

COMMITTEE ON GOVERNANCE

MINUTES

December 1, 2011

12:30 p.m.

Chair Marshall Criser called the Committee on Governance to order December 1, 2011 at 12:30 p.m. All Committee members were present.

Our first order of business was to approve the Minutes from the Committee's meetings of June 9th and September 6th. On a motion by Trustee Brown and a second by Trustee Scott, the minutes were approved unanimously.

The Committee then welcomed a new Board and Committee member, Susan Cameron, and thanked her for making a commitment to our Board and Committee.

There was one action item on the agenda which was to approve and recommend to the Board the extension of President Machen's contract for one year through December 31, 2013. During discussion, several important points were noted. The extension would allow the Chair and President Machen to mutually set an earlier contract end date in 2013, if desired, at no cost to the University. There are no new amounts and no salary increase. For 2013, the existing retirement contribution paid annually under the current contract will be paid in the last month of the Dr. Machen's service as president. Dr. Machen will also have a 90-day transition leave at the end of his service as president, during which he will be available for consultation in a mutually arranged and convenient manner. The University is in an unprecedented time of budget cuts, and is presented with the opportunity to help the State transition to an innovation economy and to continuously enhance the quality of education, accountability and transparency. At the same time, the Florida Tomorrow Campaign is an extraordinary success and the University has an opportunity to maximize its results beyond what anyone could have imagined. These times and opportunities demand strong and consistent leadership. For these reasons, Chair Alfonso has requested the extension of President Machen's contract from December 31, 2012 to December 31, 2013, so he can provide that leadership. Committee Chair Criser noted that all state university boards, including this one, have gone through enormous, once-in-a-decade transition in membership driven by a statute. Chair Criser stated that this year will be our opportunity to work together as a board to plan for the future and noted his appreciation to President Machen and Mrs. Machen for his willingness to lead the University for this additional time. Vice President and General Counsel Jamie Keith gave the Committee a brief summary of each of the Resolutions which are contained in the Committee materials. In addition to the provisions already summarized, she noted that the tax code is in flux, and to avoid potential tax effects of different vesting and payment dates, amounts under the current contract will be paid when they are vested. The Chair retains his authority to approve payment of amounts vested in January in the immediately preceding December. The Chair and President will agree to the Resolutions as a

contract amendment; further documentation is unnecessary because the amendments are few and are set out in the Resolutions.

During discussion, Trustee Scott added that he was aware of other institutions taking steps to retain their leadership in these troubled economic times and wanted to express his appreciation for President Machen's strong leadership, willingness to stay on for an additional year, and support what is already an extremely successful Florida Tomorrow Campaign. Chair Alfonso noted that President Machen has led the University through the difficult budget cuts of the past few years and has positioned the University very well for going forward. He thanked both President and Mrs. Machen for their decision to remain with the University for an additional year. On the motion of Trustee Roberts, with her expression of appreciation for President Machen's financial and other leadership, and a second by Trustee Heekin, the Committee voted unanimously to recommend that the Board approve GV1 on the Consent Agenda to extend President Machen's Contract.

The Committee then addressed its one discussion item, which was President Machen's long-range goals for 2011-2012. President Machen distributed draft goals to all members of the Committee. President Machen briefly discussed each goal and the goal-setting process - (i) the goals are discussed at this meeting; (ii) President Machen invites Board members to contact him to discuss any of the goals and their ideas; and (iii) goals will be finalized. Trustee Brown suggested the addition of a goal to develop a plan for funding alternatives for the University. President Machen agreed that this is a worthy goal and should be added. He noted that the graduate education review initiative currently underway could result in the addition of goals next year.

The Committee next met in closed session to receive a report regarding collective bargaining, after which the meeting was reconvened and adjourned at approximately 1:40 p.m.