

Minutes

Presidential Compensation & Contract Committee Meeting

UWF Board of Trustees

July 19, 2016

Chair Dave Cleveland called the meeting to order at 9:02 a.m. with the following committee members present: Dave Cleveland, Dick Baker, Ted Fox, Bob Jones and Susan O'Connor. Lewis Bear, Jr. and LuTimothy May participated by conference call and Suzanne Lewis was unable to attend.

Others in attendance: Janice Gilley, Associate Vice President, Government and Community Relations; Pat Lott, General Counsel, Ms. Jamie Sprague, Associate Director, Human Resources and Becky Luntsford, Assistant Corporate Secretary to the Board of Trustees.

CHAIR'S GREETING

Chair Cleveland welcomed everyone and thanked all for being here today.

I. Presidential Compensation Assessment Report Review and Discussion

Chair Cleveland asked Board of Trustees Chair Bear to please share his thoughts as to what the Board would like for the Committee to accomplish at this point.

BOT Chair Bear explained that when he formed the Committee, his charge included the Presidential Compensation and Contract Committee provide recommendations to the Presidential Search Committee for their consideration in regards to compensation and contract parameters. He said there will be negotiations between the university and the final presidential candidate, and the Presidential Compensation and Contract Committee must provide the Search Committee with guidance on what is standard for universities the size of UWF and what is affordable for the university. He added that the parameters should be open enough to allow the search committee and the Board of Trustees room to negotiate a contract. He concluded by saying that once these objectives were accomplished, the Presidential Compensation and Contract Committee will have met the obligations of his charge.

Trustee Bob Jones suggested the Committee come up with a philosophy for compensation, not a number. He asked the Committee to keep in mind that the compensation and the job of the President are changing. Trustee Jones recommended the Committee establish a base salary for the job of President, and include a merit-based compensation plan.

Chair Cleveland reminded the Committee that the March 1, 2016 UWF Presidential Compensation Assessment provided and presented by Sibson Consulting to the UWF Board of Trustees has provided such analysis. The report provides Florida State University System standards for compensation plans. The data shows bonuses within the state universities range from \$50,000 - \$300,000. Chair Cleveland went on to remind members that in the appendix of the report, there is a synopsis of how the bonuses are structured.

Pat Lott explained that historically, bonuses have not been based on metrics, but on achievement of specific goals set by the Board of Trustees of the President. She added that newer Presidential contracts within the Florida SUS may go more toward compensation being based on achievement of metrics.

Trustee Dick Baker recommended the Committee not only take into account the metrics but also UWF's plan to become an emerging preeminent university. He reminded the Committee that UWF has a long way to go to raise our metric standing and reaching preeminent status, so we have to be very careful how we tie presidential compensation to these goals since these goals are long-term.

Chair Cleveland summarized the Committee's charge and desire is not to make a dollar estimate at this time, but instead, to articulate a philosophy.

Chair Cleveland suggested the Committee develop a philosophy statement that addresses two subjects: 1. Are we targeting, in terms of total compensation, the median or something below or above the median; and 2. on a percentage basis, how much of that compensation package comes from each of these four components.

Chair Bear asked that the Committee also consider some of the benefits and compensation items, other than salary, that have tax consequence or lack of tax consequence to the beneficiary. He went on to ask the Committee to look at the benefits being currently offered now at UWF and look at what other peer and aspirant institutions are offering and make recommendations for at least minimum personal benefits.

Chair Cleveland directed Committee members to pages 42 and 43 in the UWF Presidential Compensation Assessment. The Florida SUS detailed by component gives a good structure to come up with the recommendations.

Trustee Jones began discussion on Presidential contract. He addressed post-retirement benefits. He stated he is strongly opposed to building in post-tenure compensation at the end of the president's term in office. He added that Governor Rick Scott does not believe in

presidential contracts. He suggested the Committee not use the existing UWF President's contract as a basis. He recommended a basis of compensation include

Pat Lott explained that a step-down provision is common in other SUS contracts. She added that this Committee does not have to do what other universities do, but President Bense's step-down benefits are not uncommon.

Chair Cleveland asked that staff provide the committee with a chart using the data from pages 42 and 43 in the UWF Presidential Compensation Assessment. In addition, he asked staff to add percentages in each column of the SUS breakdown of base salary, bonus, housing, auto, deferred compensation, and add step-down provisions to the chart.

Chair Cleveland asked staff to send Committee members a copy of President Bense's current contract and copies of SUS presidential contracts, and peer/aspirant institution presidential contracts available.

Chair Cleveland asked Committee members to reflect on page 23 in the UWF Presidential Compensation Assessment.

There was discussion about whether the Presidential Compensation and Contract Committee will remain as an Ad Hoc Committee or become a standing committee of the UWF Board of Trustees. Pat Lott stated that best practice suggests this Committee should be a standing Committee on the BOT and that is for the Board Chair to decide.

II. Committee's Recommendation of Presidential Compensation

The Committee members will come prepared to make a recommendation of presidential compensation at the next scheduled meeting.

With no further Presidential Compensation & Contract Committee items to discuss, the meeting was adjourned at 10:15 a.m.

Respectfully submitted,
Becky Luntsford, recording secretary