

Board of Trustees
Finance Committee Meeting Minutes
December 4, 2003

Trustees Present:

Mac McGriff, Chairman
Earl Powell
Al Warrington

The minutes to the September committee meeting were approved.

Manny Fernandez briefed the Finance Committee on the terms of employment for President-elect Bernie Machen. He briefly outlined the evaluation and bonus awards program contained in the contract. He further mentioned that a governance committee of Trustees may be established to provide the goals and perform the evaluation of the President. The effective date of the contract will be December 31, 2003, as President-designee and on January 5, 2004, Dr. Machen will become President. The terms of employment and the contract were unanimously approved for recommendation to the Board of Trustees.

The amendment to Shands Articles of Incorporation was presented, clarifying in the Articles the role of the faculty of the College of Medicine in the Shands Board of Directors. This was approved unanimously.

Vice President Rollo presented the two fee adjustments that would be amended in the fee rules, increasing the student health fee to \$7.92 per credit hour, as well as the activity and service fee to \$8.26 per credit hour. This was approved unanimously.

The University of Florida financial statements in their draft and un-audited form were presented. The external auditor continues to provide adjustments to these financial statements, but the Trustees unanimously approved the statements as presented.

Certain rules regarding personnel changes, the direct deposit program, and other rules affecting fees and the TEAMS educational benefit were presented to the Trustees. These rules, in summary, were clarifications and slight modifications to previously presented rules or existing rules. They were approved unanimously.

Provost Colburn presented the faculty salary raise proposals for 2003-04. This would be a 2% salary raise, with a maximum of \$1,400 and a minimum of \$500 for faculty with 12-month appointments. Amounts are pro-rated for faculty with appointments of less than 12 months. He also outlined the other salary increment programs available to the faculty members. This was approved unanimously by the Trustees.

The UF Bridges' transition plan, which is required by Florida Statute, was presented in its redlined form, noting the changes from the previously submitted transition plan. In response to a question, the Trustees were informed there were no material changes. We continue to work with the State's CFO in assuring our transition plan meets all of its requirements. The transition plan was approved unanimously.

At this point, Bill Robinson, Chief Financial Officer for the Shands Teaching Hospital, gave a Proton Therapy Institute update. In this update, he outlined the progress made in the construction planning, as well as the financial outline. Bill made the point that the financials are on track for a bond closing, hopefully in late December, with subsequent construction beginning shortly thereafter.

The delegation powers to President-elect Bernie Machen were presented and unanimously approved by the Trustees.

Trustee Al Warrington asked for an update on the Purchasing Card as it relates to the new bank contract, which includes the Wachovia partner, MBNA. Ed Poppell updated the Trustees on the negotiation of this contract and informed them that the current MBNA deal had been improved. UF has agreed to move forward with this contract, given the nature of the PeopleSoft installation and the partnership MBNA has with the Wachovia Bank in providing certain accountability assurances during this transition period.

Bob Miller updated the committee on the transportation fee deliberations with the Student Transportation Access Fee Committee. He advised the committee of the Regional Transit Service cost adjustments for the hourly bus rental and noted the students' desire to continue providing additional funding for added mass transit services. This fee should come for approval at the next Trustee meeting. Bob noted that RTS will serve 9 million passengers this year.

The financial reports for the University as of October 31, 2003, were presented. It was noted that UF is on track for this time in the year with both revenues and expenses.

Bob Miller presented the Small Business and Vendor Diversity Relations Utilization Plan for the past year and the goals for the coming year, noting some of the challenges that we have in the Gainesville community to attract vendor diversity. A question was asked regarding goal attainment, and Bob noted that UF had attained its goal in all but one year in the last ten years. A Trustee asked about our success compared to the other SUS institutions. Bob stated he would provide this information.

Fred Cantrell gave a UF Bridges update, noting that overall we were about four weeks behind, but he thought most of this delay could be recovered in the next month. It is our target goal to have all design and programming completed by January 31, 2004, leaving the next four to five months for training and piloting the system. A certain amount of discussion was held about the project being on time and on budget. Fred assured the

Trustees that we, at this point, were both on time and on budget and gave an optimistic outlook for our chances of meeting our July 1, 2004, deadline.

The meeting was adjourned.