



AGENDA

THE UNIVERSITY OF WEST FLORIDA

SPECIAL BOARD OF TRUSTEES MEETING

November 18, 2016

9:00 a.m.

UWF Conference Center Lounge

11000 University Parkway, Building 22, Pensacola, Florida 32514

Call to Order/Roll Call Lewis Bear, Jr., Chair

Chair's Greeting Lewis Bear, Jr.

I. Public Comment

II. Approval of Presidential Contract

III. Other Business

Adjournment

**UWF Board of Trustees
Special Meeting
November 18, 2016**

Issue: Approval of Presidential Employment Agreement

Proposed action: That the University of West Florida Board of Trustees approve the Presidential Employment Agreement with Dr. Martha Saunders in substantially the form attached and authorize Vice Chair Mort O'Sullivan to execute same on behalf of the University of West Florida.

Background:

The attached Employment Agreement represents the results of the negotiation of terms between Dr. Saunders and Vice-Chair O'Sullivan, as authorized by the resolution adopted by the Board on September 14, 2016 and delegated to Vice-Chair O'Sullivan by Chair Bear with the concurrence of the Board.

The Summary of Key Contract Terms and form of contract have been provided to the Florida Board of Governors, and the Board of Governors, at its meeting November 3, 2016, unanimously approved the selection of Dr. Saunders as President of the University of West Florida.

The annual Base Salary, Housing and Car Allowance, and Annual Performance Incentive amounts set forth in the proposed contract all fall within the ranges recommended by the Compensation and Contract Committee (the "CCC").

The Deferred Base Salary amount is slightly higher than the range recommended by the CCC. This higher amount was negotiated by Vice-Chair O'Sullivan to reflect the fact that Dr. Saunders is a retired employee and therefore the contribution the University will be required to make to the State Division of Retirement with respect to Dr. Saunders is lower than it would have been if another candidate had been selected.

In addition, the post-employment benefits are slightly different from the recommendations of the CCC. These benefits were negotiated to take into account the fact that Dr. Saunders is presently a tenured faculty member with rights to return to faculty under her contract as Provost and Executive Vice President. The CCC recommendation contemplated offering a faculty position in the event the University

terminated the contract without cause only if the employee had served as President for at least three years. However, the CCC recommendation was generic and was crafted to avoid granting tenure to a person who might serve the University only for a short period of time. The CCC recommendation did not contemplate that contract rights would be removed from a presently tenured faculty member and long-time University employee.

Notwithstanding these differences from the recommendations of the CCC, Vice-Chair O'Sullivan enthusiastically recommends approval of the Employment Agreement in the form attached. Additionally, the form of Employment Agreement has been approved by General Counsel as to form and legality.

The results of the Level II background screen for Dr. Saunders have been received by the Office of General Counsel and are acceptable to General Counsel and the UWF Human Relations Department. It was determined, in consultation with Board of Governors staff, that background screenings in addition to the Level II background screen were unnecessary and were not obtained. The Level II screen meets the requirements of law and is the norm for high level state employees.

Fiscal Implications:

It is expected that the amounts necessary to pay the compensation described in the Presidential Employment Agreement are available in the University budget or will be provided by the University of West Florida Foundation, Inc.

Foundation staff has been advised of the contemplated salary amount on a continuing business.

Supporting documents:

Proposed Employment Agreement between Dr. Saunders and the University of West Florida.

Summary of Key Contract Terms.

Recommendation and Policy Statement of the Compensation and Contract Committee

Prepared by: Patricia Lott, General Counsel

Presenter: BOT Vice Chair Mort O'Sullivan

PRESIDENT'S EMPLOYMENT AGREEMENT

This President's Employment Agreement (the "Agreement") is entered into by the University of West Florida Board of Trustees (hereinafter referred to as the "Board" or "the Board of Trustees"), a public body corporate of the State of Florida, and Dr. Martha D. Saunders (the "President" or Dr. Saunders or "Employee").

WHEREAS, the Board, acting on behalf of the University of West Florida (the "University"), has the authority to select and employ the President of the University; and

WHEREAS, the Board has duly selected Dr. Saunders to serve as President of the University effective January 1, 2017; and

WHEREAS, the Board and the President wish to set forth their respective rights and obligations in this Agreement as herein set forth;

NOW, THEREFORE, in consideration of mutual promises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties agree to this Agreement as follows:

1.0 Appointment as President

1.1 The Board of Trustees appoints and employs Dr. Martha D. Saunders to be President of the University and to serve as the Chief Executive Officer of the University subject to the laws of the State of Florida, the regulations and policies of the Florida Board of Governors, the regulations and policies of the University, and the regulations, policies and supervision of the Board of

Trustees. This appointment will be effective on the date set forth in Section 3.1 hereof.

- 1.2 The President shall perform all duties required by law, by University policy and regulation, by regulation of the Florida Board of Governors, those delegated to the President by the Board of Trustees, by this Agreement, and by custom and practice to be performed by a University president.

2.0 Best Efforts as President

- 2.1 The President agrees, subject to Section 2.3 below, to devote full-time attention and energies to the duties of President of the University.
- 2.2 The duties of the President shall be performed for all existing and future campuses of the University, and for and at such other place or places as the Board of Trustees deems appropriate to serve the interests, needs, business, or goals of the University.
- 2.3 The expenditure of reasonable amounts of time for personal or outside business, as well as non-University related charitable and professional development activities, shall not be deemed a breach of this Agreement, provided such activities do not interfere with the services required to be rendered to the University under the provisions of this Agreement, and provided such activities do not pose a conflict of interest or otherwise fail to comply with the requirements of Part III of Chapter 112 of the Florida Statutes (Code of Ethics for Public Officers and Employees), and applicable regulations or policies of the Board of Trustees or University.

- 2.4 The President shall not knowingly engage in any activity that may be competitive with or adverse to the best interests of the University.
- 2.5. The President shall seek approval from the Board of Trustees prior to agreeing to serve on any board of directors or to engage in outside employment, business or professional activities subject to the provisions of applicable University policy and the Code of Ethics for Public Officers and or the successor policies or statutes thereto. Any and all income or other compensation earned by the President in connection with approved non-University outside activities shall be paid to and retained by the President, and such income or other compensation shall have no effect on the amount of salary, compensation, or benefits she is otherwise entitled to receive under this Agreement. The President shall use annual leave when attending to matters pertaining to such service if it is during normal work hours and requires a half day or more.

3.0 Term of Appointment; Evaluation

- 3.1 This appointment shall be for a term commencing on January 1, 2017 and ending on December 31, 2019, subject to confirmation by the Florida Board of Governors. This appointment may be extended for additional one-year terms if the parties agree, subject to confirmation of re-appointment by the Florida Board of Governors (the initial term plus any extension shall be referred to herein as the "Term"). This appointment is subject to termination prior to the end of the Term as provided for in this Agreement, and by the

applicable laws of the State of Florida, the regulations and policies of the University, and the regulations and policies of the Florida Board of Governors.

- 3.2 On or before May 1 each year commencing May 1, 2017, the President shall provide the Chair of the Board of Trustees ("Chair") with a list of proposed goals and objectives for the fiscal year beginning on July 1, to include targets to meet state accountability measures and the University's strategic plan. The Board, or a committee thereof, and the President shall discuss the President's proposed goals and objectives for the next fiscal year, after which time the finalized goals and objectives will be presented to the full Board for consideration and approval.
- 3.3 On or before May 1 of each year commencing May 1, 2017, the President shall initiate the evaluation process for the fiscal year ending on June 30 of such year by preparing a self-appraisal of performance as President for submission to the Chair and evaluation by any applicable committee of the Board and then for submission to the Board of Trustees, in accordance with guidelines established by the Board of Trustees as the Board may deem appropriate. The President agrees to furnish any additional relevant information requested by the Chair to aid the Board of Trustees in its annual performance review of the President.
- 3.4 The performance of the Board of Trustees of any of its obligations under this Agreement shall be subject to and contingent upon the availability of funds appropriated by the legislature for the current and future periods, and,

to the extent set forth in Section 5.2 hereof, is subject to and contingent upon the availability of funds provided by the University of West Florida Foundation (the "Foundation").

4.0 Salary

- 4.1 For all services rendered by the President, the Board of Trustees shall pay her a current salary at the base rate of Three Hundred Thirty-Three Thousand One Hundred and Twenty-Five Dollars (\$333,125.00) per year. This amount shall be payable according to the Board of Trustee's payroll policies and procedures and the pay plan applicable to the President's position, with applicable deductions, such as applicable taxes and benefits being withdrawn. The President shall be responsible for all income tax liability incurred as a result of this Agreement.
- 4.2 The President's salary shall be reviewed annually by the Board of Trustees in conjunction with the Board of Trustees' evaluation of job performance, as set forth in Section 3.3 of this Agreement, and shall be subject to adjustment in the Board's discretion. Additionally, the President shall be eligible for any salary increase generally applicable to University employees in her employment classification. Any adjustments granted pursuant to this paragraph shall be considered adjustments to the base salary described in Section 4.1.

5.0 Other Compensation

5.1 The Board of Trustees, at its sole discretion, may award an annual performance incentive of up to twenty percent (20%) of base salary to the President for achievement of performance incentive criteria set by the Board on an annual basis. The performance incentive criteria may include the annual goals and objectives agreed to pursuant to Section 3.2, the evaluation results pursuant to Section 3.3, the University's success in the Board of Governor's performance-based funding plan, and/or other criteria established by the Board from time to time to reflect contemporary issues and concerns, strategic goals, and the current University work plan. Such annual performance incentive, if awarded, shall be paid to the President within 60 days of the date on which the performance incentive is approved by the Board.

5.2 During the Term of this Agreement and contingent upon the availability of funds, the Board shall not be responsible for, but authorizes and shall use its best efforts to cause the Foundation to contribute the portions of all payments provided for in this Agreement that exceed the limits set forth in Florida Statutes Section 1012.975.

6.0 Other Benefits

6.1 The President shall be eligible for all applicable State of Florida and University developed benefits authorized by the legislature or other authorized governing bodies based on her annual base salary, as may be

limited by applicable law. The Board of Trustees further agrees that the President shall be entitled, at all times, to all benefits applicable to executive service personnel in accordance with applicable provisions of University policy and Florida law.

6.2 The Board of Trustees authorizes a supplemental deferred compensation benefit equal to eighteen and nine-tenths percent (18.9%) of base salary during each year of service as President pursuant to this Agreement. This supplemental deferred compensation shall be in addition to regular state benefits and shall be contributed to a defined contribution 401(a) plan on behalf of the President, subject to the limits under Internal Revenue Code Section 415(c). The President shall have the right to direct her own investments in the 401(a) plan, if desired. The supplemental deferred compensation shall be contributed to the 401(a) plan each payroll period, in accordance with regular payroll practices. Any portion of the supplemental deferred compensation that cannot be contributed to the 401(a) Plan due to the applicable limits shall be contributed instead to a qualified excess benefit arrangement under Internal Revenue Code Section 415(m).

6.3 The parties intend that all amounts payable under this Agreement comply with or are exempt from the provisions of Code Section 409A and the regulations thereunder, and this Agreement shall be interpreted and applied in accordance with such intent. Each payment hereunder shall be deemed a separate payment in a series of separate payments for purposes of Code Section 409A. Whenever the phrase "termination of employment" or a

variation thereof is used in this Agreement, such term shall mean a "separation from service" within the meaning of Code Section 409A(a)(2)(A)(i). Notwithstanding the preceding provisions, the University shall have no obligation to the President for the tax consequences of any payment or benefit hereunder.

6.4 During the Term of this Agreement, the University shall pay or reimburse the President upon proper substantiation for the costs of a complete annual physical examination by a physician of the President's choice. Such payment or reimbursement will be made by the University to the extent the costs are not covered by the President's health insurance. Nothing herein shall authorize the release to the University of the results of the examination or any other protected health information.

6.5 The President shall be entitled to the prevailing level of supplemental pay under applicable University policies designed to defray an employee's costs for a mobile phone and data device.

7.0 President's Housing

7.1 During the Term of this Agreement, the President shall receive an annual housing allowance of twenty-four thousand dollars (\$24,000) in lieu of the University providing a President's residence.

8.0 Automobile Allowance

8.1 During the Term of this Agreement, the President shall receive an annual automobile allowance of fourteen thousand dollars (\$14,000) for the use of her personal automobile in lieu of the University providing her with an automobile.

9.0 Expenses, Professional Dues, Meeting and Entertainment

9.1 During the Term of this Agreement, the President shall be reimbursed for reasonable and customary business expenses incurred by the President in furtherance of her duties hereunder, including but not limited to, reasonable expenses for travel (including for her spouse or companion when appropriate), meals, hotel accommodations, business related meetings and entertainment, and expenses incurred in connection with University-related professional or service organizations and activities, so long as such reimbursement is consistent with applicable law and policy, upon submission by her of appropriate documentation thereof in compliance with applicable law and such policies and procedures relating thereto as the University or the Foundation may adopt from time to time.

9.2 It is understood that the President may travel extensively on behalf of the University and may enroll in frequent traveler programs. Discounts provided as a result of such memberships shall accrue to the University; accumulated "points" shall accrue to the President for business or personal use. When

traveling on official business, the President is permitted to purchase business class airline tickets on flights lasting longer than four (4) hours in any one segment. A segment is defined as one take-off and landing.

10.0 Termination of the Agreement for Cause

10.1 Notwithstanding anything in this Agreement to the contrary, the parties agree that by a majority vote of the full Board, the Board of Trustees may terminate this Agreement at any time for "cause." For this purpose, "cause" shall be defined as: (i) neglect or inattention by the President of the duties set forth in this Agreement or refusal or unwillingness to perform such duties in good faith and to the best of her abilities after reasonably specific written notice of such neglect or inattention has been given to the President and she has continued such neglect or inattention during a subsequent period specified by the Board not less than thirty (30) days following her receipt of the written notice from the Board of Trustees that she is not in compliance; (ii) material, significant or repetitive violation of this Agreement; (iii) grave dishonesty that adversely affects the University; (iv) conviction, a plea of guilty, or a plea of nolo contendere to a felony or of a misdemeanor involving moral turpitude; (v) fraud or dishonesty in the preparation, falsification or alteration of documents or records; or (vi) commission of or participation in any act, situation, or occurrence by the President which brings the President into public disrepute, contempt, scandal or ridicule, or failure by the President to conform her personal conduct to conventional standards of good citizenship,

with such conduct offending prevailing social mores and values and/or reflecting unfavorably upon University's reputation and overall primary mission and objectives, including but not limited to, acts of dishonesty, misrepresentation, fraud, or violence that may or may not rise to a level warranting criminal prosecution by the relevant authorities.

10.2 In the event of termination for cause by the Board of Trustees pursuant to this Article 10, the President's employment with the University and tenure status shall cease, and she shall not be entitled to any further employment, compensation or benefits from the University in any capacity except for compensation and benefits accrued with respect to service rendered to the date of termination and except for benefits required to be continued by law.

11.0 Termination of the Agreement Without Cause, Resignation, and Post-Employment Benefits

11.1 Notwithstanding anything in this Agreement to the contrary, the parties agree that upon a majority vote of the full Board, the Board of Trustees may terminate the Agreement at any time prior to the expiration of the Term without cause (cause is defined in Section 10.1), provided that the President is given ninety (90) days prior written notice.

11.2 The President may resign and thereby terminate the Agreement at any time prior to the expiration of the Term, provided that the President gives ninety (90) days prior written notice to the Board of Trustees. This notice period may be waived by the Board of Trustees.

11.3 If the Agreement is terminated without cause as provided in Section 11.1, if the President resigns as provided in Section 11.2, or if the Agreement is not renewed at the end of the Term and expires in accordance with the provisions hereof, the Employee shall be offered the opportunity to return to a position as a tenured Professor in the University's Department of Communication.

11.4 If the Employee chooses to return to faculty status, the Employee's salary as Professor will be calculated as follows:

- (a) if Employee has served at least three years as President - the higher of (x) a salary equal to ninety percent (90%) of her salary as Provost at UWF for calendar year 2016, or (y) a salary equal to the average of the salaries of the three (3) highest paid tenured faculty in the college to which she is assigned.
- (b) if Employee has served less than three years as President – a salary equal to ninety percent (90%) of her salary as Provost at UWF for calendar year 2016.
- (c) For purposes of these calculations, it is agreed that Employee's salary as Provost at UWF for calendar year 2016 is \$255,348, and that 90% of such salary is a rate per annum equal to \$229,813.20.

This salary guarantee shall extend for five (5) years of satisfactory performance as a tenured faculty member; thereafter, the Employee's salary shall be determined to reflect the market and performance.

11.5 Employee's workload as a tenured Professor in the Department of Communication will be distributed as follows: teaching – 50%, research – 25%, and service - 25%. Her work assignments will be coordinated with the Chair of the Department of Communication where Employee is tenured professor as of the date of this Agreement. The University will make a one-time contribution of \$25,000 to fund a seed account to support her scholarly work.

11.6 If the Employee accepts the offer of employment under Section 11.3, she shall be eligible for a professional development leave immediately after her service ends as President and prior to commencing such new employment with the University. The length of this professional development leave shall be one (1) calendar year. During this leave period, if taken, the Employee's salary shall be equal to:

- (a) if Employee has served at least three years as President - an amount equal to ninety percent (90%) of the base salary in effect as President immediately preceding the leave; or
- (b) if Employee has served less than three years as President – an amount equal to Employee's salary as Provost at UWF for calendar year 2016 (\$255,348).

11.7 If the Employee desires to extend the professional development leave for a period exceeding one calendar year, the University will extend the professional development leave for up to one additional calendar year,

however, any professional development leave exceeding one year will be unpaid professional development leave.

11.8 During the period of professional development leave Employee shall develop and enhance her skills as described below:

a. Retooling for the Classroom

- i. Although Employee has continued to teach occasionally, her duties as an administrator for the past 20 years have limited her ability to be prepared to resume a primary role in instruction.
- ii. Employee will consult with the Chair of the Department of Communication regarding the areas in which she shall update her knowledge.

b. Research

- i. Employee will revive her earlier work in crisis communication and identify salient areas of scholarship supported by the discipline.
- ii. Employee will work toward attracting grants to support her research.

c. Service and Consulting

- i. Employee will continue the board memberships she may hold at the time her service as President ends, except for any board memberships that would normally be held by a sitting President.

- ii. Employee will continue consulting activities in which she may be engaged at the time her service as President ends. The University acknowledges that these activities may also include paid externships, or paid administrative assignments. These activities, whether paid or unpaid, are designed to hone Employee's skills as a communication professional and refine her understanding of best practices in higher education. Should any of these activities require a commitment by Employee beyond the one calendar year professional development leave, Employee may take unpaid professional development leave as set forth in paragraph 11.7.
- iii. Employee will engage in other professional development activities that will enhance her knowledge and skills in the field.

11.9 During the professional development leave, Employee will receive financial support for professional development leave activities, including travel expenses and tuition costs up to a maximum of \$12,000. These funds will be administered through the Office of the Provost. All such expenditures shall conform to University policies and practices.

11.10 During the professional development leave, Employee will observe and adhere to all UWF personnel policies, including but not limited to

preparation and filing a report of any outside activities additional to those described in this agreement.

11.11 Within thirty days after completion of professional development leave, Employee will report in writing to the Provost on her accomplishments during the professional development leave period.

11.12 The professional development leave shall be subject to return to work provisions as set forth in University Policy HR 19.00-2004/07.

12.0 Termination of Agreement Due to President's Death or Disability

12.1 Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate upon the President's death or "permanent disability" (as hereinafter defined). Such termination shall be deemed to have occurred for "cause" and the President's employment with the University and tenure status shall cease, and she shall not be entitled to any further employment, compensation or benefits from the University in any capacity except for compensation and benefits accrued with respect to service rendered to the date of termination and except for benefits required to be continued by law. For purposes of this Agreement, "permanent disability" shall be defined as the President's inability to perform the duties set forth in Section 1.2 for a minimum of six (6) continuous months.

12.2 In the event of the President's death during the Term of this Agreement, her spouse or, if none, her estate, shall receive all accrued compensation and benefits as of the date of her death to the extent permitted by law.

13.0 Non-binding Mediation

13.1 The Board of Trustees and the President agree that if any dispute arises concerning this Agreement, they will first attempt in good faith to resolve the dispute to their mutual satisfaction. If they are unable to do so, the Board and the President agree that they will submit the dispute to non-binding mediation in Pensacola, Florida, in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association then in effect. The University and the President will use their best efforts, to the extent permitted under Florida law, to keep any disputes and any efforts to resolve disputes confidential, informing only their respective legal counsel and other persons determined in good faith to have a need to know. To the extent permitted under Florida law, they will use their best efforts to ensure that such persons do not further disclose any such information. The University and the President agree that no mediator or arbitrator may have any material ongoing relationship with the University.

14.0 Notice

14.1 Unless and until changed by a party giving written notice to the other, the addresses below shall be the addresses to which all notices required or allowed by this Agreement shall be sent:

If to the University:

Chairperson
University of West Florida
Board of Trustees
11,000 University Parkway
Pensacola, Florida 32514

If to the President:
Dr. Martha D. Saunders
University of West Florida
11,000 University Parkway, Building 10
Pensacola, Florida 32514

With a copy to:
Office of General Counsel
University of West Florida
11,000 University Parkway, Building 10
Pensacola, Florida 32514

15.0 Entire Agreement: Modification

15.1 This Agreement constitutes the entire understanding of the parties and supersedes any and all prior or contemporaneous representations or Agreements, whether written or oral, between the parties. There are no other promises, understandings, obligations, inducements, or considerations between the parties or owed by either party to the other that are not set forth in this Agreement.

15.2 This Agreement cannot be changed or modified unless accomplished in writing and signed by the parties. Any adjustments to base salary made pursuant to Section 4.2 above, and any awards of performance incentive compensation pursuant to Section 5.1 above, shall not be considered

modifications of this Agreement, but shall be effective in accordance with the terms of such Section 4.2 or 5.1, as applicable.

16.0 Severability

16.1 The terms of this Agreement are severable, meaning that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable to the extent possible.

17.0 Governing Law and Forum

17.1 This Agreement shall be interpreted and construed in accordance with the laws of the State of Florida.

17.2 Notwithstanding any other terms and conditions of this Agreement, either party may bring an action for the sole and limited purpose of enforcing the terms and conditions of this Agreement in any court of competent jurisdiction. Venue shall be in Escambia County, Florida.

18.0 Understanding of the Agreement

18.1 Both parties represent that they have thoroughly read this Agreement, that they understand it to be a binding contract, that they understand each provision, term, and condition of this Agreement as well as its legal effect, and that they have signed the Agreement voluntarily and of their own free will with the intention to comply with its terms. Both parties have participated

in the preparation of this Agreement. Therefore, the Agreement shall not be construed against or in favor of either party based upon which party was responsible for the drafting of the Agreement.

19.0 Public Disclosure of the Agreement

19.1 Both Parties agree and acknowledge that this Agreement may be subject to the Florida public records law, Chapter 119, or other provisions, and may, therefore, be subject to disclosure by and in the manner provided by law.

20.0 Waiver

20.1 No delay or failure to enforce any provision of this Agreement shall constitute a waiver or limitation of rights enforceable under this Agreement.

21.0 Assignment

21.1 This Agreement is not assignable, but shall be binding upon the heirs, administrators, personal representatives, successors, and assigns of both parties.

22.0 Execution and Counterparts

22.1 This Agreement may be executed in counterparts and by the parties on separate counterparts each of which, when so executed, shall constitute but one and the same instrument.

23.0 No Trust Fund

23.1 Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind. To the extent that the President acquires a right to receive payments from the University, such rights shall be no greater than the right of any unsecured, general creditor of the University.

24.0 Miscellaneous

24.1 The headings in this Agreement are for convenience only and shall not be used in construing or interpreting this Agreement. The terms "Board," "Board of Trustees" and "University," where applicable or appropriate, shall include or refer to any duly authorized board, committee, officer, or employee of said entity. Whenever the context requires, the masculine shall include the feminine and neuter, the singular shall include the plural, and conversely.

THEREFORE, Dr. Martha D. Saunders and Mort O'Sullivan, Vice Chair and authorized representative of the University of West Florida Board of Trustees, have executed this Agreement on the dates appearing below.

University of West Florida Board of Trustees

Mort O'Sullivan, Vice Chair

Date

Dr. Martha D. Saunders

Date

Approved for form and legality:



General Counsel

10/25/16

Attachment 8
Summary of Key Contract Terms

Parties:

University of West Florida Board of Trustees (the "Board") and Dr. Martha A. Saunders.

Initial Term:

January 1, 2017-December 31, 2019.

This appointment may be extended for additional one-year terms if the parties agree, subject to confirmation of re-appointment by the Florida Board of Governors.

Compensation for the Initial Term and Performance Metrics:

Total compensation is competitive with University peers and aspirants and is comparable to those Florida institutions of similar size based on the March 1, 2016 Sibson Report (copy attached):

- Annual Base Salary \$331,125.
- Annual Deferred Compensation \$62,960.
- Housing and Car Allowance \$38,000.
- Annual Performance Incentive based on performance metrics approved by Board of Trustees on an annual basis up to \$67,000.
- The President shall be eligible for all applicable State of Florida and University benefits authorized by the legislature or other authorized governing bodies based on her annual base salary, as may be limited by applicable law. The President shall also be entitled to all benefits applicable to executive service personnel in accordance with applicable provisions of Florida law and regulations.
- The President shall be eligible for one-year sabbatical to prepare for faculty service at end of term or upon University termination without cause.

Resignation by the President:

With 90 days' notice (notice period may be waived by Board).

Termination by the Board:

With 90 days notice, the Board may terminate without cause; and the former President may then serve as tenured faculty member at agreed upon salary rate that will be guaranteed for five years of satisfactory performance; thereafter, the former President's salary shall be determined to reflect the market and performance.

The Board may terminate all employment with cause for serious misconduct specified.

Compensation Recommendation and Policy Statement

The Compensation and Contract Committee (the “Committee”) of the University of West Florida Board of Trustees (the “Board”) was formed in the fall of 2015 in connection with the search for a new president for the University of West Florida (the “University”). The Committee’s compensation recommendation and policy statement is set forth below.

Compensation Recommendation

The Committee recommends a range of compensation for the new president for consideration by the Board as follows:

Base Salary	Performance Incentive	Total Base & Performance	Deferred/ Retirement	Housing & Car	Total Compensation
\$308,750- \$341,250	\$61,750- \$68,250	\$370,500- \$409,500	\$44,650- \$49,350	\$36,100- \$39,900	\$451,250- \$498,750
Mean: \$325,000	Mean: \$65,000	Mean: \$390,000	Mean: \$47,000	Mean: \$38,000	Mean: \$475,000

Policy Statement

The Compensation and Contract Committee (the “Committee”) of the University of West Florida believes that presidential compensation should be established in an amount and with such elements that support and reinforce the mission, vision and strategic objectives of the institution. In that regard:

- We seek to establish a total compensation amount that is competitive with our peers and aspirants and is comparable to those Florida institutions of similar size in order to attract and ultimately hire and retain a visionary leader for the University of West Florida as it seeks to realize its vision to become widely recognized as a model of excellence and relevance, sought out as a distinctive intellectual and cultural center, valued as an engaged partner, and acclaimed for being “different by design.”
- We seek to include performance incentive as a significant element of presidential compensation, with performance metrics upon which the performance incentive is based to be established by the UWF Board of Trustees from time to time.
- We seek to include other elements of compensation, such as retirement on a deferred or tax-exempt basis, housing and car allowance, and post-employment benefits that will attract qualified applicants without involving prohibitive expense to the institution.

Establishing Competitive Base Compensation – Comparison Markets

It is appropriate whenever possible to use published data from UWF peers and aspirants and Florida institutions of similar size and orientation in seeking to establish competitive compensation. When time and available funding permit, it is best practice to procure and consider an executive compensation analysis that encompasses all components (salary, benefits, performance incentives, and all other forms of remuneration) and that takes into consideration compensation paid to the current president and presidents of peer and aspirant institutions, as well as other relevant factors (such as market trends, the available qualified pool and competition for candidates)¹.

In making its compensation recommendation, the Committee relied upon the published data for the peer and aspirant group (the “Peers and Aspirants”) assembled by Sibson Consulting Group in its study dated March 1, 2016 (the “Sibson Study”), and also placed some emphasis on the compensation data for select comparable institutions within the Florida State University System, including the University of North Florida, Florida Gulf Coast University, and Florida A&M University (the “Florida Comparables”), as compiled by staff. The Sibson Study and the data compiled by staff are attached hereto as Schedules.

The data included in the Sibson Study showed that the institutions included in the Peers and Aspirants group generally did not offer performance based incentive compensation to their Presidents. However, all institutions in the Florida State University System offered incentive compensation as a significant element of total compensation. The Committee believes that a recommended compensation package that would arrive between the median of the total compensation packages offered by the Peers and Aspirants and the 75% percentile of the total compensation packages offered by the Peers and Aspirants (with the difference between the median and the 75% percentile to be primarily performance - based incentive compensation) would be the most reasoned and appropriate, especially when taking into account the overall higher salaries in Florida.

A review of the median and 75% percentile of the compensation packages offered by the Peers and Aspirants, the average of the compensation offered by the Florida Comparables, and the average of the compensation offered by the Florida Comparables including UWF’s current presidential compensation package, produced the following data:

¹ See Florida Board of Governors Regulation 1.002

	Base Salary	Performance Incentive	Performance Percent of Total and Base	Deferred/ Retirement	Housing & Car	Total Compensation
Average all Florida SUS average	\$451,732	\$113,843	16.68% total 25.20% base	\$74,376	\$46,545	\$686,495
Average Florida Comparables (UNF, FGCU and FAMU)	\$402,769	\$87,833	14.36% total; 21.8% base	\$66,582	\$54,184	\$611,368
Average Florida Comparables plus UWF (UNF, FGCU, FAMU, UWF)	\$382,717	\$77,971	13.66% total; 20.37% base	\$59,613	\$50,138	\$570,438
Average Sibson Peers at 50% percentile	\$329,083	\$0	NA	\$43,791	\$46,545	\$419,419
Average Sibson Peers at 75% percentile	\$365,909	\$0	NA	\$69,985	\$46,545	\$482,439
Present UWF	\$322,559	\$48,384	10.80% total; 15.00% base	\$38,707	\$38,000	\$447,650
Proposal; Mean Value	\$325,000	\$65,000	13.70% total; 20.00% base	\$47,000	\$38,000	\$475,000

Establishing Competitive Incentive Compensation

The Committee strongly recommends a compensation package with a robust and flexible incentive compensation element. The incentive compensation element should be performance - based and not retention based. The Committee has recommended an incentive element that is equal to approximately 13.70 percent of total pay, and equal to 20 percent of the base salary. This is a significant increase in the percentage of incentive compensation to base salary from that established for the University’s current president.

The performance metrics upon which the incentive compensation is based should be established by the Board from time to time to reflect contemporary issues and concerns, strategic goals, and the current University work plan. The Committee suggests that the Board might consider setting half of the recommended incentive compensation to reflect the University's success in the Board of Governor's performance - based funding plan, with the other half of the incentive compensation to include local goals, such as meeting fundraising goals, forming and maintaining community partnerships and involvement to expand the university, and maintaining high satisfaction levels with university faculty and staff.

Establishing Other Elements of Compensation and Contractual Benefits

In its review, the Committee found that the published data reflects that almost all universities in the Peer and Aspirant group and all universities in the Florida University System offer other elements of compensation and contractual benefits, including:

- Additional or deferred retirement benefits;
- housing allowance;
- car allowance (or car); and
- post-presidency employment benefits such as professional development leave, and appointment to faculty status at a defined salary.

Other Elements of Compensation. With respect to deferred retirement benefits, housing allowance and car allowance, the Committee recommendation contemplates that these benefits be continued at the same levels as are offered to the current president.

Other Contractual Benefits. With respect to post-presidency employment benefits, the Committee recommendation contemplates establishing standards that will be satisfactory to qualified candidates but not be cost-prohibitive to the University. The Committee recommends:

- After three years as president, in the event the employee resigns or is terminated without cause, the employee will be eligible for appointment as tenured professor in area of expertise with salary equal to the average of the salaries of the three highest paid tenured faculty in the college to which assigned. Salary guarantee to extend for five years of satisfactory performance; thereafter salary to be determined to reflect market and performance. If employee is not qualified to serve as tenured professor, employee will receive a five-year appointment within an academic unit or research or policy center with salary to be determined to reflect market and performance.
- If the employee accepts a University employment or faculty assignment following the end of the presidency, the employee will be offered not in excess

of one-year post-employment professional development leave at 90% of final base salary, with the development leave to include return to work provisions as set forth in relevant procedures in accordance with University Policy HR 19.00-2004/07.

Contract Term

The Committee recommends a contract term of three years, with one year extensions subject to approval of the UWF Board of Trustees and ratification of the Florida Board of Governors.

Factors for Future Consideration

The Sibson Study highlights the fact that expectations concerning executive compensation within higher education have changed significantly over the past two decades. The drivers for this change include volatile financial markets, external regulatory influences, and the transplantation of private sector business based performance expectations into the academy. These trends in higher education executive compensation demand increased attention to and scrutiny of the practices of the University in defining accountability for actions and decisions related to compensation; establishing a rigorous presidential performance assessment process; and using current and complete data and appropriate metrics, analytics and other tools to guide compensation and contract decisions.²

The Committee recommends that the Board establish a process and procedure to provide this necessary oversight of executive compensation for the University.

² This section relies on information provided in the Presidential Compensation Assessment Peer Group Assessment and Market Analysis dated March 1, 2016 and prepared by Sibson Consulting for the Compensation and Contract Committee. "Compensation oversight practices should be based on sound governance principles, the institution's unique culture and operating dynamics, and the strength of the overall governance model." Sibson Study, p. 26

The Schedules

The Sibson Study

Excel Spreadsheets Compiled by the Committee (Based on Data Provided by Staff)