Chairman Lutgert convened the meeting of the University Board of Trustees with the following members present:

Brian Cobb
Lindsay Harrington
Larry Hart
Bernie Lester
David Lucas
Scott Lutgert
James Malone
Edward Morton
Jerry Starkey (via conference call)
Jaynie Whitcomb
Halcyon St. Hill
Brad Piepenbrink

Duane Stranahan, Chair, Foundation Board of Director

Members of Staff Present:

Richard Pegnetter, Interim President
Bonnie Yegidis, Provost
Joe Shepard, Vice President for Administrative Services and Finance
Steve Magiera, Vice President for Advancement
Mike Rollo, Vice President for Student Services
Vee Leonard, General Counsel
Kathy Bottoms
Barbara Krell

Guests: Sharon Irish Bevins, Monika Renard, Jamison Yingling, Hudson Rogers

1. Call to Order – Chair Scott Lutgert

Chair Lutgert called the meeting to order and asked for a moment of silence in memory of Frank D’Alessandro who was a long time supporter of the University and had been on the Foundation Board for over a decade.
Chair Lutgert welcomed Mr. Stranahan, Chair of the Foundation Board to the Board of Trustees as the Foundation’s representative. Chair Lutgert thanked the faculty and staff for all the hard work accomplished in getting the University ready over the summer for the more than 9,000 students we have attending. Chair Lutgert reminded the audience that if anyone does wish to speak, they should register with Ms. Bottoms at the table behind him.

2. Remarks from FGCU Faculty Senate – President Haley St. Hill

President Pegnetter introduced Dr. St. Hill who provided Trustees with an update on faculty activities this fall.

3. Remarks from FGCU Student Government – President Brad Piepenbrink

President Pegnetter introduced Mr. Piepenbrink who reported on student activities this fall.

4. Remarks from FGCU Staff Advisory Council (SAC) – David Vazquez

President Pegnetter introduced Mr. Vazquez who gave a Staff Advisory update to Trustees.

5. Remarks from FGCU Foundation Board of Directors – Chair Duane Stranahan

President Pegnetter introduced Mr. Stranahan to Trustees. Mr. Stranahan gave a report regarding recent FGCU Foundation activities.

6. President’s Report – Interim President Richard Pegnetter

President Pegnetter reported our enrollment for fall 2007 is 9346 students which represents a twelve percent increase over our enrollment for fall 2006. He reported we have three new buildings under construction: The Lutgert Business Building, the Holmes Engineering Building, and the Sugden Resort and Hospitality Building which will take us to 62 buildings in the 2008-2009 academic year.

President Pegnetter stated we have moved “smartly” into NCAA Division I competition and we have a record of 16 wins and 5 losses. He stated he believes we will have continued success especially when we have the value of being in a conference and have the opportunity to build powerful and stimulating competitive rivalries.

President Pegnetter reported we did successfully complete our search for a new president and Dr. Wilson Bradshaw will join us officially on November 11th. President Pegnetter thanked the Search Committee members for their time consuming efforts. He conveyed special appreciation to Dr. Peg Gray-Vickrey, who served as the chair, and Susan Evans, who coordinated logistical support. President Pegnetter reported that these two individuals performed at near super-human levels of quality and commitment near
twenty-four hours a day for the last three weeks of the search process. He also thanked the support staff at all levels of the University and our outstanding food service partner Aramark. President Pegnetter thanked Chair Lutgert for his management of the Board meeting when the final part of the process came to closure.

President Pegnetter stated our budget picture is ambiguous right now. He reported that the University went through the process of a 4% budget cut and did that by holding academic program quality and access as harmless as possible to minimize the impact on the academic programs. President Pegnetter stated we are facing budget and other structural issues going on in Florida. Those include the 4% budget cut, the Governor’s recommendation that the cuts should be 4.4%, a special Legislative Session which has been rescheduled to identify what the financial situation is for Florida, and the potential that the Legislature might rescind the four percent budget cut. President Pegnetter stated the other important item is whether the Legislature or the Board of Governors control tuition, including a lawsuit launched by former Senator Bob Graham to challenge the Legislature on their authority to control tuition. The suit has been joined by the Board of Governors. He stated there are discussions regarding the issue of governance between the Board of Governors and the individual Boards of Trustees. President Pegnetter reported that there has been no further action on the Pappas Report by the Board of Governors but the final document could have an impact on FGCU. He stated we approached the process of budget reduction in a cooperative fashion as a team.

President Pegnetter reported there will be a major celebration for our ten year anniversary. He complimented Audrea Anderson, Associate Vice President of Community Relations & Marketing, for her leadership in putting all of this together with support from her team. He stated that the big event is Saturday, October 27th, which has been designated as Community Day. President Pegnetter stated there will be a number of events on campus including Eagle Expo and Family Weekend. We expect between three to five thousand people to come to campus to help us celebrate. President Pegnetter reported that we have developed a 10th Anniversary logo and we have an historical publication that will be disseminated in October through the major newspapers in the area. We also have a series of TV spots and the Coca Cola bottles in front of Trustees will be part of the celebration memorabilia. He reported there was a breakfast event on campus this week recognizing faculty and staff who have been at FGCU since the beginning.

7. Consent Agenda – Chair Scott Lutgert

Chair Lutgert asked for a motion to approve the following consent agenda:

- Minutes of June 19, 2007 (Addendum A)
- Resolution of Appreciation for Trustee Sharon Irish Bevins (Addendum B)
- Resolution of Appreciation for Ex-Officio Trustee Joe Catti (Addendum C)
A motion was made by Trustee Harrington to approve the consent agenda. Motion was seconded by Trustee Lester. Motion carried unanimously.

8. Presentation of Resolution of Appreciation to Trustee Sharon Irish Bevins – Chair Scott Lutgert and Interim President Richard Pegnetter

Chair Lutgert asked that President Pegnetter and Dr. Irish Bevins join him at podium. Ms. Leonard read the resolution. Dr. Irish Bevins thanked the Trustees.

9. Presentation of Resolution of Appreciation to Ex-Officio Trustee Joe Catti – Chair Scott Lutgert and Interim President Richard Pegnetter

Chair Lutgert stated Mr. Catti was unable to attend the meeting today and the resolution would be sent to him.

10. Academic /Student/Faculty Affairs Committee Meeting – Committee Chair Larry Hart

Chair Lutgert turned the meeting over to Committee Chair Hart. Committee Chair Hart introduced Provost Yegidis to review the following action items:

- 2007-2010 Collective Bargaining Agreement – Florida Gulf Coast University Board of Trustees and Florida Gulf Coast University/United Faculty of Florida – FGCU Chapter (Addendum D). A motion was made to approve the Collective Bargaining Agreement by Trustee St. Hill. Motion was seconded by Trustee Cobb. Motion carried unanimously.

- Family Resource Center Fee Rates (Addendum E). Mr. Jamison Yingling asked to speak regarding this matter. Mr. Yingling, Student Body Vice President, expressed his concerns regarding the importance of shared governance and inclusion in a process that is held dear at FGCU. He stated this item directly impacts students and the students’ opinions should be held in the highest regard. Trustee Morton stated that the increases in this case are warranted, but asked that we review the impact on students when we take a five year hike in rates. Provost Yegidis stated the Advisory Board does plan to put a process in place so that fees are looked at annually. Trustee Piepenbrink stated that the Student Government needs to be included in this process and to his knowledge no one had contacted Student Government. Provost Yegidis asked that Dr. Hudson Rogers, a representative from the Advisory Board, respond to Trustee Piepenbrink’s concerns. Dr. Rogers agreed that while students were involved, Student Government itself was not involved in the process. However, all families who have children in the center were invited to the meeting and a notice was sent to that effect. Dr. Rogers provided background information regarding the rate issue and answered Trustee questions. A motion was made to approve the Family Resource Center Fee Rates by Trustee Lucas. Motion was seconded by Trustee Lester. Motion carried unanimously.
Regulation: Student Code of Conduct (Addendum F). Vice President for Student Affairs Mike Rollo - Dr. Rollo reviewed the Student Code of Conduct changes contained within the document with Trustees to include participation by students in this process. Trustee Piepenbrink’s concern was the last line on page three, under the definition of cheating: “submitting work that is substantially similar to work submitted in previous or concurrent class, except where expressly permitted by the instructor”. He stated members of Student Government are gravely concerned regarding the text and the fact that the students on the Committee did not understand the implications of this section. Trustee Piepenbrink strongly supported the delay of this piece of the Code. Dr. Rollo stated that this was an attempt to clarify the language so that students understood the various forms of plagiarism. Trustee Piepenbrink stated he has requested documentation regarding the membership of this Committee. Trustee St. Hill recommended that this matter be tabled and felt the membership should be comprised of faculty members from the Faculty Senate. Dr. Rollo stated the process has involved Student Government from the beginning and the Student Code of Conduct will continue to evolve and will be addressed each year. Trustee Morton stated that because the Student Government and faculty need more time on this matter he moved that the Board table this issue pending additional input from Student Governance and the faculty in order to bring back a revised policy. Motion was seconded by Trustee Piepenbrink. Dr. Rollo stated, for the record, that students were involved and did support this. Chair Lutgert stated there does seem to be some ambiguity here and could include the term “unless cited”. Trustee Cobb suggested we research other university policies on this matter. Motion carried with Trustees Malone and Hart voting no.

11. Finance & Administration Committee Meeting – Committee Chair David Lucas

Committee Chair Lucas introduced Dr. Shepard to review the following information items:

- Finance/Budget Update (Addendum H).
- Annual Report on In-State Waivers (Addendum I).

Committee Chair Lucas requested that Dr. Shepard review the following action items:

- Delinquent Accounts Receivable Write-Offs (Addendum J). Motion was made by Trustee Lester to approve the Delinquent Accounts Receivable Write-Offs. Motion was seconded by Trustee Harrington. Motion carried unanimously.
- Regulation: Delinquent Accounts Receivable (Addendum K). Motion was made by Trustee Hart to approve the Delinquent Accounts Receivable Write-Offs. Motion was seconded by Trustee Harrington. Motion carried unanimously.

- Employment Agreement for President-Elect Wilson Bradshaw (Addendum L). Trustee Lucas stated the contract process was a very smooth process and his main point of contact was through Dr. Shepard who did an outstanding job on this entire process. Trustee Lucas stated they worked together to get a draft contract to discuss with Dr. Bradshaw and Dr. Shepard provided a consultant report. Trustee Lucas reported that he suggested several changes to the initial draft primarily concerning the performance requirements of the contract. Trustee Lucas stated that he made certain the terms of the contract were within reasonable limits based on the report offered by MGT. Trustee Lucas reported that he and Dr. Bradshaw had a phone conversation to discuss their points of view on the contract and were satisfied that the contract was a good one for both parties. Trustee Lucas summarized the specifics of the contract as follows: a five year term; a salary of $310,000 with a $50,000 housing allowance; a car; an ability to earn up to a $60,000 performance bonus (at the Board’s discretion); a $50,000 retention bonus over five years where if Dr. Bradshaw stays for only four years, he does not get anything; a $25,000 moving allowance; 15% of base salary for deferred compensation, and termination clauses based on our experience with Dr. Merwin. Trustee Lucas stated the MGT Report included 78 universities for comparison purposes and 62 were used for salary comparison. He stated this is the same set we used for the last report and are within the range of $226,000 to $335,000 for salaries. Trustee Lucas stated we also compared the state schools and we are ninth out of eleven if New College is included. He stated he is satisfied with the contract the Trustees have before them and feels it is fair to both sides. He recommends approval of the contract to the Board, but first asked for comments from Dr. Shepard.

Dr. Shepard reported that one item considered was how this compared to the former president’s contract. He stated that former President Merwin’s contract was in the upper first tier of the University System, however, the economy, presidential salaries, and the market have changed considerably. Dr. Shepard stated we are now in the bottom tier and this placed FGCU at nine out of eleven if you include New College. He stated the most recent hire for the University System is the President of FAMU in Tallahassee with a contract base salary
of $325,000 which places him in a tie for 8th out of the 10 universities along with North Florida. Dr. Shepard concurred with Trustee Lucas that the Board has selected an outstanding President in Dr. Bradshaw. Trustee Morton asked about the Board of Governor’s ratification process and Ms. Leonard responded that the Board of Governors will ratify the contract at the September meeting. Trustee Morton observed that the Internal Revenue Service has published a very detailed analysis of auditing of 501 c. 3 charities to include spousal travel. Dr. Shepard reported that as a public university in the State of Florida, we are limited in terms of the amount of compensation we can provide via state resources to $225,000 of this contract. He stated that the remaining amount will be handled through the University’s Foundation and the Finance Corporation so that the remaining amounts meet the legal limits of compensation. Dr. Shepard reported that both of those boards will meet tomorrow subsequent to this Board’s decision on the contract to ratify and determine who pays what in reference to remaining balances. He stated that it is this Board that hires and fires the President as the Board of Governors delegated that authority and the Board of Governors maintains only the ability to ratify, not to hire and fire. Dr. Shepard stated that the MGT Study did address the IRS matters. Motion was made by Trustee Hart to approve the contract. Motion was seconded by Trustee Morton. Committee Chair Lucas stated that there has been a public input request and introduced Dr. Renard. Dr. Renard stated she is a faculty member from the College of Business and was on the survey committee to choose the universities that would be used to determine the salaries for faculty. She stated she is very pleased with the choice of President Bradshaw and has no concern with the salary itself. Dr. Renard stated she was pleased with the choices of universities used to determine the salary of the President. However, when the committee she served on determined the average salary for the faculty, their target rate was ninety-three percent of the mean and the mean in the case of the President’s salary is $226,876. There was no further discussion. Motion carried unanimously.

Chair Lutgert thanked Trustee Lucas for his diligent and excellent work on this matter and Dr. Shepard for his thorough report.
12. Old Business – Chair Scott Lutgert

Chair Lutgert stated the Student Code of Conduct matter would be on the next regular agenda. Trustee Hart asked that, if possible, we could go back and look at the faculty and staff increase. Provost Yegidis stated negotiations will be reopened with the union in January or February 2008 and we could look at salaries at that time. Dr. Shepard reported that by law we must maintain a five percent reserve of general revenue money and if we can increase that it would be a plus. He stated that we need to work with our Legislative Delegation for salary recurring dollars.

13. New Business – Chair Scott Lutgert

Chair Lutgert reported this is the final meeting where President Pegnetter will be presiding as President. Chair Lutgert asked Dr. Shepard to review what performance bonus was included in Dr. Pegnetter’s contract. Dr. Shepard reported that Dr. Pegnetter’s base salary is $250,000 and he receives no deferred compensation or retention bonus. He stated Dr. Pegnetter does have the use of a car and a housing allowance of $48,000, and additionally, there is a provision that would allow this Board to provide a performance bonus, although there is no specified amount. Trustee Morton made a motion that a $50,000 bonus would be appropriate for the exemplary job Dr. Pegnetter has done for the past year during a turbulent time. Motion was seconded by Trustee Cobb. Chair Lutgert stated this bonus is most deserved and Dr. Pegnetter has been running the University extraordinarily well. Motion carried unanimously. Chair Lutgert introduced a resolution to the Board recognizing Dr. Pegnetter’s exceptional leadership (Addendum M). Ms. Leonard read the resolution. Motion was made by Trustee Lucas to approve the resolution. Motion was seconded by Trustee Lester. Motion carried unanimously. President Pegnetter thanked the Board for their recognition and stated that we came through a difficult period through the strength of the University faculty and staff that were behind everything we needed to do to keep us moving ahead and upward. He stated it was his honor to serve in this role.

14. Chair’s Closing Remarks & Adjourn Meeting – Chair Scott Lutgert

Chair Lutgert stated he had communication with Dr. Greg Weisenstein who wanted everyone to know that he was very happy with the process he experienced at FGCU and wished Dr. Bradshaw and the University the very best. Chair Lutgert stated the next meeting is January 15, 2008 and announced there may be a November conference call in the interim. Trustee Morton stated that the University System is underfunded and believes we need to better-fund education or our University will
wither. He believes everyone needs to get involved and let our Legislature
know our concerns.

Meeting adjourned at 10:22 a.m.
Addendums:

A. Minutes of June 19, 2007
B. Resolution of Appreciate for Trustee Sharon Irish Bevins
C. Resolution of Appreciation for Ex-Officio Trustee Joe Catti
D. 2007-2010 Collective Bargaining Agreement
E. Family Resource Center Fee Rates
F. Regulation: Student Code of Conduct
G. 2006-07 End of Year Budge Report
H. Finance/Budget Update
I. Annual Report on In-State Waivers
J. Delinquent Accounts Receivable Write-Offs
K. Delinquent Accounts Receivable
L. Employment Agreement for President-Elect Wilson Bradshaw
M. Resolution Recognizing President Pegnetter