

**Florida A&M University
Board of Trustee
Minutes**

1. Ad Hoc Committee to Review the President's Contract
September 7, 2011
October 3, 2011

2. FAMU Anti-Hazing Committee
March 16, 2012

DRAFT

**SUMMARY MINUTES
FAMU BOARD OF TRUSTEES
Ad Hoc Committee to Review the President's Contract
Wednesday, September 7, 2011
Via Telephone Conference Call**

Ad Hoc Committee Chairman Kelvin Lawson called the meeting to order at 6:02 p.m. Chairman Lawson asked Attorney Fuse-Hall to call the roll.

Committee Members present: Trustee Charles Langston, Trustee Kelvin Lawson, Trustee Rufus Montgomery, and Trustee Marjorie Turnbull. A quorum was established. Staff members present on the call were Attorney Rosalind Fuse-Hall and Attorney David Self.

Chairman Lawson recognized Ms. Turnbull, who announced that she had just returned from a City Council meeting where President Ammons presented information regarding the proposed FAMU College for Dental Medicine. Trustee Turnbull noted that the City gave their support and pledged up to \$5 million to support this initiative. Everyone noted that this was good news and thanked Trustee Turnbull for sharing the information.

The Chairman noted that the agenda for the meeting is to review and discuss the comparisons of the other State University System (SUS) presidential contracts, followed by a discussion of proposed language which the legal staff to draft whatever is suggested by the ad hoc committee. After a review by the ad hoc committee of what's drafted by the legal staff, then proceed to a meeting with President Ammons. The goal is to move swiftly, but to work thoroughly; "we do not want to compromise quality for speed."

In regards to the comparison chart that Attorney Fuse-Hall prepared, Chairman Lawson reviewed each category and summarized the similarities and differences. Below is a summary of his remarks:

- Term of Appointment: appears that most have a 3-5 year term of office
- Renewal Terms: most have a renewal clause; but there is not one in President Ammons' contract
- Modification Clause: appears similar to the other contracts
- Resolution of Disputes: appears similar to other contracts
- Termination for Cause: appears similar. Most end all compensation with "for cause" termination. Also the notification appears to be between 60-90 days and President Ammons' is only for 30 days.
- Termination without Cause: appears similar; however, President Ammons' contract does not spell out the severance terms.
- Bonus clauses: vary
- Performance bonus clauses: appears to attach to the evaluation process. Everyone is clear that this is the objective of the FAMU Board of Trustees to move to a similar situation.

- Retention Bonus: a few have this in their contracts; President Ammons' contract does not have such a clause.

Following this summary, Chairman Lawson asked for many comments from the committee members. Trustee Langston noted that there is sabbatical language in President Ammons' contract which is the equivalent of a severance. Further, he noted that within the resignation clause of President Ammons' contract, it is unclear if President Ammons is entitled to the sabbatical and any severance if one was provided. Trustee Langston asked for clarification about this issue if severance language was added to President Ammons' contract.

Chairman Lawson asked the committee to review a proposed document that he created to assist the conversation which proposes changes to the president's current contract. He asked the committee to respond as he walked the committee through each proposed change.

TERM OF THE APPOINTMENT

Chairman Lawson proposed that a term of five (5) years from 2011-2016 be offered to the President to ensure him stability and permit him sufficient to complete several of the goals that have been agreed upon between the board and the president. Further, he proposed a renewal that permits a total of 10-12 years of service. He noted that the modification clause should be by mutual written consent of all parties.

Trustee Langston inquired if this is a five (5) year term or an extension for an additional three (3) years. In response, Chairman Lawson noted that it is a five-year term with an extension for three (3) years.

Trustee Turnbull agreed with the proposal since this is similar to the other colleges. Trustee Montgomery noted that the extension should not be bound by a set term of years. Further, he noted that the future Board of Trustees in another five years should have the flexibility to determine the extension based on the situation at the time. He recommended that the language be similar to the other presidential contracts without a stated time period. Trustee Langston and Trustee Turnbull agreed. Therefore, the proposed term of appointment would be for five (5) years, with an extension available as determined by the Board of Trustees.

TERMINATION WITHOUT CAUSE

The Chairman noted that the clause should permit 90 day written notice and require a 2/3 vote of the Board of Trustees. Further, he proposed that the president was entitled to severance pay of one (1) year of his base salary, insurance and any pending bonus payments; but excludes club payments, car and travel allowances. He explained that a 2/3 vote permits for situations when vacancies may occur and there is less than nine (9) members on the board. Following discussion regarding the 2/3 vote, the committee agreed to add the language, "2/3 of the sitting board" to the proposed clause.

Trustee Turnbull asked that the termination clauses be reversed in order, with the more egregious offense (i.e., Termination for Cause) listed first, followed by the clause Termination without cause. This appears to be the order in most of the presidential contracts. Further, she inquired if any SUS president had been terminated for cause? She asked the staff to research this matter and provide an answer.

Trustee Langston asked if there was a difference in the obligation for the University to pay the president's sabbatical and severance if there was termination without cause. Attorney Self noted that termination without cause then the sabbatical for the president would occur.

TERMINATION FOR CAUSE

Chairman Lawson noted that 2/3 of the sitting and noted that the president would not be entitled to any additional compensation or benefits. Trustee Montgomery noted that 2/3 vote of the current board would be nine (9) votes. Chairman Lawson affirmed that statement; but, he noted that it might be less if there are vacancies on the board. Trustee Montgomery asked that the staff amend the chart to show the number of SUS presidents with faculty appointments and whether sabbaticals are permitted. Trustee Langston agreed with the proposed language as long as it doesn't create a tax problem for the president to receive a lump sum payment. Trustee Montgomery stated that the president should be given the option for a one (1) year lump sum or a sabbatical and he has to choose at the time he signs the agreement.

BONUS

Chairman Lawson noted that the proposed performance based bonus would note that:

Based upon his achievement of annual goals and objectives which have been mutually agreed upon by Dr. Ammons and the board chair before the start of the academic year, results vs. key performance metrics, the president will be evaluated using an objective weight criteria and if results achieved the bonus will range from 0 to 15%.

Further, the chairman proposed the weighted percentages for the mutually agreed upon goals for 2011-12 for illustrative purposes. Trustee Turnbull expressed concern over listing such weights in a contract given that circumstances may change rapidly. She proposed that the language note the percentages would be assigned to each goal and used to evaluate the president. Trustee Langston agreed and noted that he was philosophically opposed to putting weights on these goals. He did not want to lock the board of trustees reviewing the president at the time; he preferred to leave language similar to the other presidential contracts.

Trustee Montgomery agreed with Trustee Turnbull; but, offered that a fund-raising bonus goal should be added to the contract similar to the FSU contract, permitting the president to have a stretch goal. In addition, he suggested that this bonus become annual, mutually agreed upon goals. He inquired when the bonus would be paid, noting that "if he earns it, then he should get it."

Chairman Lawson recapped the discussion and noted:

- The committee does not want weighted objectives included in the contract.
- The committee will include language of goals being defined by the board and that the bonus is paid up to a certain percentage.
- On the survey from the full board, there were comments about bringing the bonus percentage down.

The Committee members made several comments about the percentage of the current bonus. Trustee Langston noted that it should remain 35% based upon his review of the other bonus

clauses in other contracts. Trustee Montgomery noted that the range should be from 0 to 35% and he reiterated his idea of an incentive bonus regarding fund-raising bonus set for a specific amount to be achieved. Trustee Langston noted that the proposed language noted that at the board's discretion based upon achievement of objectives similar to the language in the other SUS contracts. He would leave it to the lawyers to draft the appropriate language. The chairman noted that it would eliminate the guarantee and would be tied to performance. Trustee Turnbull noted that the Chair and the President may discuss; however, the board should review and agree on the objectives.

Trustee Montgomery noted that the contract should state when the bonus is paid. Chairman Lawson noted that the proposed language notes that, "All bonus payments should be paid to Dr. Ammons no more than 90 days post the date of determination of the payout level." After some discussion about the length of the evaluation process, it was clarified that payment occurs after the evaluation process concludes.

POWERS AND DUTIES

Chairman Lawson noted that maybe a statement regarding fund-raising could be added to the powers and duties clause and he proposed:

President devotes ample time to the strategic leadership of the University's fund-raising efforts.

Chairman Lawson asked if the board should use a baseline of fund-raising similar to Trustee Montgomery's suggestion. Trustee Turnbull noted that as a person that has worked with development, donors are very wary of these types of incentive clauses and have concerns about their gift to the University being given to a specific individual. She strongly cautioned the committee from adding this to the contract. Trustee Langston noted that this was not dealing with the "super majority" concern and tying something to provide an incentive. Trustee Turnbull inquired if fund-raising was one of the president's responsibilities. Chairman Lawson noted that it's not culled out in the current contract.

Trustee Langston noted that at the time of the original contract there were other priorities, such as the SACS probation and the financial concerns. Trustee Turnbull noted that she was not willing to give up the 2/3 requirement and that 35% was a generous bonus. Trustee Montgomery noted that he believed there should be an incentive bonus for extraordinary performance, especially if this is going to be a brand new contract, and then fundraising is a priority. "There is a need for an incentive to compensate him above and beyond the 35%, rewarding him for exceeding goals." Trustee Lawson offered that such language could be added to the performance bonus clause. Trustee Montgomery noted that it should not be tied to the 35% and should have the president's focus on fundraising. Trustee Langston agreed philosophically and he noted, "We have had these discussions in the Foundation Board of Directors meetings." Trustee Turnbull stressed that the tenets of the American Association of Fundraisers, notes that fundraisers, such as Vice Presidents of Development are "prohibited from taking a percentage of the funds raised." She noted again the need for caution. Trustee Langston expressed mixed feelings about this matter.

Chairman Lawson sought consensus about the bonus percentage of 35% whether not to be exceeded or to permit an additional 10% increase if a stretch goal is met. Trustee Montgomery asked if the contract permitted the president's salary to be increased; Attorney Self affirmed that there was language in the current contract that permitted such action. Therefore, Trustee Montgomery agreed with the 35% and the other members concurred.

Chairman Lawson then noted next steps. It was agreed that legal counsel would prepare draft language for the committee to review by Tuesday, September 13th. The committee would comment and provide feedback by Friday, September 16th. A final proposal would be ready for by September 21st for the Board and President to review and comment. The ad hoc committee chair would provide an update at the Board meeting on September 30th and the ad hoc committee will meet with the President following the board meeting to discuss the proposed amendment to his contract. The goal is to have a conference call the following week to review the outcomes of this meeting with the President. See the attached Timeline. Trustee Montgomery inquired when the proposed changes would come to the board for a vote. The goal is to reach an agreement as quickly as possible with the president.

There being no further business, the chairman thanked the committee for their input and work in light of the extended meeting and the meeting adjourned at 7:39 p.m.

Respectfully submitted,

Rosalind Fuse-Hall

Rosalind Fuse-Hall

Assistant Corporate Secretary

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**TIMELINE FOR PROPOSED AMENDMENT TO
EMPLOYMENT CONTRACT FOR PRESIDENT AMMONS**

Tuesday, September 13	Ad Hoc Committee review first draft of proposed amendment
Friday, September 16	Ad Hoc Committee provide feedback to legal counsel
Wednesday, September 21	Final draft of proposed amendment shared with Board of Trustees and President Ammons for comment
Friday, September 30	Committee Chairman Lawson provides an update to Board of Trustees and receives feedback on the proposed amendment
Friday, September 30	Ad Hoc Committee meets with President Ammons
Week of October 3	Update to the Board of Trustees about the meeting with President and next steps

SUMMARY MINUTES

Ad Hoc Committee Meeting

Via Teleconference Call

October 3, 2011

The Ad Hoc Committee to Review the President's Contract convened a meeting via teleconference at 6:15 p.m. on October 3, 2011. Members present on the call included Committee Chairman Kelvin Lawson, Trustee Charles Langston, Trustee Rufus Montgomery, and Trustee Marjorie Turnbull and a quorum was established. Chairman Solomon Badger participated on the call. Staff members present were Attorney David Self and Attorney Rosalind Fuse-Hall.

Chairman Lawson reviewed the last meeting which consisted of a conversation with President James H. Ammons. He noted that the president was receptive to the amendments proposed by the ad hoc committee; however, he raised several items for consideration also. The President noted that the pay for performance bonus of 0-35% concerned him because it did not include the aspects of the agreement discussions he had with former Chairman Jennings. Further, he noted that he held two positions at the University—as University President and as a tenured faculty member.

Chairman Lawson proposed the following revisions to the amendment of the president's contract based on the conversation with President Ammons. He noted the following revisions:

- Annuity Changed from 12% to 15%
- Retention Bonus Over a 3 years and concluding 2 years
- Performance Bonus Reduced to "not to exceed" 10%
- Salary Increase Increase by 10%
- Post-Presidency He holds both an administrative and faculty positions

The chairman noted that these changes were fair because the president was open to the committee's conversation and he was willing to negotiate on his own behalf and did not appear with his own legal counsel. An inquiry was raised whether this exceeds the scope in two areas. Chairman Lawson noted that he did not believe it exceeded the scope but rather it clarified termination without cause and tweaked the language for the "for Cause" clause. Further, the other areas were all within defining the bonus sections of the contract.

After discussion, the committee asked the staff to revise the pertinent sections of the contract amendment to reflect the following:

- Annuity Changed from 12% to 15%
- Retention Bonus \$50,000/year paid after 3 years and 5 year
- Performance Bonus 10%
- Salary Increase Increase by 3%

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Several Board members expressed their concern about the increase while not providing an increase to all employees. The Committee asked David to look at any tax burden that resulted when the retention bonus is paid to the president. The staff was directed to draft the revisions and distribute to the ad hoc committee by Monday. Upon review will distribute to the President for his comments and will try to arrange a meeting with the President the week of October 10, 2011. The committee prefers to meet in the evening.

Respectfully submitted,

Rosalind Fuse-Hall

Rosalind Fuse-Hall
Assistant Corporate Secretary

FAMU Anti-Hazing Committee (AHC) Meeting Minutes March 16, 2012, 9 a.m. – 11 a.m.

The March 16, 2012 meeting was called to order. The following members of the committee were present:

Judge Stephen Craig Robinson
Dr. Elizabeth J. Allan
Dr. Na'im Akbar
Dr. Michael Bowie
Admiral David Brewer
Dr. Mary Madden
David Starnes

A quorum was established. Others on the call were Trustee Solomon Badger, President James H. Ammons and university staff. Opening remarks were made by Trustee Belinda Shannon, a member of the FAMU Board of Trustees who was appointed to serve as liaison between the committee and the FAMU Board of Trustees. BOT Chair Badger also made comments thanking the committee members for agreeing to serve and Trustee Shannon for her work in pulling the committee together.

Shannon launched the discussion informing the committee that Judge Stephen C. Robinson would serve as chair and Dr. Larry Robinson as the administration's liaison.

Judge Robinson made opening comments saying he was honored to serve as chair and promised his full engagement over the life of the committee. Each member of the committee then provided brief introductions.

Judge Robinson then discussed the best operational approach to meet the goals of the committee saying that in order to take full advantage of the talents and experience of all its members, and to accomplish its work within the limited amount of time available, AHC members needed to have the ability to speak with one another spontaneously and on a continuous basis. He said the AHC should operate as a fact-finding body, rather than as an advisory body that provides recommendations.

Trustee Shannon agreed to take the recommendation to the full BOT for its consideration.

The committee also agreed to several areas of focus:

- Hazing at other universities and how has it been handled?
- Getting students to resist hazing; what has work?
- How do we best govern the Marching "100" and their activities?

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With regards to specific follow up items, the committee asked that staff:

- Develop a recommendation on the amendment of the charge of the committee to fact finding for BOT consideration;
- Provide the committee with a list of actions related to the hazing incident taken by the university; and
- Provide the committee with a list of upcoming BOT meeting dates.

The meeting was adjourned.

Respectfully Submitted:

Sharon P. Saunders

Sharon P. Saunders
Chief Communications Officer