

**Minutes
Board of Trustees Meeting
University of Central Florida
March 21, 2019**

Chairman Robert Garvy called the meeting of the Board of Trustees to order at 1:04 p.m. at the UCF *FAIRWINDS* Alumni Center.

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

WELCOME

Garvy welcomed the board members and called on Grant Heston, Associate Corporate Secretary, to call the roll. Heston determined that a quorum was present.

The following board members attended the meeting: Chairman Robert Garvy, Trustees Joshua Boloña, Kenneth Bradley, Joseph Conte, Danny Gaekwad, John Lord, Alex Martins, Beverly Seay, William Self, David Walsh and William Yeargin. Trustee John Sprouls joined via teleconference.

PUBLIC COMMENT

There were two requests for public comment. The first was from Patrick King via telephone addressing in-state residency for his son Casey King. The second was from David Albertson, in person, in support of the settlement agreement with Dale Whittaker and the appointment of Thaddeus Seymour, Jr.

MINUTES

Garvy called for approval of the January 18, 2019, January 24, 2019, February 12, 2019, and February 21, 2019 meeting minutes, which were approved.

REMARKS AND INTRODUCTIONS

Garvy gave a brief update on the Florida House of Representative's Public Integrity and Ethics Committee's investigation into UCF's misspending on construction projects. He noted the House accepted its investigation report, with a thorough list of recommendations for UCF, this board and the Board of Governors (BOG). Garvy thanked the committee for its work and stated the BOG is close to completing its investigation as well. He stated the trustees take these investigations and recommendations seriously and noted UCF is already working on several recommendations, including training to ensure that board members fully understand their responsibilities.

Garvy stated General Caslen was working on financial training programs, a workshop with the Association of Governing Boards has been scheduled on May 17, and that a BOG fiduciary training was also being scheduled.

Garvy ended his remarks thanking Boloña for his service on the board, noting his service was particularly outstanding. Boloña was the Student Government Association President and rotates off the board on May 6, 2019.

Garvy invited Interim President Thad Seymour to share an update. Seymour also thanked Boloña for his service to the board. He noted it has been an honor to serve in this role for the past few weeks, stating he has met with deans, students, faculty and staff as well as several lawmakers and staff and with leadership from the BOG. Seymour stated the message he has been sharing with them has been clear: UCF is an incredible institution and we have taken many important steps to correct past actions and now we are focused on the future. He outlined his focus on four key areas:

- **Strengthening Operations:** This includes the selection of several key hires in interim leadership positions including Chief Financial Officer, Chief Operating Officer and a Chief Accountability Officer.
 - Seymour thanked Kathy Mitchell for serving as the Interim CFO and thanked Misty Shepherd, who continues to serve as Interim Vice President for Administration and Finance.
- **Rebuilding Reputation and Trust:** This has been very important in Tallahassee, our community and inside our own organization. Seymour stated this means celebrating the central role of students, faculty and staff and reaffirming UCF's values and mission to transform lives.
- **Expanding Our Resources:** Seymour said this involves taking a critical look at UCF's finances while also protecting the budget and resources needed to ensure our students' and university's success going forward.
- **Investing in Excellence:** Seymour noted UCF will continue focusing on excellence, whether that is faculty hiring or student success.

Seymour outlined a few of UCF's recent academic achievements:

- A record number of UCF graduate programs were ranked in the top 100 by U.S. News & World Report.
- UCF's graduate video game program was ranked No. 5 in the world by the Princeton Review and *PC Gamer* magazine.
- The Rosen College of Hospitality Management was named one of the top five schools in the world for the third year in a row.

- U.S. News & World Report ranked UCF's online bachelor's programs No. 14 in the nation, which is an all-time high for UCF.
- UCF earned its second top 50 national ranking as one the nation's best public research universities, which secures another preeminence metric with the state.

Seymour commended UCF's men and women's basketball teams for their best seasons ever with a record number of wins. Both earned their first at-large berths in the NCAA tournament.

Seymour remarked that the Order of Pegasus is the most prestigious and significant award a student can attain at UCF, recognizing exemplary performance in the areas of academic achievement, outstanding university involvement, leadership and community service. Seymour recognized nine undergraduate and three graduate students in the audience.

REPORTS

- INFO-1 Central Florida Educator Federal Credit Union Arena Name Change

Garvy called on Heston, who provided an update on the following item. The Central Florida Educator (CFE) Federal Credit Union Arena will now be called the Addition Financial Arena, with all costs associated with changes to signage being paid by CFE/Addition Financial.

- INFO-2 Board of Trustees Service to Direct Support Organization Boards

Garvy called on Margaret Jarrell-Cole, Associate Vice President for Direct Support Organizations, who provided an update on the following item. Under Florida law and the bylaws of each UCF Direct Support Organization (DSO), the UCF Board of Trustees' (BOT) Chair appoints a member of the BOT to serve on the board of directors and executive committee of each DSO board. The Florida BOG and UCF regulations reflect this statutory requirement.

COMPENSATION AND LABOR COMMITTEE REPORT

Sprouls, Chair of the Compensation and Labor Committee, reported highlights from the committee meeting held earlier that day and noted the following items were approved by the committee and presented for board approval.

- CL – 1 Interim President Agreement between the UCF Board of Trustees and Thaddeus Seymour, Jr.

A motion was made by Sprouls, with a second from Yeargin. Garvy highlighted Seymour's exceptional background, both in business and academia. He also noted that Seymour has been instrumental in creating UCF's Collective Impact Strategic Plan, building a shared campus with

Valencia College in downtown Orlando, and forming a new division at UCF devoted to partnerships and innovation.

Garvy highlighted Seymour's three-decade career in business and his deep community and state relationships, which will help re-establish trust with state leadership. Garvy noted that Seymour has provided stability and leadership during the past four weeks. He said Seymour will continue to work closely with Provost Elizabeth Dooley and her team to ensure that UCF's academic mission continues unabated, while he focuses on UCF operations and resources. He said it is critically important, and in UCF's best interests, for Seymour to continue as Interim President.

Garvy noted a presidential search would begin in the fall with the goal of selecting a new president in early 2020.

The trustees gave words of encouragement, thanks and support for Seymour noting the positive outcomes of his work in a short period of time.

Gaekwad asked for clarification on the type of interim presidential contract. Garvy noted it is a special contract for the interim role.

Garvy asked Sprouls to read the motion into the record. Sprouls said the motion is to approve and send to the BOG for approval the Interim Presidential Agreement between the UCF Board of Trustees and Thaddeus Seymour, Jr. The board unanimously approved CL-1 and it will be submitted to the BOG to confirm his appointment on March 28, 2019.

Garvy called on Seymour to give remarks. Seymour said he was humbled by the board's trust and recommendation and noted the positive energy and dedication from the people around him, including students, faculty, staff, alumni and community members. He said we have hard work in front of us, but we will face it together. Seymour stated his many years in business taught him to use each challenge as an opportunity to be better, stronger, and more effective than before. He concluded by stating he was honored by the vote and will serve as long as his work is needed to steward UCF through this transition and lay the groundwork for a successful presidential search later this year.

- CL - 2 Termination of further payments to John Hitt pursuant to the Performance Unit Plan (PUP).

A motion was made by Sprouls, with a second from Lord. Garvy said the board has the authority to award and revoke performance payments for senior leadership. Garvy said the committee voted to suspend payments for former President Hitt totaling about \$330,000. This action was taken based upon the findings of the Bryan Cave investigation and the House Committee's report that President Hitt played a key role in the decision to use state operating dollars to build Trevor Colbourn Hall. These suspensions would include his current suspended payment and two future payments, which would cover the extent of his participation in the Performance Payment Plan.

Board discussion followed:

- Gaekwad noted the president agreement should be reviewed carefully going forward and possibly add a 'clawback' clause.
- Conte stated he supported this item since the board made the same decision for former President Whittaker.
- Boloña confirmed these were the same payments the board previously terminated for Whittaker and former Chief Financial Officer William Merck.

Garvy asked Sprouls to read the motion into record. Sprouls stated the motion is to terminate further payments to former President John Hitt pursuant to the university's Performance Unit Plan. The board unanimously approved the item.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Garvy, Chair of the Educational Programs Committee, reported highlights from the committee meeting held earlier that day and reported that the following items were unanimously approved by the committee and placed on the board's consent agenda:

- EPC – 1 Conferral of Degrees
- EPC – 2 Tenure with Hire - Roberto Burguet, Associate Professor
College of Business Administration, Department of
Economics
- EPC – 3a New Degree Program – Bachelor of Science in Senior
Living Management
- EPC – 3b New Degree Program – Master of Science in Systems
Engineering
- EPC – 4 2019 Accountability Plan

Garvy presented the following informational updates, noting that UCF has no objections with the requested notice of intents:

- INFO – 1 Florida Keys Community College Notice of Intent
- INFO – 2 Florida Gateway College Notice of Intent

FINANCE AND FACILITIES COMMITTEE REPORT

Martins, Chair of the Finance and Facilities Committee, reported on highlights from the meeting held earlier in the day.

The following action occurred at the meeting held earlier in the day and was unanimously approved by the committee and was presented for board approval.

- FF - 1 Update Signature Authority for Checks

Following the personnel actions taken in response to the Bryan Cave investigation report, the board needed to update the list of university employees who are authorized to sign checks on the university's Bank of America operational account. A motion was made by Martins, with a second from Conte. The board approved the item unanimously.

- FF - 2 Autonomous Vehicle Shuttle Service and Minor Amendment to Align Campus Master Plan Update

This item is to authorize the deployment and research of Autonomous Vehicle (AV) shuttles on campus; allowing reasonable discretion to the Primary Investigator and advising UCF departments about safety, scheduling, routes, and other factors. Martins noted any further contracts for this program would come back to the committee and board for approval. He also noted this is not a capital project, since it is funded by a grant, and does not fall under the current moratorium for capital projects.

A motion was made by Martins, with a second from Lord, to approve a minor amendment to the 2015-25 Campus Master Plan Update (2015 CMP) to update the Transportation element to support the deployment of an autonomous vehicle (AV) shuttle service on campus as part of UCF's multi-modal transit system.

. The board approved FF-2 unanimously.

Martins presented the following INFO items for the board.

- INFO – 1 Investments Quarterly Report Ended December 31, 2018

The report provides an update on the university's investment portfolio for the quarter ending December 31, 2018. This item is provided to the trustees quarterly for information purposes only and Martins noted the committee had a detailed discussion regarding this item.

- INFO – 2 No Fee Increases for 2019-20

No increase in tuition or fees is being requested for 2019-20. This was an information only item since it was the recommendation of UCF Administration that fees and tuition not be increased for the upcoming academic year. Martins noted two specific requests, from the College of Medicine and UCF Online, to increase tuition or fees. After a robust discussion at the committee

meeting regarding the stresses that a lack of increases places on college and university programs, the committee determined it was best to accept the recommendation of the administration and not increase fees for 2019-20 academic year, but fee increase requests for 2020-21 across the university should be reviewed. Martins also noted the board requested the detail behind the analysis on how the administration determines its recommendations, so the committee can make an educated decision and view comparisons between other universities, including SUS universities.

- INFO – 3 Technology Fee Update

This item is brought to the trustees annually for information purposes only. The item provides a breakdown of the proposals submitted and funded from Technology Fees for 2018-19 and prior years.

- INFO – 4 Campus Master Plan Public Comment Meeting Minutes

The trustees requested that the minutes from any Campus Master Plan Public Comment meetings be provided to the committee for information purposes. Minutes from the December meeting were presented and there were no objections or specific comments from the committee.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Yeargin, Chair of the Nominating and Governance Committee, reported highlights from the committee meeting held earlier that day.

Yeargin presented the following item for board approval, with a second from Gaekwad.

- NG – 1 Settlement and Release Agreement between the UCF Board of Trustees and Dale Whittaker.

Discussion highlights include:

- Garvy stated the settlement would be a one-time payment of \$600,000 and no taxpayer dollars would be used for the payment. Garvy said the estimated cost of a 10-year tenure faculty salary is \$3.2 million and based on a conservation estimate of 10 years, this settlement request is less than 20 percent of that. Garvy also noted approving this settlement would ensure the university avoids years of likely litigation.
- Martins asked Scott Cole, Vice President and General Counsel, if the amount of the settlement was clearly covered in Whittaker's original agreement and what the ramifications of not accepting the agreement were. Cole confirmed it was covered within the terms of the agreement. Cole stated the only legal option to not accepting the

agreement would be to terminate Whittaker without cause and he could remain at the university as tenured faculty at 85 percent of his salary.

- Garvy confirmed with Cole that this settlement contains mutual releases for Whittaker and UCF from any further litigation. This was confirmed by Cole.
- Conte asked if 10 years is the normal benchmark for estimating the value of tenure. Cole stated he is not aware of a standard benchmark. The 10 year estimate is based on Whittaker's age and the likely term of his employment.
- Yeargin asked if there was precedent for this at another SUS university. Cole confirmed it did occur at another Florida state university with a tenured buyout of \$1.25 million.
- Lord asked for and received confirmation that no public money would be used.
- Walsh asked if language needed to be added to the separation agreement requiring future access to Whittaker regarding the investigation. Cole said it would not.

Garvy asked Yeargin to read the motion into record. Yeargin said based on the unanimous agreement of the committee, the motion is to accept the Settlement and Release Agreement between the UCF Board of Trustees and Dale Whittaker. The board unanimously approved the item.

Yeargin presented the following item that the committee requested come back to the full board for further discussion:

- NGC – 2 Amendments to University Regulation UCF-2.009 Admission of International Students.

Youndy Cook, Deputy General Counsel, noted the correct language for Section 2b, paragraph 5, English Language Institute Level is not 48 as she incorrectly stated, but that the number is going from four to eight. She stated the number is doubling – from four to eight – because our levels were changed to be in line with the European system and is not reflective of a change in difficulty. Cook clarified other open questions from the morning's committee meeting.

Yeargin presented the following item for board approval, with a second from Martins. The board approved the item unanimously:

- NG – 2 Amendments to University Regulation UCF-2.009 Admission of International Students.

Yeargin reported that the following item was unanimously approved by the committee and placed on the board's consent agenda:

- NGC – 3 Nomination of Judy Duda for Honorary Doctoral Degree of Humane Letters.

Yeargin presented the following informational item:

- INFO – 1 Update on Trustees Training Program
 - General Robert Caslen, Interim Chief Financial Officer, shared with the committee the overall objectives of the training programs, the proposed timeline, and who is directing the process. Yeargin encouraged the trustees to review the information and respond directly to Caslen.

Yeargin also noted the Nominating and Governance (N&G) Committee would be reviewing its charter at an upcoming meeting, reminded the board that the chair election process would start in April and that the N&G Committee would be reviewing the presidential selection criteria as well as discussing the roles of the Chief Counsel and the Board Secretary.

CONSENT AGENDA

Bradley made a motion to approve the consent agenda but removing EP – 1 for discussion. Walsh requested that EP – 2 also be removed for discussion. Bradley restated his motion to approve the consent agenda, removing EP – 1 and EP – 2 for discussion. The consent agenda was unanimously approved as revised:

- EP – 3a New Degree Program – Bachelor of Science in Senior Living Management (Garvy)
- EP – 3b New Degree Program – Master of Science in Systems Engineering (Garvy)
- EP – 4 2019 Accountability Plan (Garvy)
- NG – 3 Nomination of Judy Duda for Honorary Doctoral Degree of Humane Letters (Yeargin)

Bradley made a motion with acclamation to approve the Conferral of Degrees with a second with acclamation from Boloña. Bradley said the awarding of 8,512 degrees was worthy of celebrating and noted the impact of the transformative power of higher education.

- EP – 1 Conferral of Degrees (Garvy)

The board approved the Conferral of Degrees unanimously.

Walsh asked for additional information on the following item, specifically the separation and allocation of research and teaching responsibilities:

- EP – 2 Tenure with Hire (Garvy)

The following discussion occurred:

- Self commented that faculty takes the evaluation of tenure very seriously and the evaluation verifies that a faculty member is a good long-term investment in the areas of research, teaching and service. He said assessing peers is one of the faculty's most important jobs. Self noted the process is well established by the Provost and tenure for hire has the proper oversight of the faculty and administration before coming to the board. He noted it is important that the process rests at the academic level at the institution. Self noted the division of labor on the annual contract changes for each faculty member.
- Walsh asked for data to reflect how much time the faculty member being considered is scheduled to complete research versus time teaching in the classroom. Garvy said he would bring this up for further discussion in the Educational Programs Committee.
- Yeargin and Martins agreed that more information could be provided moving forward but it should not affect the vote today.
- Self went on record stating his opposition to the board being involved in an individual faculty member's return on investment.
- Walsh said his request is evaluating costs in a department and not specifically about a faculty member's return on investment.

Yeargin made a motion to approve Tenure with Hire, with a second from Martins. The board approved the item with an opposition from Walsh.

UNFINISHED BUSINESS

Bradley made a motion to remove his tabled January 24, 2019 motion, with Martins providing a second. The motion was unanimously approved.

Discussion regarding the university retaining an independent third-party auditor followed:

- Bradley stated the motion was premature and would like to change his motion to have the Audit Committee review the financial audit processes.
- Seay confirmed this topic would be on the April Audit and Compliance meeting. She will update the full board with the results.
- Martins agreed they should defer to the Audit and Compliance Committee and indicated there is a need to hire more staff in the university's Audit and Compliance departments.
- Seay stated there would be recommendations to manually catch improper transfers but ultimately, we need an automated business system in place.

- Gaekwad thinks that due to its size, UCF needs a 3rd party auditor.
- Garvy said all these requests will be reviewed thoughtfully and carefully.

Bradley restated his original motion to move the item to the Audit and Compliance Committee for review and recommendation to the full board, with a second from Martins. The board approved the item unanimously.

NEW BUSINESS

Walsh noted the Strategic Planning Committee plans to meet at the next board meeting.

Cole said there was two housekeeping items to discuss and clarify:

- Regarding FF – 1 Update Signature Authority for Checks, Christina Tant is technically still working for the university while she goes through due process, but she will appropriately be removed from check writing authority. Also, he clarified confusion on the status of Tracy Clark, stating she resigned and was not terminated.
- Cole clarified comments he made earlier regarding the L3 lease. Jennifer Cerasa, Associate General Counsel, confirmed the agreement has been signed, approved by the board and executed. Cole said the board approved the lease in November 2018 with Walsh appreciating that the pre-payment of rent was being removed from the lease. Walsh does not recall the lease being approved by the full board or that they have seen the lease document. Walsh asked for it to be brought back at the next Finance and Facilities Committee meeting.

ANNOUNCEMENTS AND ADJOURNMENT

Garvy announced the following upcoming meetings:

Eternal Knights Memorial Service	March 25, 2019 (Student Union, Pegasus Ballroom)
BOG meeting	March 27 – 28, 2019 (Florida A&M University, Tallahassee)
Order of Pegasus Induction	April 10, 2019 (Student Union, Pegasus Ballroom)
Spring Football Game	April 13, 2019 (Spectrum Stadium)
Spring Commencement	May 2 – 4, 2019 (CFE Arena)

BOT Meeting

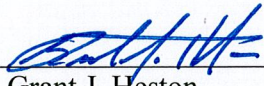
May 16, 2019
(FAIRWINDS Alumni Center)

College of Medicine
Commencement

May 17, 2019
(The Venue at UCF)

Garvy adjourned the board meeting at 2:51 p.m.

Respectfully submitted:



Grant J. Heston
Associate Corporate Secretary

Date:

5/22/19