



**COMMITTEE ON GOVERNANCE, GOVERNMENT RELATIONS
AND INTERNAL AFFAIRS**

Meeting Minutes

Telephone Conference Call

March 25, 2019

123 Tigert Hall, University of Florida, Gainesville, FL

Time Convened: 4:31 p.m.

Time Adjourned: 5:26 p.m.

Committee and Board members present:

Rahul Patel (Committee Chair), James W. Heavener, Morteza Hosseini (Board Chair), Leonard H. Johnson, Thomas G. Kuntz, Daniel T. O’Keefe, Katherine Vogel Anderson, Anita G. Zucker.

Others present:

W. Kent Fuchs, President; Winfred Phillips, Executive Chief of Staff; Jack Payne, Senior Vice President for Agriculture and Natural Resources; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations; Curtis Reynolds, Vice President for Business Affairs; Laura Rosenbury, Dean, College of Law; Jeanna Mastrodicasa, Associate Vice President for Operations, Institute of Food and Agricultural Sciences, and other members of the University community.

1.0 Roll Call Verification

Assistant University Secretary Melissa Orth conducted a roll call of all Committee and Board members.

2.0 Call to Order and Welcome

Committee Chair Patel welcomed everyone in attendance and stated that the purpose of the conference call was to discuss the upcoming Committee’s Agenda for the March 28, 2019 Board of Trustees’ Committee meeting.

3.0 Review Agenda for March 28, 2019 Meeting

Committee Chair Patel asked Vice President Reynolds to discuss the first action item on parking decal increases.

Action Items:

A.1. Regulation Amendment (Parking decals faculty and staff).

Vice President Reynolds indicated this increase was a continuation of the board approval from 2016 to secure the funds needed to repay the bond debt on the parking garage. The increase amounts to 5.5% on all non-student decals. The average orange and blue decal is \$18 year. Vice President Reynolds indicated that March 2020 will be the 4th and final phase approach for decal increases for an additional 5.5%.

A.2. DSO Board Appointments.

Committee Chair Patel stated the names and bios for each board appointment have been provided. Board Chair Hosseini stated it was a great group of people.

Discussion Items:

Investigation Update

Committee Chair Patel indicated that the internal investigation that is being conducted that centers on loans made by the housing auxiliary is winding down. The committee will be updated upon conclusion.

Committee Chair Patel indicated that the legislature has issued new recommendations on how money can be used and the committee will make changes if necessary. He stated the changes were not specific to UF, but for all state universities.

A. Governance Standards Implementation Update

1. Update on Distribution and Acknowledgements

Sent to all DSO and affiliates. All have acknowledged receipt. Had briefing with DSOs and affiliates and almost all have amended their bylaws or are in the process of discussing. Based on the discussions, some may need to change.

Board Vice Chair Kuntz stated we need to have an end date of when we receive confirmations that the DSOs and affiliates have complied. It was stated that UF Jacksonville Practice and UF Shands Gainesville and Jacksonville should be completed next month. Vice President Hass agreed.

Committee Chair Patel stated that the Athletic Association and Gator Boosters are being reviewed for best practices because their structure is a little different than the other DSOs. All are complying with the new governance standards and bylaw amendments should be completed by the new fiscal year. Board Vice Chair Kuntz stated that Committee Chair Patel and Vice President Hass have done a fabulous job.

Board Chair Hosseini indicated that the UF Development Corporation wanted him to review their bylaws and asked what happened. Vice President Hass indicated that she has made a change to their bylaws and they would be adopting the change. Vice President Hass indicated the bylaws will not be approved without the Board Chair's approval.

2. Investigation Protocols

The draft Investigation Protocols have been circulated to the committee and will be voted upon at the June Board meeting.

Hosseini saw some areas for improvements in investigations. He noted that for an internal investigations where an employee is not cooperating, the investigator should be able to contact the supervisor and the supervisor should require cooperation of the employee.

Board Chair Hosseini stated we need to handle our own affairs without having to go to outside investigators each time. Vice President Hass agreed that there needed to be a provision in the Investigation Protocols with details on investigating and giving the proper authority to the appropriate group to handle.

3. Investment Committee Oversight

Committee Chair Patel stated that the Committee on Finance, Strategic Planning and Performance Metrics has been reviewing where the money is at the University and referenced the Investment Committee. The Investment Committee is made up of the President, Chief Financial Officer, Chief Operating Officer, Provost and the Executive Chief of Staff. The amount of money this committee deals with is north of \$1B. Board Vice Chair Kuntz asked the Committee on Governance to look at oversight protocols for the Investment Committee. Committee Chair Patel gave preliminary thoughts to let UFICO manage.

Board Chair Kuntz asked that the Governance committee come up with recommendations on how this Committee should be run but that it should not result in any change in how the money was/is being used. Trustee Zucker said they need to look at how it has been invested. Board Vice Chair Kuntz indicated it would not be invested as the endowment is, but separately managed from the endowment. Vice Chair Kuntz noted that there needs to be better control with a review into what we are doing. Committee Chair Patel indicated it needed to be more liquid.

B. DSO Review

Committee Chair Patel initiated a review of all the direct support organizations ancillary of the governance standards due to feedback that was received from stakeholders. He indicated it had been a number of years since the DSOs had been reviewed to see whether they should still be a DSO or whether they should be a different structure. Dean Laura Rosenbury from the College of Law and Senior Vice President Jack Payne from IFAS joined the meeting to discuss DSOs within their areas.

Dean Rosenbury from the College of Law stated that the University of Florida Law Center Association, Inc. DSO currently allows alumni to give contributions to the College of Law. All of these functions are now served by the Foundation. The College of Law is the only college with an alumni board as a direct support organization. Dean Rosenbury indicated that the alumni were very passionate and we should let them serve in an advisory board role. Board Chair Hosseini indicated it was a good idea to move to an advisory board versus a DSO. Committee Chair Patel said this would make it consistent with other colleges. The next steps would be to socialize with the current members and bring for a vote at the June meeting. We should have a strategy in place before we communicate with the alumni.

Senior Vice President Payne stated that IFAS has eight DSOs that when they were formed years ago could not be handled through UF finance.

Citrus Research and Education Center – stakeholders see fruit and were upset when the money went to the general fund. It should be dissolved as it is not active and costs more to keep active.

Board Chair Hosseini stated it should be included with the University of Florida Law Alumni Association, Inc. and be done.

Southwest Florida Research and Education Center in Immokalee is active and should continue. There is a lot of activity with Gulf Coast University. If dissolved, it would need socializing and would require face to face meetings.

Florida Foundation Seed Producers is essential to plant breeders. It does not compete with private industries.

Florida 4-H is a large program. It deals with smaller gifts than what UF Foundation want to handle Senior Vice President Payne indicated he has been in conversation with the Dean for Extension and with Vice President Mitchell to see if there is a way to handle through the Foundation and not have a separate 4-H. To dissolve this DSO would need socializing.

Florida Leadership and Education Foundation. This DSO was formed for the Conference and Institute division to handle national and international conferences. Not one from the University is involved. It is taxed at 4% because it is not an auxiliary. If it were to be reorganized as an auxiliary it would be taxed at 14% but Vice President McKee has agreed to keep it at 4% if the DSO was dissolved.

Citrus Research and Development Foundation, Inc. There are a lot of politics involved. Became political when they hired a scientist to compete with our scientists. It does not function as a true DSO to support UF. Funds programs at other universities but UF gets the bulk of the research dollars. Has not treated UF very well but likes the benefits they receive. If dissolved it would be the death of citrus research. If not dissolved it would need more oversight from the Board.

UF needs the power and presence to provide greater oversight. Committee Chair Patel stated that Governance would discuss what type of oversight is needed.

Cattlemen Enhancement Board, Inc. – The legislature makes appropriations in the amount of \$1M to this DSO to fund grants. The University does the work and it only funds UF/IFAS. This DSO would need to be reviewed.

Board Vice Chair Kuntz indicated that the Citrus Research and Development Foundation, Inc. does not fit very well and we should come up with recommendations as he is a little concerned. Committee Chair Patel indicated that the committee would come back to Senior Vice President Payne with further questions before making recommendations.

C. Legislative Update

Vice President Kaplan commented that there are budget proposals in both houses. The House cuts University funding across the board and no PECO money. The Senate has more money available to UF, preliminary funding for Data Science, reporting and appropriated to UF.

4.0 New Business

There was no further business to come before the board.

5.0 Adjournment

There being no further discussion, the meeting adjourned at 5:26 p.m.