

Florida Polytechnic University
Board of Trustees

Governance Committee Meeting

MEETING MINUTES

Wednesday, March 13, 2019

11:30 AM-12:00 PM

4700 Research Way, Lakeland, FL 33805

I. Call to Order

Committee Chair Dur called the Governance Committee meeting to order at 12:05 p.m.

II. Roll Call

Sherri Pavlik called the roll: Committee Chair Philip Dur, Committee Vice Chair Louis Saco, Trustee Frank Martin, Trustee Henry McCance, Trustee Cliff Otto, and Trustee Bob Stork were present (Quorum).

Staff present: Ms. Gina Delulio, Mr. Rick Maxey, Ms. Kathy Mizereck, Mr. Kevin Calkins, Mr. Alex Landback, Ms. Sherri Pavlik and Ms. Michele Rush.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Louis Saco made a motion to approve the Governance Committee meeting minutes of December 5, 2018. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Governance Committee Work Plan Review

Committee Chair Philip Dur started the meeting with a review of the Committee's Work Plan, specifically on the items for May 21-22, 2019 as it relates to the proposed goals for the President and the evaluation outcome and compensation on the basis of those goals and projected work plans.

Dr. Saco will be chairing the May meeting in absence of Committee Chair Dur.

There were no changes to the work plan at this time.

VI. Renewal of President's Contract

Committee Chair Dur asked Trustee Cliff Otto, as Vice Chair of the Board, to lead the discussion on the renewal of President Avent's agreement to ensure that the dialogue is as complete as possible prior to voting. He pointed out that the agreement is actually signed by Chair of the Board.

Prior to starting the conversation, Trustee Otto brought forward a question that was asked earlier in the day by Trustee Frank Martin in regards to why the contract renewal is being discussed at this meeting when compensation, goals and objectives are not being discussed until the May meeting.

Ms. Gina Delulio explained that under BOG regulation any renewals of presidents' contracts need to be approved by the BOG and from a timing perspective the Board needs to make a commitment prior to setting goals for next year as the existing contract expires in July.

Trustee Martin expressed concerned about the flow of the process. Specifically why the contract is to be extended prior to adequately evaluating the President's performance for the past year, which will be taking place in May.

Ms. Delulio pointed out that any decision made to the President's contract and amendment of the contract is one thing; another is the annual evaluation period which is typically used to assess the President for that year to determine compensation regarding bonus and increase in salary. The committee will still be doing the annual evaluation based on the past year, under his contract.

The BOG is interested in what the president has achieved in the 5 years since he has been hired in order to determine whether or not to approve adding an additional year to his contract.

Trustee Henry McCance inquired why the amendment could not be approved at the May meeting; the same time as evaluation of the President's performance for the year and set out the goals. Why is it done this meeting? Trustee Martin elaborated noting next committee meeting is in May, the BOG meeting is June 11-13, with the contract term ending in July.

Ms. Delulio stated that it is a timing issue. She reviewed when other universities extended their presidents' contracts and patterned it after theirs. There is also a timing issue as the BOG typically gets a one month lead on materials beforehand. Concerned that putting off the extension of the President's contract at that late date is cutting it too close for getting materials to the BOG, or if something comes up.

Trustee Otto concluded that based on this feedback the committee needs to make sure they are cognizant that further discussions regarding detail on performance, compensation, and goals for the future years are discussed at the May meeting.

Trustee Otto felt it wasn't necessary for the committee to go through all of President Avent's accomplishments at this time; however he noted the successful conclusion of the collective bargaining negotiations as being a high achievement that the president has delivered on over the past year. All were in agreement to hold further discussions on accomplishments at the May meeting.

Trustee Otto noted two additional changes to the agreement. The first is to correct the addresses of the Board of Trustees and that of the General Counsel. The second is to authorize that the president's compensation that exceeds the \$200,000 cap to be paid by either the Foundation or out of auxiliary funds.

Trustee Martin inquired about where auxiliary funds come from.

Ms. Delulio explained that auxiliary funds are, for example, amounts received from business operations of the University such as the food services or bookstore contracts. Comparisons of other universities reveal

that individuals who are highly compensated that are subject to a \$200,000 cap, are paid out of auxiliary funds or grants and research funds.

Trustee Martin wondered if this also covered positions in the system, such as the provost and others that are over the \$200,000 cap.

Trustee Otto stated that this is specific to the President's contract as it is unique and has nothing to do with anyone else's. This will give the flexibility to cover the overage in another way besides the Foundation while the Foundation continues to work on getting healthy.

Ms. Delulio confirmed this change is only as to the President's contract. The Provost is an academic officer and without further investigation, not sure if he is subject to the \$200,000 cap. But did indicate that other vice presidents who exceed the \$200M cap are currently being paid for out of auxiliary funds to some extent.

Trustee Cliff Otto made a motion to recommend approval of Amendment #2 to the President's Employment Agreement to the full board. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed with the exception of opposed vote by Trustee Frank Martin.

- VII. Committee Chair Dur thanked the committee and with no further business to discuss, adjourned the meeting at 12:23 p.m.