



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF A SPECIAL MEETING
March 15, 2019
Knoxville, Tennessee

At the call of the Chair, a special meeting of The University of Tennessee Board of Trustees was held by teleconference starting at approximately 11:30 a.m. EDT on Friday, March 15, 2019, originating from the West Wing of the Haslam College of Business on the campus of The University of Tennessee, Knoxville.

I. CALL TO ORDER

Chair John Compton called the meeting to order.

II. ROLL CALL

The Secretary, Catherine S. Mizell, first addressed the Open Meetings Act requirements for meetings conducted with members participating electronically, including the requirement that all votes be conducted by roll call. She proceeded to call the roll, and the following members of the Board of Trustees were present:

John C. Compton, Chair
Charles W. Hatcher (by telephone)
Decosta E. Jenkins (by telephone)
Kara M. Lawson (by telephone)
Amy E. Miles (by telephone)
Kenneth Packer (by telephone)
Donald J. Smith (by telephone)
Kim H. White (by telephone)
Alan D. Wilson (by telephone)
Jamie R. Woodson (by telephone)

Trustee Bill Rhodes was unable to attend the meeting. The Secretary announced the presence of a quorum. She announced that others present at the meeting location in Knoxville included CFO David Miller, University faculty, staff, and students, and media representatives. Interim President Boyd also participated in the meeting by telephone. The Secretary said she would assume no one else was present at the Trustees' locations unless they advised otherwise, and no one did. The meeting was webcast for the convenience of the University community, the general public, and the media.



III. APPOINTMENT, COMPENSATION, AND OTHER TERMS OF EMPLOYMENT OF THE CHIEF AUDIT AND COMPLIANCE OFFICER

The Chair recognized Trustee Miles, Chair of the Audit and Compliance Committee, to present the item on appointment of the Chief Audit and Compliance Officer for the University. Trustee Miles said the Audit and Compliance Committee met immediately prior to this meeting, and on the recommendation of the Committee, she moved adoption of the following Resolution by the Board of Trustees:

Resolved: The Board of Trustees approves the appointment of Brian J. Daniels as the Chief Audit and Compliance Officer, effective June 1, 2019, or such other date agreed to by the Chair of the Audit and Compliance Committee, with the compensation and other terms of employment presented in the meeting materials.

Trustee Miles then described the search process, explaining that she appointed and chaired an internal search committee of senior administrators, and a national search was conducted with the assistance of Ashlie Czyz, Executive Recruiter. She said the search committee was very pleased with the breadth and depth of the applicant pool, including diverse applicants from both higher education and industry. The search committee selected eight applicants for preliminary interviews and then selected the top three candidates, two of whom were advanced to on-campus interviews. Interim President Boyd, the existing Audit and Compliance team, and a significant number of senior administrators interviewed the top two candidates. She said the on-campus interviews resulted in overwhelming support for Brian Daniels. Trustee Miles then mentioned highlights from Mr. Daniels' resume, noting that he has over fifteen years of audit experience in higher education (most of it at Virginia Tech); he has all the certifications needed to lead the Office of Audit and Compliance; he is very active in professional organizations; and he has a strong background in Information Technology.

Concerning the compensation and other terms of employment in the offer letter, Trustee Miles said Mr. Daniels' annual salary will be \$250,000, and a one-time \$15,000 relocation allowance will be provided. She said the search committee reviewed not only external market data, but also internal data to determine whether the proposed compensation would be appropriate based on internal comparisons. Considering those factors, the recommended salary is at the 75th percentile, which she is convinced is necessary to get the quality of candidate need for this key position.

The Chair said Trustee Miles had answered his question about compensation, explaining that he wanted to be sure the position was benchmarked against either peer institutions or aspirational peers. He said if the proposed compensation is on the high end, then the qualifications need to be exemplary. CFO David Miller said the compensation is on the high end but that he, the Executive Recruiter, and Trustee Miles became convinced this is



where the market is to recruit a highly qualified candidate. The Chair then asked for and received confirmation from Mr. Miller that this position does not come with a discretionary expense allowance. Trustee Miles said that from an audit and risk perspective, a candidate with strong qualifications to handle this very important responsibility is needed. The Chair agreed that this position is very important in helping the Board oversee a \$2.4 billion dollar budget across the system, with multiple locations and multiple partnerships. Mr. Miller added that the oversight responsibilities include compliance and aspects of athletics. Trustee Miles and the Chair expressed appreciation to the search committee, especially for meeting an aggressive timeline.

Hearing no further discussion, the Chair called for a roll-call vote, and the motion to adopt the Resolution passed unanimously [*Resolution 048-2019*].

IV. APPOINTMENT, COMPENSATION, AND OTHER TERMS OF EMPLOYMENT OF THE VICE PRESIDENT FOR DEVELOPMENT AND ALUMNI AFFAIRS/PRESIDENT AND CEO OF THE UT FOUNDATION, INC.

The Chair recognized Interim President Boyd to present his recommendation for appointment of Kerry W. Witcher as the Vice President for Development and Alumni Affairs/President and CEO of the UT Foundation, Inc. Mr. Boyd said Chancellor Tim Cross led the search committee for this internal search. He said Mr. Witcher had been doing an outstanding job in the interim role, noting that last year, UT set a new record of \$397 million dollars in fundraising. That success, however, did not deter other outstanding internal candidates from applying. He complimented Ashlie Czyz, Executive Recruiter, for managing an exhaustive process. The candidates participated in well-attended town hall meetings at the campuses, and there were over 70 responses to an on-line evaluation and survey. Each of the four internal candidates received strong recommendations, and Mr. Boyd said the University would have been well served by any of the four candidates. However, based on the overwhelming support from those who have worked closely with Mr. Witcher over the past year, Mr. Boyd said he decided to recommend him for the appointment. He said Mr. Witcher has proven in the past year that he can lead the UT Foundation to great heights and is also the right person for the strategy we are looking for the organization to execute, which is to provide services for the vice chancellors for development in the most effective and efficient matter. He described Mr. Witcher as having a heart for customer service.

The Chair called for a motion to adopt the following Resolution:

Resolved: The Board of Trustees approves the appointment of Kerry W. Witcher as the Vice President for Development and Alumni Affairs/President and CEO of the UT Foundation, Inc., effective March 18, 2019, with the compensation and other terms of employment presented in the meeting materials.



Trustee Wilson made the motion, and Trustee Miles seconded.

Trustee White said Mr. Witcher really understands the role, and she believes he is the right person to lead the University in a new direction in this area. The Chair agreed and added it is important to have a Tennessee person in this role who knows the alumni base, has a track record of success, and understands our culture.

The Chair asked Mr. Boyd to discuss the salary recommendation. Mr. Boyd said the annual salary is \$225,000, which is an increase from Mr. Witcher's salary in the interim role and gives him room to grow. Compared to other organizations, the salary is on the lower side, but Mr. Witcher understands he has opportunity for increased compensation as he continues to prove himself. There is also a non-accountable expense allowance of \$5,000 annually. The Chair said that going forward, the non-accountable expense allowance for senior administrators needs to be eliminated. Interim President Boyd said he would take that as an action item.

The Chair thanked the search committee for finding someone for this very important role, noting that roughly one-third of the operating budget dollars come from private gifts, so continued growth is important. Hearing no further discussion, the Chair called for a roll-call vote to adopt the Resolution, and the motion passed unanimously [*Resolution 049-2019*].

V. ADJOURNMENT

With no further business to come before the Board, the Chair adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink, reading "Catherine S. Mizell", is written over a horizontal line.

Catherine S. Mizell, Secretary