



**COMMITTEE ON GOVERNANCE, GOVERNMENT RELATIONS
AND INTERNAL AFFAIRS**

Meeting Minutes

June 6, 2019

President's Room 215B, Emerson Alumni Hall

University of Florida, Gainesville, Florida

Time Convened: 2:38 p.m.

Time Adjourned: 3:50 p.m.

Committee and Board members present:

Rahul Patel (Committee Chair), David L. Brandon, James W. Heavener, Morteza Hosseini (Board Chair), Leonard H. Johnson, Michael Murphy, Daniel T. O'Keefe, Marsha D. Powers, Jason J. Rosenberg, Robert G. Stern, Ray Thomas, Anita G. Zucker.

Others present:

W. Kent Fuchs, President; Winfred Phillips, Executive Chief of Staff; Joseph Glover, Provost and Senior Vice President for Academic Affairs; Charlie Lane, Senior Vice President and Chief Operating Officer; Amy Hass, Vice President and General Counsel; Elias Eldayrie, Vice President and Chief Information Officer; Jodi Gentry, Vice President For Human Resources; Antonio Farias, Chief Diversity Officer and Senior Advisor to the President; Jodi Gentry, Vice President for Human Resources; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; Michael McKee, Vice President and Chief Financial Officer; Thomas Mitchell, Vice President for Advancement; David Nelson, Senior Vice President for Health Affairs and President of UF Health, David Norton, Vice President for Research; Nancy Paton, Vice President for Strategic Communications and Marketing; Curtis Reynolds, Vice President for Business Affairs; other members of the University of Florida community, and other members of the public and the media.

1.0 Verification of Quorum

Vice President Liaison and General Counsel Hass verified a quorum with all members present.

2.0 Call to Order and Welcome

Committee Chair Patel welcomed everyone in attendance and called the meeting to order at 2:38 p.m.

3.0 Review and Approval of Minutes

Committee Chair Patel asked for a motion to approve the minutes from the March 25, 2019, March 28, 2019 and May 22, 2019 meetings, which was made by Trustee Heavener and a second,

which was made by Trustee Rosenberg. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

The Committee considered the following Action Items:

4.0 Action Items

GGRIA1 Direct Support Organizations-Decertifications

Committee Chair Patel began by reviewing that in the Spring we began a review of all DSOs to determine whether the purpose for these DSOs are still valid and if not, whether we should dissolve such DSO. At our May 21, 2019 meeting and our June 3 meeting the committee discussed in detail decertifying three DSOs: (1) the Law School DSO and (2) Two IFAS DSOs. Determination was based on our review these DSOs are no longer serving the purpose on the original intent.

First, with respect to the UF Law DSO, the primary purpose of that DSO when created was to manage funds, which is now one of the primary purposes of the UF Foundation. No other UF college Advisory Board is structured as a DSO. Provost Glover and I presented a decertification proposal to UF Law DSO Board on May 17, 2019. UF Law DSO Board passed a motion unanimously approving cooperating with decertification process

With respect to the two IFAS DSOs ((1) the Citrus Research & Education Foundation DSO, and (2) the Treasure Coast Agricultural Research Foundation DSO), we determined these two DSOs are essentially non-operational and should be decertified. We also considered decertifying certain other DSOs related to IFAS and determined we needed to conduct further diligence before making a determination.

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA1, which was made by Trustee Rosenberg and a second, which was made by Trustee Heavener. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA2 Cattle Enhancement Board, Inc.-Amendments to Articles of Incorporation

Committee Chair Patel stated that while reviewing the Cattle Enhancement Board, Inc.'s application for continued tax-exempt 501(c)(3) status, the Internal Revenue Service requested that a sentence be added to Article 11 of its Articles of Incorporation. Specifically, the IRS requested that the Cattle Board amend Article 11 to provide for the distribution of any remaining assets upon a corporate dissolution to the State of Florida in the event that the University of Florida Board of Trustees was no longer in existence. Pursuant to Florida Statutes and our Governance Standards, all amendments to the Articles of Incorporation of University Direct Support Organizations must be approved by the University of Florida Board of Trustees.

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA2, which was made by Trustee Rosenberg and a second, which was made by Trustee Heavener Committee

Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA3 Direct Support Organization-Board Appointments

Committee Chair Patel introduced that pursuant to Florida Statutes and our Governance Standards, appointments to the board of University Direct Support Organizations must be approved by the University of Florida Board of Trustees. The University Athletic Association, Inc. Bylaws provide that its directors shall include two UF students. One of the students must be a student-athlete and the second, as a matter of standard practice, is the current Student Body President. UAA has requested the following individuals be approved to their board:

Victoria Bindi (a member of the UF Swimming Team)

Michael Murphy (Student Body President and fellow trustee)

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA3, which was made by Trustee Rosenberg and a second, which was made by Trustee Zucker. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA4 Investment Policy Oversight

Committee Chair Patel questioned if everyone recalls under the leadership of Kuntz, the Finance Committee asked the Governance Committee to review the governance of the Investment Committee which has traditionally been a committee comprised of UF administrators which manages investment of non-endowment UF operating funds - \$2 billion. At our previous Governance Meetings we discussed that given UFICO already has in place the infrastructure, governance structure, and expertise relating to managing and investing cash we would move the oversight of these operating funds to UFIC. We have been working with UFICO and the UF CFO office to put together a document describing the go forward protocols for UFICO's management of these operating funds taking into consideration near term liquidity needs and long-term liquidity needs.

Bill Reeser, CEO of UFICO and Trustee Patel discussed with UFICO Board on May 23, 2019. At our June 3 meeting we discussed the Investment Policy Oversight Document including the specific provisions. Operating funds traditionally managed by the Investment Committee comprise \$2 Billion. This includes (a) university operating funds and (b) operating funds for some DSOs and Affiliates, but not all DSOs and Affiliate operating funds. For example, it does not include Shands or Athletics.

With respect to funds that the traditional investment committee does manage, UFICO will manage those funds going forward. These Operating Funds are divided into three buckets. We also noted that traditionally the Investment Committee managed operating funds for UF and some of the DSOs.

The operating funds of certain of our DSOs and Affiliate organizations were managed by those respective DSOs and Affiliate organizations outside of the Investment Committee Process.

We discussed two action items: (i) approving the investment policy as presented to the committee and (ii) charging the governance committee with reviewing the governance related to DSO and affiliate organization operating funds that have not traditionally been managed by the investment Committee.

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA4, which was made by Trustee Rosenberg and a second, which was made by Trustee Heavener. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA5 Investigation Protocols

Committee Chair Patel stated that over the past few meetings we have discussed adopting protocols to handle fact patterns that could give rise to internal investigations. We submitted an initial draft of these protocols prior to our May 22 governance meeting and had a preliminary discussion of those protocols at that meeting. Based on that discussion we revised the investigation protocols and submitted a revised draft to the committee.

Key Points:

A standing Internal Review Committee (IRC) will serve as regular working group responsible for reviewing complaints, evaluating the level of concern and developing a plan of action for the issues presented.

This group will meet regularly and will consist of:

- Chief Audit Executive
- Vice President and General Counsel
- Vice President for Human Resources
- Chief Operating Officer
- Chief Compliance Officer

Following the initial assessment of any fact pattern, the committee will assign the complaint a status of Level 1, Level 2, or Level 3 – with Level 1 being the least serious and Level 3 being the most serious. In cases where the IRC assigns the complaint Level 3. Those complaints will be shared with the University president and the BOT chair and the BOT chair can appoint a member of the BOT as a point person for monitoring the progress of the investigation and providing input. The COO will approve the plan to handle all level 3 complaints moving forward. In response to previous BOT input, we have also included a provision requiring full and accurate cooperation of all university employees on investigations.

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA5, which was made by Trustee Rosenberg and a second, which was made by Trustee Heavener. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA6 University of Florida Regulations

General Counsel Hass discussed the amendments to the following regulations:

- 1.0065 Prohibited Consensual Relationships - The proposed new regulation sets forth the new University policy regarding prohibited consensual relationships.
- 1.016 Admissions - The proposed regulation amendment updates the Admissions regulation to reference the undergraduate and graduate catalogs for admission requirements to the University to comply with BOG requirements.
- 3.0051 Lost or Abandoned Property - The proposed regulation amendment includes the necessary statutory changes related to the University's disposal or use of the lost or abandoned property and updates the definition of "Campus".

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA6, which was made by Trustee Rosenberg and a second, which was made by Trustee Zucker. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA7 Facility Security Clearance; Exclusion of Certain Directors and Officers; Designation of Senior Managerial Group for Classified Information

David Norton reviewed that the Board of Trustees designates the University President and the Vice President of Research to serve as our UF representatives who maintain a security clearance in keeping with requirements for certain restricted and classified research. Each time a new trustee joins the BOT in June, we ask the Board to vote to approve this designation on our consent agenda. Trustee Ray Thomas (Faculty Senate Chair) and Trustee Michael Murphy (Student Body President) are new to our Board and therefore this action is needed to comply with federal requirements.

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA7, which was made by Trustee Rosenberg and a second, which was made by Trustee Zucker. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA8 Presidential Goals FY2018-19

Committee Chair Patel stated that the Governance Committee is charged with discussing and approving Presidents performance against the board approved FY 2019 Performance Goals and Approving 2020 Performance Goals. The Board has received a document from President Fuchs summarizing this. President Fuchs has also previously discussed with the Board Chair and Vice Chair.

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA8, which was made by Board Chair Hosseini and a second, which was made by Trustee Zucker. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

GGRIA9 Presidential Goals FY2019-20

Committee Chair Patel discussed the proposed FY2020 Presidents Performance Goals distributed to the BOT on May 21, 2019. These goals were previously discussed with Board Chair and Board Vice Chair individually prior to distribution to full BOT. The goals for FY2020 are aimed

at advancing UF toward its overarching goal of enhanced excellence and stature, as indicated by a Top 5 public research university ranking.

Committee Chair Patel asked for a motion to approve Committee Action Item GGRIA2, which was made by Board Chair Hosseini and a second, which was made by Trustee Zucker. Committee Chair Patel asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

The following Discussion/Informational Items were the addressed by the Committee:

5.0 Discussion/Informational Items

5.1 Governance Standards Update

Committee Chair Patel discussed that as we noted at our last committee meeting, we are still on track to have all DSO and Affiliate Organizations to have amended their bylaws to comply with new Governance Standards by our June 30, 2019 goal. Consistent with the Governance Standards, all these amendments are being approved by the UF President and BOT Chair, and Notice to BOT Vice Chair.

Remaining include:

- UF Health Shands

- Gator Boosters

- University Athletic Association – will adopt revised bylaws at its June meeting

5.2 Facility Naming Protocols

Committee Chair Patel reviewed the at our March meeting the BOT discussed revising the protocols we have around naming of UF facilities, colleges, schools, and other academic units. To provide background, prior to the launch of the Go Greater Campaign in July 2014 and as part of the Florida Tomorrow Campaign Audit, we reviewed our naming policies and brought them up to date. Since July 2014, a number of national issues regarding namings and memorials have surfaced. In the spirit of ONE UF and becoming a Top 5 Institution, we are in the process of an extensive review process to update our existing naming policies. As we go through this process, we will be meeting with an extensive group of stakeholders to ensure that everyone has a voice.

Working closely with Trustee Zucker and her committee and Vice President Mitchell and his team, we submitted a preliminary Naming Protocols Document to this committee prior to the May 22 meeting and had a preliminary discussion at that meeting. Based on preliminary input, we have worked with Vice President Mitchell and his team to submit a revised draft of the naming protocol document. To date, we have looked at a total of 33 naming policies including the Top 5 public institutions. Several institutions besides the Top 5 have comprehensive policies that were helpful in designing our own. After identifying the key topics, we also selected the policies that were best in each area.

Trustee Stern questioned Trustee Patel to include general guidelines and in that the BOT would have to approve any deviations. Committee Chair Patel also discussed the need to include guidelines for removing a name from a facility. Trustee Zucker stated for this reason that

namings should be fully vetted prior to each person should be fully vetted prior to a naming due to the implications of removing a name.

5.3 Legislative Recommendations Memo

Committee Chair Patel reviewed the following, as discussed at our last meeting

- During the recently concluded legislative session, the Florida House Committee on Public Integrity and Ethics (“PIE”) led an investigation of spending practices at UCF
- That investigation led to a final investigative report that included a series of recommendations regarding training, governance, reporting, and other issues
- Many of those recommendations informed the Florida legislature’s passage of CS/SB190 on the final full day of the 2019 legislative session
- On May 21, 2019, we submitted to the Governance Committee a memorandum summarizing each of the recommendations in the final investigative report highlighting which ones were adopted into final law and identifying areas where UF’s policies and practices might warrant further attention
- At May 22, 2019, Governance Committee meeting, we preliminarily discussed these items. Feedback included:
 - Analyzing each recommendation to determine which ones we comply with and which one we do not comply with
 - As a best practice, considering adopting each recommendation and not just those
 - Adopted into the final law
- Working with General Counsel Hass and Vice President Kaplan we have gone through each of the recommendations and submitted to you last week a revised memorandum that lays out of preliminary recommendations.
- Committee Chair Patel encouraged Trustees to review the memo. Between now and September, we will continue to revise the memo and have additional calls to get your input so that we are in a position to recommend changes to our governance standards in an effort to make sure we are formally putting into practice the House’s recommendations.

5.4 Legislative Update

Due to timing Vice President Kaplan gave a brief Legislature update. UF had a successful 2019 Legislative session with significant accomplishments including governance and accountability, use of carryforward fund, PECO ranking and allocation process. Working towards the 2020 Legislative Session and will discuss in more detail at the next meeting.

6.0 New Business

There was no new business to come before the committee.

7.0 Adjournment

After asking for further discussion and hearing none, the Committee on Governance, Government Relations and Internal Affairs meeting was adjourned at 3:50 p.m.