

REVISED

University of Central Florida
Board of Trustees Meeting
September 26, 2013
Live Oak Center

Agenda

8:45 a.m. — 4:00 p.m.

Lunch 12:00 p.m.

800-442-5794, passcode, 463796

COMMITTEE MEETINGS

8:45 — 9:00 a.m.

Compensation and Labor, John Sprouls, Chair

9:00 — 9:45 a.m.

Advancement, Richard Crotty, Chair

9:45 — 10:15 a.m.

Educational Programs, Robert Garvy, Chair

10:15 — 11:00 a.m.

Joint Session:

Educational Programs, Robert Garvy, Chair

Finance and Facilities, Olga Calvet, Chair

11:00 a.m. — 12:00 p.m.

Finance and Facilities, Olga Calvet, Chair

BOARD MEETING

1:00 — 4:00 p.m.

1. Welcome and call to order

Olga Calvet, Acting Chair

2. Roll call

Rick Schell, Associate Corporate Secretary

3. Minutes of July 25, 2013, meeting

Acting Chair Calvet

4. Remarks and introductions

John C. Hitt, President

5. Consent agenda

Acting Chair Calvet

CL-1

Ratification

Article 2: Definitions, Article 7: Wages, and Article 29: Advance Notice of Separation of the Collective Bargaining Agreement with the American Federation of State, County, and Municipal Employees (Sprouls)

CL-2

Approval

Revision to the Compensation and Labor Committee Charter (Sprouls)

	CL-3	Ratification	Collective Bargaining Agreement Between the University of Central Florida Board of Trustees and the United Faculty of Florida (Sprouls)
	EP-1	Approval	Tenure with Hire (Waldrop)
	FF-1	Approval	UCF Investment Policy Revision(s) (Merck)
	NG-1	Approval	Chair Emeritus Status for Michael J. Grindstaff (Cole)
	NG-2	Approval	Fifth Amended and Restated University of Central Florida Board of Trustees Bylaws (Cole)
6.	Educational Programs Committee report		Robert Garvy, Chair
7.	Advancement Committee report		Rich Crotty, Chair
8.	Audit, Operations Review, Compliance, and Ethics Committee report		Jim Atchison, Chair
9.	Compensation and Labor Ad Hoc Committee report		John Sprouls, Chair
10.	Finance and Facilities Committee report		Olga Calvet, Chair
11.	Nominating and Governance Committee report		Ray Gilley, Chair
	NG-3	Approval	Election of Chair and Vice Chair of UCF Board of Trustees (Cole)
12.	Strategic Planning Committee report		Alan Florez, Chair
13.	New business		Acting Chair Calvet
14.	Announcements and adjournment		Acting Chair Calvet

Upcoming meetings:

Board of Governors meeting

November 20-21
(Florida International University)

Board of Trustees meeting

November 14
(Live Oak Center)

**Minutes
Board of Trustees Meeting
University of Central Florida
July 25, 2013**

Acting Chair Olga Calvet called the meeting of the UCF Board of Trustees to order at 1:08 p.m. in the Live Oak Center on the UCF Orlando campus.

The following board members attended the meeting: Trustees Richard Crotty, Alan Florez, Robert Garvy, Reid Oetjen, John Sprouls, and Melissa Westbrook.

WELCOME

Calvet reminded the board that the meeting was covered by the Florida Sunshine Law and that the public and press were invited to attend.

Calvet welcomed the board members and called on Dr. Rick Schell, Associate Corporate Secretary, to call the roll. Schell determined that a quorum was present.

Calvet called for approval of the May 23, 2013, board meeting minutes, noting that the minutes had a correction involving her attendance via teleconference. The board meeting minutes were approved as corrected.

Calvet called on President John C. Hitt for remarks and introductions.

REMARKS

Hitt welcomed **State Representative Joe Saunders**, a UCF graduate, representing District 49, which includes UCF. Saunders provided a legislative update that included the restoration of funding to the budget to the entire state university system. He presented Hitt and the board with a commemorative plaque reflecting the State of Florida's House Resolution 9119, which recognized the 50th anniversary of the University of Central Florida and designated June 10, 2013, as UCF Day in Florida.

Hitt referred the board members to the Board of Governors' *2013-14 System Summary of University Annual Work Plans* included in their meeting materials and asked that they review it.

INTRODUCTIONS

Hitt recognized the following faculty and staff members for their accomplishments.

A. Staff

Hitt congratulated **Janet Balanoff**, Director of Equal Opportunity and Affirmative Action Programs, for achieving senior certified affirmative action professional status awarded by the American Association for Affirmative Action.

B. Employee of the Month

The Employee of the Month for June was **Katrina Cesaire**, a senior executive secretary in the Provost's Office.

The Employee of the Month for July was **Donna Lucas**, an administrative assistant in the Psychology Department.

INFORMATION

Calvet noted the following information item.

- **INFO-1 2015-16 UCF Board of Trustees Meeting Dates**

CONSENT AGENDA

Calvet read the consent agenda items into the record. A motion was made to accept the consent agenda, and members of the board unanimously approved the following actions.

- **CL-1 Fourth Amended and Restated Employment Agreement for President John C. Hitt** – Approval of the Fourth Amended and Restated Employment Agreement for John C. Hitt and authorization to the vice president and general counsel to draft an employment agreement consistent with the recommendations approved by the board and to be executed and approved by the chair of the board and chair of the Compensation and Labor Committee on behalf of the board.
- **EP-1 Conferral of Degrees** – Concurrence with the conferral of degrees at the Summer 2013 commencement ceremonies on August 3:

2,965 baccalaureate degrees
711 master's degrees
145 doctoral and specialist degrees
3,821 Total

- **FF-1 Five-year Capital Improvement Plan Approval** – Approval of the Five-year Capital Improvement Plan for 2014-15 through 2018-19.
- **FF-2 Release of Unrestricted Golden Knights Corporation Revenues** – Approval of the release of the unrestricted Golden Knights Corporation revenues to the UCF Athletics Association for 2012-13.
- **FF-3 Amend Payment for UCFAA Loan to the University** – Approval of UCFAA to make a reduced loan payment to the university.

- **FF-4 2013-14 Direct Support Organizations' Budgets** – Approval of the 2013-14 Direct Support Organizations' Budgets (Golden Knights Corporation, Athletics Association, Convocation Corporation, Finance Corporation, Foundation, and Research Foundation).

ADVANCEMENT COMMITTEE REPORT

Rich Crotty, Chair of the Advancement Committee, announced that there was no report for the committee.

AUDIT, OPERATIONS REVIEW, COMPLIANCE, AND ETHICS COMMITTEE REPORT

Alan Florez, Vice Chair of the Audit, Operations Review, Compliance, and Ethics Committee, reported the following highlights from the June 21, 2013, meeting.

- **Dr. Rick Schell**, Vice President and Chief of Staff, provided an update on the search for the Chief Audit Executive.
- **Amy Voelker**, Director of University Audit, provided a work plan update, noting that six of the fifteen planned internal audits had been completed. She recommended that the current plan remain in place during the transition period to a new chief audit executive.
- **Rhonda Bishop**, Chief Compliance and Ethics Officer, advised that a candidate was selected for the position of Director of Compliance and Ethics and that a search for a Director of Compliance and Risk Management would be reopened.
- Bishop updated the committee on the off-site review by the U.S. Department of Education regarding the university's compliance with the Clery Act.
- Bishop further advised that following the Tower One incident on March 18, 2013, the U.S. Department of Education made two additional requests for information regarding the university's response.
- Bishop gave an update on athletics compliance as part of the university's corrective actions in response to the NCAA infractions case. She noted that a compliance group retained to conduct an annual review of the athletics compliance program would present its completed report.
- Bishop also reported on an effort led by her office to bring together Florida SUS compliance officers and staff to discuss compliance topics and new regulatory requirements and to share best practices.

COMPENSATION AND LABOR AD HOC COMMITTEE REPORT

John Sprouls, Chair of the Compensation and Labor Ad Hoc Committee, noted the item approved on the consent agenda. He announced that the committee held meetings on June 27, 2013, and July 16, 2013.

- **CL-2 Board of Trustees and United Faculty of Florida-Collective Bargaining Impasse Resolution** – A motion was made and unanimously passed by the board approving the Board of Trustees and United Faculty of Florida-Collective Bargaining Impasse Resolution.

Sprouls reported that at its June 27, 2013, meeting the committee reviewed and revised the president's employment agreement to conform to Florida statutes.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Robert Garvy, Chair of the Educational Programs Committee, reported the highlights from the committee meeting held earlier in the day.

- **Dr. Tony Waldrop**, Provost and Executive Vice President, gave an update on conferral of degrees for the summer session.
- **Dr. Michael Georgiopoulos**, Dean of the College of Engineering and Computer Science, reported on the academic program review for the College of Engineering and Computer Science. He also reported on the status of the recommendations made for each of the programs reviewed in 2011-12.

Hitt stated that the faculty-to-student ratio continues to be a university-wide issue. He noted that it is a tribute to faculty members that they continue to produce high quality instruction and research, along with graduating large numbers of students. Hitt stated that the university seeks to hire additional tenure-track faculty.

FINANCE AND FACILITIES COMMITTEE REPORT

Olga Calvet, Chair of the Finance and Facilities Committee, noted the items approved in the consent agenda.

Calvet reported the following highlights from the committee meeting held earlier in the day.

- Approval of a new five-year capital improvement plan.
- Approval of the 2013-14 operating budgets for several DSOs, including the Golden Knights Corporation, Athletics Association, Convocation Corporation, Finance Corporation, Foundation, and Research Foundation, per Florida Board of Governors' requirement.
- Approval for a reduction this year of the loan payment that the UCFAA makes to the university.
- Approval of the release of revenues that are above budget or obligations by the Golden Knights Corporation to the UCFAA for 2012-13. In addition, the committee reviewed the quarterly financial information for various DSOs and addressed board members' questions.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Rich Crotty, Vice Chair of the Nominating and Governance Committee, reported that the committee met via teleconference on June 28, 2013, to nominate a chair and vice chair for the UCF Board of Trustees. He stated that the committee's recommendations were void since Grindstaff was not reappointed to the board by the governor. The matter was tabled until the committee could reconvene to discuss the issue.

- **NG-1 Chair and Vice Chair Recommendations, Nominations, and Elections, UCF Board of Trustees** – A motion was made and passed to table the item.

Garvy recommended that the board acknowledge its appreciation for Grindstaff's leadership, service, and contributions to the board of trustees, and the trustees concurred.

Hitt stated that Grindstaff had served the board with devotion and distinction, and he will be missed.

STRATEGIC PLANNING COMMITTEE REPORT

Alan Florez, Chair of the Strategic Planning Committee, announced that the committee met on June 24, 2013, and reported the following highlights from that meeting.

- Florez and **Admiral Al Harms, Jr.**, Vice President for Strategy, Marketing, Communications, and Admissions, recommended a newly adopted process for the Strategic Planning Committee to use the Board of Governors' university work plan as the principal document for defining and measuring outcomes. Harms advised that UCF's 2013-14 work plan was approved by the Board of Governors during its June meeting.
- Harms also recommended that the committee monitor UCF's progress in achieving specific goals outlined in future performance-funding models. The committee is also considering a name change to reflect its new focus on these initiatives.

ANNOUNCEMENTS AND ADJOURNMENT

Chair Calvet announced the following upcoming meetings:

Board of Governors meeting	September 11-12 (New College of Florida)
State of the University address	September 24 (Pegasus Ballroom)
Board of Trustees meeting	September 26 (Live Oak Center)
Diversity Breakfast	October 21, 8-10:00 a.m. (Pegasus Ballroom)
Trustee Summit 2013	November 20 (Florida International University)

Calvet announced that information on the Board of Governors' Trustee Summit 2013 was included with the trustees' materials.

Calvet invited the trustees to attend the UCF commencement ceremonies the first weekend in August.

Calvet adjourned the board meeting at 1:45 p.m.

Respectfully submitted: _____

John C. Hitt
Corporate Secretary

Date: _____

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Article 2: Definitions, Article 7: Wages, and Article 29: Advance Notice of Separation of the Collective Bargaining Agreement with the American Federation of State, County, and Municipal Employees

DATE: September 26, 2013

PROPOSED BOARD ACTION

Ratification of the reopened articles of the collective bargaining agreement between the University of Central Florida Board of Trustees and the American Federation of State, County, and Municipal Employees.

BACKGROUND INFORMATION

A three-year collective bargaining agreement was negotiated between the University of Central Florida Board of Trustees and three units: the Blue Collar Unit, the Administrative and Clerical Unit, and the Other Professional Unit of the American Federation of State, County, and Municipal Employees for the period 2010-13. Pursuant to that agreement, the parties reopened negotiations on wages and two other articles in 2012 for the 2012-13 contract year. In those negotiations, the parties were able to reach agreement. The reopened articles are Article 2: Definitions, Article 7: Wages, and Article 29: Advance Notice of Separation. They were ratified by unit employees on June 24, 2013. The Collective Bargaining Committee appointed to represent the University of Central Florida Board of Trustees recommends the approval of Article 2: Definitions, Article 7: Wages, and Article 29: Advance Notice of Separation.

Supporting documentation: Final agreed language on Article 2: Definitions, Article 7: Wages, and Article 29: Advance Notice of Separation

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

Article 2

DEFINITIONS

The terms used in this Agreement are defined as follows:

2.1 “AFSCME Staff Representative” means an individual employed by AFSCME and designated by AFSCME to represent employees pursuant to this Agreement.

2.2 “Days” means calendar days.

2.3 “Employee” means a member of the bargaining unit described in Article 1.

2.4 “Meet Performance Standards” means an employee has been evaluated as having an overall rating that indicates that the employee’s work performance achieves the standards established by the University for the position.

2.5 “Position” means a regular position in a classification included in the bargaining unit described in Article 1.

2.6 “President” means the President of the University or his/her designee.

2.7 “President of Council 79” includes his/her representatives.

2.8 “Regular Status” is earned by an employee after successfully completing the specified probationary period. Regular status provides the employee with rights to appeal adverse action taken against the employee.

2.9 “Steward/AFSCME Employee Representative” means an employee who has been designated by AFSCME to investigate grievances and to represent grievants in grievances which have been properly filed under the grievance procedure of this Agreement when AFSCME has been selected as the employee’s representative.

2.10 “Discharge” means a termination action in accordance with Article 22 Disciplinary Action.

Article 7

WAGES

7.1 Salary Increases.

No salary increases are provided by the University for the 2012-13 fiscal year.

7.2 Other Funds. Eligible employees whose salaries are funded from a contract, grant, auxiliary, or local fund shall receive salary increases equivalent to employees whose salaries are funded from E&G sources, provided that such salary increase funds are available within the contract, grant, auxiliary, or local fund. In the event such salary increases are not permitted by the terms of the contract or grant, or in the event adequate funds are not available, the University shall seek to have the contract or grant modified to permit such increases.

7.3 Nothing contained herein prevents the University from providing salary increases beyond those increases specified.

Article 29

ADVANCE NOTICE OF SEPARATION

29. Advance Notice of Separation.

A. USPS employees have no expectation of continued employment beyond that specified in University Regulation UCF-3.038. An employee may only be issued a written Advance Notice of Separation by Human Resources, in accordance with University Regulation UCF-3.038. Any separation for cause, however, falls primarily under Article 22 “Disciplinary Action,” and University Regulation UCF 3.0191.

B. Any employee receiving a written Advance Notice of Separation shall receive such notice six months prior to the effective date of separation, in accordance with university regulation.

C. The decision to issue an Advance Notice of Separation to a USPS employee shall not be based on constitutionally or statutorily impermissible grounds.

D. To successfully contest a written Advance Notice of Separation, the employee must establish that the action taken by the University was arbitrary and capricious, or because of an alleged violation of law. A contest of an Advance Notice of Separation will be subject to the grievance procedure set forth in Article 23. An employee is not precluded from filing an EEOC or FCHR charge alleging unlawful discrimination.

E. Any employee receiving a written Advance Notice of Separation shall receive a neutral reference from their most recent supervisor. If the affected employee accurately reports their supervisor on the UCF application, any prospective UCF employer considering hiring the employee during the six months prior to the effective date of separation shall receive only the neutral reference from the most recent supervisor. The neutral reference shall include: beginning and ending date of employment, position held, job summary of duties and responsibilities, most recent rate of pay while employed, and most recent five years of performance appraisals.

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Revision to the Compensation and Labor Committee Charter

DATE: September 26, 2013

PROPOSED BOARD ACTION

Approve the revisions to the charter of the Compensation and Labor Committee.

BACKGROUND INFORMATION

On March 19, 2009, the board originally approved the Compensation and Labor Committee's charter that identified the purpose, authority, and organization of the committee, as well as its roles and responsibilities. The proposed revisions are being made for clarity.

Supporting documentation: Compensation and Labor Committee Charter with marked redline revisions

Prepared by: Mark Roberts, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

Compensation and Labor Committee Charter

~~Third-Fourth~~ Revised
~~March-September~~ 2013

1. Overall Purpose and Objectives

The Compensation and Labor Committee was established by the University of Central Florida Board of Trustees (“board”) to: 1) conduct periodic compensation and assessment reviews of the president, as required by Florida Board of Governors regulations and develop recommendations to the board for its consideration; 2) review and approve discretionary compensation plans and deferred compensation plans, if any, for senior executives of the university; and 3) oversee the collective bargaining responsibilities of the board.

2. Authority

The board authorizes the committee to:

- 2.1. perform activities within the scope of its charter, in accordance with board policy, including the Presidential Performance and Compensation Review Policy, and as otherwise directed by the board;
- 2.2. oversee an annual assessment of the president’s performance and compensation, and present recommendations to the board for approval;
- 2.3. consider and review all elements of presidential compensation, including contractual benefits that are not part of the annual compensation process, deferred compensation plans and other compensatory benefits;
- 2.4. oversee review of the employment agreement with the president and present recommendations to the board for approval;
- 2.5. annually review discretionary compensation plans, if any;
- 2.6. engage outside consultants and other advisors, as it deems necessary, with the approval of the board or the president;
- 2.7. advise the board and president regarding prospective and current collective bargaining activities and issues, and make recommendations to the board regarding board action.

3. Organization

Membership

- 3.1. The chair of the board will appoint the chair and members of the committee.

- 3.2. The committee will consist of at least three members, including the chair of the committee. The chair of the board will serve as an ex-officio member of the committee.
- 3.3. Members of the committee shall hold office until the appointment of their successors.

Meetings

- 3.4. Meetings held to advise university administrators regarding ~~discuss~~ collective bargaining issues are exempt from the open meetings law.
- 3.5. Meetings held to resolve impasses between the university and one of its collective bargaining units will comply with the open meetings law.
- 3.6. A majority of the regular (not ex officio) committee members shall constitute a quorum for all committee meetings. A quorum having been established, no business shall be transacted without a majority vote of all committee members who are present, including the ex officio members.
- 3.7. Meetings will be held as necessary and called by the chair of the committee or the chair of the board.
- 3.8. The committee will maintain written minutes of its public meetings; however, agenda or minutes shall not be posted for meetings conducted in closed session.
- 3.9. The committee may request special reports from the university on topics that may enhance the committee's understanding of the university's activities and operations.

Staff

- 3.10. The chief human resources officer of the university will serve as staff liaison to the committee and will support the committee's logistical needs.
- 3.11. The Vice President and General Counsel will serve as staff liaison to the committee with respect to any issue requiring legal review or advice, including collective bargaining issues.

4. Specific Roles and Responsibilities

- 4.1. The compensation and performance of the president will be assessed regularly and the extent to which the president is meeting the goals established by the board will be determined.
- 4.2. Presidential goals for the short term (e.g., annual goals) and the long term (e.g., three-year goals) will be established in consultation with the president. The resulting goals will be recommended by the committee to the board for approval each year, usually at the November board meeting.

- 4.3. The achievement of the short and long term goals previously established by the board will be annually measured and the results will be approved by the committee.
- 4.4. All board trustees will be solicited for their input in the assessment of the president's performance.
- 4.5. A review of comparable compensation for university presidents will be done in accordance with the board's Presidential Performance and Compensation Review Policy. After this review, the committee will submit a compensation recommendation for approval by the board each year, usually at the November board meeting.
- 4.6. The committee will review the employment agreement with the president and present a summary recommendation to the board for its approval. Once approval is received by the board, the chair of the board and the Compensation and Labor Committee chair will sign the employment agreement on behalf of the board. A copy of the fully executed employment agreement will be shared with the board.
- 4.7. An annual review of established performance incentive plans will be completed and recommended changes approved. Any changes resulting in revised awards to a participant shall be recommended to the board for final approval. Once the original plan document is approved by the board, technical and procedural changes to the plan document will be approved by the committee. Such changes shall be distributed by the committee to the Board of Trustees for its information, but will not require board approval.
- 4.8. Periodically, a review will be requested of the base salaries of senior officers to determine if they are appropriate, based on relevant market data.
- 4.9. The university collective bargaining representatives will be advised of board priorities, positions, and interests with respect to negotiations.
- 4.10. The committee will act on behalf of the board to conduct collective bargaining impasse hearings and make recommendations to the board for its approval.

Adoption of Charter

The University of Central Florida Board of Trustees adopted this charter at its regularly scheduled meeting on March 19, 2009. The second revised was approved by the Board on November 19, 2009. [The third revised was approved by the Board on March 21, 2013.](#)

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Collective Bargaining Agreement Between the University of Central Florida Board of Trustees and the United Faculty of Florida

DATE: September 26, 2013

PROPOSED BOARD ACTION

Ratification of the Collective Bargaining Agreement for 2012-15 between the University of Central Florida Board of Trustees and the United Faculty of Florida.

BACKGROUND INFORMATION

A three-year collective bargaining agreement between the Board of Trustees and United Faculty of Florida for the period 2010-12 expired in 2012. The parties began negotiating for a successor agreement in November 2011, and they came to tentative agreement on most of the items however, the parties reached impasse in Spring 2013 over three articles. Ultimately, the Board of Trustees acted to impose: Article 3 (UFF Privileges), Article 8 (Assignments), and Article 23 (Salaries). Following that action, the UFF presented the entire collective bargaining agreement, including the imposed articles, to its membership for consideration. A positive vote by the unit to accept the UCF BOT-UFF Collective Bargaining Agreement for 2012-15 was obtained on September 18, 2013. The University of Central Florida administration recommends in favor of ratification of the contract.

Supporting documentation:

<http://www.collectivebargaining.ucf.edu/CBA/2012-2015CBA4ratification.pdf>

Prepared by: Scott Cole, Vice President and General Counsel

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

University of Central Florida
BOARD OF TRUSTEES

SUBJECT: Tenure with Hire

DATE: September 26, 2013

PROPOSED BOARD ACTION

Approval of tenure with hire.

BACKGROUND INFORMATION

New faculty members are hired each year with tenure. Normally, such faculty members have earned tenure at their previous institution and meet UCF's requirements for tenure. For others, tenure is part of the hiring package when senior faculty members are hired for administrative positions. Department faculty members and the university's administrative officers have approved granting tenure to these faculty members.

Supporting documentation: 2013-14 Tenure with Hire Justifications

Prepared by: Diane Z. Chase, Executive Vice Provost

Submitted by: Tony Waldrop, Provost and Executive Vice President

2013-14 Tenure with Hire Justifications
Board of Trustees
September 26, 2013

College of Arts and Humanities

Mr. Byron Clercx, professor
School of Visual Arts and Design

Mr. Byron Clercx received his master of fine arts degree in sculpture from California State University in Fullerton, California. His academic experiences include teaching at Marshall University, at the University of Idaho, and at Whitman College. Mr. Clercx is a nationally accomplished visual artist in solo and juried exhibitions. He has authored many peer-reviewed publications and presented at several prestigious conferences. Mr. Clercx's experience developing community support and leading an arts school make him a valuable resource for UCF faculty members. The School of Visual Arts and Design and the College of Arts and Humanities support his tenure with hire.

Dr. Kevin Roozen, associate professor
Department of Writing and Rhetoric

Dr. Kevin Roozen received his Ph.D. degree in composition and rhetoric from the University of Illinois at Urbana-Champaign. His academic experiences include teaching and directing a first-year writing program at Auburn University. Dr. Roozen has published fourteen articles and book chapters relevant to his work in the field. The Department of Writing and Rhetoric and the College of Arts and Humanities support his tenure with hire.

Dr. Stephanie Vie, associate professor
Department of Writing and Rhetoric

Dr. Stephanie Vie recently received her Ph.D. degree in rhetoric, composition, and the teaching of English from the University of Arizona. Her academic experience includes teaching and directing the writing center at Fort Lewis College. Dr. Vie also served as assistant editor to *Kairos: A Journal of Rhetoric, Technology, and Pedagogy*. Since receiving her Ph.D. degree, Dr. Vie has published 11 peer-reviewed articles and book chapters, two review essays, four book reviews, and an edited textbook in her field. The Department of Writing and Rhetoric and the College of Arts and Humanities support her tenure with hire.

Rosen College of Hospitality Management

Dr. Alan Fyall, professor

Department of Tourism, Events, and Attractions

Dr. Alan Fyall received his Ph.D. degree in destination management from Bournemouth University in the United Kingdom. Prior to joining UCF, Dr. Fyall served as deputy dean of research and enterprise for Bournemouth University. His international academic experiences include teaching at the Napier University Business School of Edinburgh and serving as head of academic operations for business management faculty at Southampton Solent University in Hampshire, UK. Dr. Fyall is published in numerous peer-reviewed journals including *Tourism Management*, *Journal of Destination Marketing & Management*, *Journal of Hospitality & Marketing Management*, *Current Issues in Tourism*, and *Annals of Tourism Research*. He has authored three books and has a demonstrated performance record in grant acquisition. The Department of Tourism, Events, and Attractions and the Rosen College of Hospitality Management support his tenure with hire.

College of Nursing

Dr. Donna Neff, associate professor

Dr. Donna Neff received her Ph.D. degree in nursing from Case Western Reserve University. Her academic experiences include associate professor at the University of Florida, assistant professor at the University of Akron, and research project director at Case Western Reserve University. Dr. Neff has numerous peer-reviewed publications in journals including *Nursing Forum*, *Journal of Nursing Administration*, *Medical Care*, and *Journal of Nursing Regulation*. In addition, she has been the principal investigator or co-principal investigator on grants totaling more than \$1.6 million. The College of Nursing supports her tenure with hire.

College of Health and Public Affairs

Dr. Bonnie Yegidis, professor School of Social Work

Dr. Bonnie L. Yegidis received her Ph.D. degree from the University of South Florida. Her academic experiences include serving as professor and director of the School of Social Work at the University of South Florida, vice president for academic affairs and student success at the University of Tennessee, vice president for academic affairs and provost at Florida Gulf Coast University, and dean of the School of Social Work at the University of Georgia. Dr. Yegidis has an extensive publishing record including one of the most respected research textbooks in the field, *Research Methods for Social Workers*, more than 20 peer-reviewed articles, and numerous book chapters. She has an outstanding national reputation for her social work education conducted through the Council on Social Work Education and the National Association of Deans and Directors of Schools of Social Work. The School of Social Work and the College of Health and Public Affairs support her tenure with hire.

College of Sciences

Dr. Michael Mousseau, associate professor Department of Political Science

Dr. Michael Mousseau received his Ph.D. degree in political science from the State University of New York. His international academic experiences include teaching at Koc University, at Columbia University, at Harvard University, and at Yale University. Dr. Mousseau has published several articles in peer-reviewed journals including *International Studies Quarterly*, *Journal of Peace Research*, and *International Interactions*. His expertise in international conflict will enhance the current Ph.D. degree curriculum. The Department of Political Science and the College of Sciences support his tenure with hire.

**University of Central Florida
Board of Trustees**

SUBJECT: UCF Investment Policy Revision(s)

DATE: September 26, 2013

PROPOSED BOARD ACTION

Approval to revise the operating funds supplement to the UCF Investment Policy.

BACKGROUND INFORMATION

In June 2013, UCF transferred its broad capitalization domestic equity investments from actively managed funds to a large cap Vanguard equity index fund that is designed to track the performance of the Standard & Poor's 500 Index. Due to the transfer to an index fund and the resulting narrowing of the domestic equity portfolio's focus, an amendment to UCF's investment policy Operating Pool III Sub-Section and Operating Pool IV Sub-Section is needed to change the target index for domestic equity investments from the Russell 3000 to the Standard & Poor's 500.

Supporting documentation:

UCF Operating Pool III Sub-section (Attachment A)
UCF Operating Pool IV Sub-section (Attachment B)
UCF Investment Policy (Attachment C)
UCF Investment Policy Manual (Attachment D)

Prepared by: William F. Merck II, Vice President for Administration and Finance
and Chief Financial Officer
Tracy Clark, Assistant Vice President for Finance and Controller

Submitted by: William F. Merck II, Vice President for Administration and Finance
and Chief Financial Officer

Attachment A

OPERATING POOL III SUB-SECTION

to the

Operating Funds Supplement to the University of Central Florida Investment Manual

This Sub-Section is a part of the Operating Funds Supplement to the University of Central Florida Investment Manual and is intended only to complement the objectives and guidelines outlined therein. The purpose of this Sub-Section is to set forth the specific investment objectives and parameters for the management of financial assets of Operating Pool III.

Operating Pool III will be considered excess cash reserves that may be invested in longer term investments (up to 5 years). In addition to compliance with the provisions of the Operating Funds Supplement to the University of Central Florida Investment Manual, Operating Pool III investments must comply with the following guidelines and objectives.

I. Investment Objectives

- A. Operating Pool III should be structured to provide the moderate growth and a reasonable safety of principal while generating an above benchmark total rate of return. Investments shall be made subject to the University reserve needs in accordance with the schedule provided by the Finance Committee, and shall be subject to any revisions thereafter.
- B. Investments shall be undertaken in a manner that seeks to balance the growth of the portfolio against the limited time horizon of Operating Pool III. Given the limited time horizon of Operating pool III, reasonable liquidity should be maintained as a primary objective.

II. Guidelines

A. Authorized Investments

Pursuant to the investment powers of the Finance Committee as set forth in the Florida Statutes and the delegation of authority granted by the University Board of Trustees, the Finance Committee sets forth the following investment guidelines and limitations.

1. Equity

- a. Investments in equity securities shall not exceed twenty percent (20%) of the market value of Operating Pool III's assets.

2. Fixed Income

- a. All fixed income investments shall maintain a minimum rating of "A" or higher by a major credit rating service.
- b. The weighted average quality of the fixed income portfolio shall maintain a rating of "AA" or higher.
- c. The duration of the fixed income portfolio shall not exceed the effective duration of the Merrill Lynch 1-5 Year Government/Corporate A or Better Index by 50%.
- d. The maturity of any single security at the time of purchase shall not exceed an average effective maturity of 5 years.

Attachment A

3. Cash & Equivalents

4. Pooled Investment Funds

- a. For purposes of Operating Pool III, pooled investment funds may include mutual funds, commingled funds, and exchange-traded funds.

III. Target Allocations

In order to provide for a diversified portfolio, the Committee will engage investment professionals to manage and administer Operating Pool III. Each Investment Manager retained will be responsible for the assets and allocation of their mandate only and, where applicable, will be provided an addendum to this Sub-Section with their specific performance objectives and investment evaluation criteria. The Finance Committee has established the following target asset allocation for Operating Pool III.

Asset Group	Target	Range	Comparison
Domestic Equity	15%	10% - 20%	Russell 3000 S&P 500
Intermediate Fixed Income	85%	75% - 95%	ML 1-5yr G/C A or Better
Cash & Equivalents	0%	0% - 15%	90 Day US T-Bills

The Finance Committee will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, cash contributions into and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Finance Committee does not intend to exercise short-term changes to the target allocation.

IV. Investment Performance Objectives

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. Total Portfolio Performance

1. The performance of Operating Pool III will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of the target index consisting of 15% ~~Russell 3000~~S&P 500 and 85% ML 1-5 Year Government/Corporate A or Better index.
2. On a relative basis, it is expected that Operating Pool III's performance will rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. On an absolute basis, the objective is that the return of Operating Pool III will provide a total return that exceeds the Consumer Price Index plus 2%.

Attachment A

B. Equity Performance

1. The combined equity portion of the portfolio is expected to perform at a rate at least equal to the ~~Russell 3000~~S&P 500 index.
2. On a relative basis, the equity portfolio is expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum.

C. Fixed Income Performance

1. The combined fixed income portion of the portfolio is expected to perform at a rate at least equal to the Merrill Lynch 1-5 Year Government/Corporate A or Better index.
2. On a relative basis, the fixed income portfolio is expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. Individual components of the fixed income portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum.

V. Review and Amendments

It is the Finance Committee's intention to review this Sub-Section at least annually and to amend it to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Finance Committee should be notified in writing.

By signing this document, the Vice President for Finance & Administration and Chief Financial Officer attests that this Sub-Section has been recommended by the Investment Consultant, reviewed by the Fund's legal counsel for compliance with applicable law, and approved by the Chairman of the Finance Committee of the Board of Trustees.

University of Central Florida

Vice President for Finance & Administration
Chief Financial Officer

Date

Attachment B

OPERATING POOL IV SUB-SECTION

to the Operating Funds Supplement to the University of Central Florida Investment Manual

This Sub-Section is a part of the Operating Funds Supplement to the University of Central Florida Investment Manual and is intended only to complement the objectives and guidelines outlined therein. The purpose of this Sub-Section is to set forth the specific investment objectives and parameters for the management of financial assets of Operating Pool IV.

Operating Pool IV will be designated for long term investments. In addition to compliance with the provisions of the Operating Funds Supplement to the University of Central Florida Investment Manual, Operating Pool IV investments must comply with the following guidelines and objectives.

I. Investment Objectives

- A. Operating Pool IV should be structured to maximize the long-term growth of the portfolio while generating an above benchmark total rate of return.
- B. Investments shall be undertaken in a manner that seeks to create a diversified portfolio of long-term assets without consideration for current income or pending expenditure. While reasonable liquidity should be maintained, it will be considered a secondary objective.

II. Guidelines

A. Authorized Investments

Pursuant to the investment powers of the Finance Committee as set forth in the Florida Statutes and the delegation of authority granted by the University Board of Trustees, sets forth the following investment guidelines and limitations.

1. Equity

- a. Collective investment in equity and equivalent securities (domestic and international) shall not exceed sixty-five percent (75%) of the market value of Operating Pool IV's assets.
- b. Foreign securities shall not exceed twenty percent (20%) of the market value of Operating Pool IV's assets.

2. Fixed Income

- a. All fixed income investments shall maintain a minimum rating of "investment grade" or higher by a major credit rating service.
- b. The weighted average quality of the fixed income portfolio shall maintain a rating of "A" or higher.
- c. Duration of the fixed income portfolio shall not exceed the effective duration of the Barclays Aggregate Bond index by 50%.

Attachment B

3. Cash & Equivalents

4. Pooled Funds

- a. For purposes of Operating Pool IV, pooled investment funds may include mutual funds, commingled funds, and exchange-traded funds, limited partnerships and private equity.

III. Target Allocations

In order to provide for a diversified portfolio, the Finance Committee will engaged investment professionals to manage and administer Operating Pool IV. Each Investment Manager retained will be responsible for the assets and allocation of their mandate only and may be provided an addendum to this Sub-Section with their specific performance objectives and investment evaluation criteria. The Finance Committee has established the following asset allocation targets for the total fund:

Asset Group	Target	Range	Comparison
Domestic Equity	45%	40% - 50%	Russell 3000 <u>S&P 500</u>
International Equity	15%	10% - 20%	MSCI-ACWxUS
Alternative Assets*	5%	0% - 10%	TBD
Total Equity & Equivalents	65%	55% - 75%	
Broad Market Fixed Income	30%	25% - 35%	Barclays Capital Aggregate
TIPS*	5%	0% - 10%	Barclays TIPS
Total Fixed Income	35%	30% - 40%	
Cash & Equivalents	0%	0% - 5%	90 Day US T-Bills

*Benchmark will default to domestic equity and broad market fixed income, respectively, if these portfolios are not funded. Targets and ranges above are based on market value of total Operating Pool IV assets.

The Finance Committee will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Finance Committee does not intend to exercise short-term changes to the target allocation.

IV. Investment Performance Objectives

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. Total Portfolio Performance

1. The performance of Operating Pool IV will be measured for rolling three (3) and five (5) year periods. The performance of the portfolio will be compared to the return of

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the target index comprised of 45% ~~Russell 3000~~S&P 500, 15% MSCI-All Country World excluding U.S., 5% Alternative Assets, 30% Barclays Aggregate Bond and 5% Barclays TIPS Index.

2. On a relative basis, it is expected that Operating Pool IV's performance will rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. On an absolute basis, the objective is that the return of Operating Pool IV will provide a total return that exceeds the Consumer Price Index plus 4.5%.

B. Equity Performance

1. The combined equity portion of the portfolio is expected to perform at a rate at least equal to a combined target index consisting of 70% ~~Russell 3000~~S&P 500, 23% MSCI All Country World excluding U.S. Index and 7% Alternative Investments.
2. On a relative basis, the equity portfolio is expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.
3. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum.

C. Fixed Income Performance

1. The combined fixed income portion of the portfolio is expected to perform at a rate at least equal to a combined target index consisting of 85% Barclays Capital U.S. Aggregate Bond and 15% Barclays TIPS index.
2. On a relative basis, the fixed income portfolio is expected to rank in the top 40th percentile of the appropriate peer universe over three (3) and five (5) year time periods.

D. Alternative and Other Asset Performance

1. The overall objective of the alternative and/or "other asset" portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and enhance returns. This portion of the fund will be benchmarked as outlined in the Investment Manager addendum.

V. Review and Amendments

It is the Finance Committee's intention to review this Sub-Section at least annually and to amend it to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Finance Committee should be notified in writing.

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By signing this document, the Vice President for Finance & Administration and Chief Financial Officer attests that this Sub-Section has been recommended by the Investment Consultant, reviewed by the Fund's legal counsel for compliance with applicable law, and approved by the Chairman of the Finance Committee of the Board of Trustees.

University of Central Florida

Vice President for Finance & Administration
Chief Financial Officer

Date

Attachment C



Office of the President

SUBJECT: Investments	Effective Date: 7-16-08	Policy Number: 3-113	
	Supersedes:	Page 1	Of 2
	Responsible Authority: Vice President for Administration & Finance Chief Financial Officer		

APPLICABILITY/ACCOUNTABILITY:

This policy is applicable to the University of Central Florida funds being held to meet current expenses and the excess of funds required to meet current expenses. This policy is also applicable to the university's various Direct Support Organizations that do not have an investment policy approved by its board.

POLICY STATEMENT:

The university establishes its investment parameters in accordance with sections 1011.42(5) and 218.415, Florida Statutes, and the UCF Investment Policy Manual. The vice president for administration and finance or designee will consolidate, where practicable and allowable, cash balances and investments from all funds covered by this policy to minimize risk exposure and maintain liquidity while maximizing investment earnings.

PROCEDURES:

UCF Investment Policy Manual: <http://www.admfin.ucf.edu/investments.pdf>

RELATED INFORMATION:

FS 218.415, Local Government Investment Policies

FS 1011.42(5), University Depositories, investment of funds awaiting clearing

Florida Statutes Website:

<http://www.leg.state.fl.us/statutes/index.cfm?Mode=ViewStatutes&Submenu=1>

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CONTACTS:

For questions regarding the investment policy, contact the Treasurer's Office (407) 882-1112 or the Vice President for Administration & Finance (407) 823-2351.

INITIATING AUTHORITY: Vice President for Administration and Finance

POLICY APPROVAL (For use by the Office of the President)	
Policy Number: 3-113	
Initiating Authority: <u>[Signature]</u>	Date: <u>7/23/08</u>
Policies and Procedures Review Committee Chair: <u>[Signature]</u>	Date: <u>July 21, 2008</u>
President or Designee: <u>[Signature]</u>	Date: <u>7/23/08</u>

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UNIVERSITY OF CENTRAL FLORIDA

INVESTMENT MANUAL

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General Information

The following are detailed procedures related to UCF Policy _____, accessible on the Policy Web site, <http://policies.ucf.edu/>.

The University establishes its investment parameters in accordance with sections 1011.42(5) and 218.415, Florida Statutes, and complies with all applicable state ordinances and covenants. The vice president for administration and finance (vice president) or designee will consolidate, where practicable and allowable, cash balances and investments from all funds covered by this policy to minimize risk exposure and maintain liquidity while maximizing investment earnings.

Investment Objectives

As required by F. S. 218.415, the investment objectives of the University for invested funds shall be to provide for safety of capital, liquidity of funds, and investment income, in that order. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Funds may be divided in four different pools of funds as follows: Pool I will be designated as cash reserves for operational expenses, based on specific criteria to be determined by the Finance Committee; Pool II will be designated to cover the University's medium term requirements such as debt service for the next year; Pool III will be considered excess cash reserves that may be invested in longer term investments (up to five years). Pool IV will be designated for long term investments such as the UCF Foundation, Inc. Safety and optimization of investment returns may be the investment objectives of funds invested in Pool IV only (liquidity is secondary).

1. **Safety** - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks the preservation of capital in the overall portfolio. The objective will be to limit credit risk and interest rate risk to a level commensurate with the risks associated with prudent investment practices and the performance benchmarks stated herein, if applicable.
2. **Credit Risk** - The University will limit credit risk (the risk of loss due to the failure of the security issuer or backer) by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings.
3. **Liquidity** - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). The portfolio may be placed in local government investment pools, money market mutual funds or similar funds that perform similar to money market funds that offer same-day liquidity for short-term funds.
4. **Yield** - The investment portfolio shall be designed with the objective of attaining a market rate of return, as measured by specified benchmarks, throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described

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above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A. A security with declining credit risk may be sold early to minimize loss of principal.
 - B. A security swap that would improve the quality, yield, or target duration in the portfolio.
 - C. Liquidity needs of the portfolio require that the security be sold.
 - D. Adverse market or economic conditions.
5. Transparency - The University shall operate its portfolio in a transparent manner, making its periodic reports both available for public inspection and designed in a manner which communicates clearly and fully information about the portfolio, including market pricing, adjusted book value, and yields.

Performance Measurement

As a benchmark for investment returns, the University's investment portfolio, net of fees, should strive to equal or exceed the returns provided by the State Treasurer's Special Purpose Investment Account (SPIA). However, achieving this benchmark is secondary to the requirements for safety and liquidity.

Prudence and Ethical Standards

1. Prudence - The standard of prudence to be used by investment officials shall be the Prudent Person Rule and shall be applied in the context of managing an overall portfolio. University personnel, acting in accordance with this investment policy shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the University's governing board in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The Prudent Person Rule states that: "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."
2. Ethics and Conflicts of Interest - The Vice President and other authorized personnel shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. These investment officials shall disclose annually, in a written statement, any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. They shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the University.

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3. Delegation of Authority - Authority to manage the investment program is granted to the Vice President. The Vice President may delegate authority to the Administration & Finance Associate Vice Presidents or the Treasurer. Additional authorized personnel include any other person or position approved by the University's governing board. The University may seek professional advice and therefore may contract with a federally registered investment advisory firm that specializes in public funds fixed income management, and it may also seek advice and counsel from the Finance Committee to assist with investment decisions. The Finance Committee will approve and, from time to time as they deem necessary, amend this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy. The Vice President shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Broker Dealers, Safekeeping and Custody

1. Authorized Financial Dealers and Institutions – The University shall list financial institutions consisting of banks and other depository institutions authorized to provide depository and investment services. In addition, a list will be maintained of security broker/dealers consisting of "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule) that are providing services to the University or that the University contemplates using. Both lists shall be reviewed by the Finance Committee and the Vice President at least annually.
2. Annual Review - An annual review of the financial conditions and registration of qualified financial institutions and broker/dealers will be conducted by the Vice President or Investment Advisor under the direction of the University. The distribution of trading among the approved broker/dealers of securities which at the time of purchase had maturities greater than 7 days shall be reported annually to the Finance Committee.
3. Delivery vs. Payment - Securities transactions between a broker-dealer and the safekeeping agent or custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.
4. Safekeeping, Custody & Perfection of Interest - Securities shall be held with a third party; and all securities purchased by, and all collateral obtained by, the University should be properly designated as an asset of the University. No withdrawal of securities, in whole or in part, shall be made from safekeeping or custody, except by an authorized staff member of the University.

Authorized Investments

This investment policy is authorized by the University's Board of Trustees. The following investments are authorized to be utilized in achieving the objectives of this policy. Investments not listed are prohibited. The investment portfolio must be structured in such manner as to provide sufficient safety and liquidity to pay obligations as they come due. Investment maturities should anticipate cash flow requirements.

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Prior to conducting transactions as authorized by this policy the Vice President shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investments, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the bid deemed to best meet the investment objectives shall be selected.

Investments shall be limited to securities selected from the following types:

1. The United States Treasury and Agency securities - Securities that are issued by the United States Treasury or those for which the full faith and credit of the United States government guarantees fully all principal and interests payments.
 - A. Credit Ratings
Ratings are not required for U.S. Treasury securities. Agencies backed by the full faith and credit of the United States government, such as Government National Mortgage Association (GNMA), must have at least two AAA/Aaa/AAA long-term credit ratings from Standard & Poor's, Moody's or Fitch respectively. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.
 - B. Interest Rate Risk Restrictions
The United States Treasury and Agency securities backed by the full faith and credit of the United States government - At the time of purchase, securities must have a maturity no greater than five years from the date of settlement to the maximum possible maturity date. The forward delivery period on such securities may not exceed 60 days.
2. Government Sponsored Enterprises (GSE) - Securities issued by the Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Federal National Mortgage Association, or the Federal Agricultural Mortgage Corporation. Any other GSE shall be considered as corporate debt for the purposes of this Policy and shall be authorized under the criteria set forth in section V-7, Corporations.
 - A. Credit Ratings
Authorization of the listed GSE in section V-7 is predicated upon these institutions maintaining at least two AAA/Aaa/AAA long-term credit ratings from Standard & Poor's, Moody's or Fitch respectively. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.
 - B. Interest Rate Risk Restrictions
At the time of purchase, securities must have a maturity no greater than five years from the date of settlement to the maximum possible maturity date. The forward delivery period on such securities may not exceed 60 days.
3. The State Board of Administration's Local Government Investment Pool (SBA), the State Treasurer's Special Purpose Investments Account (SPIA) or any intergovernmental

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investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.

A. Credit Rating

Local Government Investment Pools - At the time of purchase, local government investment pool must carry a AAA rating from Standard & Poor's (if applicable). The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

B. Interest Rate Risk Restrictions

At the time of purchase, shares in the local government investment pool must be fully redeemable on the next business day.

4. Money Market Mutual Funds - Shares of any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended.

A. Credit Rating

At the time of purchase, money market funds must carry a AAA rating from Standard & Poor's. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

B. Interest Rate Risk Restrictions

At the time of purchase, shares in the money market fund must be fully redeemable on the next business day.

5. Interest-bearing time deposits or savings accounts in Qualified Public Depositories (QPD) as defined in s. 280.02.

A. Credit Rating or Limitations

Bank deposits for the University must comply with Chapter 280.16 Florida Statutes. Such deposits in QPD's must be collateralized according to the statutory requirements.

6. Repurchase Agreements - Securities referred to in section 4 or 5 and that can otherwise be purchased under this Policy may be subject to a Repurchase Agreement. Such securities subject to this agreement must have a coupon rate that is fixed from the time of settlement until its maturity date, and must be marketable. Such securities must be delivered to the University or to a third-party custodian or third-party trustee for safekeeping on behalf of the public entity. The collateral securities of any repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

A. Credit Ratings

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At the time of purchase the counter-party to any such agreements must carry short-term credit ratings which conform to those required by section V-7.

B. Interest Rate Risk Restrictions

For repurchase agreements, at the time of purchase such agreements must have a maturity no greater than one year from the date of settlement. The forward delivery period on such securities may not exceed 60 days.

7. Corporations - United States dollar denominated debt instruments issued by a corporation or bank which is organized and operated within the United States.

A. Credit Ratings

At the time of purchase, all non-money market instruments must carry at least two long-term credit ratings from Standard & Poor's, Moody's or Fitch's of at least AAA/Aaa/AAA respectively. For money market instruments, which comply with rule 2a7 at the time of purchase, such securities must carry at least two short-term credit ratings and no short-term credit rating may fall below A1+ from Standard & Poor's, P1 from Moody's, or F1+ from Fitch. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

Should a security's credit rating drop below these standards after purchase, the University's authorized personnel shall act as Prudent Persons in managing the risks associated with this security, and shall timely notify the Finance Committee of such an event.

B. Interest Rate Risk Restrictions

At the time of purchase, such securities must have a maturity no greater than three years from the date of settlement to the maximum possible maturity date. The forward delivery period on such securities may not exceed 60 days.

8. Other investments authorized by law or by ordinance for a county or a municipality.

9. Other investments authorized by law or by resolution for a school district or a special district.

10. Direct Support Organizations (DSO) duly authorized by the University's Board of Trustees.
An agreement or memorandum of understanding must be executed prior to the placement of funds with any DSO.

11. Mutual funds, unit investment trusts or professionally managed securities or other investment vehicles specifically authorized by the Finance Committee.

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Portfolio Composition

The portfolio managed by the University, as opposed to funds placed with the Foundation, shall be maintained as a short-term maturity portfolio. The following restrictions apply in the management and investment of the University portfolio:

1. The effective maturity of floating rate securities shall be considered as the time until the next full reset of the coupon. The maximum effective duration of a floating rate security shall be five years from the date of purchase.
2. To provide sufficient liquidity and stability of principal, at least 25% of the Fund shall have an effective duration of one year or less.

University Endowment

The preferred recipient of gifts for the University is the UCF Foundation, Inc. However, there may be special circumstances whereby a monetary gift or other asset is received by the University directly, or the University may choose to establish a quasi-endowment with funds available for such purpose from other sources. In these instances, the University may choose to enter into an agreement with the UCF Foundation, Inc. to manage the investment of a portion or all of a particular University endowment or quasi-endowment. The Foundation has several investment options. The decision as to which of the options to be utilized for University funds would be specified in an contractual document between the University and the Foundation, with specific instructions as to the authorization and manner in which receipts and disbursements would be processed. The University's assets may be pooled with Foundation assets for investment purposes, but with procedures in place for detailed accounting and reporting of the University's shares in the pool. These investments may deviate from the balance of this policy's direction to limit investments to no more than five years duration.

Risk and Diversification

The University portfolio shall be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. The diversification strategies laid out in this policy shall be reviewed and revised periodically, as deemed necessary by the Vice President and any revisions shall require the approval of the Finance Committee.

Investments that vary in length to maturity will be made to correlate with the University's cash flow projections. The correlation will be made conservatively, considering the University's projected need for liquidity. As the University develops a history with these guidelines, it is anticipated that the Finance Committee will refine and further define the maturity risks and diversification requirements. It is anticipated that the University Controller will provide annual cash flow projections, taking into consideration revenue receipt timing, payroll disbursements, debt service schedules and other historical

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operational expenditures. This information will be used as a basis for informed decisions regarding the allocation of cash balances into categories of investments with varying maturities. The investment vehicles used in the four categories will be determined by the Vice President in consultation with an investments consultant, the chair of the Finance Committee and other appropriate University staff.

In order to ensure liquidity and diversify risk to principal, multiple depository banks, in addition to the bank(s) currently under contract with the University to provide treasury services, may be utilized to hold and invest short term cash.

Qualified Public Depositories, Investment Institutions and Dealers

The University Treasurer will maintain an approved list of qualified public depositories (as defined in Florida Statute 280.02), investment institutions and dealers for the purchase and sale of securities.

Third Party Custodial Agreements

Securities will be held with a third party; and all securities purchased by, and all collateral obtained by the University will be properly designated as an asset of the University. If a bank serves in the capacity of Investment Manager, said bank could also perform the required custodial and reporting services. No withdrawal of securities, in whole or in part, shall be made from safekeeping, except by those designated within the Investment Management and Custodial Agreement between the Custodian and the University. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Master Repurchase Agreement

The University Treasurer or the Investment Manager, if applicable, will maintain a master repurchase agreement and require all approved institutions and dealers transacting repurchase agreements to adhere to the requirements of the master repurchase agreement. The master repurchase agreement is a separate document.

Bid Requirement

The University shall require purchases and sales to be executed in a competitive bid environment wherein a least three (3) offers or bids are obtained for each security. Exceptions to this approach may be made when (1) prices for purchases or sales are compared to systems providing current market prices and deemed reasonable, (2) when the security to be purchased is unique to one institution or (3) the security has recently been issued and is trading at the same price by all financial institutions.

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Internal Controls

The University Treasurer shall establish a system of internal controls and operational procedures, which will be documented in writing. The internal controls will be reviewed by the University Audit staff and are subject to audit by the Auditor General of the State of Florida. The controls will be designed to prevent losses of public funds arising from fraud, employee error, imprudent actions by employees and misrepresentation by third parties. The internal controls and operational procedures is a separate document.

Continuing Education

The Vice President and the University Treasurer will annually (during each calendar year) complete 8 hours of continuing education in subjects or course of study related to investment practices and products.

Reporting

1. **Methods** - The Vice President, or designee, shall or shall have prepared and provide to the Finance Committee an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. An outside investment advisor or other third party may be utilized to prepare the report. The management summary will be prepared in a manner that will allow the University to ascertain whether investment activities during the reporting period have conformed to the investment policy. This investment report shall include a list of securities in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.
2. **Performance Standards** - The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The appropriate benchmark against which the portfolio performance shall be the 90-day Treasury Bill rate. At a minimum, portfolio performance shall be measured by comparing its year-to-date earnings to budgeted year-to-date earnings and its monthly "effective rate of return" to the 90-day Treasury Bill rate of return. Benchmarks may change over time based on the portfolio's weighted average maturity.
3. **Marking to Market** - The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. Information will be included in the report provided to the Finance Committee during scheduled meetings.

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Implementation Considerations

1. Exemption - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
2. Amendments - This policy shall be reviewed on an annual basis. Any changes must be approved by the Finance Committee.

Attachment D

Glossary

Benchmark. A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid. The price offered by a buyer of securities.

Collateral. Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Delivery vs. Payment. Delivery versus payment is delivery of securities to a third party with an exchange of money for the securities. The transaction is not complete until both parties provide their commitments.

Diversification. Dividing investment funds among a variety of securities offering independent returns.

DSO. Direct Support Organization, pursuant to Section 1004.28 Florida Statutes, as certified by the University Board of Trustees.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

Federal Farm Credit Bank (FFCB). The Federal Farm Credit Banks Funding Corporation issues debt securities as fiscal agent for the Farm Credit System, which is a nationwide network of borrower-owned lending institutions and service organizations specializing in agricultural and rural America. The mission of this government-sponsored enterprise is to ensure the availability of sound, dependable funding for agricultural producers, cooperatives, and certain farm related business.

Federal home Loan Bank (FHLB). Government sponsored wholesale banks that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC). FHLMC, commonly referred to as Freddie Mac, is a government sponsored enterprise that provides liquidity to the mortgage markets, much like FNMA and FHLB.

Federal National Mortgage Association (FNMA). FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The Corporation's purchases include a variety of

Attachment D

adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

LIBOR. London Interbank Offer Rate.

Liquidity. A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Market Value. The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement. A written contract covering all future transactions between the parties to repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Portfolio. Collection of securities held by an investor.

Prudent Person Standard. An investment standard in which investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Qualified Public Depository. Any bank, savings bank, or savings association that is organized under the laws of the United States or the State of Florida; has its principal place of business or a branch office to receive deposits in Florida; has deposit insurance under the provisions of the Federal Deposit Insurance Act; meets the requirements of Chapter 280, Florida Statutes (Florida Security for Public Deposits Act); and has been designated by the Chief Financial Officer of the State of Florida as a qualified public depository.

Repurchase agreement (REPO). A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use REPOs extensively to finance their positions. Exception: When the Fed is said to be doing REPOs, it is lending money that is increasing bank reserves.

Safekeeping. A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

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Spread. (1) The yield or price difference between the bid and offer on an issue. (2) The yield or price difference between different issues.

State Board of Administration's Local Government Investment Pool (SBA). The aggregate of all funds from political subdivisions that are placed in the custody of the State Board of Administration for investment and reinvestment.

State Treasury Special Purpose Investment Account (SPIA). The aggregate of all funds from governmental entities that are placed in the custody of the State Treasury for investment and reinvestment.

Treasury Bills. A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in one month, three months, or six months.

Yield. The rate of annual income return on an investment, expressed as a percentage.
(1) Income yield is obtained by dividing the current dollar income by the current market price for the security. (2) Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

University of Central Florida
BOARD OF TRUSTEES

SUBJECT: *Chair Emeritus* status for Michael J. Grindstaff

DATE: September 26, 2013

PROPOSED BOARD ACTION

Award the title of *Chair Emeritus* to Michael J. Grindstaff, member of the UCF Board of Trustees.

BACKGROUND INFORMATION

The Nominating and Governance Committee, in accordance with the Trustee Emeritus Policy, recommends that the UCF Board of Trustees confer *emeritus* status upon former trustees of the University of Central Florida in recognition of their distinguished service to the university.

Supporting documentation: Trustee Emeritus Policy.

Prepared by: Scott Cole, Vice President and General Counsel

Submitted by: Scott Cole, Vice President and General Counsel

UNIVERSITY OF CENTRAL FLORIDA

Trustee Emeritus Policy

Objectives of Policy

1. To confer *trustee emeritus* status to former trustees of the University of Central Florida in recognition of their distinguished service to the University.
2. To offer privileges to former board members as a means of keeping them affiliated with the university, maintaining a special relationship with them, and expressing gratitude for their service to the university.

Criteria for Selection

1. The Board of Trustees will make decisions on conferring *trustee emeritus* status on an individual basis. Former trustees who have served at least one full term and who have an exemplary record of service may be considered for this designation.
2. Considerations may include the following:
 - a. Active involvement at the board and committee levels
 - b. Demonstrate impact on the advancement of the university

Selection Process

1. The chair of the board and the president of the university, in consultation with one another, may recommend former trustees to the Nominating Committee as candidates for *trustee emeritus* status.
2. The Nominating Committee will consider all such recommendations and will make its own recommendations to the full board.
3. The full board will elect former trustees for designation as *Trustee Emeritus* or *Trustee Emerita*.

Emeritus Privileges

1. While the position is non-voting with regard to official actions of the Board, an *emeritus* or *emerita* trustee may be invited to participate in board meetings and functions, will be eligible to be appointed by the chair to serve on any of the board's special committees, and may be called upon to assist the board and the president in those matters in which the individual's interest, experience, and expertise will best serve the university.
2. *Trustee Emeriti* will be invited to participate in various university activities and attend special events.

University of Central Florida
BOARD OF TRUSTEES

SUBJECT: Fifth Amended and Restated University of Central Florida Board of Trustees Bylaws

DATE: September 26, 2013

PROPOSED BOARD ACTION

Approve revisions to the Board of Trustees bylaws.

BACKGROUND INFORMATION

During the 2013 legislative session, the Florida Legislature amended the open meetings law to require, effective October 1, 2013, that public boards, such as the BOT, allow public comment at their meetings subject to reasonable restrictions on time and manner. The current bylaws allow public comment only at the discretion of the chair. The Fifth Amended and Restated Bylaws amend the current bylaws to make them compliant with the new legislation.

Supporting documentation: Fifth Amended and Restated Bylaws

Prepared by: W. Scott Cole, Vice President and General Counsel

Submitted by: W. Scott Cole, Vice President and General Counsel

University of Central Florida Board of Trustees

~~Fourth~~ Fifth Amended and Restated Bylaws

September 26, 2013
~~January 27, 2011~~

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ARTICLE I

STATEMENT OF PURPOSE

The University of Central Florida Board of Trustees is vested by law with all the powers and authority to administer the University of Central Florida in accordance with Article IX, Section 7 of the Florida Constitution, the laws of the State of Florida and with rules and policies of the Florida Board of Governors. In order to more effectively discharge its responsibilities and duties in connection therewith, the University of Central Florida Board of Trustees hereby adopts these bylaws.

ARTICLE II

THE BOARD

Section 2.1 CORPORATE NAME – The Board of Trustees is a public body corporate called the *University of Central Florida Board of Trustees*, with all the powers of a body corporate under the laws of the State of Florida. The Board of Trustees shall be hereinafter referred to as the *Board*.

Section 2.2 COMPOSITION – The Board is composed of thirteen (13) trustees, six (6) citizen members appointed by the governor, and five (5) citizen members appointed by the Board of Governors, subject to confirmation by the Senate. The president of the Student Body and chair of the Faculty Senate shall also serve as voting trustees during their terms of office.

Section 2.3 POWERS AND DUTIES OF THE BOARD – The Board shall serve as the governing body of the University of Central Florida. It shall select the president of the University of Central Florida for ratification by the Board of Governors and shall hold the president responsible for the university's operation and management, performance, fiscal accountability, and compliance with federal and state laws and rules of the Board of Governors. The Board shall have the authority to carry out all lawful functions permitted by the bylaws, its operating procedures, by rules and policies of the Board of Governors, or by law.

The Board may adopt rules and policies consistent with the university mission, with law, and with the rules and policies of the Board of Governors, in order to effectively fulfill its obligations under the law.

Section 2.4 CORPORATE SEAL – The corporate seal shall be used only in connection with the transaction of business of the Board and of the university. The secretary may affix the seal on any document signed on behalf of the corporation. Permission may be granted by the secretary for the use of the seal in the decoration of any university building or in other special circumstances. The corporate seal of the Board shall be consistent with the following form and design:

ARTICLE III

THE TRUSTEES

Section 3.1 TERM OF OFFICE – Trustees shall serve for staggered 5-year terms, as provided by law.

Section 3.2 VACANCIES – Vacancies shall be filled by appointing authority subject to confirmation by the Senate of the State of Florida.

Section 3.3 COMPENSATION – Trustees shall receive no compensation but may be reimbursed upon request for travel and per diem expenses.

ARTICLE IV

OFFICERS OF THE BOARD

Section 4.1 OFFICERS – The officers of the Board shall be the Chair, Vice Chair, Corporate Secretary, and the Associate Corporate Secretary. The Chair and Vice Chair shall be trustees, but no other Board officers shall be members of the Board.

Section 4.2 SELECTION – The Board shall elect its chair and vice chair from the appointed members at its first regular meeting after July 1 upon recommendation of the Nominating Committee. The chair shall serve for two years and may be reelected for one additional consecutive term.

Section 4.3 CHAIR – The duties of the chair shall include presiding at all meetings of the Board, calling special meetings of the Board, appointing committee chairs, determining the composition of all Board committees, attesting to actions of the Board, serving as spokesperson for the Board, and fulfilling other duties as assigned by the Board. The chair shall perform such duties in consultation with the university president.

Section 4.4 VICE CHAIR – The duty of the vice chair is to act as chair during the absence or disability of the chair. While the vice chair shall be the presumptive successor to the chair when a vacancy occurs, the chair shall be selected by the full board upon nomination of the Nominating Committee.

Section 4.5 CORPORATE SECRETARY – The university president shall serve as corporate secretary of the Board, and in the capacity of secretary, shall be responsible for giving notice of all meetings of the Board and its committees, setting the agenda and compiling the supporting documents for meetings of the Board in consultation with the chair, recording and maintaining the minutes of any Board meeting, including a record of all votes cast, in accordance with section 286.011(2), Florida Statutes, executing or attesting to all documents that have been executed by the Board, and shall be custodian of the corporate seal.

Section 4.6 ASSOCIATE CORPORATE SECRETARY – The secretary may designate an individual to serve as associate corporate secretary to the Board. This individual shall perform all duties delegated by the secretary and shall provide for review by the General Counsel documents to be presented to the board and committees.

ARTICLE V

PRESIDENT

Section 5.1 DUTIES OF THE PRESIDENT – The university president shall serve as the chief executive officer of the university. The university president shall be responsible for the operation of the university, including efficient and effective budget and program administration, leading the university to accomplish its educational missions and goals, monitoring educational and financial performance, consulting with the Board in a timely manner on matters appropriate to its policy-making and fiduciary functions, appointing staff liaisons for each board committee, and serving as the university's key spokesperson. The president shall have the authority to execute all documents on behalf of the university and the Board consistent with law, applicable Board of Governors' and Board of Trustees' rules and policies, and the best interests of the university.

ARTICLE VI

COMMITTEES

Section 6.1 COMMITTEES – The Board shall establish standing and ad-hoc committees as it deems appropriate to discharge its responsibilities. The Board chair shall appoint members of committees, their chairs and vice chairs based upon their expertise in matters relating to that committee, and shall appoint a trustee representative to the board of directors of each direct support organization. The chair shall be an ex-officio member of each committee. Each committee shall consist of no fewer than three members. Members of committees shall hold office until the appointment of their successors. Any vacancies on the standing committees shall be filled by appointment of the Board chair. Unless specifically delegated or as otherwise provided in these bylaws, authority to act on all matters is reserved to the Board and the duty of each committee shall be to consider and to make recommendations to the Board upon matters referred to it. Each committee shall have a written statement of purpose and primary responsibilities, or charter, as approved by the Board. The chairs of all committees shall perform their duties and shall have the responsibility and authority to place matters on the Board's agenda, with approval of the Board chair.

Section 6.2 STANDING COMMITTEES – The following committees shall be standing committees of the Board until dissolved by the Board:

- Advancement Committee
- Audit, Operations Review, Compliance, and Ethics Committee
- Educational Programs Committee
- Finance and Facilities Committee
- Nominating and Governance Committee
- Strategic Planning Committee

Section 6.3 EXECUTIVE COMMITTEES – The Executive Committee shall be comprised of the Board Chair and committee chairs. The Executive Committee shall be empowered to act on matters that, in the opinion of the board chair, must be timely approved between regularly scheduled Board meetings. Actions taken by the Executive Committee shall be reported to the Board at the next Board meeting.

Section 6.4 AD-HOC COMMITTEES – Ad-hoc committees shall be appointed by the Board chair upon authority of the Board with such powers and duties and period of service as the Board chair may determine, provided that no ad-hoc committee shall be created to act upon any matter appropriate to be acted upon by a standing committee. The chairs of any ad-hoc committees shall be appointed by the Board chair and shall perform their duties in consultation with the university president. The chair of the Board shall serve as an ex-officio member of each ad hoc committee.

Section 6.5 DIRECT SUPPORT ORGANIZATIONS – Each Direct Support Organization of the university shall provide regular reports to a standing committee as assigned by the Board chair.

Section 6.6 QUORUM – A majority of the regular (not ex-officio) committee members shall constitute a quorum for all committee meetings. A quorum having been established, no business shall be transacted without a majority vote of all committee members present.

ARTICLE VII

MEETINGS

All meetings of the Board and its committees shall be open to the public at all times, and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting in accordance with section 286.011, Florida Statutes, unless the matter being discussed falls within the provisions of law allowing closed sessions.

Section 7.1 REGULAR MEETINGS – There shall be not less than five (5) regular meetings a year as the Board may determine. These meetings shall be held on such dates and at such times as the Board may determine. The time and date of a regular meeting may be changed by an affirmative vote of a quorum of the Board. At the discretion of the chair, meetings may be held by teleconference.

Section 7.2 SPECIAL MEETINGS – Special meetings of the Board may be held at the call of the Board chair, the secretary, or upon request of seven (7) trustees. The secretary shall send written notice of such special meeting to all trustees, along with a statement of the purpose of the meeting, at least 48 hours in advance. No matter may be considered at any special meeting that was not included in the call of that meeting except by an affirmative vote of not less than two-thirds (2/3) of the trustees at the meeting. At the discretion of the chair, special meetings of the Board may be held by teleconference.

Section 7.3 EMERGENCY MEETINGS – An emergency meeting of the Board may be called by the chair upon no less than twenty-four (24) hours' notice whenever an issue requires immediate Board action. No other business will be transacted at the meeting unless additional emergency matters are agreed to by a majority of those Board members present.

Section 7.4 AGENDA – The President, in consultation with the chair, shall set the agenda for the meetings with the review of the General Counsel. Recommendations to the Board included in the agenda are presented by the chair or committee chair designated by the chair, and include all matters of business or concern to the Board that have not been specifically delegated to the chair or the university president. The chair will provide a copy of the agenda to each member of the

Board at least fourteen (14) days prior to the meeting. If additional items or supporting documentation become available, a supplemental agenda will be provided. The Board may also consider agenda items not included in the published agenda.

Section 7.5 CONSENT AGENDA – The Board chair may approve items to be placed on a consent agenda that may be approved by the Board without discussion. Committee items not recommended by the unanimous vote of the committee may not be placed on the consent agenda. Items may be removed from the consent agenda by any trustee, preferably at least two days prior to the Board meeting.

Section 7.6 APPEARANCE BEFORE THE BOARD – ~~At the discretion of the chair, individuals, groups or factions who wish to group representatives may~~ appear before the Board to discuss a subject pending before the Board shall complete a public comment form specifying the matter upon which they desire to be heard. Public comment forms will be available at each meeting and must be submitted prior to commencement of the meeting. For meetings held telephonically, public comment forms can be obtained from the Board web site and emailed to the Assistant Secretary of the Board prior to the meeting. Organizations, groups, or factions wishing to address the Board shall designate a single representative to speak on its behalf to ensure an orderly presentation to the Board. The Board will reserve no more than fifteen minutes for public comments. Each speaker shall be allotted three minutes to present information unless modified by the Board chair within the Board's jurisdiction. Requests to appear must be received by the Chairman of the Board of Trustees, Office of the President, University of Central Florida, P.O. Box 160002, Orlando, FL 32816-0002, no later than 10 days prior to the meeting. The Board may place time or other limitations on any presentation.

Section 7.7 QUORUM – A quorum for the conduct of business by the full Board shall consist of seven (7) trustees. A quorum having been established, no business shall be transacted without a majority vote of all trustees present except as otherwise provided in these bylaws.

Section 7.8 RULES OF PROCEDURE – Except as modified by specific rules and policies enacted by the Board, *Robert's Rules of Order Newly Revised* shall constitute the rules of parliamentary procedure applicable to all meetings of the Board and its committees.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 CONFLICT OF INTEREST POLICY – Trustees stand in a fiduciary relationship to the university. Therefore, Trustees shall act in good faith, with due regard to the interests of the university, and shall comply with the fiduciary principles and law set forth in the Code of Ethics for Public Officers and Employees, Section 112.311-112.326, Florida Statutes. The Board shall adopt a written conflict of interest policy, to be included in the Board operating procedures or other policies, which shall be reviewed periodically and revised as necessary.

Section 8.2 INDEMNIFICATION – Whenever any civil or criminal action has been brought against a trustee for any act or omission arising out of and in the course of the performance of his or her duties and responsibilities, the Board may defray all costs of defending such action, including reasonable attorney's fees and expenses together with costs of appeal, and may save harmless

and protect such person from any financial loss resulting from the lawful performance of his or her duties and responsibilities. Claims based on such actions or omissions may, in the discretion of the Board, be settled prior to or after the filing of suit thereon. The Board may arrange for and pay the premium for appropriate insurance to cover all such losses and expenses.

Section 8.3 LIMITATION OF LIABILITY – The Board shall be a corporation primarily acting as an instrumentality or agency of the state pursuant to section 768.28(2), Florida Statutes, for purposes of sovereign immunity.

Section 8.4 AMENDMENTS – These Bylaws may be amended at any regular meeting of the Board by the affirmative vote of not less than two-thirds (2/3) of the members of the Board, provided that notice of any proposed amendment including a draft thereof shall have been filed in writing with the secretary and a copy of the draft has been mailed to each trustee at least ten (10) days prior to the meeting at which the amendment is to be voted upon.

Section 8.5 SUSPENSION OF OPERATING PROCEDURES – Any provision of these bylaws may be suspended in connection with the consideration of a matter before the Board by an affirmative vote of not less than two-thirds (2/3) of the members of the Board.

Section 8.6 PROXIES – The use of proxies for purposes of determining a quorum, for voting, or for any other purposes is prohibited.

I HEREBY CERTIFY that the foregoing Fourth Amended and Restated Bylaws of the University of Central Florida Board of Trustees were approved by an affirmative vote of not less than two-thirds (2/3) of the members of the Board of Trustees at a regular meeting of the Board held on _____.

Secretary

University of Central Florida
BOARD OF TRUSTEES

SUBJECT: Election of Chair and Vice Chair of UCF Board of Trustees

DATE: September 26, 2013

PROPOSED BOARD ACTION

Approve the recommendations of the Nominating and Governance Committee to select Trustee Olga Calvet to a two-year term as chair of the UCF Board of Trustees and Trustee John Sprouls to a two-year term as vice chair of the UCF Board of Trustees.

BACKGROUND INFORMATION

Pursuant to Article IV of the Fourth Amended and Restated Bylaws of the UCF Board of Trustees, and section 1.2 of the Nominating and Governance Committee charter, the Nominating and Governance committee voted unanimously at its September 18, 2013, meeting to recommend that Olga Calvet and John Sprouls be elected chair and vice chair, respectively, of the UCF Board of Trustees.

Supporting documentation: none

Prepared by: W. Scott Cole, Vice President and General Counsel

Submitted by: W. Scott Cole, Vice President and General Counsel