FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES
EMERGENCY CONFERENCE CALL MEETING

Tuesday, April 4, 2017

CONFERENCE CALL ORIGINATED FROM
MARIEB HALL, CONFERENCE ROOM #402
FLORIDA GULF COAST UNIVERSITY

Meeting Minutes

Members:
Present: Trustee Dudley Goodlette – Chair (in person); Trustee Darleen Cors (by telephone); Trustee Shawn Felton (in person); Trustee Joe Fogg (in person); Trustee Blake Gable (by telephone); Trustee Kevin Price (by telephone); Trustee Russell Priddy (by telephone); Trustee Robbie Roepstorff (in person); Trustee Ken Smith (in person); Trustee Christian Spilker (by telephone); and Trustee Jalisa White (in person).

Not Present: Trustee Leo Montgomery (Excused Absence).

Others:
FGCU Financing Corporation Board of Directors Chair Jeff Fridkin (by telephone).

Staff: Vice President for Administrative Services and Finance and Executive Director of FGCU Financing Corporation Steve Magiera; Vice President for Student Affairs Mike Rollo; Vice President for University Advancement and Executive Director of FGCU Foundation Chris Simoneau; Vice President and Chief of Staff Susan Evans; Vice President and General Counsel Vee Leonard; Chief Compliance and Ethics Officer Stacey Chados; Interim Director of Internal Audit Bill Foster; Assistant Director of Board Operations Lauren Schuetz; Project Manager Danielle O’Brien; Director of Media Relations Lillian Pagan; and Executive Assistant to the Vice President and Chief of Staff Tiffany Reynolds.

Item 1: Call to Order, Roll Call, and Opening Remarks
Chair Dudley Goodlette called the Emergency Conference Call Meeting to order at 1:00 p.m. He stated the meeting need fulfilled the Florida Gulf Coast University Board of Trustees Bylaws’ provision for emergency meetings, which he read aloud:

“An emergency meeting of the Board may be called by the Chair upon no less than twenty-four (24) hours’ notice whenever, in the opinion of the Chair, an issue requires immediate Board action. Whenever such emergency meeting is called, the Chair will notify the President who will immediately serve either verbal or written notice upon each member of the Board, stating the date, hour and place of the meeting and the purpose for which the meeting has been called. No other business will be transacted at the
meeting unless additional emergency matters are agreed to by a majority of those
Board members in attendance. The minutes of each emergency meeting will show the
manner and method by which notice of such emergency meeting was given to each
member of the Board.”

Each member of the FGCU Board of Trustees (BOT) was notified about the emergency
conference call meeting via email on March 31, 2017. Also, the public was notified
about the emergency meeting through its placement in the meetings section on the
FGCU BOT website; an advisory widely distributed to media outlets throughout
Southwest Florida; and a campus-wide email.

Roll call was taken with 11 of 12 members present, thus meeting quorum requirements.

Chair Goodlette shared that it was incredible to be in Tallahassee on behalf of Eagle
Advocacy and Florida Gulf Coast University (FGCU) Day at the Capitol. He said five
members of the Board attended: Trustee Darleen Cors, Trustee Joe Fogg, Trustee
Robbie Roepstorff, Trustee Thieldens Elneus, and himself. He welcomed new Trustee
and Student Government President Jalisa White, who also was in Tallahassee for
FGCU Day at the Capitol. He pointed out in addition to the Trustees, 16 students and
two alumni participated in meetings with members of the legislature. He said the
students were “rock stars” in every respect. He complimented the students and said he
was proud to have participated with them.

Trustee Joe Fogg said this had been his first visit on behalf of FGCU in Tallahassee and
interaction there with students, and he commented that the students “carried the ball”
for the University. He said the legislators really wanted to hear from the students.

Trustee Darleen Cors stated she agreed and added the students were very articulate,
and she was proud of them.

Trustee Robbie Roepstorff stated the students were professional, well spoken, and she
felt confident in their ability.

Chair Goodlette said he would like to see some of the participating students featured in
the Student Success Showcase at a future BOT meeting.

Chair Goodlette stated that there were three items on the agenda, and the reason for
the emergency conference call meeting was due to the immediacy of the presidential
search process. He thanked the Board for being available on such short notice. In
addition, he stated the Trustees would be discussing the Board of Governors Audit
Committee Report related to the resignation of the Vice Chair of the FGCU Board of
Trustees and the need to elect a successor. He thanked Trustee Shawn Felton for the
tireless service he had given to the Board. He said a Vice Chair could be elected at this
meeting or he could appoint a nominating committee. He stated he wanted to
acknowledge the Inspector General’s report, which contained several
recommendations. He said the recommendations did not need to be discussed at this
emergency meeting but could be added to next meeting’s agenda or the agenda of a future meeting. He added that each of the recommendations that flowed from the conclusions made by the Inspector General needed to be considered.

**Item 2: Employment Agreement for President-elect Dr. Michael Martin** (See Tab #1)

Chair Goodlette asked Mr. Nikhil Joshi, a partner in the law firm Hultman, Sensenig+Joshi, to speak about the Employment Agreement for President-elect Dr. Michael Martin and the reasons the Board of Governors (BOG) did not accept the employment contract as the FGCU Board of Trustees had presented it.

Mr. Joshi commended the FGCU Board of Trustees on the work it had done in the search process for a new president. He said the Board’s innovative manner and completed contract could become the trend around the state and even the country. He said the contract was consistent with the thoughts and philosophies in Tallahassee, and it met or exceeded every philosophical tenet in Tallahassee and elsewhere. He applauded the FGCU Board of Trustees and added that it, in fact, had succeeded. He stated the only aspect of the contract that the Board of Governors (BOG) focused on was the Focus Bonus. Mr. Joshi said he had worked with the Board of Governors General Counsel pursuant to the motion the BOG passed last Thursday, and some new language had been put forth based on those recommendations.

Chair Goodlette asked Mr. Joshi to explain what that language would be and said a motion would have to be made relating to the language that would be changed.

Mr. Joshi directed the Board to the Employment Contract, page 7, paragraph 3, where the proposed language would change. It originally read: “The Board of Trustees will consult and seek non-binding input from the Board of Governors prior to the Board of Trustees deciding any Focus Bonus.” It would be replaced with: “Pursuant to a motion passed by the Board of Governors on March 30, 2017, the FGCU Board of Trustees is required to consult and seek approval from the Board of Governors to the extent that the Board of Trustees seeks to award any Focus Bonus amount exceeding $350,000. Subject to the Focus Bonus evaluation, any Focus Bonus will be paid to Dr. Martin within 30 days after the Focus Bonus evaluation has been conducted and upon any approval, if needed, from the Board of Governors.”

Chair Goodlette stated that was the only change in language from the contract that had already been reviewed and approved. He said the meetings in Tallahassee were spirited at best, and he felt the BOG singled out the one provision in the contract that caused it concern, which was the Focus Bonus amount and who would make that determination.

Chair Goodlette’s view was that authority issues needed to be discussed with the Board of Governors either at a future summit or in some other format. He said his hope was to
move forward with Dr. Martin's contract. He said if a motion was made with language
similar to what Mr. Joshi had outlined, then at the conclusion of today's meeting, there
would be a new President-elect. He said no further steps would need to be taken.

Mr. Joshi read the motion passed by the Board of Governors that was sent to him by
Board of Governors General Counsel Vikki Shirley: "To confirm the appointment of Dr.
Martin as the next President of Florida Gulf Coast University contingent upon the Florida
Gulf Coast University Board of Trustees amending the Employment Agreement to
require the FGCU Board of Trustees to consult and obtain approval from the Board of
Governors if the FGCU Board of Trustees seeks to award Dr. Martin a Focus
Performance Bonus that exceeds $350,000 prior to awarding any bonus to Dr. Martin.
Confirmation will be effective once the Florida Gulf Coast University Board of Trustees
submits the revised Employment Agreement to the Chancellor, and the Chancellor
notifies the Board of compliance with this requirement."

Trustee Cors said she had read an article in the newspaper that stated Dr. Martin was
very troubled by this negotiation. She asked what Dr. Martin's thoughts were.

Chair Goodlette responded he had had conversations with Dr. Martin concerning this
issue. He interjected that Dr. Martin had indicated he would call in to the emergency
meeting if the Board wished to speak with him. Chair Goodlette stated Dr. Martin's
concern was one of authority, or "who was his boss?" Chair Goodlette said he thought
that was something that every Board of Trustees and president of every university in the
System would like to have answered. He said Dr. Martin was comfortable with going
forward and that was something he wanted to discuss with the FGCU Board of Trustees
and something he would hope could be sorted out after July 1. Chair Goodlette said if
the Board went forward as outlined, Dr. Martin would be on board July 1.

Trustee Russell Priddy thanked Mr. Joshi for his remarks concerning the innovative
contract. He said he was hoping a motion would be made to move forward to approve
Dr. Martin's contract and get this authority issue off the Board's plate for now. Trustee
Priddy also stated that he was going to stick to his philosophical belief that the Board of
Governors should not have been involved in this, but that he would like to see this move
forward.

Trustee Shawn Felton said that before Dr. Martin’s confirmation came up, the Board of
Governors had re-appointed Dr. Genshaft at the University of South Florida. He said he
looked at that president's annual compensation, and 37 percent of it was "at risk." He
asked if they had looked at how much of Dr. Martin's compensation was "at risk."

Mr. Joshi said he had not looked at that, but he would venture a guess that Dr. Martin's
compensation was much more "at risk" than any of the other university presidents in
Florida.

Trustee Felton said this other institution was applauded for the 37 percent "at risk,” but
FGCU was not acknowledged for this.
Mr. Joshi said if the full contract could be reported upon by the media in terms of all the protections it gave, that would be very helpful for the institution and the FGCU Board of Trustees. He also said that it could create a positive endpoint: not only did FGCU hire Dr. Martin, but hired him on these terms, which were beyond the grand plan.

Trustee Joe Fogg made a motion that the Board approve the contract as presented and as revised with the Board of Governors’ required changes. Trustee Blake Gable seconded the motion. Chair Goodlette called for discussion.

Trustee Christian Spilker said he was disturbed that the FGCU President’s Focus Bonus would be subject to review by the BOG who had no knowledge of his day-to-day performance. He asked if the FGCU Board of Trustees had contemplated shifting any portion of that bonus above the $350,000 threshold into a different form of compensation. He asked if the Board should consider moving it so that the new language could be agreed on without it being taken to the BOG.

Chair Goodlette responded that in his view, based on a conversation that was held by the Board of Governors focusing only on the Focus Bonus, if the FGCU Board of Trustees wanted to alter those terms in any way, it would enter into a modification of the contract with Dr. Martin and move forward on that basis.

Trustee Ken Smith said looking at Dr. Martin’s salary on an annualized basis, over half of it was “at risk.” He added if Dr. Martin did not perform, he would be nearly the lowest paid president of any president in the State University System. He said $700,000 was Dr. Martin’s bonus potential. He pointed out that the length of terms of the Board of Governors indicated that most of the members would not be there in five years and this concerned him. He said he appreciated Chair Goodlette’s position, which was to get Dr. Martin hired, and he agreed that the Board needed to do that. Trustee Smith said it was very important to him that the FGCU Board of Trustees have the conversation about authority, which did not have to be adversarial but needed to be clarified.

Chair Goodlette commented that he wanted to make sure everyone understood that Dr. Martin’s primary concern was who would be evaluating his performance. Chair Goodlette said if it was not the FGCU Board of Trustees, then he was not sure how long Dr. Martin would be their president. He said that was Dr. Martin’s position specifically.

Trustee Kevin Price said he had listened to the BOG meeting replay online, and long before the FGCU discussion began, the BOG had mentioned it was going to be discussing the process of presidential hires and contracts as a future item. Trustee Price said he thought this would be System-wide, and it would probably be on the next agenda. He added that the FGCU Board of Trustees had developed the contract with a great deal “at risk” to attract a certain type of candidate. Now that the contract has changed, it could be argued that changing the language takes the FGCU Board of Trustees back a step.
Chair Goodlette thanked Trustee Price for his comments and for mentioning that the Board of Governors’ direction was to come back in June with some clarification on presidential searches and contracts.

Trustee Roepstorff stated she respected what had been said, but she was troubled by the fact that Dr. Martin would be in a position of “not knowing who his boss was.” She stated she felt certain that Chair Goodlette would make sure to get that item on the agenda so it could be addressed.

Chair Goodlette called for further discussion. Hearing none, he called for public comment. There was no public comment. The vote was 10-1 in favor of the motion, with Trustee Priddy dissenting.

Item 3: Election of Vice Chair of Florida Gulf Coast University Board of Trustees
(See Tab # 2)
Chair Goodlette stated that a Vice Chair for the FGCU Board of Trustees needed to be elected due to the resignation of Trustee Shawn Felton.

Trustee Priddy made a motion to elect Trustee Ken Smith as Vice Chair for the FGCU Board of Trustees. Trustee Spilker seconded the motion.

There was no public comment. The vote was unanimous in favor of the motion.

Chair Goodlette congratulated Trustee Smith on his election.

Item 4: Seventh Amendment and Restatement of FGCU Board of Trustees Bylaws
(See Tab #3)
Chair Goodlette reported that the Board of Governors recommended that the Audit and Compliance Committee Chair not be the FGCU Board of Trustees Chair. He called on Vice President and General Counsel Vee Leonard to direct their attention to the proposed change in the Bylaws, which would accomplish this.

Ms. Leonard said the language in the Bylaws had been amended in Section VIII, Committees, page 7 of 10, section C, to read, “The Chair shall appoint any number of Trustees to the Audit and Compliance Committee and designate one to serve as the Committee Chair.” She added this language was consistent with all of the other committees that were outlined in the section.

Trustee Roepstorff asked what was the reason for this change when it had been this way for 20 years. She added there had not been any prior issues of which she was aware.

Chair Goodlette stated it was a result of the Inspector General’s report, and it could be sorted out when the report was reviewed.
Trustee Smith said he had a conversation with the Inspector General, and he said it was best management to have a separation of those two positions.

Trustee Smith made a motion to accept the changes to the Bylaws as outlined by Ms. Leonard. Trustee Priddy seconded the motion.

There was no public comment. The vote was unanimous in favor of the motion.

Chair Goodlette stated in accordance with the revised Bylaws just approved, and consistent with the authority he had as Board Chair to designate the Committee Chair, he would ask Trustee Fogg to serve as the Chair of the Audit and Compliance Committee.

Trustee Fogg accepted. Chair Goodlette thanked him, and said with Trustee Fogg’s background and experience he was confident in the leadership Trustee Fogg would provide as the Chair. Chair Goodlette clarified that Trustee Fogg would chair the Committee, but there was not a separate Committee. The entire Board had been the Committee in the past. He said that might be something that Trustee Fogg would want to recommend changing.

**Item 5: Chair’s Closing Remarks & Meeting Adjournment**

Chair Goodlette reported the next FGCU Board of Trustees meeting was scheduled for April 11. He said that there was a limited agenda meeting scheduled for May 9 that could be expanded to include the additional item of the Inspector General’s report, and then a regular meeting was scheduled for June. He said maybe next week the report could be discussed further with no action taken, and on May 9 the Board could have further conversation.

Trustee Fogg said that would be what he would want to do because he felt this was an important item. A preliminary discussion and maybe some direction from staff on April 11 would be in order; and on May 9, the Board would have had time to think about it.

Trustee Felton said he thought everyone could use more time to meet with Chief Compliance and Ethics Officer Stacey Chados and go over these items. Chair Goodlette agreed and thanked Trustee Felton for his comments.

Chair Goodlette asked for any other remarks. Seeing none, the meeting was adjourned at 1:53 p.m.
Minutes prepared by Transcription Experts, and reviewed by Lauren Schuetz, FGCU Assistant Director of Board Operations.

Agenda Items:
A. See Tabs #1-3

Attachment:
A. Record of Votes
# Record of Votes

**FGCU Board of Trustees**  
**DATE: 4/4/2017**

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