may assist in this service to the affiliates.
- This was a worthwhile endeavor because there were some gaps that can be filled.

4.2 Collective Bargaining

Chair Heavener announced at 4:02 p.m. that the Committee would go into executive session to discuss collective bargaining, which it did.

5.0 Action Items

Chair Heavener resumed the public session at 4:10 p.m. and the Committee considered the following Action Items:

- GV1. Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the Graduate Assistants United (GAU)
- GV2. Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the United Faculty of Florida (UFF)
- GV3. Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the American Federation of State, County & Municipal Employees, AFL-CIO (AFSCME)
- GV4. Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the Police Benevolent Association (PBA)

Chair Heavener asked if there were any questions about GV1, GV2, GV3, or GV4--Amendments to Collective Bargaining Agreements for the Graduate Assistants United, the United Faculty of Florida, AFSCME, and the Police Benevolent Association--as detailed in the Committee Action Items.

Chair Heavener asked if any Committee member would like separate votes. The Chair asked for a motion to approve the four Collective Bargaining Agreements as set forth in the Action Items, which was made by Trustee Roberts and Seconded by Trustee Roulhac. The Chair asked if there was any discussion, after which he asked for all in favor and any opposed. The motion was approved unanimously.

The Committee then turned to Action Item, GV5. Conforming Amendments to University of Florida Board of Trustees Bylaws.

Chair Heavener asked if there were any questions about GV5, Conforming Amendments to Article IV of the University of Florida Board of Trustees Bylaws (Board Officers) which makes the following changes:

- The Amendment incorporates the Vice President and University Secretary role that was authorized at the June 5, 2014 Governance Committee meeting and is filled by Jamie Lewis Keith, as Vice President, General Counsel and University Secretary.

- The Vice President and University Secretary serves as the executive administrator for the President's Corporate Secretary role, supervises the Assistant Secretary in support of the Board, and advises the Board.
- The University Secretary is added to the list of Board officers--who are not members of the Board--along with the Corporate Secretary (who is the President) and any Assistant Secretary.
- The University Secretary is authorized to send notices, prepare materials and minutes, and attest to Board actions--as well as to perform other secretary actions authorized by the Corporate Secretary.

Chair Heavener asked for a motion to approve GV5, which was made by Trustee Thomas and Seconded by Trustee Brown. The Chair asked if there was any discussion, after which he asked for all in favor and any opposed. The motion was approved unanimously.

6.0 New Business

The Committee did not have any new business to discuss.

7.0 Adjournment

Chair Heavener asked for a motion to adjourn, which was made by Trustee Roberts and Seconded made by Trustee Roulhac. The Chair asked if there was any discussion, after which he asked for all in favor and any oppose. The motion was approved unanimously and the University of Florida Committee on Governance adjourned at 4:15 p.m. EDT.



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

June 5, 2014

**Warrington Conference Room, Emerson Alumni Hall,
University of Florida, Gainesville, Florida**

Time Convened: 10:30 A.M. EDT

Time Adjourned: 11:45 A.M. EDT

1.0 Call to Order and Welcome

Committee Chair David M. Thomas called the meeting to order at 10:30 a.m. EDT. Chair Thomas welcomed the Committee members and the Committee’s guests—Jeremy Foley for the University of Florida Athletic Association and Gator Boosters, and Thomas Mitchell for the University of Florida Foundation, Inc.

Committee Members Present:

David M. Thomas (Chair), C. David Brown, II, Susan M. Cameron, James W. Heavener, Carolyn K. Roberts, Juliet M. Roulhac, Steven M. Scott

Others Present:

Trustee Jason Rosenberg, President J. Bernard Machen, Provost Joseph Glover, Senior Vice President and Chief Operating Officer Charles Lane, Vice President and General Counsel Jamie Lewis Keith, Vice President for Development and Alumni Affairs Thomas Mitchell, other members of the President’s Cabinet, Athletic Director Jeremy Foley, Executive Associate Athletic Director Lynda Tealer, Associate Vice President and Deputy General Counsel Amy Hass, Executive Assistant Rebecca Holt, members of the University of Florida Community, and other members of the public and the media.

2.0 Verification of Quorum

After a roll call, a quorum was confirmed, with all members present.

3.0 Review and Approval of Minutes

The Committee Chair asked for a motion to approve the minutes of the March 27, 2014 committee meeting, which was made by Trustee Cameron and Seconded by Trustee Scott. 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.

The Committee considered the following Action Items:

4.0 Action Items

GV1. Creation of Shands Recovery LLC

Chair Thomas asked Senior Vice President for Health Affairs and President of UF Health, David Guzick, and General Counsel Jamie Lewis Keith to present Action Item GV1-Authorization of the Creation of Shands Recovery LLC.

Dr. Guzick noted that The Florida Recovery Center is a substance abuse center within UF Health Shands Hospital that treats patients on an out-patient basis. Patients who need hospital care are admitted to the hospital. The Florida Recovery Center is legally part of Shands Teaching Hospital and Clinics, Inc., which makes the Florida Recovery Center subject to the regulations and other obligations that apply under hospital-level licenses and regulations. Hospital compliance and other requirements are more extensive and expensive than the requirements that apply to free-standing substance abuse centers. So, it is more expensive for the Florida Recovery Center to compete in the market. UF Health Shands Hospital would like to create a Limited Liability Company as a Shands subsidiary to operate the Florida Recovery Center as a free-standing substance abuse center.

General Counsel Keith noted that under the statute governing Shands, 1004.41, Florida Statutes, the approval of the University of Florida Board of Trustees is required in order for Shands to create a subsidiary. The Shands Teaching Hospital and Clinics, Inc. board is expected to approve the creation of this subsidiary at its meeting later this month. Chair Thomas indicated the proposal would create a simpler and more suitable vehicle through which the Florida Recovery Center can operate and compete.

General Counsel Keith also noted that Action Item GV1 authorizes the creation of the LLC and authorizes the University of Florida President, or the President of the Hospital (currently Dr. Guzick) as the University of Florida President's designee, to approve the organizational documents.

Chair Thomas asked for a motion to approve Action Item GV1-Creation of Shands Recovery LLC, which was made by Trustee Heavener and Seconded by Trustee Scott. The Chair asked for any further discussion, of which there was none, and then he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

GV2 and R14-131. Election

Chair Thomas turned the Committee's attention to Action Item GV2 and Resolution R14-131. The two-year term of service of David Brown as the University's Board Chair is coming to an end at the end of June. During his second term on the Board, David Brown served the Board and led the Board through a time of budget cuts to recovery and growth. He led the Board through a time of transition from the University's long-serving and highly successful founding Trustees to our very strong current Board. Through the leadership of David Brown and President Machen, as well as the efforts of the Board and its Chairs over the years, and the support of the Legislature, Board of Governors and Governor, the University has been recognized as the state's foremost preeminent research university, and the University is strong financially and has the resources to further grow its ranks of preeminent faculty. The present Board is a collegial group of highly accomplished leaders and professionals from many fields who are deeply committed to the University of Florida and its preeminence goals, including the goal to become a top-10 AAU research university in national ranking, after many years as an AAU member. Chair Thomas thanked David Brown on behalf of the Committee for his leadership and service. Committee Chair Thomas said it was time to elect a successor Board Chair, and asked Board Chair Brown if he wanted an opportunity to speak.

Board Chair Brown expressed his gratitude for the opportunity to serve the Board and University and recognized the extraordinary dedication and talent of his fellow Trustees, predecessors as Board Chair, and senior administration. Then, Board Chair Brown made a motion to recommend to the Board that it elect Trustee and Vice Chair of the Board, Steven Scott, as Chair of the Board on the Consent Agenda, which was seconded by Trustee Cameron.

Board Chair Brown noted a few things about Trustee Scott. Trustee Scott is an accomplished physician, certified by the American Board of Obstetrics and Gynecology and is a highly successful healthcare and medical business entrepreneur and investor, having founded and sold Vista HealthPlan, a nation-wide HMO, and chairing Scott Holdings investments, among other healthcare business endeavors. Trustee Scott's dedication to the University and the Board are proven through his long service, his vice-chairmanship of the Board, and his chairmanship of the Finance and Facilities Committee, Governance Committee and Educational Policy and Strategy Committee. He has experience nationally with major institutions of higher education, academic research, and academic medicine—including as a member of the Duke University Medical Board, the Advisory Board for Wake Forest University's Babcock School of Business, and the advisory cabinet for UF Health Shands, and in serving his second term on the UF Board of Trustees. Trustee Scott has served the University in a number of capacities and is a generous supporter of many areas of the University, including the Atrium of the new Medical Education Building. He is chairing the 2014 Presidential Search Committee, which requires an enormous time commitment and focus. The members of the Committee indicated consensus in their recognition of Trustee Scott's qualifications.

Committee Chair Thomas asked for further discussion to which there was none and then he asked for all in favor of the motion and any opposed, and the motion was approved

unanimously. Vice Chair Scott expressed his deep honor and gratitude for the Committee's recommendation that he serve as Chair of the Board.

Committee Chair David Thomas then asked for a motion to recommend to the UF Board election of a Vice Chair. Trustee Roberts made a motion to recommend that the Board of Trustees elect Trustee and Governance Committee Chair, David Thomas, as Vice Chair and Trustee Brown seconded the motion.

Board Chair Brown noted the following about Trustee Thomas. Trustee Thomas is a leading international executive in information technology and services business, having had a long and successful career leading major global businesses at IBM and IMS Health. David Thomas has extensive Board leadership experience, chairing the Board of Fortune Brands Home and Security (a Fortune 300 company), and serving on the Board of Fidelity Investments, a global leader in mutual funds and investments, and the Board of Interpublic Group, one of the largest holding companies for advertising agencies and communications services business. Trustee Thomas' roots at the University run deep, having graduated with bachelors and masters degrees from the University of Florida College of Engineering and having played as a pitcher on the Gator baseball team. He has brought his world-wide experience to his committed service on the UF Board of Trustees, including in his prior service as Co-Chair of the Strategic Initiatives Committee and his current Chairmanship of the Governance Committee. The Committee members indicated their agreement that Trustee Thomas is well-qualified to serve as Vice Chair of the Board.

Board Chair Brown asked for any further discussion, of which there was none, and then he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

R14-132. University Secretary

Committee Chair Thomas turned the Committee's attention to Resolution R14-132 University Secretary. Vice President and General Counsel Jamie Lewis Keith left the meeting. Chair Thomas asked President Machen to present the resolution. President Machen noted that the resolution does not change the current practice or replace the President as UF's Corporate Secretary (service required by Board of Governors regulations); it reflects what Jamie Keith has been doing for several years. This is an executive position that administers the University of Florida's secretary role, reports to the President, advises the Board and administratively oversees any assistant secretary. The Governance Committee has the authority from the Board of Trustees to finally decide and reflect this role in the Vice Presidential organizational structure. The proposal allows (but does not require) the Vice President and General Counsel to also perform the Vice President and University Secretary role, as Vice President and General Counsel Jamie Keith has done and would continue to do with the title, Vice President, General Counsel and University Secretary.

Members of the Committee indicated their strong support for the proposal, Ms. Keith's service, and Trustee Cameron's confirmation that the President is appropriately reflecting and securing Ms. Keith's service including the University Secretary responsibility. Chair Thomas asked for a motion to take final action to approve Resolution R14-132, University Secretary, which was made by Trustee Brown and Seconded by Trustee Cameron. The Chair asked for further discussion, of which there was none, and then asked for all in favor of the motion and any opposed and the motion was approved unanimously. Ms. Keith then rejoined the meeting.

5.0 Discussion/Informational Items

5.2 Update on Vice President for Research Reporting

President Machen addressed Item 5.2, which was moved up on the agenda. Chair Thomas asked President Machen to update the Committee on the Vice President for Research reporting. President Machen noted that the Vice President for Research reported to the President for many years because research is a central and large endeavor for the University, both programmatically and financially. In the 2011 transition, when Senior Vice President and Chief Operating Officer Phillips was succeeded as the longtime Vice President for Research by David Norton, the Governance Committee approved a change in the Vice President organization so that the new Vice President for Research would report to the Senior Vice President and Chief Operating Officer Phillips. The approval also recognized that this would be the case during the transition, and authorized the President to reconstitute direct reporting to the President once the transition was completed, with notice to the Committee. President Machen said he was notifying the Committee that the Vice President for Research is again reporting to the President, now that the transition has been successfully completed and Senior Vice President and Chief Operating Officer Phillips has stepped down from that role.

5.1 Category 1 Affiliate Presentations

Chair Thomas noted that as part of the Committee's governance oversight project, the Committee heard governance presentations from the first three of the University's most-substantial-tier affiliated organizations in March. The rest of the Governance Committee's meeting was devoted to hearing presentations from the next three top tier affiliated organizations. First was a presentation by the University of Florida Athletic Association, Inc. and Gator Boosters, Inc., represented by Athletic Director, Jeremy Foley. Trustee Bill Heavener is the UF Board representative on the Booster's Board. Trustee Charlie Edwards is the UF Board representative on the UAA Board, succeeding Former Trustee Marshall Criser, and Bill Heavener also serves on the UAA Board. The second presentation was by the University of Florida Foundation, Inc., which was represented by its Executive Vice President, Thomas Mitchell. UF Board Chair David Brown is the UF Trustee representative on UFF's Board; other senior UF officials are also on UFF's Board.

General Counsel Keith noted that the governance surveys for the UAA, Booster's and Foundation were included in the Governance Committee Appendix to the Board Book. There

are UF Trustee representatives on each Board—and the President and other senior UF administration leadership also serve on each Board. Each presenter gave an overview of the organization, its relationship to UF’s mission, its notable accomplishments over the last five years, its major strengths, opportunities, and awareness of challenges, its short and long-term goals and performance metrics, and as requested by the Committee in March, its approach for identifying and managing key enterprise risks. The Committee actively engaged in questions and discussion with each presenter. At a later meeting, the Committee will hear the presentations on health affairs affiliates. Ultimately, the Committee will be asked to consider whether these presentations are helpful for governance oversight. The slides for these presentations have been uploaded to BoardVantage for all Trustees and are attached to these minutes.

7.0 New Business

Chair Thomas asks if there was any new business. General Counsel Keith noted that the affiliate insurance review will be available at the next meeting.

8.0 Adjourn

After asking for any further discussion and hearing none, Chair Thomas asked for a motion to adjourn, which was made by Trustee Brown and Seconded by Trustee Cameron. With no further discussion desired, the motion was passed unanimously and the Committee on Governance meeting was adjourned at 11:45 a.m. EDT.



MINUTES

**Joint Meeting/Telephone Conference Call Meeting
Of The
University of Florida Presidential Search Committee
and
University of Florida Board of Trustees Committee on Governance**

July 8, 2014

Time Convened: 4:33p.m. EDT

Time Adjourned: 5:23p.m. EDT

Search Committee and Board of Trustees Chair, Steven M. Scott called the meeting to order at 4:33 p.m. with all members of the Search Committee and Board Governance Committee present except as noted below.

Members of the University of Florida Board Of Trustees' Governance Committee present were:

David Thomas (Chair), Susan Cameron, Bill Heavener, Carolyn Roberts, Juliet Roulhac, Steven Scott. David Brown was unable to attend.

Members of the University of Florida Presidential Search Committee present were:

Steven M. Scott (Chair), Cammy Abernathy, Christina Bonarrigo, Susan Cameron, David Guzick, Bill Heavener, Marc Heft, Harry Klee, Keith Koenig, Thomas Kuntz, Vasudha Narayanan, Suzanne Norris, David Norton, Jack Payne, Carolyn Roberts, Lynda Tealer, David Thomas, Richard Yost

Others present were: Trustees David Brandon, Christopher Corr, Pradeep Kumar, Jason Rosenberg, and Cory Yeffet; Search Senior Advisors David Kratzer and Manny Fernandez; Stephen Pollack, Partner, Mercer; Jan Greenwood, Partner, and Julie Holley, Senior Consultant, Greenwood/Asher & Associates; Vice President for Human Resource Services, Paula Fussell, Vice President, General Counsel and University Secretary, Jamie Lewis Keith, Vice President for University Relations, Jane Adams, Assistant Vice President for Public Affairs, Janine Sikes, Administrative Contact for the Search, Melissa Orth, Executive Assistant, Becky Holt, Special

Assistant to the President, TJ Villamil, members of the media and other members of the UF community and public. The meeting was also streamed live via the internet.

Search Committee and Board Chair Steven Scott called the UF Presidential Search Committee and the Board Committee on Governance to order at approximately 4:33 p.m. EDT and welcomed everyone attending, including those joining the live stream over the internet. Chair Scott welcomed Stephen Pollack, the Mercer partner on the UF project and Jan Greenwood of the search firm, Greenwood/Asher & Associates.

Chair Scott extended a warm welcome to David Brandon, UF's newest Trustee, and Distinguished Professor of Religion, Vasudha Narayanan, who has agreed to succeed Dean D'Anieri on the Presidential Search Committee. He thanked them for their important service to UF.

Governance Committee Chair David Thomas asked for a motion from a member of the Governance Committee to approve holding a Joint Meeting of the Governance Committee with the Search Committee. The motion was made by Susan Cameron and was seconded by Carolyn Roberts. Governance Chair David Thomas asked if there was any discussion and, hearing none, called for a vote on the motion, which was approved unanimously.

Search Committee Chair Steve Scott asked for a motion from a member of the Search Committee to approve holding a Joint Meeting with the Governance Committee. The motion was made by Marc Heft and was seconded by Keith Koenig. Search Chair Steve Scott asked if there was any discussion, and hearing none, called for a vote on the motion, which was approved unanimously.

Chair Steve Scott asked Search Subcommittee on Compensation Chair Bill Heavener to summarize the Subcommittee's proceedings of Monday, July 7, 2014. Subcommittee Chair Bill Heavener summarized the meeting as follows:

- International compensation expert, Mercer, was retained by the UF Vice President for Human Resource Services Paula Fussell to provide an assessment and opinion on the current range of market total compensation for AAU university presidents at institutions that are UF's peers.
- Mercer's findings on the range of comparable presidents' current market total compensation can be used as a basis for establishing total compensation for the next President of UF.
- Mr. Pollack presented Mercer's opinion and analysis, which are captured in its July 7, 2014 Report, going through each slide one-by-one and thoroughly explaining its analysis and answering questions.
- The penultimate Mercer opinion is on slides 8-9. Mr. Pollack explained that the 2014 hiring of presidents by three of UF's closest AAU public peers—University of Michigan, Pennsylvania State University, and The Ohio State University—at \$900K, \$1.2M, and \$1.25M total annual compensation, respectively—and the current total annual compensation of UF's AAU private peers—ranging from

\$919K to \$1.4M—show a narrow band of the current market range for total compensation of peer institution presidents.

- The Subcommittee reached a consensus endorsing the Mercer Report, as complete, of high quality, and expressing a current market range of total compensation that is a sound basis for establishing the total compensation for the next UF President.
- The Subcommittee recognized that the actual total compensation of UF's next President will depend on the qualifications and other specifics of the individual who is selected, and will be proposed by the Board Chair and approved by the Board later in the process. But it is important during the recruitment process to recognize the current market range that will be used to establish total compensation.

The Subcommittee noted that the Board, upon recommendation of the Board Chair, should have discretion as to how to configure the components of the next President's total compensation.

Search Chair Steve Scott stated that the Subcommittee asked Mercer to provide its expert opinion on the relevant current market range of peer presidential total compensation as a sound basis for establishing the next President's Total Compensation. Only the current market range was to be addressed at the meeting. Chair Scott also noted the generational shift in Presidents at AAU and other national research universities, which limits the pool and makes recruitment very competitive.

Chair Scott asked Vice President for Human Resource Services, Paula Fussell, to provide any additional context and to introduce Steve Pollack to make Mercer's presentation. Vice President Paula Fussell provided some context for the discussion:

- UF is one of the nation's five or six largest, most complex, and programmatically broad-scope, land-grant or otherwise broad, AAU public research universities, with a medical school and other professional schools. (The six are: UF, University of Michigan, Pennsylvania State University, The Ohio State University, University of Texas/Austin, and University of Minnesota—and University of Washington is not far behind.)
- UF is the only Florida University— public or private—that is a member of AAU and has been officially recognized as the foremost preeminent research university of the State.
- Peers were considered based on their size, scope and complexity. There are very few true peers of UF and this is how UF is regarded in the market according to our search consultant, Jan Greenwood.
- Jan Greenwood advises that many highly qualified experienced research university presidents are retiring and the pool of candidates who are highly qualified, willing to move from their current positions, and interested in working as president for the next five to 10 years is limited.

- In addition, there are seven major research universities currently searching for a president and there is an eighth major research university that will begin searching. While better than in previous years--when there were over 20 searches underway--UF is searching in a competitive field.
- Vice President Paula Fussell then introduced Stephen Pollack, the Mercer Partner who did the analysis and is providing Mercer's opinion. She asked Stephen Pollack to take the Subcommittee through the slides.
- Stephen Pollack of Mercer then presented the slides that capture Mercer's analysis and opinion, going through each slide in detail and asking for questions:
 - **Slides 1 and 2:** Steve Pollack gave an overview of the project and methodology
 - **Slide 2:**—The seven public peers of UF are: The Ohio State University, University of Michigan, Pennsylvania State University, University of Texas/ Austin, University of Minnesota., University of Washington, and University of Virginia. The five private peers are Cornell University, Harvard University, Stanford University, Vanderbilt University, and Northwestern University.

As Paula Fussell indicated, based on Jan Greenwood's advice, these are the nation's largest, most complex, and programmatically broad-scope, land-grant or otherwise broad, AAU public research universities, with medical schools, other professional schools and athletics programs and which are aligned in the market as UF's peers—as well as relatively large, broad-scope private AAU universities with a medical school, other professional schools, and a competitive athletics program.

- Mercer continued the Slide presentation:
 - **Slide 3:** UF is approximately at or above the 75th percentile of all peers in all criteria, except research expenditures, where UF is between the 25th and 50th percentile. UF fits in this set of all peers. UF also compares well and fits well in the public peers group.
 - **Slides 5 and 6:** These slides address only base salary (not total compensation).
 - The 75th percentile for base salary among all peers is \$800K-830K, although components of total compensation can be configured differently by each institution and how this is done depends on the candidate hired.
 - **Slide 7:** Mercer's use of "Total Cash Compensation"—does not include "other compensation" (including lump sums) or "deferred compensation" or retirement benefits, which are substantial sums for many of UF's peers.
 - **Slides 8 and 9:** These figures present "Market Range of Total Compensation"—including "other compensation" or "deferred compensation" and retirement benefits.
 - Amounts for public institutions do not include health benefits or housing; amounts for private institutions do include these items. However, the dollars tied to these items are relatively small compared to the totals and

do not materially affect the analysis or comparison of public and private institutions' total compensation.

- Three peer presidents were hired to start in 2014—those for University of Michigan, Penn State, and Ohio State --- and their total compensation annually is \$900K, \$1M and \$1.25M, respectively.
 - This reflects an upward trend in UF's closest public peers in the most recent-- 2014—hiring market in which UF is recruiting. For public peer presidents hired in 2014 the 50th percentile is \$1.2M, average is \$1.1M, and the highest is \$1.25M. The band is narrow.
 - The CEO of a \$4.4B private company would command many multiples of this compensation, of course. The jobs are different, but overall one isn't less complex or challenging than the other.
 - The current (2014) market range for total compensation to hire a highly-qualified president—public or private—among UF's peers is pretty narrow at about \$900K for the median to \$1.4M.
 - UF can't expect to hire a highly-qualified new President at that pre-2014 level of compensation based on the current market range.
- Vice President, General Counsel and University Secretary Jamie Keith remarked that prior to the total compensation levels for 2014 hires, UF's current President Bernie Machen had his total compensation adjusted in June 2013 to the then-in-effect 50th percentile. But that total compensation level has fallen back to the 25th percentile for all years of hire for all of UF's public peers and is well below for the 2014 hires.
 - Stephen Pollack of Mercer continued the slide presentation, covering the remainder of the slides. **Regarding Slide 13:** -82% of UF's peers provide a house to the President and 88% of these peers require the President to live in the house for the university's convenience. The peer institution houses are 10,129 square feet in size on average, and include residential space, work space and university entertainment and events space.
 - Vice President for Human Resource Services Paula Fussell noted that UF's new President's House is approximately 7,500 square feet, is entirely privately funded, and includes living, work and smaller university entertaining space. This house is smaller than the average of our peers but the old President's House provides entertainment space for larger events.
 - Chairman Scott noted that the Dasburg family has given the bulk of the funding to build the new President's house, which is named the Dasburg President's House and for which UF is very grateful. Vice President Keith confirmed the house is due to be complete before the holidays in December 2014.

- Governance Chair, David Thomas commented that the Mercer Report analysis is very complete and the selection of peer institutions is very good, reflecting the size and complexity of the task of our next president. Chair Thomas continued to note:
 - The most relevant comparisons are the ones that reflect 2014 hires, which are external hires.
 - With the experience level of the candidate UF is trying to attract for our current goals, we should not be surprised that we will need a total compensation package that is closer to the 75th percentile.
 - A key challenge will be creating the right mix of cash compensation within the total compensation.
 - Depending on the candidate chosen, there may be considerations that will be more important to that individual.

- Chair Scott commented that his meetings with the presidents of AAU and APLU confirmed there is a generational change in qualified presidents, with more competition and higher expectations for compensation in the current, new generation, and the small pool of long-time presidents willing to move and to serve for up to 10 years. UF's needs and expectations for our next president are high in order to meet UF Board and BOG requirements, and to rise to the top 10 national ranking of AAU research universities. We need a leader ready to carry us to the next level and compensation will have to reflect this.

- General Counsel Keith noted that, under state statute, the maximum level of state funds that can be used to compensate the president is \$200,000 and no more than that amount of state funds will be used for the president's remuneration. That law has been in place for about four or five years, applying to the remuneration of UF's current president as well.

- Trustee Roulhac noted the significant market shift recently and how this makes a difference to attract top talent. She said UF will have to look to the upper end of the pay percentile.

- Trustee Roberts thanked Chair Scott for his leadership during the search process and praised his and Subcommittee Chair Heavener's professional and thorough handling of the compensation assessment.

- Chair Scott summarized some important points:
 - It is important for the Search Chair to know the market range for total compensation and have the Board's support to pay within the market for a qualified candidate so that compensation can be discussed during recruitment. The focus is on the total number.
 - As Search Committee Member Tom Kuntz pointed out, we will be sure to include compensation tied to Board Of Governors performance metrics as well as to UF Board top-10 preeminence-related metrics as part of total compensation, and

we will do everything according to statute. The Board Chair will need the Board to provide some flexibility to structure the components of total compensation—but some portion of total compensation—such as base increases or deferred compensation increases—is expected to be tied to performance metrics.

- Trustee Heavener noted that slides 8 and 9 of the Mercer Report show what the competitive range is for total compensation. The range is a good reflection of the current market and the Subcommittee fully supports it.
- Search Senior Advisor Manny Fernandez noted the importance of including in the Search Committee and Board Committee on Governance action and Board action that the Board Chair be authorized to have flexibility to negotiate the amount and components of total compensation within the market range established in the Mercer Report. Vice Chair Thomas and Trustee Roberts both agreed. When asked, Chair Scott responded that having this flexibility without having to get further action by the Board would be very helpful. Mr. Fernandez recommended that the motion to recommend the Board's approval of the Mercer Report include such authority and flexibility and asked whether this was covered.
- Vice President, General Counsel and University Secretary Keith answered that Action Items SC1/GV1 do not presently include such authorization of the Board/Search Chair but the motion to approve them could propose an amendment and add the language highlighted below:

SC1/GV1 Action to Approve for Recommendation to the Board of Trustees for Its Approval on the Consent Agenda, the Mercer Opinion on Range of Market Compensation for Peer Institution Presidents As A Basis For Establishing the Total Compensation for the Next UF President and to provide to the Chair of the Board the authority and flexibility to determine, and to structure the components of, total compensation according to the qualifications and needs of the particular candidate within the market range reflected in the Mercer Report.

Juliet Roulhac state her support of this amendment and other Governance Committee members, as well as Search Committee members expressed consensus to confer this authority on the Board Chair—within the market range reflected in the Mercer Report.

Search Chair Steve Scott asked for a motion from a member of Search Committee, which was made by Bill Heavener and second, which was made by Susan Cameron, to approve SC1 with the noted amendment-- for recommendation to the Board of Trustees for its approval on the Consent Agenda. (It is noted that Search Committee members Marc Heft and David Norton also sought to make the motion.) After asking for further discussion and hearing none, Chair Scott asked for all in favor, and any opposed, and the motion passed unanimously.

Governance Committee Chair David Thomas asked for the same motion from a member of the Governance Committee, which was made by Juliet Roulhac and a second, which was made by Susan Cameron. After asking for further discussion and hearing none, Chair Thomas asked for all in favor, and any opposed, and the motion passed unanimously.

Search Chair Scott reminded all in attendance that the next Search Subcommittee meeting would be the meeting of Communications and Marketing Search Subcommittee on July 21st at 10:00 a.m. Ms. Keith noted that the Communications and Marketing Subcommittee will review the ad to be included in the Chronicle of Higher Education's September 5th recruitment edition. The ad will be heavily based on the already approved position description and qualifications, so no formal approval should be necessary and no additional meetings are contemplated on the ad. The ad will be shared with the full Search Committee and Board, and if anyone wants another meeting it can be arranged.

With no new business, Search and Board Chair Steve Scott then asked for a motion to adjourn the joint meeting, which was made by Juliet Roulhac, and a second, which was made by David Thomas. Hearing no further discussion, Chair Scott asked for all in favor, and any opposed and the motion passed unanimously.

Chair Scott adjourned the meeting at 5:23 p.m. EDT.



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE ACTION ITEM GV1
September 4, 2014**

SUBJECT: Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the Graduate Assistants United (GAU)

BACKGROUND INFORMATION

The University and the GAU reached tentative agreement on July 14, 2014, on a new three-year collective bargaining agreement.

The contract calls for an across the board raise of 3.25% and an increase in the minimum stipend from \$11,000 to \$13,000 for a half-time appointment. The cost for the minimum stipend increase is approximately .75%.

The tentative agreement also provides for:

- \$40 raise to cover a 2014-2015 increase in mandatory student fees (total student fees are \$700 per semester)
- streamlined and better language for discipline and grievance issues
- implementation of needed changes in the health plan (an increase in the prescription co-pays)
- various minor edits to update the contract

A copy of the proposed agreement is available on the University Human Resources web site: <http://hr.ufl.edu/?p=15450>.

GAU represents approximately 4000 graduate assistants. A ratification vote is scheduled for late August or early September.

PROPOSED COMMITTEE ACTION

The Committee on Governance is asked to ratify the 2014-2017 Collective Bargaining Agreement with the Graduate Assistants, as referenced above, subject to ratification by the Union, for recommendation to the Board of Trustees for approval on the Consent Agenda.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

Board of Governors approval is not required.

Supporting Documentation Included: None. See above link to the Human Resource Services website for a complete copy of the proposed new contract.

Submitted by: Joseph Glover, Provost and Senior Vice President for Academic Affairs



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE ACTION ITEM GV2
September 4, 2014**

SUBJECT: Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the United Faculty of Florida (UFF)

BACKGROUND INFORMATION

The 2013-2016 collective bargaining agreement between the United Faculty of Florida and the University provides for a wage-opener for years two and three of that agreement. The parties reached a tentative agreement on August 14, 2014, on a salary increase for 2014-2015.

The tentative agreement calls for a merit raise pool of 3.5%. It also provides for a one-time payment of \$500 for all members of the bargaining unit whose salary is \$50,000 or less.

UFF represents approximately 1600 faculty and associated employees. A ratification vote by members of the bargaining unit is scheduled for late August or early September. A copy of the full agreement with these changes is available at <http://hr.ufl.edu/manager-resources/employee-relations/union-contracts/united-faculty-of-florida-contract/>.

PROPOSED COMMITTEE ACTION

The Committee on Governance is asked to ratify the salary changes noted above to the Collective Bargaining Agreement with the United Faculty of Florida, subject to ratification by the Union, for recommendation to the Board of Trustees for approval on the Consent Agenda.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

Board of Governors approval is not required.

Supporting Documentation Included: None. See above link to the Human Resource Services website for a complete copy of the proposed new contract.

Submitted by: Joseph Glover, Provost and Senior Vice President for Academic Affairs



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE ACTION ITEM GV3
September 4, 2014**

SUBJECT: Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the American Federation of State, County & Municipal Employees, AFL-CIO (AFSCME)

BACKGROUND INFORMATION

The University and AFSCME reached tentative agreement on July 15, 2014, on a new three-year collective bargaining agreement.

The contract calls for a merit raise pool of 2.5% for 2014 and a one-time payment of \$500 for all members of the bargaining unit who earn \$50,000 or less. All other terms of the previous collective bargaining agreement remain the same.

AFSCME represents approximately 732 employees classified as University Support Personnel System. Members of the AFSCME bargaining unit ratified the amendments on August 20, 2014. A copy of the full agreement is available at http://hr.ufl.edu/wp-content/uploads/docs/AFSCME_contract.pdf

PROPOSED COMMITTEE ACTION

The Committee on Governance is asked to ratify the 2014-2017 Collective Bargaining Agreement with the American Federation of State, County & Municipal Employees, AFL-CIO, for recommendation to the Board of Trustees for approval on the Consent Agenda.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

Board of Governors approval is not required.

Supporting Documentation Included: None. See above link to the Human Resource Services website for a complete copy of the proposed new contract.

Submitted by: Paula Varnes Fussell, Vice President for Human Resource Services



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE ACTION ITEM GV4
September 4, 2014**

SUBJECT: Collective Bargaining Agreement between the University of Florida Board of Trustees (BOT) and the Police Benevolent Association (PBA)

BACKGROUND INFORMATION

The University and PBA reached tentative agreement on August 19, 2014, on 2 amendments to the 2013-2016 collective bargaining agreement.

The tentative agreement calls for a 2014 across the board raise of 5.0% for all members of the bargaining unit. It also provides for an increase in clothing allowance to members of the bargaining unit assigned to full-time plain-clothes positions. The annual clothing allowance is increased from \$600.00 to \$800.00, to be paid in two equal installments. The annual shoe allowance is increased from \$150.00 to \$200.00.

PBA represents approximately 60 sworn officers in the University of Florida Police Department. A ratification vote by members of the bargaining unit is tentatively scheduled for August 26-27, 2014 and will be reported at the Committee on Governance meeting on September 4, 2014. A copy of the full agreement is available at http://hr.ufl.edu/wp-content/uploads/docs/pba_contract.pdf.

PROPOSED COMMITTEE ACTION

The Committee on Governance is asked to ratify the 2013-2016 Collective Bargaining Agreement with the Police Benevolent Association, as referenced above, subject to ratification by the Union, for recommendation to the Board of Trustees for approval on the Consent Agenda.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

Board of Governors approval is not required.

Supporting Documentation Included: None. See above link to the Human Resource Services website for a complete copy of the proposed new contract.

Submitted by: Paula Varnes Fussell, Vice President for Human Resource Services



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE ACTION ITEM GV5
September 4, 2014**

SUBJECT: Conforming Amendments to University of Florida Board of Trustees Bylaws

BACKGROUND INFORMATION

The attached amendments to Article IV of the Board's Bylaws, which are lined, are proposed to conform with the Board-authorized Committee on Governance Action of June 5, 2014, Resolution R14-132, creating the role of Vice President and University Secretary and permitting the Vice President and General Counsel to serve as Vice President, General Counsel and University Secretary, as Jamie Lewis Keith has been doing for some time.

PROPOSED COMMITTEE ACTION

Amend UF's Bylaws, Article 4, Sections 4.1 and 4.7, as shown in the attached draft, to reflect the authority of the Corporate Secretary to appoint a Vice President and University Secretary and to allow for the Vice President and General Counsel to also perform the role of University Secretary.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

Board of Governors approval is not required.

Supporting Documentation Included: [See attached lined changes.](#)

Submitted by: Jamie Lewis Keith, Vice President, General Counsel and University Secretary

UF Board of Trustees Bylaws -- Conforming Amendments

The following amendments to Article IV of the Board's Bylaws, which are lined, are proposed to conform with the Board Committee on Governance Action of June 5, 2014, Resolution R14-132, creating the role of Vice President and University Secretary and permitting the Vice President and General Counsel to serve as Vice President, General Counsel and University Secretary, as Jamie Lewis Keith has been doing for some time:

Article IV OFFICERS OF THE BOARD

Add to the first sentence of 4.1 OFFICERS the following lined language: The Officers of the Board shall be the Chair, Vice Chair, and President who serves as the Corporate Secretary, any Vice President and University Secretary and any Assistant Secretary.

Add to the last sentence of 4.7 and to the end of 4.7 the following lined language: The Corporate Secretary may designate an individual to serve as Vice President and University Secretary, who may also be the General Counsel, and individuals to serve as Assistant Secretary to the Board. The Vice President and University Secretary shall report to the President and Corporate Secretary of the University, advise and assist the Board, and serve as the executive administrator for the President in his or her role as Corporate Secretary of the Board (including by administratively supervising any Assistant Secretary in support of the Board). The Vice President and University Secretary may perform the foregoing duties of the Corporate Secretary regarding notices, materials, minutes and execution and attestation of Board action, as well as any other actions authorized by the President and Corporate Secretary.



The Foundation for The Gator Nation

**ACTION OF THE UNIVERSITY OF
FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE**

Number: R14-132

Subject: Vice President Organization – University Secretary

Date: June 5, 2014

At a duly called meeting of the Committee on Governance of the University of Florida Board of Trustees (Board) on June 5, 2014 and pursuant to authority conferred by the Board, the Committee took final action and adopted the following resolution:

RESOLVED: That the University of Florida’s organizational structure for Vice Presidents of the University is amended to--

(1) create the executive position of Vice President and University Secretary, which shall report to the President of the University, advise and assist the Board, and serve as the executive administrator for the President in his or her role as Corporate Secretary of the Board under Section 4.7 of the Board’s Bylaws (including by administratively supervising any Assistant Secretary in support of the Board); and

(2) allow for the position of Vice President and General Counsel to serve as Vice President, General Counsel and University Secretary.

Executed as of the 5th day of June, 2014.

A handwritten signature in black ink, appearing to read "D.M. Thomas", written over a horizontal line.

David M. Thomas, Chair
Committee on Governance

A handwritten signature in black ink, appearing to read "J. Bernard Machen", written over a horizontal line.

J. Bernard Machen, President
and Corporate Secretary