

MINNESOTA STATE COLLEGES AND UNIVERSITIES

CLOSED SESSION MEETING MINUTES

JUNE 1, 2006

WELLS FARGO PLACE

ST. PAUL, MINNESOTA

Trustees Present: Robert Hoffman, Chair, Will Antell, Duane Benson, Michael Boulton, Cheryl Dickson, Ivan Dusek, Ruth Grendahl, Clarence Hightower, Carol Ley, Lew Moran, David Olson, David Paskach and Ann Curme Shaw

Trustees Absent: Thomas Renier and Christopher Schultz

1. Call to Order

Chair Robert Hoffman called the meeting to order at 9:10 a.m.

2. Open Session

Chair Robert Hoffman asked Bill Tschida, vice chancellor for human resources, to summarize the terms of Chancellor McCormick's employment agreement with the Board of Trustees. Vice Chancellor Tschida explained that the first agreement was on July 2, 2001, and it provided for employment through June 30, 2004, a base compensation of \$230,000, a housing and transportation allowance, and deferred compensation of \$37,800. The first amendment to the agreement was approved on July 1, 2002, and it extended the terms of employment to June 30, 2005. Due to statutory limitations on deferred compensation structures, the deferred compensation term was changed to a performance incentive that would be awarded as long as the Chancellor's performance met or exceeded the Board's expectation. The second amendment to the agreement was approved on July 29, 2003, and it provided for a payment to be made upon the Chancellor's death or disability. The third amendment to the agreement was approved on June 30, 2004, and it extended the Chancellor's terms of employment through July 31, 2008, and outlined the terms for the Chancellor's resignation prior to the expiration of his term of employment. The fourth amendment to the agreement was approved on December 21, 2005, and it extended the terms of employment through July 31, 2009.

Chair Hoffman asked Gail Olson, General Counsel, to review the Minnesota Open Meeting Law as it would pertain to the closed session on the Chancellor's evaluation. General Counsel Olson explained that there is a presumption of openness and that courts will favor the public's interest in knowing the actions of the Board. As such, she noted that the purpose of today's closed session is for the Board to focus on the Chancellor's performance. Compensation issues such as contract language and salary changes are open meeting discussions. Responding to a question, General Counsel Olson explained that the Board can discuss the current work plan as it relates to the Chancellor's evaluation, but that any discussion on system measurements, system goals and future system planning would have to be conducted in an open session.

General Counsel Olson continued that the Board must provide a summary of the Chancellor's evaluation at the next Board meeting.

3. Closed Session

Chair Hoffman called for a motion for the Board to close the open session and convene in closed session to discuss Chancellor McCormick's evaluation. The motion was made, seconded and carried, and the Board convened in closed session at 9:30 a.m.

4. Adjournment

At 11:25 a.m. Chair Hoffman adjourned the closed session by consensus.

Ingeborg K. Chapin
Secretary to the Board