

Minutes

Presidential Compensation & Contract Committee Meeting

UWF Board of Trustees

August 1, 2016

Chair Dave Cleveland called the meeting to order at 3:05 p.m. with the following committee members present: Dave Cleveland, Dick Baker, Ted Fox, LuTimothy May and Susan O'Connor.

Suzanne Lewis and LuTimothy May participated by conference call.
Lewis Bear, Jr. and Bob Jones were unable to attend.

Others in attendance: Janice Gilley, Associate Vice President, Government and Community Relations; Pat Lott, General Counsel 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. Approval of Minutes

Chair Cleveland asked for a motion to approve the July 19, 2016 Presidential Compensation & Contract Committee Meeting.

Motion by: Dick Baker

Seconded by: Ted Fox

Motion carried unanimously.

II. Presidential Compensation Assessment Report Review and Discussion

Chair Cleveland explained that the staff have prepared a chart for the committee's review including base salary, bonus, deferred compensation, retirement, housing and car allowances and step down package information based data from state university system presidents. This chart provides us with comparison data as we proceed.

Chair Cleveland thanked Dick Baker for the table he prepared for the committee's review as well. He reminded the committee of the peer and aspirant data that was provided by Sibson Consulting.

Chair Cleveland asked that in terms of total presidential compensation, is the committee proposing that the university pay the new president at the median or is the committee

proposing something above or below the median. He then opened the floor for committee discussion.

There was much discussion about the presidential bonus being incentive based. Suggestions included creating a bonus structure tying the president's bonus to performance based funding; defining more subjective goals for the president to include meeting fundraising goals, forming and maintaining community partnerships and involvement to expand the university, and maintaining high satisfaction levels with university faculty and staff. Another suggestion was to maintain flexibility in the presidential evaluation and bonus structure going forward. It was agreed by all committee members that the university president's bonus and compensation should be performance based not retention based.

Chair Cleveland asked the committee to look closely at Dick Baker's proposal. The committee discussed the proposal at length and overall, members were very pleased with the structure and analysis presented in the proposal.

Janice Gilley explained there are many policy issues across the state regarding presidential contracts. Other states like Tennessee and Georgia do not have written contracts with their university presidents. She suggested creating guidelines and maintaining flexibility for the Board of Trustees will help the Presidential Compensation & Contract committee and this process going forward.

The committee agreed to revise the column entitled "Bonus" to "Performance Incentive." Moving forward the committee will refer to this amount as "Performance Incentive."

Chair Cleveland asked for a motion to Accept and Adopt Dick Baker's proposal *UWF Presidential Compensation Analysis* adding a plus and minus 5% [above and below] each compensation category.

Motion by: Suzanne Lewis
Seconded by: LuTimothy May

Discussion continued on housing allowance, car allowance options and other contract negotiation options.

Chair Cleveland then recommended to the committee that they ask staff to produce a draft [policy statement] to include: the proposal is well-rooted; the proposal can be substantiated by the SUS report; the proposal matches the median of the peer and aspirant institutions as a base salary; the proposal matches the 75th percentile of the peers and aspirants in terms of total

compensation; the committee wants the total compensation to be at the 75th percentile, but the delta between the median and 75th will be all performance-based.

Chair Cleveland asked staff to include bullet points at the beginning of the policy statement to include the committee's incentive-based philosophy and incorporate Suzanne Lewis's suggestion for splitting the bonus structure. *"Split the president's bonus to half of the bonus being tied to performance based funding and defining more subjective goals for the other half of the bonus to include: meeting fundraising goals, forming and maintaining community partnerships and involvement to expand the university, and maintaining high satisfaction levels with university faculty and staff."*

Chair Cleveland called for a vote based on Suzanne Lewis' motion plus the additional recommendation he made.

Motion passed unanimously.

Chair Cleveland asked the staff to distribute this draft to the Committee prior to the next meeting.

Chair Cleveland opened the floor for discussion on step-down packages. The committee reviewed a spreadsheet prepared and provided by Pat Lott including severance [step down] benefits for SUS presidents.

There was much discussion regarding funding the president's salary in a position on campus after he or she steps down.

Janice explained that the Governor and BOG is not only looking at the compensation packages provided to SUS presidents but also those offered to university executive level positions.

The committee asked Pat Lott to check with the Governor's Office and the Board of Governors regarding policies and/or forthcoming policies pertaining to executive level position compensation and step down packages. Pat Lott agreed to do this and will report back to the committee.

II. Committee's Recommendation of Presidential Compensation

The Committee members agreed additional discussion and work needs to be done before the committee is prepared to provide a recommendation to the Board of Trustees.

The Committee agreed to meet on Monday, August 22, 2016, 2:00 – 4:00 p.m. to discuss the presidential incentive pay structure and step down package.

Chair Cleveland reiterated that prior to the August 22nd meeting, university staff will provide the committee with a draft policy statement and any additional information to prove useful.

With no further Presidential Compensation & Contract Committee business to discuss, the meeting was adjourned at 4:28 p.m.

Respectfully submitted,
Becky Luntsford, recording secretary