ITEM: 1

Florida Gulf Coast University Board of Trustees
January 17, 2012

SUBJECT: Minutes of September 20, 2011 Meeting

PROPOSED BOARD ACTION

Approve minutes

BACKGROUND INFORMATION

The Florida Gulf Coast University Board of Trustees met on September 20, 2011. Minutes of the meeting were kept as statutorily required.

Supporting Documentation Included: Minutes of September 20, 2011 Meeting

Prepared by: Executive Assistant to the President Barbara Krell

Legal Review: N/A

Submitted by: President Wilson G. Bradshaw
MINUTES
Florida Gulf Coast University Board of Trustees
Workshop, and Regular Meeting
Tuesday, September 20, 2011   8:30 a.m. – 1:45 p.m.
Student Union Ballroom #23-B
Florida Gulf Coast University

I. Workshop:
Chair Lutgert greeted trustees and convened the Workshop Meeting of the Florida
Gulf Coast University Board of Trustees with the following members present:

Joe Catti
Ann Hamilton
Douglas Harrison
Larry Hart
John Little
Scott Lutgert
Dorene McShea
Edward Morton
Russell Priddy
Robbie Roepstorff
Lauren Schuetz
Doug St. Cerny
Rob Wells

Members of Staff Present:

President Wilson Bradshaw
Provost Ron Toll
Vice President for Administrative Services and Finance/Vice President for
Advancement Steve Magiera
Vice President for Student Services Mike Rollo
Chief of Staff Susan Evans
General Counsel Vee Leonard
Barbara Krell
Kathy Bottoms

Guests: Former Trustee Chuck Lindsey

Chair Lutgert welcomed the two new Trustees, Dr. John Little and Dr. Douglas
Harrison, to the Board of Trustees. Dr. Little and Dr. Harrison gave brief remarks to the
Board.

Chair Lutgert stated that today we will hold a Workshop mainly addressing
financial matters. He stated the Trustees will get a look at what the President and Vice
Presidents struggle with each year when they put together the budgets for the University.
Chair Lutgert stated the first part of the Workshop will be a presentation by President
Bradshaw and team members. The second part will allow in-depth questions from Board
members and brainstorming by Trustees.

Workshop and University Overview – President Wilson Bradshaw (following are
verbatim remarks by President Bradshaw)

Thank you, Chairman Lutgert. I appreciate the kind words, and echo your
thoughts about the hard work and successful efforts by our faculty and staff. As you said,
these have been very challenging budget years, and as we look to the horizon – even as
close as 2012 – there are continuing serious concerns about State funding. I am confident
the economy will bounce back, but it is not going to be immediate and it may take years
to strengthen back to earlier levels.

Florida Gulf Coast University is at a tender stage in its development. With the
fall semester, we began our 15th year of serving students. During those years we have
done what we were charged to do – create and grow a new university, and work to
develop it into a full comprehensive university. We have made great strides in adding
new academic programs, buildings, infrastructure, student clubs and organizations,
intercollegiate athletics, and student housing. We have done all of these things in a very
high quality manner. And, students have come in increasing numbers for access to this
quality higher education in Southwest Florida found at FGCU.

It would be easy to rest on the laurels of all that has been accomplished, which
truly can be described as remarkable. But we know we have more work to do – more
academic programs to add, more buildings and facilities to support our students, and
additional opportunities for student support both inside and outside the classroom. These
things take money, and lots of it. And as we watch the dynamics of funding dramatically
change, we must position the University to continue to succeed in what for us is a new
reality – with this year being the first in FGCU’s history that State funding accounts for
less than half of our annual operating budget.

Challenging economic times make for challenging decisions. As FGCU’s
president, I find myself often having to choose worthy things over other worthy things for
the University. Recently we had the opportunity to support our most important resource
for our students – our faculty and staff. Last spring, we did not anticipate being able to
provide any salary adjustments for our hard working faculty and staff. However, since
the new fiscal year start on July 1 we have looked carefully at our resources and also at
our fall semester enrollment. I was very pleased a couple of weeks ago to announce a
one-time, lump-sum bonus of $1,000 on October 1, and a 2% pay raise effective January
1 for our eligible faculty and staff. There were other important things that could have
been done with these funds. But, our highest priority is and will continue to be investing
in the people who every day make FGCU a fine University – our employees.

On the capital construction side, a recent decision that pitted important University
projects against each other was for funding to complete our Academic Building 8 for
health professions programs. The vetoed $4.5 million for equipment and furniture for this new campus building required that we indefinitely postpone other important projects so the building would not sit vacant when there is such demand in our region and state for health profession degree programs. We made the decision to fund the $4.5 million from funds that were to be used to pay for two important projects: (1) constructing a South Access Road to the campus, and (2) constructing a link between the main campus and our South Village residence halls. Additionally, we had to cancel installing energy-saving solar panels on the Academic Building 8 project. Again, these were difficult decisions but we will work diligently during the upcoming legislative session to seek restoration of these funds so the other needed projects can go forward.

My Cabinet and I have put together a series of information pieces for you today. They are designed to provide a detailed understanding about how FGCU receives its funds, and how those funds are spent as we advance the University. You will hear today that not all funds are discretionary, and thus available for any use. You also will see today the significant decline in State funding to the state universities during these challenging economic times. And, our hope is that you will use this information as a springboard to the time provided on our agenda for Board discussion about how we best implement a plan for the future of Florida Gulf Coast University.

When we get to the Board discussion, you will hear me say the following:

Last year, the Board of Trustees approved a 5-year Strategic Plan which will serve as our road map. The pursuit and achievement of high quality in all we do at FGCU is a central tenet to our strategic plan.

Given the currently declining State financial support for state universities, including FGCU, it is imperative that we determine how best to pay for continued high quality in our academic programs, services, and facilities.

In other words, how do we insure that we have the resources (state appropriation, tuition/fees, fundraising, etc.) to maintain our development into a fully comprehensive university?

I ask you to keep this central question in mind as we provide the informational portion of the workshop. The answers are not easy, but the question is critical to our ability to continue to advance the University.

At this time, I will ask Vice President for Administrative Services and Finance Steve Magiera to present “University and Direct Support Organizations Finance Overview”.

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University and Direct Support Organizations Finance Overview – Vice President For Administrative Services & Finance Steve Magiera – Mr. Magiera reviewed the University and Direct Support Organizations Finance Overview with Trustees.

Division Overviews: An overview of each area indicated below was presented to the Board by each vice president:

- Office of the President – President Wilson Bradshaw
- Division of Academic Affairs – Provost & Vice President for Academic Affairs Ron Toll
- Division of Administrative Services & Finance – Vice President for Administrative Services & Finance Steve Magiera
- Division of Student Affairs – Vice President For Student Affairs – Mike Rollo
- Division of Advancement – Vice President for Administrative Services & Finance Steve Magiera

Board Discussion – Moderator President Wilson Bradshaw

Trustees and University Administration discussed a number of items of concern. Of special concern to Trustees and the Administration is the Full-Time Equivalent (FTE) funding shortage for FGCU. President Bradshaw provided a historical perspective on FGCU’s FTE funding.

President Bradshaw noted that we are working with Senator Alexander to present a white paper regarding our FTE funding issue to the various legislators and ask for their assistance in this matter. President Bradshaw stated we are going to try very hard to get our funding needs met during this next Legislative Session. A discussion regarding tuition increases ensued among Trustees and President Bradshaw. It was decided that a meeting will be set with Trustees and appropriate legislators to present FGCU’s lack of funding during this critical time in our history.

Trustee Morton asked for consideration of committee meetings being held separately from Board meetings. Chair Lutgert stated that the Bylaws currently state that each Trustee is a member of each committee. He stated that this issue was discussed in detail when the Board of Trustees formed and it was decided that the committee memberships would include all Trustees. Chair Lutgert stated that this is a question that should be determined by the Trustees and this will be placed on the next agenda for discussion by the Board. He suggested the Board discuss this item briefly in the New Business section of today’s regular meeting session.
Break, and Lunch for Trustees and Staff

II. Regular Meeting:
   • Call to Order, and Roll Call – Chair Scott Lutgert

   Chair Lutgert called the meeting of the FGCU Board of Trustees to order. He called on President Bradshaw to introduce the standing reports.

   • Standing Report from FGCU Student Government – President Lauren Schuetz

   Trustee Schuetz provided an update to Trustees regarding Student Government activities and accomplishments this semester.

   • Standing Report from FGCU Faculty Senate – President Douglas Harrison

   Trustee Harrison provided an update regarding Faculty Senate activities and accomplishments during this semester.

   • Standing Report from FGCU Staff Advisory – President Neela Chevli

   Ms. Chevli reported on recent SAC activities and accomplishments.

   • Standing Report from FGCU Foundation Board of Directors – Chair Jim Knupp

   Mr. Magiera provided an update from the FGCU Foundation Board of Directors in the absence of Chair Knupp.

   • President’s Report – President Wilson Bradshaw

   A verbatim outline of President Bradshaw’s report is provided below:

   **FGCU Board of Trustees Meeting**
   **Tuesday, September 20, 2011**

   **President Wilson Bradshaw’s Report**

   I. Welcome to New Trustees:
      • Dr. Douglas Harrison
      • Dr. John Little

   II. Workshop on Finances:
      • I hope this morning’s workshop on finances and funding was helpful.
      • We plan to incorporate more of this kind of in-depth information into Board meetings.

   III. $4.5 Million to Complete Academic Building 8:
- I talked about this earlier during the workshop but I want to reiterate that we will be seeking replacement funding for what we used to complete Academic Building 8 for health profession programs.
- The money we used was taken from other important FGCU projects that are indefinitely on hold until the funds are replaced. (1. South Access Road, and 2. pedestrian path to link South Village student housing to the main campus).

IV. **Faculty and Salary 2% Pay Increase, & $1,000 Bonus:**
- I am so pleased we are able to award our hard-working faculty and staff with a 2% pay increase effective January 1, and a one-time, lump-sum bonus of $1,000 on October 1.
- As I mentioned earlier today in the workshop, challenging budget times require choosing worthy initiatives over other worthy initiatives.
- Our highest priority is investing in the greatest resource our students have – which is our faculty and staff.

V. **Chancellor’s and Governors’ Visits to FGCU:**
- We’ve had 3 recent visits to the campus from the following:
  i. Chancellor Frank Brogan
  ii. Board of Governors Chair Ava Parker
  iii. Board of Governors Member Dean Colson
- The visits provided a great opportunity to showcase the growth and development of FGCU, and all three visitors were very impressed with all that has been accomplished here.

VI. **Legislators (Delegation Meetings, and Redistricting Visit):**
- We’ve been busy meeting with legislators from our local delegation and beyond, and also participating in legislative delegation public hearings.
- FGCU also had the opportunity recently to host legislators sitting on a redistricting panel. They were on campus in between their meetings in Lee and Collier counties, and were provided an FGCU campus tour.

VII. **Fall Semester Start:**
- August was the start of another busy fall semester at FGCU.
- This year marks an important milestone – the 15th year FGCU has been open to serve students.
- Enrollment is close to our estimated 13,000 students, broken down as follows with these numbers as of yesterday:
  i. 12,670 total students. (Increase of 5% over last year)
  ii. 11,161 undergraduate students. (Increase of 8% over last year)
  iii. 1,089 graduate students. (Decrease of 5.6% over last year)
- In August we opened the new residence hall PALMETTO, and we currently have more than 3,700 students living in student housing on campus and in West Lake Village.
VIII. Athletics and NCAA Division I:
- In August the NCAA Division I Board of Directors approved FGCU Athletics for active membership as a full D-I member.
- Congratulations to the many people whose efforts over the years resulted in this remarkable transition for such a young university. I commend former Athletic Director Carl McAloose, former President Bill Merwin, current Athletic Director Ken Kavanagh, our coaches, student-athletes, and especially our student body for their strong support for an intercollegiate athletics program at FGCU. I also want to commend former Associate Provost, Dr. Peg Gray-Vickrey who was so important in leading this important process.

IX. FGCU Economic Impact Study:
- Many of you are familiar with the work of our Lutgert College of Business’ Regional Economic Research Institute, headed by Dr. Gary Jackson.
- Dr. Jackson has completed the latest update to the FGCU Economic Impact Study.
- The findings again reaffirm the University’s key significance as a driver and engine of economic growth in our region.
  i. The Study found that FGCU’s impact on Southwest Florida during the 2009-2010 year was:
    1. $345 Million in Expenditures.
    2. 3,119 Jobs.
    3. $144 Million in Labor Income.
- I encourage you to utilize these fine reports, which can be found on the FGCU Website at: http://www.fgcu.edu/cob/reri. We will send you a copy of this latest report.

Mr. Chairman and Trustees, this concludes my report. I will be happy to answer any questions you may have.

- Consent Agenda – Chair Scott Lutgert

Chair Lutgert introduced the following three items for approval by the Trustees. A motion as made by Trustee Hart to approve the Consent Agenda. Motion was seconded by Trustee Wells. Motion carried unanimously.

- Minutes of June 21, 2011 (Addendum A)
- Resolution of Appreciation for Trustee Chuck Lindsey (Addendum B)
- Resolution of Appreciation for Trustee Lindsay Harrington (Addendum C)

- Presentations of Resolutions of Appreciation – Chair Scott Lutgert and President Wilson Bradshaw
Chair Lutgert and President Bradshaw presented the Resolution of Appreciation to former Trustee Chuck Lindsey. Ms. Evans read the Resolution into the record.

- Academic/Student/Faculty Affairs Committee Meeting – Chair Robbie Roepstorff
  Committee Chair Roepstorff introduced Dr. Toll and Dr. Rollo who presented their area’s action items below:

**Action Items:**
- Regulation: FGCU-PR3.005 Graduate Admissions – Provost and Vice President for Academic Affairs Ron Toll (Addendum D) – Motion was made by Trustee Morton to approve FGCU-PR3.005 Graduate Admissions. Motion was seconded by Chair Lutgert. Motion carried unanimously.
- Regulation: FGCU-PR4.001 Student Rights and Responsibilities (Addendum E) – Vice President for Student Affairs Mike Rollo – Motion was made by Trustee Morton to approve FGCU-PR4.001 Student Rights and Responsibilities. Motion was seconded by Trustee Hamilton. Motion carried unanimously.
- Regulation: FGCU-PR4.002 Student Code of Conduct and Student Conduct Review Process (Addendum F) – Vice President for Student Affairs Mike Rollo - Dr. Rollo explained that the words “faculty and staff” were left off in the definition and we want to include them as we always have. He proposed the wording be included as indicated in the last page of Tab to replace the language as submitted originally. Motion was made to approve Regulation: FGCU-PR4.002 Student Code of Conduct and Student Conduct Review Process by Chair Lutgert. Motion was seconded by Trustee Morton. Motion carried unanimously.

- Finance & Administrative Committee Meeting – Committee Chair Doug St. Cerny – Committee Chair St. Cerny introduced Mr. Magiera to present the following information items and action items:

**Information only:**
- 2010-2011 End-of-Year-Budget Report – Vice President for Administrative Services and Finance Steve Magiera (Addendum G)
- Finance/Budget Update (Addendum H) – Vice President for Administrative Services and Finance Steve Magiera - Trustee Morton asked staff to determine a way to keep the Trustees better informed about the Financing Corporation so that they could fulfill their fiduciary duty. Mr. Magiera stated he would contact the Board of the Financing Corporation to determine the best method to accomplish Trustee Morton’s request.

**Action Items:**
- Resolution to Name FGCU Academic Building 3 the “William C. Merwin Hall” (Addendum I) – President Wilson Bradshaw – President Bradshaw stated the item being brought before the Board today for action is the naming of one of our academic buildings, AB3, in honor of our second President, the
late Bill Merwin. He stated the Cabinet discussed the appropriate building to
name in honor of Dr. Merwin, and we chose AB3 because it is likely that AB3
will be a long-term academic building housing laboratories and classrooms
and we felt that was a fitting function for the building named in honor of Dr.
Merwin. Motion was made by Chair Lutgert to name AB3 in honor of our
second President, the late Bill Merwin. Motion was seconded by Trustee
Roepstorff. Ms. Evans read the Resolution into the records. Trustees made
comments to the motion. Motion carried unanimously.

- 2012 Legislative Agenda (Addendum J) – Vice President for Administrative
  Services & Finance Steve Magiera – Trustee Roepstorff stated it is important
that we receive answers from the State regarding our FTE funding even in
light of current budget cuts. She stated there is no parity in the funding for
FGCU. She feels we should take a firm stand on this matter and would like
that to be part of this document as it is sent to the State. President Bradshaw
stated this funding issue was not punitive, but rather we were a victim of
circumstances, that is, we were a new, growing University at the time when
FTE funding was not maximal for any of the universities. Trustee St. Cerny
suggested inviting the Legislative Delegation to a meeting here at FGCU.
President Bradshaw stated he would look into that possibility this fall.
Motion was made by Trustee Priddy to approve the 2012 Legislative Agenda.
Motion was seconded by Trustee Roepstorff. Motion carried unanimously.

- Amendments to President’s Employment Agreement (Addendum K) – Vice
  President for Administrative Services and Finance Steve Magiera – Mr.
  Magiera stated that at the last meeting Chair Lutgert had asked that Trustee St.
  Cerny work with President Bradshaw on an amendment to his employment
agreement. Trustee St. Cerny stated he would entertain a motion for approval
of the item. Motion was made by Trustee Catti to approve Amendments to
President’s Employment Agreement. Motion was seconded by Chair Lutgert.
Trustee Harrison thanked Trustee St. Cerny for the work on this item. He
stated we all have an interest in the leadership of the institution and he is eager
to reach a compensation agreement that allows that support to be unified from
all areas of campus. He asked a question about the process that got us to this
point and what, if any alternative structures were considered and what was the
thinking that led to this one? He stated he is trying to get to the underlying
values or ethos –what are the implied values or commitments to this
compensation agreement and do they align with the larger values of the
University? Trustee St. Cerny stated from his point of the view, the historical
work on these procedures has been handled similarly during contract times
since the formulation of the University. Trustee St. Cerny stated he was asked
by the Chairman if he would engage in discussions with the President and
bring something forward that we thought would please this Board, the
community, faculty and others involved in this University. Trustee St. Cerny
stated he was quite pleased with President Bradshaw’s efforts and what he
thought was his side of the story. We had a meeting of the minds and we
came out with a product that we thought we should bring back to this Board
Trustee St. Cerny stated that under the economic conditions that we are facing in this area, we, as a growing University, have to stay competitive and we need to keep our good people at all levels at this University. He stated President Bradshaw has conveyed that the University is a growing one and has done an excellent job with that growth. Trustee St. Cerny stated that he and the President brought a product to the Trustees that is competitive in the market and shows his true concern for his employees and the taxpayers of this county and Florida by the salary we settled on. A discussion ensued. Trustee Harrison requested that the proposal go back to negotiations. Trustee Morton stated that we as Trustees are under a fiduciary duty to make sure the compensation of our Chief Executive Officer is put together in such a fashion as it uses outside Counsel using existing and aspirational metrics taking in the competitive environment to retain someone as talented as Dr. Bradshaw. He strongly endorses this compensation package based on this fiduciary responsibility and for the tumultuous times we are about to enter. Chair Lutgert stated he completely concurs with Trustee Morton. He stated he appreciates Trustee Harrison’s points, but feels the Board has complete responsibility for the fiduciary review of the President and stated we have essentially a $200 million corporation with a competitive environment in order to get top notch quality. Chair Lutgert pointed out that the Board does have in its discretion the ability to decide what bonus will be awarded to the President. He stated it is the Board’s responsibility to review his performance each year and decide how to dispense or not dispense any bonus. Chair Lutgert stated that the contract is a bargain for the University for the talent we are getting with President Bradshaw and he heartily endorses it. Trustee Hart stated he agrees as well and stated as we enter this difficult time ahead, we’re going to face some challenges and he thinks it’s important we send a good message of longevity with the leadership at this institution. He stated that he thinks this contract is a bargain. Trustee Harrison stated that if we are using this paradigm to compensate, we want to make sure we use that same method for other sectors of the University workforce. Motion carried with Trustee Harrison voting no. President Bradshaw expressed his deep gratification to the Board for their vote of confidence. He stated when he entered FGCU he would give his best and he stated the Board has his promise that he will continue to do that. He stated that he appreciates the supportive comments and has heard the comments of the Trustee that did not support the contract. He is no less enthusiastic about moving the University forward and he is confident that we will all be pulling together in the same direction.

- **Old Business – Chair Scott Lutgert**

Chair Lutgert stated the one old business item is having separate committee meetings for the Board of Trustees. Discussion ensued. Trustee Priddy stated he felt we are at a time in the University where separate committee meetings is the right next step for this Board. Chair Lutgert asked if this should be for all committees or specific committee appointments when needed. He also suggested
we could have more committees if need be. He asked the Trustees to think about all the options and focus on what we are trying to accomplish. He stated the next Board meeting is January 17th. Trustee Morton stated the financial issues are so dynamic that meeting every 90 days is probably a challenge. He suggested the financial committee meet more often. Chair Lutgert stated it might be important that the finance committee meet more often and asked Trustees to give this information more thought. President Bradshaw stated he would look into how other Board committees are structured and bring that back to the Trustees.

- New Business – Chair Scott Lutgert – There was no new business to come before the Board.

- Chair’s Closing Remarks, & Meeting Adjournment – Chair Scott Lutgert – The meeting was adjourned at 1:30 p.m.
Addendums:

A. Minutes of June 21, 2011
B. Resolution of Appreciation for Trustee Chuck Lindsey
C. Resolution of Appreciation for Trustee Lindsay Harrington
D. Regulation: FGCU-PR3.005 Graduate Admissions
E. Regulation: FGCU-PR4.001 Student Rights and Responsibilities
F. Regulation: FGCU-PR4.002 Student Code of Conduct and Student Conduct Review Process
G. 2010-2011 End-of-Year-Budget Report
H. Finance/Budget Update
I. Resolution to Name FGCU Academic Building 3 the “William C. Merwin Hall”
J. 2012 Legislative Agenda
K. Amendment to President’s Employment Agreement