



**Middle Tennessee State University
Board of Trustees
Executive and Governance Committee**

March 18, 2019
11:00 am

Miller Education Center
2nd Floor Meeting Room
503 E. Bell Street
Murfreesboro, Tennessee 37130



**Middle Tennessee State University
Board of Trustees**

Executive and Governance Committee

March 18, 2019
11:00 am

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action)Tab 1

Institutional Mission Statement/Mission Profile (Action)Tab 2

Establishment of Expense Limit for Spouse of University President (Action)Tab 3

Guidelines Regarding Public Comment (Action).....Tab 4

Closing Remarks

Adjournment



**Middle Tennessee State University
Board of Trustees**

Executive and Governance Committee

Action Item

DATE: March 18, 2019

SUBJECT: [Approval of Minutes](#)

PRESENTER: Stephen B. Smith
Chairman, Board of Trustees

BACKGROUND INFORMATION:

The Executive and Governance Committee met on November 13, 2018 and November 27, 2018. Minutes from those meetings are provided for review and approval.

MINUTES OF THE EXECUTIVE AND GOVERNANCE COMMITTEE

The Executive and Governance Committee met on Tuesday, November 13, 2018 in the Miller Education Center Meeting Room.

Call to Order and Roll Call

Committee Chair Steve Smith called the meeting to order at 1:00 p.m. The following Committee members were physically present: Steve Smith and Chris Karbowiak. Trustee Darrell Freeman participated via phone. A quorum was declared. Also present were Trustees Andy Adams, J.B. Baker, Pete DeLay, Joey Jacobs, Tony Johnston, Peyton Tracy and Pamela Wright. Dr. Sidney McPhee, President; Alan Thomas, Vice President for Business and Finance; Andrew Oppmann, Vice President for Marketing and Communications; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Mark Byrnes, Provost; Joe Bales, Vice President for University Advancement; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment Management; Kim Edgar, Executive Assistant to the President and Chief of Staff; and, Heidi Zimmerman, University Counsel and Board Secretary were also in attendance.

Pursuant to T.C.A. §8-44-108(c)(3), as Trustee Freeman was participating telephonically, he was asked the following questions by Ms. Zimmerman: (1) “Are you able to hear us clearly from our location so that you can participate in this meeting;” and, (2) “Is anyone else present in the room with you?” Trustee Freeman indicated that he could hear others clearly and that there were no others present with him. Those physically present at the meeting were asked the following question by Ms. Zimmerman: “Are you able to clearly hear Trustee Freeman?” The response was in the affirmative.

Approval of Minutes – February 27, 2018 and March 12, 2018

Trustee Karbowskiak made a motion to approve the minutes from the February 27, 2018 and March 13, 2018 meetings. Trustee Freeman seconded the motion. A roll call vote was taken and the motion passed unanimously.

President's Contract

Committee Chair Smith requested to go out of order and consider the President's Contract as the next agenda item so that Trustee Joey Jacobs could discuss this document. At this point, Dr. McPhee left the meeting room. Committee Chair Smith indicated that a request for legal advice had been made. The Committee went into executive session so that matters that would be deemed privileged under the attorney-client could be discussed. Once concluded, the public meeting re-convened. Trustee Jacobs left the meeting at this point. Trustee Karbowskiak made a motion that pending finalization of the document, action on the agreement be deferred to a point no later than having it reviewed and decided in time for next Board meeting on December 11, 2018. Chairman Smith seconded the motion. A roll call vote was taken; the motion passed unanimously.

Board Self-Evaluation

Board Secretary Zimmerman drafted a self-evaluation survey included in the meeting materials for the Committee's consideration. The draft incorporated revisions that had been recommended by Trustee Karbowskiak. Trustee Freeman made the motion to accept the survey and Committee Chair Smith seconded the motion. The motion passed unanimously. Committee Chair Smith suggested the survey be distributed on Survey Monkey and the other members agreed with this suggestion. Trustee Karbowskiak stressed that for the survey to be successful, it needs to be as anonymous as possible to allow for candid responses. It was agreed that the survey would be done such that results would be provided to the Committee in time for its next meeting, currently scheduled for February 26, 2019.

Board of Trustees Sunset Hearing

President McPhee explained the process through which a joint legislative subcommittee determines whether state agencies and boards will continue to exist. The public hearing at which the Board is required to appear is called a sunset hearing. Prior to having an independent board, this responsibility fell to the Board of Regents. Since the FOCUS Act,

each institution must now appear before the Joint Oversight Committee. The hearing has been set for all the LGIs for December 19, 2018. Dr. McPhee indicated that Mr. Thomas and Ms. Zimmerman are preparing responses to questions provided to each LGI.

The meeting adjourned at 2:00 p.m.

Respectfully submitted,

Executive and Governance Committee

MINUTES OF THE EXECUTIVE AND GOVERNANCE COMMITTEE

The Executive and Governance Committee met on Tuesday, November 27, 2018 in the Miller Education Center Meeting Room.

Call to Order and Roll Call

Committee Chair Steve Smith called the meeting to order at 1:30 p.m. and requested Board Secretary Heidi Zimmerman to call the roll. Trustee Darrell Freeman was physically present for this meeting. Committee Chair Smith and Trustee Chris Karbowiak participated telephonically. Other Trustees present in the meeting room were Tony Johnston and Peyton Tracy. Trustees Pete DeLay and Pamela Wright were present telephonically. Dr. Sidney McPhee, President; Alan Thomas, Vice President for Business and Finance; Andrew Oppmann, Vice President for Marketing and Communications; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Mark Byrnes, Provost; Joe Bales, Vice President for University Advancement; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment Management; Kim Edgar, Executive Assistant to the President and Chief of Staff; and, Heidi Zimmerman, University Counsel and Board Secretary were in attendance at the Miller Center.

Electronic Participation and Statement of Necessity

As Trustees Smith and Karbowiak were participating in the meeting electronically, pursuant to T.C.A. § 8-44-108(b)(1), these trustees were asked the following questions: (1) Can you hear those present in the meeting room and others participating via phone so that you can participate in the meeting; and, (2) Is anyone else present in the room with you; if so, please identify each person. Each trustee indicated being able to clearly hear those in the meeting room and those on the phone. They also indicated there were no other individuals present at their locations. Ms. Zimmerman then asked those present at the meeting location if they were able to hear the trustees participating electronically. Those present answered in the affirmative. Ms. Zimmerman asked if there were any other individuals on the phone line not yet identified. Trustees Wright and DeLay indicated their presence.

Ms. Zimmerman stated that a physical quorum was not present at the meeting location; however, a quorum did exist with the inclusion of those trustees participating by electronic means. Because there was no physical quorum present, pursuant to T.C.A. § 8-44-108(b)(2), a determination that necessity for the meeting to take place was needed. Ms. Zimmerman offered the following facts to support the meeting's necessity:

1. The agenda item concerns consideration of the president's employment agreement.

This matter came before the Executive and Governance Committee at its November 13, 2018 meeting. The Committee voted to defer action and to hold a special called meeting to deliberate this matter in order to make a recommendation to the Board of Trustees at its December 11, 2018 meeting.

It is necessary for the Executive and Governance Committee to meet in order to consider this matter, to vote upon it and to make a recommendation to the Board regarding it. The Board of Trustees must consider the Committee's recommendation as concerns the president's employment agreement. Its next meeting will occur on December 11, 2018.

2. There was not adequate time for the members of the Executive and Governance Committee to make arrangements to be physically present at this meeting to form a quorum.

Based on the stated reasons, Committee Chair Smith requested a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. Trustee Freeman made the motion that there was necessity established for the meeting and Trustee Karbowski seconded that motion. Committee Chair Smith asked if there was any discussion. Hearing none, a roll call vote was taken. The vote was three (3) Aye; zero (0) Nay.

Approval of President's Contract

Committee Chair Smith provided as background that in March 2018, the Executive and Governance Committee met and asked the Chair of the Finance and Personnel Committee, Joey Jacobs, to negotiate a contract with the president. Having done this, the draft

agreement is now before the Committee to review and deliberate upon. Committee Chair Smith stated that he would like to go through each of the eleven (11) sections of the document and ask for any discussion, comments, questions or changes. It was then agreed that any revisions agreed upon would be recorded by the Board Secretary and then, at the conclusion of reviewing the document in its entirety, Ms. Zimmerman would reread each to be sure they were accurate. The Committee could then determine whether they wanted to make a motion and vote on the document with those stated revisions.

There were no comments concerning Sections 1 or 2.

Concerning Section 3 Salary and Other Compensation as President, Trustee Karbowski stated her understanding that the salary is in alignment with the report of a well-respected consultant in this area. Based on that consultant's work, she stated was very comfortable with the level of salary reflected in the agreement. Trustees Freeman and Committee Chair Smith indicated their agreement. Committee Chair Smith commented with regard to Paragraph E., that it would be reasonable to add a requirement that anything Dr. McPhee does outside his duties at MTSU shall be submitted and reviewed annually. There then ensued a discussion concerning the scope of activities that would require prior written approval of the Chair of the Board, and the process to be followed should Dr. McPhee wish to sit on other boards or engage in consulting activities. Ms. Zimmerman suggested the following sentence be added after the sentence allowing for outside engagements: "Dr. McPhee shall secure written approval of the Chair of the Board prior to holding outside directorships or engaging in consulting activities." The Committee members accepted this addition. Trustee Wright asked for clarification with regard to Paragraph J of Section 3, stating that it was unclear to her whether the stated bonus was to be paid as a signing bonus in the next contract term if the initial contract ended after five (5) years and the president continued; or, if the payment was a bonus if he remained for the entire five (5) year term.

Committee Chair Smith and Trustee Karbowski indicated their interpretation of that paragraph as being that if Dr. McPhee serves the full five (5) years, payment is due at the conclusion of the contract term; that it is not a signing bonus. It was decided that placing a comma within the statement would clarify its ambiguity: "If Dr. McPhee remains President

of the University, at the conclusion of the original term of this Agreement on December 10, 2023, the University agrees to pay Dr. McPhee a bonus of \$250,000.”

No changes were recommended concerning Sections 4 or 5.

Committee Chair Smith asked, with regard to Section 6, Paragraph F., whether there should be a cap or a yearly accounting on these expenses. This was discussed among the trustees. Trustee Karbowski voiced a concern that there may not be an appropriate segregation of duties if a staff member, the Vice President for Business and Finance, provides the approval. She stated that this may not provide adequate oversight if there is not also at least an annual review and accounting of what has been spent. Trustee Freeman asked Mr. Thomas for information about the past amounts of expenses incurred in support of activities of the president’s spouse. Mr. Thomas stated that this specific information is not separately maintained. (However, since these expenses are made by, at the direction of and for the benefit of the President, they are always included in the annual audit of the President.) Trustee Karbowski suggested that rather than including a specific amount in the agreement, state instead that the Board shall annually establish a reasonable cap on the expenses allowable under the provisions of this paragraph. In that way, the Board can review what has been spent in the past and determine a reasonable amount for the future based on the level of activity. Not knowing what events may occur in the future, putting a cap in place might be limiting. She suggested that from time to time, the Board Chair may increase the cap based on reasonable assessment of need. It was agreed to add the following to the end of Paragraph F.: “The Board of Trustees shall annually establish a reasonable cap on the expenses allowed by this Paragraph F. From time to time, the Board Chair may increase the cap based on need. An annual accounting of expenses will be provided to the Audit and Compliance Committee.”

No changes were recommended to Sections 7, 8, 9, 10 or 11.

Trustee Freeman made a motion to approve the President’s Contract with the following revisions:

1. Add to Paragraph E. of Section 3. immediately before the final sentence, the following: “Dr. McPhee shall secure written approval of the Chair of the Board prior to holding outside directorships or engaging in consulting activities.”
2. Add a comma to the sentence in Paragraph J. of Section 3. as follows: “If Dr. McPhee remains President of the University, at the conclusion of the original term of this Agreement on December 10, 2023, the University agrees to pay Dr. McPhee a bonus of \$250,000.”
3. Add at the end of Paragraph F. of Section 6 the following: “The Board of Trustees shall annually establish a reasonable cap on expenses allowed by this Paragraph F. From time to time, the Board Chair may increase the cap based on need. An annual accounting of expenses will be provided to the Audit and Compliance Committee.”

Trustee Karbowski seconded this motion. A roll call vote was taken. The vote was three (3) Aye; zero (0) Nay. Committee Chair Smith stated that the motion carried unanimously. Ms. Zimmerman stated that she would make the revisions voted on by the Committee and include them in the agreement to be placed in the Board materials for its next meeting on December 11, 2018.

The meeting was adjourned at 2:01 p.m.

Respectfully submitted,

Executive and Governance Committee



**Middle Tennessee State University
Board of Trustees**

Executive and Governance Committee

Action Item

DATE: March 18, 2019

SUBJECT: [Institutional Mission Statement/
Mission Profile](#)

PRESENTER: Stephen B. Smith
Chairman, Board of Trustees

BACKGROUND INFORMATION:

T.C.A. §49-8-101(d) requires the institution to annually submit its institutional mission statement to THEC for review and approval. On February 22, 2019, the University Planning Committee reviewed the mission statement and mission profile. It approved one correction of fact to keep the mission profile current. The mission statement and mission profile were then reviewed and approved by the President. Once approved by the Board at its April meeting, the mission statement and mission profile will be provided to THEC to fulfill this statutory requirement.

Statement of Mission

Middle Tennessee State University, a comprehensive, innovative institution, attracts students to distinctive bachelors, master's, specialist, and doctoral programs that prepare graduates to thrive in their chosen professions and a changing global society. Students and faculty generate, preserve, and disseminate knowledge and collaboratively promote excellence through teaching and learning, research, creative activity, and public engagement.

Approved [date] by the MTSU Board of Trustees

Institutional Mission Profile

Middle Tennessee State University is a selective, comprehensive institution located in the geographic center of the State. The University embraces its role as the destination of choice for Tennessee undergraduates while its distinctive programs draw students from across the nation and around the world. Through innovative undergraduate and graduate programs, MTSU attracts a diverse, largely full-time student population with a broad range of academic preparedness. The University is committed to using advanced research-based practices to help students recognize their academic promise and achieve success: it confers approximately 5,000 degrees annually. Dedicated faculty prepare students for lifelong learning that adapts to and shapes a rapidly changing world through an understanding of culture and history, scholarship, and creative undertakings. MTSU's signature Honors College and experiential and integrative learning programs deliver a value-added undergraduate education rich in research, service learning, and civic engagement. Graduate offerings foster the pursuit of scholarly research, creative endeavors, and professional advancement through programs spanning the arts and humanities, education, business, STEM, the social, behavioral, and health sciences, and media and entertainment. MTSU houses centers of excellence in historic preservation and popular music and notable chairs of excellence. MTSU holds the Doctoral Moderate Research and Community Engagement Carnegie Classifications.

Approved [date] by the MTSU Board of Trustees



**Middle Tennessee State University
Board of Trustees**

Executive and Governance Committee

Action Item

DATE: March 18, 2019

SUBJECT: [Establishment of Expense Limit for
Spouse of University President](#)

PRESENTER: Alan Thomas
Vice President of Business and Finance

BACKGROUND INFORMATION:

At its December 11, 2018 meeting, the Board of Trustees approved the President's employment agreement. Provision 6.F. of that agreement states:

The Board recognizes that the spouse of the University President is often called upon to devote substantial time and energy to activities which benefit the University. Dr. McPhee's spouse is hereby authorized to serve when called upon as a representative of the institution, and to accept reimbursement from the University or Foundation for expenses incurred in connection with such activity, to the extent such reimbursements are requested by Dr. McPhee and must be approved for payment by the Vice President for Business and Finance, the Foundation, or the Chair of the Audit & Compliance Committee in writing and in advance of any reimbursement, and approved exceptions shall be reported by the Vice President for Business and Finance to the Audit & Compliance Committee at its next meeting. It is understood that Dr. McPhee's spouse may use facilities

and other resources of the University in the same matter as an employee when involved in such activities. The institution shall also assume the travel expenses for Dr. McPhee's spouse on business trips to which she is officially invited or for which her presence is regarded by Dr. McPhee as necessary to carry out his official representational duties to promote a favorable image of the institution. Dr. McPhee will be responsible for any tax consequences resulting from benefits provided to Dr. McPhee's spouse pursuant to this Section F. The Board of Trustees shall annually establish a reasonable cap on expenses allowed by this Paragraph F. From time to time, the Board Chair may increase the cap based on need. An annual accounting of expenses will be provided to the Audit and Compliance Committee.

Specifically, the provision provides: "The Board of Trustees shall annually establish a reasonable cap on expenses allowed by this Paragraph F." Based on an analysis of the past three years' expenses for Dr. McPhee's spouse, as included in the annual audit of the Office of the President, a \$5,000 annual cap would appear reasonable.

The Executive and Governance Committee should recommend a fiscal year cap to the Board related to this expense.



**Middle Tennessee State University
Board of Trustees**

Executive and Governance Committee

Action Item

DATE: March 18, 2019

SUBJECT: [Guidelines Regarding Public Comment](#)

PRESENTER: Stephen B. Smith
Chairman, Board of Trustees

BACKGROUND INFORMATION:

The Committee will discuss and consider revision to provisions concerning public comment at Board Meetings