



# **Middle Tennessee State University Executive and Governance Committee**

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1:00 p.m.  
Tuesday  
November 13, 2018

Miller Education Center  
MEC Training Room – 2<sup>nd</sup> Floor  
503 East Bell Street  
Murfreesboro, Tennessee





**Middle Tennessee State University  
Executive and Governance Committee**

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Tuesday, November 13, 2018 – 1:00 p.m.

**ORDER OF BUSINESS**

1. Call to Order
2. Remarks by Chairperson and President
3. Roll Call
4. Approval of Minutes from February 27, 2018 and March 13, 2018 Meetings  
(Action) ..... Tab 1
5. Board Self-Evaluation (Action) ..... Tab 2
6. President’s Contract (Action) ..... Tab 3
7. Board of Trustees Sunset Hearing (Informational)..... Tab 4





**Middle Tennessee State University**  
**Executive and Governance Committee**

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Tuesday, November 13, 2018 – 1:00 p.m.

**Tab 1**

**Minutes of February 27, 2018**  
**and March 13, 2018**  
**Executive and Governance**  
**Committee Meetings**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Executive and Governance Committee

SUBJECT: Minutes of February 27, 2018 and  
March 13, 2018 Executive and  
Governance Committee Meetings

DATE: November 13, 2018

PRESENTER: Steve Smith

ACTION REQUIRED: Roll Call Vote

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**BACKGROUND INFORMATION:**

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





## **MINUTES OF THE EXECUTIVE AND GOVERNANCE COMMITTEE**

The Executive and Governance Committee met on Tuesday, February 27, 2018 at Middle Tennessee State University. Chairman Steve Smith called the meeting to order at 10:00 a.m. Roll call was taken by Heidi Zimmerman and a quorum was present with the following Committee members in attendance: Steve Smith and Darrell Freeman. Trustee Chris Karbowski was unable to attend. Also present were Trustees J.B. Baker, Pete DeLay, Joey Jacobs, Tony Johnston, Pamela Wright and Lindsey Weaver. 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; and Heidi Zimmerman, University Counsel and Board Secretary were also in attendance.

**Approval of Minutes.** Trustee Freeman made the motion to approve the minutes from the November 29, 2017 meeting of the Executive and Governance Committee. Chairman Smith seconded that motion. A voice vote was taken and the motion to approve the minutes of the November 29, 2017 meeting of the Executive and Governance Committee carried.

**Institutional Mission/Mission Profile.** Provost Byrnes explained that state law requires that each year we submit a mission statement to THEC. A campus committee (the University Planning Committee) reviews the mission statement to ensure it captures what our mission should be. It is the broader document that should be applicable for several years. The Mission Profile is rewritten every year and is more operational in nature. Trustee Freeman made the motion to approve the Mission Statement. Chairman Smith declared the matter passed by acclamation.

**Board of Trustees Policy – Selection, Evaluation and Retention of the President.** At the November 27, 2017 meeting of the Executive and Governance Committee, the Committee voted to revise this policy as follows: 1.) in the first line of Section 3, replace “the Board may set terms and conditions” with “the Board shall set terms and conditions;” 2.) in Section 5, revise the first sentence of the second paragraph to state: “This review may, from time to time;” and, 3.) combine the elements of the annual and the periodic comprehensive evaluation so that a comprehensive evaluation occurs annually. After discussion regarding the proposed revisions, Trustee Freeman made the motion to accept the revision but with deletion of the sentence: “Feedback will also be solicited from the University administration, faculty, staff and students, as well as alumni leadership and the community (constituent groups)” and two subsequent references of “and constituent groups” as found within Section 4. Chairman Smith seconded the motion.

**President’s Contract and Compensation.** Trustee Freeman requested that this item be tabled until the next Committee meeting in order to gather additional information. He indicated that progress on this matter was being made.

The meeting adjourned at 10:30 a.m.

Respectfully Submitted

Executive and Governance Committee

## **MINUTES OF THE EXECUTIVE AND GOVERNANCE COMMITTEE**

The Executive and Governance Committee met on Tuesday, March 13, 2018 at the Bridgestone Tower, Nashville, Tennessee. Chairman Steve Smith called the meeting to order at 1:12 p.m. The following Committee members were in attendance: Steve Smith, Chris Karbowiak and Darrell Freeman. Also present were Trustees J.B. Baker, Pete DeLay, and Pamela Wright. 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; and Heidi Zimmerman, University Counsel and Board Secretary were also in attendance.

Both Chairman Smith and Dr. McPhee expressed their appreciation to Trustee Karbowiak for hosting the meeting at the Bridgestone Tower. Trustee Karbowiak welcomed those present to the Bridgestone Americas Headquarters, indicating that the businesses housed there represent all of the Bridgestone Americas businesses. She stated that the building was completed on time and under budget, and became occupied in November 2017. She said they are pleased to host the meeting, and thanked the trustees and university staff for their accommodation in meeting at that location.

**President's Contract and Compensation.** Chairman Smith asked Trustee Freeman to present this agenda item. Trustee Freeman reminded the Committee that the Board approved hiring an outside consultant through AGB to assist in putting together a compensation package for Dr. McPhee. As part of that process, peer institutions were selected and the salaries of the presidents of those institutions were identified and compared. This comparison revealed that Dr. McPhee's salary was at the 10<sup>th</sup> percentile, the lowest of the group. After much study and much conversation with the consultant, the consultant recommended, and Trustee Freeman concurred with that recommendation, that

Dr. McPhee's salary be increased to at least the 60<sup>th</sup> percentile which would move his salary from \$347,000 to roughly \$400,000 per year. In addition, the consultant highly recommended that compensation and a contract be done at the same time. Based on this advice, Trustee Freeman made the motion to increase Dr. McPhee's salary from \$347,000 to \$400,000, and to authorize legal counsel to negotiate a five-year contract for Dr. McPhee. Trustee Karbowski seconded the motion indicating that with respect to the compensation level, the consultant's report provides a high level of credibility and she is putting a lot of weight on the consultant's recommendation. She also stated that she is strongly in favor of considering compensation and a contract at the same time, that the two issues are tied together and that this is considered a best practice. Chairman Smith stated that he agreed with the compensation recommendation but wished to deal with the compensation and contract issues separately. Chairman Smith moved to amend the motion in this regard. A discussion ensued during which Trustee Freeman re-emphasized that the consultant, who came highly recommended by THEC, advised that the issues of contract and compensation be dealt with simultaneously. Trustee Freeman stated that his motion would set a new compensation level and would allow university counsel to draft an agreement that would be consistent with typical terms and conditions for university presidents. At the conclusion of the discussion, it was agreed that the chair of the Finance and Personnel Committee should negotiate the contract. Chairman Smith then withdrew his prior amendment. After further discussion among the Committee members, the motion as made and seconded was agreed as follows: that Dr. McPhee's salary be increased from \$347,000 to \$400,000; that this salary be a term of the contract and applied retroactively; and, that Trustee Joey Jacobs, as Chairman of the Finance and Personnel Committee, will negotiate the remaining terms of the contract to include consideration of tenure and length of contract. The motion passed unanimously.

The meeting adjourned at 1:33 p.m.

Respectfully Submitted,

Executive and Governance Committee



**Middle Tennessee State University**  
**Executive and Governance Committee**

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Tuesday, November 13, 2018 1:00 p.m.

Tab 2

Board Self-Evaluation





**Middle Tennessee State University  
Board of Trustees**

MEETING: Executive and Governance Committee

SUBJECT: [Board Self-Evaluation](#)

DATE: November 13, 2018

PRESENTER: Heidi Zimmerman

ACTION REQUIRED: Roll Call Vote

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**BACKGROUND INFORMATION:**

The MTSU accreditation body, SACSCOC, requires a governing board to define and regularly evaluate its responsibilities and expectations. Standard 4.2.g. As evidence of compliance with that standard, SACSCOC recommends a regular board self-evaluation.

This committee is responsible for overseeing the performance of the Board of Trustees and, thus, should initiate and coordinate the self-evaluation process.





## Middle Tennessee State University Board of Trustees Self-Assessment

**Part I.**

*Please indicate your response to the following questions by marking the appropriate box. Space is provided at the end of the survey for comments.*

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Prior to their first Board meeting, Board members received adequate information to understand MTSU's mission and structure.					
Board members understand their roles and responsibilities as members of a governing board.					
The Board understands its role in setting policy and by its actions demonstrates that it appropriately defers to the administration the responsibility to administer and implement policy.					
The Board Bylaws and Board policies make clear the duties of the Board.					
Board members understand and adhere to a code of ethics and avoid any perception of potential conflicts of interest.					
Board committees have clear and appropriate responsibilities.					
The committee structure is working well.					
Meeting agendas and materials are sent in sufficient time prior to meetings.					
Board members adequately study issues, agendas and materials prior to Board meetings					
The Board conducts its meeting in compliance with Tennessee Open Meetings Act.					
Board meetings are conducted in an orderly, efficient manner.					

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Board members engage in open communication and productive engagement during meetings.					
Decisions are made on the basis of study of all available background data and consideration of the recommendations of the administration.					
The Board demonstrates a concern for the success of all students.					
The Board is knowledgeable about the educational programs and services offered at MTSU.					
The Board understands the fiscal condition of the institution and the budget process.					
The Board is appropriately involved in, and understands, the budget process.					
The Board actively supports the institution's foundation and fundraising efforts.					
The Board helps promote the image of MTSU in the community.					
The Board understands the importance of regional and program accreditation					
The Board has open and effective communications with the president.					
The Board and the president have a positive, cooperative relationship.					







**Middle Tennessee State University**  
**Executive and Governance Committee**

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Tuesday, November 13, 2018 1:00 p.m.

Tab 3

President's Contract





**Middle Tennessee State University  
Board of Trustees**

MEETING: Executive and Governance Committee

SUBJECT: [President's Contract](#)

DATE: November 13, 2018

PRESENTER: Trustee Joey Jacobs

ACTION REQUIRED: Roll Call Vote

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**BACKGROUND INFORMATION:**

At its meeting on March 13, 2018, the Executive and Governance Committee voted to have Trustee Joey Jacobs, as Chairman of the Finance and Personnel Committee, negotiate the terms of the president's contract, to include consideration of tenure and length of contract.







**Middle Tennessee State University**  
**Executive and Governance Committee**

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Tuesday, November 13, 2018 1:00 p.m.

Tab 4

Board of Trustees Sunset Hearing





**Middle Tennessee State University  
Board of Trustees**

MEETING: Executive and Governance Committee

SUBJECT: [Board of Trustees Sunset Hearing](#)

DATE: November 13, 2018

PRESENTER: Heidi Zimmerman

ACTION REQUIRED: No action

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**BACKGROUND INFORMATION:**

The Middle Tennessee State University Board of Trustees has been scheduled for a Sunset public hearing before the Education, Health and General Welfare Joint Subcommittee of the Government Operations Committee (GOC).

*The hearing will be held Wednesday, December 19, 2018, beginning at 9:00 am, Senate Hearing Room 1, Cordell Hull Building, Nashville, Tennessee.*

The Joint Government Operations Committee reviews the activities of all state agencies and organizations at least once every eight years under the Tennessee Governmental Entity Review Law, *Tennessee Code Annotated*, Title 4, Chapter 29. This is commonly called the Sunset review process. To assist the committee in deciding whether the entity should be continued, restructured, or terminated, the Division of State Audit conducts a performance audit and/or prepares questions based on the entity's statutory responsibilities. Representatives of the entity appear before a joint subcommittee of the GOC in a Sunset public hearing prior to the committee's recommendation for continuation, restructure, or termination of that entity.

The subcommittee's recommendations at the Sunset public hearing will be the basis for legislative bills to amend the Sunset law and the entity's authorizing statutes. These bills will be considered separately by the Senate and House Government Operations committees and voted on by the Senate and House. If passed by both the Senate and House and signed by the Governor, the bills become law.

The answers to the questions provided by the Division of State Audit are intended to facilitate the GOC's review.

Sunset Public Hearing Questions for  
**Local Governing Boards of Trustees of the Board of Regents State  
Universities**

**(Middle Tennessee State University Board of Trustees)**

Created by 49-8-101 and 49-8-201, *Tennessee Code Annotated*

(Sunset termination June 2019)

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, and staff.
2. Provide a list of board members and indicate how membership complies with Section 49-8-201, *Tennessee Code Annotated*.
3. Are there any vacancies on the board and, if so, what is being done to fill those vacancies?
4. Per Section 49-8-201, *Tennessee Code Annotated*, the state university boards shall meet quarterly. How many times did the board meet during the last two fiscal years? How many members were present at each meeting? Please note any meetings where the board did not have a quorum.
5. In accordance with Section 49-8-201, *Tennessee Code Annotated*, trustees shall be reimbursed all necessary travel expenses they may incur through service to the board. How much was reimbursed during the last two fiscal years?
6. What were the board's revenues and expenditures for the last two fiscal years?
7. Has the board promulgated rules? If rules have been promulgated, please cite the reference.
8. How does the board comply with Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? What procedures does the board have for informing the public of its meetings and making its minutes available to the public?
9. What policies does the board have in place to address potential conflicts of interest by board members, staff and employees?
10. What were the major accomplishments of the board during the last two fiscal years?
11. Explain how the role of the board has differed from the role of the University President?
12. What is the structure and function of the board (i.e. officers, committees, etc.)?

13. Briefly describe how the board ensures the university is in compliance with the bond program agreement between the Tennessee State School Bond Authority and the Tennessee Board of Regents.
14. What is the board's role in approving the university budget?
15. What steps does the board take to monitor the financial stability of the university?
16. What is the board's involvement in setting tuition and fees? How does the board balance the needs of the university against sensitivity for what students are required to pay?
17. How does the board monitor academic programs offered by the university? How does the board address low-producing academic programs?
18. Explain the board's role in the university's internal audit function. What is the board's involvement in both internal and external audit reports, including corrective action plans?
19. Under the FOCUS Act, there were three areas where universities could request, through THEC, severance from the Tennessee Board of Regents at specific dates in the future: capital project management services, procurements and contracts, and data systems. Has the board requested severance in these three areas and if so, what were the dates and the current status?
20. Describe any items related to the board that require legislative attention and your proposed legislative changes.
21. Should the board be continued? To what extent and in what ways would the absence of the board endanger the public health, safety or welfare of Tennessee citizens?