

REPORT OF INTERIM ACTIONS

Office of the Secretary and Chief of Staff
January 17, 2008

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

INFORMATION ITEM

Report of Actions Taken Between Meetings

In accordance with authority previously delegated by The Regents, interim action was taken on routine or emergency matters as follows:

- A. The Chairman of the Board, the Chair of the Committee on Compensation, and the President of the University approved the following recommendations:
- (1) ***Contract Compensation for David Durden as Men's Swimming and Diving Coach, Berkeley Campus***

That the following compensation terms be approved for Head Coach of Men's Swimming and Diving, David Durden, Berkeley campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Durden's contract will be effective August 30, 2007 and terminate on June 30, 2011, unless terminated earlier pursuant to the term of the Employment Contract or unless the parties agree in writing to the terms of the successor contract or a contract extension prior to that date pending approval in accordance with Regental policies.

The campus undertook negotiations with Mr. Durden to employ him as the head coach of men's swimming and diving on the Berkeley campus. Mr. Durden was appointed as a result of a national search to replace the former head coach who retired from this position in June 2007. As an exception to policy, this contract includes a buyout clause required in his Maryland contract (see paragraph d.ii. below). Additionally, retroactivity to August 30, 2007 is requested due to the immediate need by the campus to have Mr. Durden begin his duties as Head Coach.

The following terms and conditions are reflected in the new proposed contract:

- a. Base Salary: This contract establishes an initial salary of \$120,000 with annual increases of 4 percent. This is an increase of 46 percent over the previous incumbent.

| <u>Effective Dates</u> | <u>Amount</u> | <u>% Increase</u> |
|------------------------|---------------|-------------------|
| 08/30/07 - 06/30/08 | \$120,000 | Starting Salary |
| 07/01/08 - 06/30/09 | \$124,800 | 4% |
| 07/01/09 - 06/30/10 | \$129,800 | 4% |
| 07/01/10 - 06/30/11 | \$135,000 | 4% |

- b. Talent Fee: This contract establishes an annual talent fee of \$20,000.
- c. Additionally, this contract provides the opportunity to earn supplemental compensation of up to \$96,900 per annum, as detailed below:

- i. Performance Bonuses: In the event that during the term of this employment contract Mr. Durden or the Men’s Swimming and Diving team accomplishes the following, Mr. Durden shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

| <u>Accomplishment</u> | <u>Bonus Amount</u> |
|--|---------------------|
| Wins the NCAA or Coaches Association Coach-of-the-Year | \$1,000 |
| Wins the Pac-10 Coach-of-the-Year | \$1,000 |
| Team finishes top 3 in the Pac-10 Team Championship | \$1,000 |
| Team wins the Pac-10 Team Championship | \$2,000 |
| Per NCAA Individual Title | \$2,000 |
| Per Individual American or World Record Broken | \$2,000 |
| Team finishes top 10 in the NCAA Team Championship | \$5,000 |
| Coach is named to the Olympic Coaching Staff | \$2,500 |
| Team finishes top 4 in the NCAA Team Championship | \$10,000 |
| Team wins the NCAA Team Championship | \$15,000 |

Mr. Durden is eligible to receive more than one bonus.

- ii. Camps and Clinics: At the discretion of the Director of Athletics, Mr. Durden may earn up to \$50,000 annually for participating in summer camps.
- iii. Courtesy Car Stipend: In lieu of a courtesy vehicle, Coach Durden will receive a stipend of \$450 per month.

- d. Additionally, this contract provides for \$131,200.16 in one time payments the first year of the contract.
- i. Signing Bonus: Upon full execution of the contract addendum, Coach Durden will receive a signing bonus of \$25,000. This bonus must be repaid in full if Coach Durden terminates his employment before June 30, 2011.
- ii. Maryland Contract Buyout: Mr. Durden will receive a gross payment of \$54,253.16 to pay the buyout clause in his University of Maryland employment contract. He shall also receive an amount equivalent to the individual tax liability incurred by him based on this payment. This will be approximately \$51,947 for a total net payment of \$106,200.16.

This contract contains a penalty clause for early termination. If Mr. Durden terminates his employment before the expiration of the agreement, he shall pay \$106,200 to the University.

If the University terminates the contract early without cause, the University will owe the base salary and talent fee in amounts noted above, paid out in monthly installments and any additional earned bonus income. The University will not be responsible for paying unearned bonus/stipend income in this circumstance. If Mr. Durden secures employment during this time, these payments will be reduced by such amounts.

The compensation provided under this contract is funded exclusively from the athletic department revenues and private fundraising, and no State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- Per contract and PPSM Policy 41, 18 days of vacation leave are accrued each year at the rate of 0.069231 per hour on pay status each month of the contract. Mr. Durden may not accrue above PPSM policy accrual limits at any time.
- Per contract and PPSM Policy 42, approximately 96 hours of sick leave are accrued each year, at the rate of 0.046154 per hour on pay status each month of the contract. Mr. Durden may not accrue above PPSM policy accrual limits at any time.
- Per policy, eligible for standard Health and Welfare benefits.
- Per contract and as an exception to Business and Finance Bulletin G-13 VI.B., 100 percent reimbursement for moving costs rather than the 50 percent as called for by policy.

- Consistent with Business and Finance Bulletin–Travel Policy G-28, actual travel expenses for the individual and his or her immediate family, but not to exceed the cost of air coach transportation, and the cost of meal en route, but not to exceed the University allowance for meals, as specified in referenced policy.
- Per policy, reimbursement for packing, insurance, transportation, storage fees (not to exceed thirty (30) calendar days), transporting items to and from storage, unpacking, and installation of the individual’s household effects at the new location, when properly supported by invoices and receipts.
- Per contract, one preliminary trip for coach and spouse to find housing.
- Per contract, spouse travel for required events outside the San Francisco Bay Area, and other travel as approved by the Director of Athletics.

The compensation described above shall constitute the University’s total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(2) ***Mortgage Origination Program Loan for Barbara Allen-Diaz as Assistant Vice President–Programs, Agriculture and Natural Resources, Office of the President***

That the following be approved in connection with the Mortgage Origination Program (MOP) loan for Barbara Allen-Diaz:

- a. Loan not to exceed the current loan balance of \$630,000 plus applicable transaction costs estimated to be up to \$8,000. This request represents an exception to policy because Ms. Allen-Diaz used a portion of a previous refinance loan proceeds to pay off a loan which was secured on another property.
- b. Effective upon approval by The Regents.

The compensation described above shall constitute the University’s total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(3) ***Contract Compensation for Michael Izzi as Director of Intercollegiate Athletics, Irvine Campus***

Approval of the following in connection with the compensation terms for Director of Intercollegiate Athletics, Michael Izzi, Irvine campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Izzi's contract will be effective January 1, 2008 and terminates on December 31, 2012 unless terminated earlier pursuant to the term of the Employment Contract or unless the parties agree in writing to the terms of a successor contract or a contract extension prior to that date.

The campus undertook negotiations with Mr. Izzi to employ him as the Athletics Director upon the resignation of former Athletic Director Robert Chichester.

The following terms and conditions are reflected in the proposed contract:

- a. Base Salary: This contract establishes an initial base salary of \$190,000:

| <u>Effective Dates</u> | <u>Amount</u> | <u>Percent Increase</u> |
|------------------------|---------------|-------------------------|
| 1/01/08 - 12/31/12 | \$190,000 | Appointment Salary |

- b. Automobile: Consistent with practice, a courtesy vehicle or an allowance of \$500 per month if such vehicle is not available.
- c. Signing Bonus: Upon full execution of the contract no later than December 31, 2007, Mr. Izzi will receive a signing bonus of \$40,000 in one lump sum. The signing bonus will be repaid as follows: If he leaves at any time before the completion of two years for any reason, the \$40,000 will be paid back on a pro-rata basis (one-twenty-fourth for each month not completed).
- d. As an exception to policy, reimbursement of 100 percent of moving expenses.

This contract does not contain a penalty clause for early termination. If Mr. Izzi terminates before the expiration of the agreement, he simply loses the benefits of the agreement, and all University obligations will cease.

Additional elements of compensation include:

- Authorization by The Regents to participate in the Mortgage Origination Program (MOP) under a non-standard title up to the maximum allowed by policy of \$1,330,000. As Director of Intercollegiate Athletics, Mr. Izzi is not classified in a position that would normally qualify for MOP

participation. Per policy, the President may approve participation in MOP for an individual in a non-standard title if it is deemed critical to the interests of the campus. The loan will comply with all other normal program parameters.

- Consistent with Policy on University Membership in Organizations (BFB G-43), Golf Club Membership with a value of approximately \$7,200.
- Consistent with University policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(4) ***Appointment Salary for Gary C. Matthews as Vice Chancellor–Resource Management and Planning, San Diego Campus***

Approval of the following items be approved in connection with the appointment of Gary C. Matthews:

- a. As an exception to policy, salary increase of \$45,400 (25.3 percent), to bring his annual base salary from \$179,600 to \$225,000 (SLCG Grade 107, Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- b. This appointment is 100 percent time and effective upon approval by The Regents.
- c. As an exception to policy, a retroactive extension of his 15 percent (\$26,940) stipend as Acting Vice Chancellor–Resource Management and Planning from December 1, 2007 until the effective date of the permanent appointment. Mr. Matthews' initial 12-month stipend, effective December 1, 2006 through November 30, 2007, was approved per policy under the authority of the Chancellor. Mr. Matthews was an employee covered by the Managers and Senior Professional (MSP) personnel program at that time, and his salary was below the Regental approval threshold; therefore, his stipend approval was granted through the Chancellor's authority.

Additional items of compensation are:

- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, authorization by The Regents to participate in the Mortgage Origination Program (MOP) with a loan up to \$1,330,000.

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(5) ***Appointment Salary for William J. Coaker, II, as Senior Managing Director of Public Equity Investments, Office of the President***

Approval of the following items in connection with the appointment of William J. Coaker as Senior Managing Director of Public Equity Investments, Office of the President:

- a. Appointment salary of \$275,000, slotted at SLCG Grade 110: (Minimum \$239,700 Midpoint \$307,200 Maximum \$374,500). This is a 100 percent time appointment.
- b. Effective January 14, 2008.

Additional Items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits and standard Senior Management benefits which include Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- Per policy, eligible to participate in the Senior Management Supplemental Benefit Program.
- Per policy, University will pay for 100 percent of the actual moving expenses up to a maximum of \$10,000.
- Per policy, eligible to participate in the Mortgage Origination Program Loan (MOP). Participation subject to funding availability and program guidelines not to exceed \$1,300,000.
- Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with a maximum incentive payout of 120 percent of base salary. Target payout level is 60 percent of base salary, and awards are paid out over a three-(3) year period, with one-third paid out in the first year and the remainder deferred over the next two (2) years.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(6) ***Appointment Salary for Anandh Hari as Investment Officer–Private Equity Investments, Office of the President***

Approval of the following items in connection with the appointment of Anandh Hari as Investment Officer–Private Equity Investments, Office of the President:

- a. Appointment salary of \$170,000, slotted at SLCG Grade 106: (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100). This is a 100 percent time appointment.
- b. Effective February 4, 2008.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with a maximum incentive payout of 70 percent of base salary. Target payout level is 35 percent of base salary, and awards are paid out over a three-(3) year period, with one third paid out in the first year and the remainder deferred over the next two (2) years.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments

(7) ***Increase in Mortgage Origination Program (MOP) Eligibility Maximum for Erwin Chemerinsky as Dean–Donald Bren School of Law, Irvine Campus***

Approval of the following item in connection with the appointment of Erwin Chemerinsky as Dean–Donald Bren School of Law, Irvine campus, 100 percent time.

Per policy, participation in the Mortgage Origination Program (MOP) up to \$1,330,000.

The compensation described above is an amendment to compensation approved by The Regents in September 2007. This amendment in combination with the previously approved item shall constitute the University's total commitment until

modified by The Regents and shall supersede all previous oral or written commitments.

- B. The Chair of the Committee on Grounds and Buildings and the President of the University approved the following recommendation:

Adoption of Mitigated Negative Declaration and Approval of Design, Arts Building, Irvine Campus

That, upon review and consideration of the environmental consequences of the proposed project as evaluated in the Mitigated Negative Declaration, the President and the Chair of the Committee on Grounds and Buildings:

- (1) Adopt the Initial Study/Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring Program.
- (3) Approve the Design of the Arts Building, Irvine Campus.

Diane M. Griffiths