FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES MEETING
MONDAY, OCTOBER 20, 2014
1:00 PM EDT

AUGUSTUS B. TURNBULL III
FLORIDA STATE CONFERENCE CENTER
555 WEST PENSACOLA STREET
TALLAHASSEE, FLORIDA

AGENDA

The Agenda will be followed in subsequent order and items may be heard earlier than the scheduled time.

I. CALL TO ORDER AND WELCOME
   Mr. Allan Bense, Chair

II. PUBLIC COMMENTS

III. NEW BUSINESS AND UPDATES
    A. Finance, Business & Audit
       Mr. Kyle Clark, Vice President for Finance & Administration

       Action Item(s):
       A. Requesting Approval of Revisions to the Delegation of Authority for the Florida State University

IV. CHAIR’S REPORT
    Mr. Allan Bense, Chair

    Action Item(s):
    A. Requesting Consideration of President-elect Thrasher’s employment contract

V. OPEN FORUM FOR BOARD OF TRUSTEES
V. OPEN FORUM FOR BOARD OF TRUSTEES
   Mr. Allan Bense, Chair

VI. ADJOURNMENT

[Signature]
10/14/2014
Approved  Date
MEMORANDUM

TO: Interim President Stokes
FROM: Kyle Clark
DATE: October 14, 2014
SUBJECT: Delegation of Authority to the Florida State University President

From time to time, Florida State University and its Direct Support Organizations (DSO), have the opportunity to refinance existing long-term debt to reduce interest rates and generate debt service savings for the organization.

In order to enter the capital market as expeditiously as possible and take advantage of all refunding opportunities, it is recommended that the FSU Board of Trustees delegate authority to the President to approve debt refundings. Only refundings that result in debt service savings, where final maturities are not extended, and are in compliance with Board of Governors Debt Management Guidelines will be covered by this delegation.
October 15, 2014

Morteza “Mori” Hosseini, Chairman
Board of Governors
State University System of Florida
325 West Gaines Street, Suite 1614
Tallahassee, FL 32399

Dear Chair Hosseini,

On September 23, 2014, the Florida State University Board of Trustees (BOT) selected state Senator John E. Thrasher, an FSU alumnus, to serve as the university’s 15th president. Mr. Thrasher, a military veteran, graduated from FSU in 1965 with a bachelor’s degree in business. Mr. Thrasher began his career in private law practice after earning a law degree with honors from FSU in 1972. Mr. Thrasher’s political career began in 1986 when he was elected to the Clay County School Board. In addition to his service on the school board, Mr. Thrasher has served in the Florida House of Representatives and the Florida Senate.

The BOT will consider the negotiated employment agreement on October 20, 2014. If approved, the contract will commence on November 10, 2014. It is a five year agreement with an annual base salary of $430,000, a potential annual performance bonus of up to $100,000, and a potential retention bonus at the successful completion of the five-year agreement. The University’s General Counsel has confirmed that the contract complies in all respects with Florida law, including but not limited to all statutory provisions governing presidential compensation, termination, and severance.

The BOT respectfully requests that the Board of Governors approve Mr. Thrasher’s appointment as President of Florida State University. Please let me know if I may provide additional information.

Sincerely,

Allan Bense

Allan G. Bense
Chairman

C: Chancellor Marshall Criser, III, State University System of Florida
Mr. John E. Thrasher, President-elect, Florida State University
EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), which shall be effective upon confirmation by the Board of Governors, is entered into by and between THE FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES, a public body corporate of the State of Florida, acting for and on behalf of The Florida State University (the "University," the "Board," or the "Board of Trustees"), Tallahassee, Florida 32306, and JOHN E. THRASHER (the "President" or "Mr. Thrasher"), Jacksonville, Florida.

RECITALS

WHEREAS, the Board, acting for and on behalf of the University, has the statutory authority to select a president of the University; and

WHEREAS, the University wishes to employ Mr. Thrasher as its president, and Mr. Thrasher wishes to serve as the president and be its employee, subject to the terms and conditions of this Agreement, and

WHEREAS, both the University and Mr. Thrasher desire to set forth their respective rights and obligations in this Agreement; and

WHEREAS, this Agreement has been duly approved and its execution has been duly authorized;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1.0 Term. The University shall employ Mr. Thrasher as its president for a term of five (5) years. This contract shall commence effective November 10, 2014, and end November 10, 2019. The University and Mr. Thrasher agree to mutually discuss any desired extension of the term of the contract at the end of year four (4), November 1, 2018, of his tenure as president. Mr. Thrasher hereby accepts such employment on the terms and conditions set forth in this Agreement. This appointment shall be subject to prior termination as provided for in this Agreement and to the availability of annual appropriations by the Florida Legislature.

Section 2.0 Powers and Duties. Effective November 10, 2014, Mr. Thrasher shall be the Chief Executive Officer of the University, subject to the rules, policies, and supervision of the Board. Mr. Thrasher shall have the powers and duties reserved to the position of president by the Florida Statutes, Regulations of the Florida Board of Governors, Regulations of the University Board of Trustees, the University Bylaws and Policies, and other actions of the Board of Trustees (collectively, the "Duties"). Mr. Thrasher and the Board acknowledge and agree that the Duties hereunder shall be consistent with those customarily performed by presidents of top-tier state universities comparable in size and type to the University, including, without limitation, educational leadership, faculty relations, budgeting, long-range planning, fundraising, development, public relations, student services, primary control and responsibility for the
intercollegiate athletics program, recruitment of personnel, appointment, promotion, termination and dismissal of all faculty and staff members, and such other duties as may be mutually agreed upon by the Board and Mr. Thrasher.

Section 3.0 Compensation.

Section 3.1 Annual Base Salary. As compensation for the services to be performed by Mr. Thrasher pursuant to this Agreement, the University shall pay to Mr. Thrasher an annual base salary of no less than $430,000, disbursed over 26.1 pay periods. Payment of this salary should comply with Florida Law 1012.973(3) and may be funded from a combination of funding sources from the Florida State University, Florida State University Foundation, Inc. (FSUF) and Seminole Boosters, Inc. (FSUSB). This amount shall be payable according to the pay plan for executive service employees at the University, with appropriate deductions for taxes and benefits. The Board shall review Mr. Thrasher's annual base salary in connection with the annual evaluation of his performance, as set forth in Section 4.0 of this Agreement.

Section 3.2 Goals.

(A) Performance Goals: Based upon his achievement of specific annual goals and objectives which have been mutually agreed upon in writing by Mr. Thrasher and the board, Mr. Thrasher may be eligible to receive an annual performance bonus not to exceed $100,000, contingent upon the availability of funds.

(B) Retention Goal: Mr. Thrasher shall be eligible for a retention payment, which shall be paid only after Mr. Thrasher has served the University to the Board's satisfaction for five (5) full years. If Mr. Thrasher's presidency concludes at the end of year five (5) of this Agreement, the University shall pay to Mr. Thrasher an accumulated retention payment of $225,000, assuming satisfactory service.

Section 4.0 Evaluation. On or before July 1st of each year, Mr. Thrasher shall provide to the Chair of the Board (the "Chair") a list of proposed goals for the twelve (12) month period beginning on July 1st. The Board or a committee thereof (referred to in this Section 4.0 as "the Board") and Mr. Thrasher shall discuss Mr. Thrasher's proposed goals and objectives, after which time the Board and Mr. Thrasher shall agree upon finalized goals for that twelve (12) month period. On or before July 1st of each calendar year, Mr. Thrasher shall initiate the evaluation process for the period that began on July 1st of the previous calendar year by submitting to the Board a self-appraisal of said period's performance. This appraisal shall address performance related to each of the goals agreed upon the preceding year. After Mr. Thrasher has submitted this self-appraisal, the Board shall evaluate his performance during the previous academic year based primarily on his achievement of the mutually agreed upon specified goals and to a lesser extent such other criteria as the Board deems appropriate. To aid the Board in its annual performance review, Mr. Thrasher agrees to furnish to the Board such additional oral or written reports as it may request.

Section 5.0 Compensation Withholding for Nonachievement of Goals. Should Mr. Thrasher fail to meet or make less than substantial progress on at least ninety percent (90%) of the agreed upon finalized goals as provided in Section 4.0 for a given twelve (12) month period,
the Board of Trustees may withhold all or part of the deferred compensation as outlined in Section 6.1. Should Mr. Thrasher fail to meet or make less than substantial progress on at least eighty percent (80%) of the agreed upon finalized goals, the Board of Trustees may withhold up to ten percent (10%) of the President's annual salary outlined in Section 3.1 for a given year.

**Section 6.0 Allowances.** Florida State University, Florida State University Foundation, Inc. (FSUF) and Seminole Boosters, Inc. (FSUSB): As a condition of employment, the Board shall secure a binding commitment from FSU, FSUF and/or FSUSB to make the following contributions:

**Section 6.1 Deferred Compensation.** Mr. Thrasher shall be provided a 15% annual contribution (base salary) into a supplemental employer’s 401(a) retirement plan with at 415(m) component. If new plans and methods of tax-deferral become available during the term of this contract, the President and the University may mutually agree to adopt the new methods as they become available.

**Section 7.0 Benefits.**

**Section 7.1 Standard Benefits.** Mr. Thrasher shall be eligible to participate in all present and future benefit plans maintained by the University for executive service employees. Such benefits shall include, without limitation, health care, disability, and life insurance programs, retirement plans, tax-deferred savings plans, flexible spending accounts, and vacation and sick leave. Mr. Thrasher shall also be entitled to receive an annual health physical at University expense.

**Section 7.2 Additional Insurance.** The University shall provide Mr. Thrasher with life insurance in addition to the group coverage for which he is currently participating in pursuant to Section 6.1 of this Agreement for an amount equal to two (2) times Mr. Thrasher's annual base salary.

**Section 7.3 Business/Travel Expenses.** The University, FSUF and FSUSB shall cover the cost of Mr. Thrasher's reasonable business expenses, including professional dues, meetings, business travel, and entertainment. When Mr. Thrasher's spouse travels with him on University-related business, the University, FSUF and/or FSUSB shall cover the cost of her reasonable travel expenses for travel serving a bona fide business purpose. The President shall also be entitled to payment of Governor's Club and University Center Club dues; communication expenses; and other items as included in the Office Budget and Foundation Budget.

**Section 7.4 Automobile.** Commencing on the date of employment and during the President's tenure in office, an automobile shall be provided for his official use, along with an FSU license plate and all operational costs, such as mileage, fees, insurance, fuel, maintenance, and tags. Shall Mr. Thrasher elect to forego the provision of a vehicle and instead utilize his personal automobile, the University will provide $900 monthly in car allowance support.
Section 8.0 Housing. For the benefit and convenience of the University, Mr. Thrasher shall be required to reside in the University-owned President's House located on The Florida State University Main Campus in Tallahassee, Florida, in order for him to be immediately available to properly perform his duties and responsibilities as the University's Chief Executive Officer. The University shall provide staff with responsibilities for grounds keeping, repairs, and general maintenance of the residence and cover all related expenses, including utilities. In addition, the University shall provide housekeeping services for all public areas of the president's residence. For the convenience of the University, the president's residence shall be available, and shall be used, for University-related business and entertainment on a regular and continuing basis. Costs associated with such University events shall be paid by the University. Housekeeping services for private areas shall be the responsibility of the President at his expense.

Section 9.0 Outside Activities. Mr. Thrasher agrees to faithfully, industriously, and with maximum application of experience, ability, and talent, devote full-time attention and energies to his duties as president. The expenditure of reasonable amounts of time for personal or outside business, as well as charitable and professional development activities, shall not be deemed a breach of this Agreement, provided such activities do not interfere with the Duties set forth in Section 2.0 of this Agreement. Mr. Thrasher shall not engage in any activity that may be competitive with or adverse to the best interests of the Board and the University.

With prior approval from the Board, Mr. Thrasher may serve on up to two (2) boards of directors of for-profit corporations. In addition, Mr. Thrasher must give prior notice to the Chair before agreeing to serve on any board of directors of a nonprofit corporation. Any and all income or other compensation earned by Mr. Thrasher in connection with outside business activities shall be paid to and retained by him, and such income or other compensation shall have no effect on the amount of salary, compensation, and benefits he is otherwise entitled to receive hereunder.

Section 10.0 Tenure. Mr. Thrasher shall be granted a tenured faculty appointment at the rank of Professor in the College of Law upon his appointment as president (or as soon thereafter as practicable) and shall be accorded all the rights and privileges afforded to such appointment. Thereafter, Mr. Thrasher's faculty tenure and status shall be subject to the same University rules and protections available to other tenured faculty of the University. The University shall provide Mr. Thrasher a suitable office and administrative support coverage.

Section 11 Moving Expenses. Mr. Thrasher shall be entitled to reimbursement for reasonable moving expenses from his residence in Jacksonville to Tallahassee, Florida.
Section 12.0 Termination.

Section 12.1 Termination For Cause. Notwithstanding anything in this Agreement to the contrary, the Board may terminate this Agreement at any time for cause. For purposes of this agreement "cause" shall be defined as actions or omissions by Mr. Thrasher that are undertaken or omitted knowingly, and are felonious or fraudulent, or involve dishonesty or moral turpitude. In the event of termination for cause by the Board, Mr. Thrasher's employment with the University as its president shall cease and he shall not be entitled to any further compensation or benefits as president.

Section 12.2 Termination Without Cause. The University may terminate this Agreement without cause at any time for the convenience of the University upon thirty (30) days prior written notice to Mr. Thrasher. Termination of this Agreement by virtue of Mr. Thrasher's death or permanent disability (as defined in Section 12.3 of this Agreement) shall not be construed as termination without cause. If the University terminates this Agreement without cause prior to its expiration, Mr. Thrasher shall be entitled to elect either (1) to receive a lump sum severance equal to 20 weeks of his annual base pay then in effect, or (2) to return to the faculty with tenure and at professorial pay.

Section 12.3 Death/Permanent Disability. Mr. Thrasher's death or permanent disability prior to the expiration date of this Agreement shall terminate this Agreement, subject to the provisions of this Section 12.3. For purposes of this Agreement, "permanent disability" shall be defined as Mr. Thrasher's inability to perform the Duties as specified in Section 2.0 of this Agreement for a minimum of three (3) continuous months.

In the event of Mr. Thrasher's death during his service as president, his spouse or, if none, his estate, shall receive any benefits to which he is entitled under this Agreement. In addition, his spouse shall be entitled to remain in the University-owned residence for up to ninety (90) days after Mr. Thrasher's death.

If Mr. Thrasher becomes permanently disabled during his service as president, he shall receive all benefits to which he is entitled pursuant to the University's disability insurance plan in which he participates.

Section 12.4 Resignation. Mr. Thrasher may terminate this Agreement at any time upon a minimum of one hundred eighty (180) days prior written notice to the University. Mr. Thrasher's employment as President shall cease on the effective date of his resignation, and he shall not be entitled to any further compensation, bonuses or benefits as president, except as set forth in the University's various benefits plans with respect to vesting and rights after termination of employment.

Section 13.0 Dispute Resolution. The Board and Mr. Thrasher agree that if any dispute arises concerning this Agreement they will first attempt in good faith to resolve the dispute to their mutual satisfaction. If informal resolution is unsuccessful, the Board and Mr. Thrasher agree that they will submit to a confidential mediation before a mutually agreeable State of Florida certified mediator in Tallahassee, Florida. If a resolution is not agreed to by or after
mediation, the Board and Mr. Thrasher agree that they will submit the dispute to confidential, binding arbitration before a panel of three American Arbitration Association certified arbitrators who reside within the State of Florida. The Board and Mr. Thrasher will each select one arbitrator of their choosing, and the two arbitrators will jointly select the third arbitrator. The proceedings will be governed by the Commercial Arbitration Rules of the American Arbitration Association then in effect and will take place in Tallahassee, Florida. The University and Mr. Thrasher will use their best efforts to keep any disputes and any efforts to resolve disputes confidential, informing only their respective legal counsel and other persons determined in good faith to have a need to know the disclosed information (Mr. Thrasher’s spouse shall be deemed to have a need to know any information disclosed to her), and will use their best efforts to ensure that such persons do not further disclose any such information. The University and Mr. Thrasher agree that no arbitrator may be a University faculty member or have any material ongoing relationship with the University. The University and Mr. Thrasher understand that this provision is subject to any disclosures that may be required by law.

**Section 14.0 Notice.** Unless and until changed by a party giving written notice to the other, the addresses below shall be the addresses to which all notices required or allowed by this Agreement shall be sent:

If to the University:

Chair, Florida State University Board of Trustees
Office of the President
Florida State University
211 Westcott
Tallahassee FL 32306-1470

If to Mr. John E. Thrasher:

Mr. John E. Thrasher
Office of the President
Florida State University
211 Westcott
Tallahassee FL 32306-1470

**Section 15.0 Severability and Waiver.** If any portion of this Agreement shall be held to be invalid, not operative, or unenforceable, then, so far as possible, effect shall be given to the intent manifested by the portion held invalid, inoperative, or unenforceable, and the remainder of this Agreement shall remain in full force and effect. No waiver or failure to enforce any or all rights under this Agreement by either party on any occasion shall constitute a waiver of that party’s right to assert the same or any other rights on that or any other occasion.

**Section 16.0 Governing Law.** This Agreement shall be interpreted and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of Florida, excluding its, choice of law rules.
Section 17.0 Counterparts. This Agreement may be executed in counterparts, and by the parties on separate counterparts each of which, when so executed, shall constitute but one of the same instrument.

Section 18.0 Modification of Agreement. This Agreement represents the full and complete understanding of the parties and supersedes any previous or contemporaneous written or oral representations made by either party. There are no other promises, understandings, obligations, inducements, undertakings, or considerations between the parties or owed by either party to the other that are not set forth in this Agreement. This Agreement may be modified or amended only by mutual written consent of the parties.

Section 19.0 Personal Contract. The obligations and duties of Mr. Thrasher shall be personal and not assignable or delegable in any manner whatsoever. This Agreement shall be binding upon and inure to the benefit of Mr. Thrasher and his executors, administrators, heirs, successors, and permitted assigns, and upon the University and its successors and assigns.

Section 20.0 Insurance and Indemnification. Mr. Thrasher may be provided with director's and officer's liability insurance coverage and be protected by indemnification agreements on the same terms and conditions enjoyed by trustees and senior officers, said coverage to survive termination as to matters relating to his presidency. Further, Mr. Thrasher and the University agree that the University may purchase a life insurance policy on Mr. Thrasher with the University named as beneficiary, and that Mr. Thrasher agrees to submit to any medical examination required by the insurance company as a condition for the purchase of said policy.

Section 21.0 No Trust Fund. Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind. To the extent that Mr. Thrasher acquires a right to receive payments from the University under this Agreement, the University's obligation to make such payments represents an unfunded promise or covenant to pay such amount running from the University to Mr. Thrasher.

Section 22.0 Understanding of the Agreement. Both parties represent that they have thoroughly read this Agreement, that they understand it to be a binding contract, that they understand each provision, term, and condition of this Agreement as well as its legal effect, and that they have signed the Agreement voluntarily and of their own free will with the intention to comply with its terms.

Section 23.0 Public Disclosure of the Agreement. Both parties agree and acknowledge that this Agreement may be subject to the Florida public records law, Chapter 119, or other provisions, and may, therefore, be subject to disclosure by and in the manner provided.

Section 24.0 Miscellaneous. The headings in this Agreement are for convenience only and shall not be used in construing or interpreting this Agreement. The terms "Board," "Board of Trustees," and "University" as used herein, where applicable or appropriate, shall be deemed to include or refer to any duly authorized board, committee, officer, or employee of said entity.
Whenever the context requires, the masculine shall include the feminine and neuter, the singular shall include the plural, and conversely.

IN WITNESS WHEREOF, Mr. John E. Thrasher and the authorized representative of the Florida State University Board of Trustees have executed this Agreement on this ____ day of October ___, 2014.

WITNESS:

THE FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES,
for and on behalf of
The Florida State University

By: ______________________
    Allan Bense
    Chair, Board of Trustees
    (Date)

WITNESS:

PRESIDENT

By: ______________________
    John E. Thrasher
    (Date)

Reviewed and approved as to form and legal sufficiency:

_______________________
Carolyn A. Egan
General Counsel