

Mr. Cotton thanked the board for inviting him and the people who had assisted him in preparing to speak to the board. He summarized his credentials and offered an overview of the presidential compensation marketplace. A salient feature is that there can be expected what he termed a tsunami of retirement because half of all sitting presidents today are over the age of 63. Likewise, their staff of vice presidents are often Baby Boomers as well who are likely to retire and are not looking to move into a presidency. As the field of experienced presidential candidates narrows, competition will become more fierce to employ exactly the right person as UK's next president. Having information about presidential compensation packages can give our board an edge in making the right offer and ultimately, in hiring the right candidate.

He offered full disclosure that he has represented people on both sides of the equation, presidential candidates and universities seeking new presidents.

He dealt with topics of the contract, data he had compiled for the university, what length of time to expect to retain a president, base salary, other incentives, payment levels of other universities of UK's caliber, how to relate total compensation to years of service, how often compensation should be renegotiated, and other topics.

Mr. Cotton invited questions and received many. Questions involved which universities we should compare ourselves to in terms of compensation, the importance of getting the price right, how to deal with the fact that faculty and staff have not had a raise for several years, what UK should look out for as the search process goes forward, specifics about negotiations in which Mr. Cotton had participated, bonuses versus base salary, how the media enter into the compensation package equation, comparison of nonprofits versus for-profits and their negotiations, trustee responsibilities, presidential goals, whether a contract should contain a penalty if a president leaves "too early" or otherwise breaks his/her contract, consideration of the following spouse, and whether any other university has a requirement like the Top 20 mandate to deal with.

After thanking Mr. Cotton for his time, Dr. Brockman asked if there was any other business for the Board.

W. Adjournment

Hearing no suggestions for additional matters, Dr. Brockman asked for a motion to adjourn and received it from many voices. The meeting ended at 2:28 p.m.

Respectfully submitted,

Pamela T. May  
Secretary, Board of Trustees

(PR 2, 3, 4, and 5; AACR 1 and 2; FCR 1, 2, and 3; and URCR 1 which follow are official parts of the Minutes of the meeting.)