

CR 1

Chairman, Board of Trustees
June 24, 2016

Members, Board of Trustees:

PRESIDENTIAL EVALUATION AND COMPENSATION

Recommendations: that the Board of Trustees 1) extend President Eli Capilouto's Employment Agreement to June 30, 2021; 2) increase President Capilouto's base salary to \$790,000 effective January 1, 2016; 3) for each subsequent year he serves as President, beginning with the fiscal year starting July 1, 2017, annually adjust this base salary by the average salary increase percentage for which other University employees are eligible; 4) establish a new longevity incentive equal to his approximate 2020-2021 base salary, with the exact structure of the longevity incentive to be determined; 5) eliminate contractual provisions for performance bonus, extraordinary performance bonus, and exclusive use of a car purchased or leased by the University; and 6) update contract cancellation provisions consistent with current University practice.

Background: President Eli Capilouto's Employment Agreement (Section D.5) requires an annual performance evaluation in accordance with the Governing Regulations of the University. At its March 2015 meeting, the Board of Trustees approved ECR2, which outlined the process for an extensive evaluation of the President's performance during 2014-15. Per ECR2:

This process will be used to assess the President's performance and provide feedback on his accomplishments and challenges. It also may be used to determine any changes to the President's compensation, including merit increases and performance payments per his Employment Agreement.

At its June 2015 meeting, the Board accepted the report of external consultant Dr. Carol Cartwright (of the Association of Governing Boards). Dr. Cartwright's Report reflected the input – in interview and survey form - of representatives of faculty, staff, students, alumni, donors, policy-makers, and community members. Members of the Board of Trustees also submitted individual evaluations of the President's performance. Based upon the strong, positive feedback regarding President Capilouto's performance, the Board voted to engage an external consultant to review President Capilouto's compensation.

In consultation with the President, the Board Chair decided to postpone discussions about the President's compensation until a later time.

Action taken: Approved Disapproved Other _____