

FLORIDA UNIVERSITY
Board of Trustees

Governance Committee Minutes
Trustee Thomas Dortch, Chair
April 19, 2022

The Governance Committee Workshop was held on Tuesday, April 19, 2022. Trustee Moore called the meeting to order. The following committee members were in attendance: Trustees Thomas Dortch, Michael Dubose, Kimberly Moore, Belvin Perry, and Nicole Washington. Trustees Kenny Stone and Carrington Whigham were absent. Trustees Kristin Harper and Otis Cliatt also participated in the meeting.

Trustee Moore shared that during the workshop trustees will discuss the Board of Trustees Operating Procedures (OP), and provide feedback and recommendations. Trustee Moore recognized vice president and general counsel Denise Wallace, who guided the Committee through the OP.

VP Wallace started the session with recommendations regarding audit and compliance offered by VP Joe Maleszewski. He shared that the current procedures did not reflect the role of the Compliance unit, so the changes for Section 4.0 brought forward information that has already been reviewed and approved by the Board in the charter document for the Audit and Compliance Committee. He also stated that the function of enterprise risk management was added to the language in Section 4.22. The update also included a delineation of annual committee activities.

President Robinson noted that through this process, the Committee should recognize the Board's authority and reference the appropriate guidance from the Board of Governors and the Governor. Chair Lawson questioned the necessity to include 2.1 and 2.2 in the OP, as this is not within the purview of the Board of Trustee's authority. He suggested that the Committee should look to the Board of Governors and the other State University System institutions for guidance and to determine if the same or similar language is included in their OPs.

Article 1

VP Maleszewski suggested the removal of the last sentence because it was not necessary.

Article 2

Discussion:

2.1 – Does this need to be included in the OP?

2.2 – Does this need to be included in the OP?

Follow-up: Additional information needs to be provided to the Committee regarding language from other SUS institutions and the Board of Governors. Do the OPs need to include general information included in law and BOG regulations?

Trustee Cliatt suggested, and the Committee concurred, that the workshop should only review the information that is bold, underlined, or struck-through.

2.3 - No comments

2.4 – No additional changes. The Office of Communications provides guidance on usage of the University seal, in accordance with the Board’s policy.

Article 3

3.2 SELECTION and VACANCIES DURING TERM, and REMOVAL- The Board shall select its Chair and Vice Chair from the appointed members at its first regular meeting after July in odd numbered years. The Chair shall serve for two (2) years and may be reselected for one (1) additional consecutive 2-year term. For each consecutive term beyond two terms, the **Board Chair, after 7-day notice to the Board,** may **seek** reselection. ~~¶The~~ Chair **must receive** by an affirmative vote of no less than two-thirds (2/3) of the members of the Board **to serve beyond two terms.**

3.2 Discussion

There was a question about allowing the Board chair to serve a third consecutive term and how that impacts succession. Also, a third term for the vice-chair should be addressed. The Committee was reminded that the election of officers is always at the will of the Board.

It was suggested that 3.2 needs to be re-written for consistency and reflect the following: For the first two terms, election is by a simple majority and after that, election is by a supermajority or two-thirds vote. The language should also include a limit that would be applicable to the chair and vice-chair. It appears that the language does not limit the re-selection to only a third term, it could extend to more terms. It was pointed out that the Board has no control over when the Governor replaces a trustee that has termed-out and if that person is chair, a disruption in Board operations could result.

Follow-up: Check with the other SUS institutions regarding how this is handled.

Check the usage of the word “selection” versus “election.” The Board elects its officers, so is there a purpose for using the word “select” instead?

The seven-day notice to declare candidacy needs to be more explicit. Clarify seven days before what event or whether it is by a date certain.

Follow up: The Governance Committee needs to set guidelines for election.

It was pointed out that there's a benefit to continuity within leadership and certainly within boards, but also there's a benefit to diversity and succession planning and leadership at multiple levels. It was reiterated that the Committee wants to understand the precedent and the language, particularly for

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elections, vacancies, and term limits from other SUS institutions. There should be provisions in the OP regarding who oversees elections.

A question was raised regarding whether OP language about term limits can be more restrictive than BOG regulations and statutes. One trustee opined that you can always be more restrictive than the letter; you can't be less restrictive. He then asked that the chair of the Committee, along with the general counsel review the comments and the points that have been brought up and then let the committee know where it stands.

Follow up: Trustee Dortch indicated that he and the general counsel would formally ask the Board of Governors' attorney to provide a written opinion re: whether a Board of Trustees can have a provision in the OP that is more restrictive or less restrictive than what appears in the BOG's language.

It was shared that the Board needs to know who is seeking election, prior to the meeting. They also need to know why the person is seeking the position. The Governance Committee should set the parameters and set the guidelines for elections in advance. That information should be sent to the Board before the election. The guidelines should establish various responsibilities.

Follow-up: The Committee needs to add language in the OP around when nominations are due. The Committee should also create a timeline and the Committee's roles and responsibilities regarding all elections.

Follow-up: Trustee Perry asked that the General Counsel review the University of Florida's Operating Procedures, as they set out a procedure for the selection of their chair and vice-chair. Trustee Dortch indicated that it would be sent to everyone.

A revision to 3.2 which addresses the 7-day notice, could/would apply to all sections of Article 3. It was suggested that the two-year clock should begin upon election to a position and filling a vacant position should not start the clock. There was also a question regarding how being selected to fill an unexpired term should count. Another suggestion was that "full-term" or "two elections" could be used rather than "two terms."

A question was raised regarding what procedure would be followed if there was a vacancy in the chair or vicechair position. It was suggested that the election/selection procedure should be consistent, whether on-cycle or off-cycle. There was also a question regarding whether is it necessary to require the recommendation of the Governance Committee when a vacancy occurs.

3.3 – No comments

3.4 - **VICE CHAIR** - The duty of the Vice Chair shall be to act as Chair due to the ~~vacancy~~, **temporary** absence or disability of the Chair.

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3.4 Discussion:

It was noted that the vice chair's roles and responsibilities need to be clear. The word "vacancy" should not be deleted. There also needs to be a timeframe for when a vacancy will be filled, i.e. within 60-90 days of the notification. The Committee should consider adding that "in the absence of the chair, the vice chair will assume the chair's roles until the special election is held."

It was suggested that the Committee consider having a lead director who would act as chair until an election. That person would be the senior person on the Board who would coordinate the activities of the rest of the Board.

Chair Lawson reiterated that the Committee needs to review the other SUS OPs, as the Board works through the proposed changes.

It was also suggested that the Board needs to focus on the future leadership and must prepare people for those roles.

Chair Dortch reminded the Committee that much of the review could be done during their retreat. He also suggested that revisions to the OP can be addressed at any Board meeting.

3.5 – No comments

3.5.1 – It was noted that this was only a title change.

3.5.2 – No comments

Article 4

The Board shall establish standing and ad hoc/**special** committees, as it deems appropriate to discharge its responsibilities. **Each committee shall consist of no less than three members.** The Board Chair shall appoint members of committees and their chairs **and vice chairs.** **Vacancies in the positions of committee chairs and committee vice-chair may be filled by appointment of the Chair at any time as necessary.** Members of the committees shall hold office until the appointment of their successors. Unless specifically delegated or as otherwise provided in these Operating Procedures, the authority to act on all matters is reserved to the Board and the duty of each committee shall be to consider and to make recommendations to the Board upon matters referred to it. Each committee shall have a written statement of purpose and primary responsibilities **or a charter** as approved by the Board. **The chairs of all committees shall perform their duties in**

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consultation with the University President (or designated administrative liaison(s)).

4.1 EXECUTIVE COMMITTEE - The Executive Committee shall consist of seven (7) Trustees, which shall include the Board Chair and Vice Chair, the chairs of the Academic ~~Affairs~~ and Student Affairs Committee, Audit and Compliance Committee, Budget/Finance and Facilities Planning Committee, Governance Committee, ~~Student Affairs Committee~~, ~~Facilities Planning Committee~~ and Direct Support Organization (DSO) Committee. The Corporate Secretary shall be an ex-officio member without a vote and not counted as part of a quorum for purpose of transacting business. Each Committee member shall serve for a term of two (2) years.

Discussion

Article 4 – It was suggested that committee leadership serves as a good opportunity to prepare trustees for positions as Board officers. It was explained that committee chairs serve for two years and when a new board chair is selected, they select new committee chairs. It is important that trustees are given the opportunity to learn all aspects of the policies and get experience regarding operations because that makes for a stronger board. It was suggested that the Board needs to look at its language regarding special committees and ensure that it is in sync with the Board's practice.

Follow-up: There needs to be clarity re: the meaning of the 2-year term service limit on the executive committee. Is it intended for committee chairs to serve only two years and then is there an automatic rotation to someone different for each committee?

It was also pointed out that the executive committee has never been used.

Chair Lawson shared that committee composition is based on trustees' strengths and interests. Requests to be placed on different committees have also been recognized. He also shared that he doesn't use the executive committee because he wants everyone to be involved in decisions. Board members always have the opportunity to weigh in on every committee meeting and every full board meeting. He shared that 4.1 is not relevant to the board, if it chooses to continue to operate as a committee of the whole.

Follow-up: The Committee requested that Attorney Wallace determine if the last sentence in 4.1 implies a term limit on committee chairs. What are the intention and the scope of that language?

Attorney Wallace said that she would consult with Attorney Thomas and provide a response. Some questioned the need for the executive committee. There was also a question regarding how trustees are appointed as committee chairs? It was suggested that there should be a process regarding committee service and that there should not be a limit on service as a committee chair.

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4.2 - No comments

4.2.1 – No comments

4.2.2 – No comments

4.2.3 – No comments

4.2.4 – No comments

Trustee Dortch stated that he and General Counsel Wallace will get together and bring back answers to questions raised by the Committee. Trustee Dortch commended each member for their ideas, thoughts, and comments, as they were valuable and well received.

With there being no further business, the meeting adjourned.