



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Executive Committee Meeting
August 7, 2019
President's Boardroom, Millican Hall**

MINUTES

CALL TO ORDER

Chair Beverly Seay called the meeting to order at 2 p.m.

Committee members present: Joseph Conte, Danny Gaekwad, John Lord, Alex Martins, and William Yeargin.

Committee member Robert Garvy attended via teleconference.

Committee member absent: John Sprouls (excused).

A quorum was confirmed.

APPROVAL ITEM

Executive Committee Charter (EXEC - 1)

Chair Seay noted section 6.3 of the University of Central Florida Board of Trustees Seventh Amended and Restated Bylaws (Bylaws) allows for the use of an Executive Committee. She then referenced section 6.1 of the Bylaws, which states that each committee shall have a written statement of purpose and primary responsibilities, or charter, as approved by the board. Chair Seay stated that this committee will be used to foster coordination, collaboration and efficiencies between and among the various board committees. She said this committee is not established to usurp any powers or responsibilities of the other board committees and will take formal action only when deemed necessary in between regularly scheduled board meetings, and as outlined in the proposed committee charter.

Gaekwad made a motion to approve the Executive Committee Charter; Yeargin seconded the motion. After robust committee discussion, Martins suggested that the motion be amended to require full board approval of new facilities and buildings, and Conte suggested the same for establishing or eliminating academic programs and colleges. The amended motion to approve the Executive Committee Charter for recommendation to the full board with modification to section 2.1 to require approval by the full board for: *(1) the approval of new facilities and (2) institution or elimination of new academic programs or colleges.* The committee unanimously approved this item as amended.

DISCUSSION ITEMS

Board Operations: Structure, Development of Schedules and Agendas (INFO-1)

Chair Seay said the Post Investigation Action Plan recommendations included an item relating to board committees and although this item was previously assigned to the board chair, she was moving this item to the Executive Committee for discussion and recommendations.

Chair Seay recommended the elimination of the Strategic Planning Committee, to be approved by the full board at their next meeting.

To facilitate committee discussion, Lord made a motion to eliminate the Strategic Planning Committee. The committee discussion centered around the principle that the full board should be monitoring the university's progress on the strategic plan. When it is time for a new plan, a task force or ad hoc committee can be established to undertake this work. Committee members discussed that committee chairs should keep the strategic plan's purposes and goals in mind as they do their work, and the administration should continue to report to the full board on the implementation of the plan. President Seymour stated that the development or tracking of the plan does not require a committee, as the full board would be involved in either process, and he expressed support for the motion. The committee unanimously approved the motion.

Chair Seay stated that work is underway to develop an Office of Board Relations, reporting to Janet Owen, Vice President for Government Relations. She said the work of this office will include engagement with the Board of Governors, elected officials and other leaders, as appropriate. Chair Seay said she asked Dr. Manoj Chopra to lend his expertise and counsel to the office and to individual trustees, as needed, because of his experience and service on the Board of Governors (BOG) and the UCF Board of Trustees (Board).

Gaekwad wanted to ensure that staff continues to be trained. President Seymour described the senior leadership training to date, which is continuing as new staff is onboarded. Chair Seay stated the Board Office will also support the board in acquiring information as requested by the board. The office will provide training opportunities. Conte recommended that trustees attend training sessions for senior staff when they can. Garvy stated that he fully supports the reorganization of board operations, as the ultimate responsibility of the successful operation of the university rests with the board.

Chair Seay referenced the May board retreat where several trustees expressed an interest in reevaluating the board meeting format, specifically considering a split schedule between the committee meetings and the full board meeting. After discussion, the Committee recommended that the trustees be asked for their feedback on a new meeting format, with committee meetings being held off-cycle, and when necessary at the call of the committee chair. The board would meet, beginning in the morning and without committee meetings, on the date currently being held for regular meetings of the full board. If feedback supports the change, the committee recommends having the new process in place by the September board meeting, if possible.

Update on Financial Status of Projects (INFO-2)

To introduce this review Chair Seay reminded the committee of the history and current status of the Bryan Cave investigation into UCF construction spending. At the June 2019 BOG Audit and Compliance Committee meeting, Joey Burby of the Bryan Cave firm presented a preliminary list of 11 projects where E&G funds had been transferred to capital accounts. Chair Seay reminded the committee that eight of these projects totaling \$41,343,588 were previously identified and E&G funds were returned by September 2018 under the direction of the Interim Chief Financial Officer.

Leading the committee through a review of a chart of projects, Chair Seay identified \$10.6 million in potential overcorrections for which UCF is awaiting guidance from the BOG financial staff. Given \$14.9 million in E&G funds not previously identified for correction, and awaiting determination for how much of that is unallowable, plus the potential overcorrections of \$10.6 million, there is currently an estimated maximum of \$4.3 million still to be corrected.

Dennis Crudele, Interim Chief Financial Officer, said in addition to BOG guidance, we are also waiting for the conclusion of the Bryan Cave investigation, which will be presented at the August BOG meeting.

Chair Seay stressed the point that the board has been committed from the start to correcting all unallowable expenditures and fixing the systems and culture that allowed this to happen.

Status of the Post Investigation Action Plan Recommendations (INFO-3)

Chair Seay invited the committee members to again review the chart of Post Investigation Action Items, which were previously sorted by the Audit and Compliance Committee and distributed to each committee chair with specific assignments of oversight responsibility. Chair Seay requested feedback from the chairs as to the appropriateness of the assignments. The Committee Chairs expressed agreement with the assignment of action items as presented in the Action Plan.

Crisis Management Plan for the UCF Board of Trustees (INFO-4)

Chair Seay explained the Post Investigation Action Plan recommendation relating to crisis leadership by the board. Although previously assigned to the board chair, she moved this issue to the Executive Committee for discussion.

Chair Seay identified three important tools for board crisis leadership: (1) a comprehensive response to the many recommendations from various authorities to the Trevor Colbourn Hall (TCH) controversy; (2) the university's Emergency Response Plan, which addresses situations such as severe weather threats and potential violence; and (3) a form of board-led plan to address non-routine crises like the TCH funding issue and other events involving leadership and reputation.

After committee discussion, Martins moved to create a Task Force on Crisis Management to be chaired by Trustee Lord. The committee is charged to make recommendations and oversee the establishment of a Crisis Management Plan for the UCF Board of Trustees. The committee unanimously approved this item.

Chair Seay adjourned the Executive Committee meeting at 3:26 p.m.