



Minutes
University of Florida
Board of Trustees Meeting
March 31, 2006

A regular meeting of the University of Florida Board of Trustees was held on Friday, March 31, 2006 at 10:45 a.m., in President's Room 215B of Emerson Alumni Hall, University of Florida.

Chairman Manny Fernandez called the meeting to order and verified a quorum.

Mr. Fernandez called upon President Machen to deliver the President's report.

Dr. Machen began by noting that it is a busy time for UF, as the Spring Semester is closing, commencement is approaching, and faculty recruiting season is here. Dr. Machen also mentioned the admissions cycle and its intensity this year. Dr. Fouke and he will examine closely the admissions process and hope to have a new director of admissions by the summer. He has been in touch with other universities and how they are dealing with the crunch.

The Capital Campaign planning is coming along and Beth McCague , an executive with Wachovia, and Trustee Powell were recently announced as co-chairs of the campaign.

Dr. Machen continued by noting that next month's focus will be Tallahassee; there is a lot of work to do and a lot can happen. April 5th is Gator Day and Trustee support and attendance is appreciated. UF consistently does well at Gator Day.

He also announced the NCAA certification process is coming to a close with a site visit this summer and results expected by fall. Dr. Telles-Irvin chaired this committee and Trustee Daniels was a member of the committee. He commented that we will be taking comments in the next few months.

He pointed out that today is Pam Bernard's last day as Vice President and General Counsel; she was an unbelievable resource and she will be greatly missed. Lastly, we will have a fun weekend in Indianapolis and commented that the whole university is proud of the basketball team coaches and players, as well as Jeremy Foley, and no matter what the result, we are delighted.

Mr. Fernandez requested committee chair reports. Trustee Joelen Merkel delivered the report on the Committee on Audit and Operations and began by welcoming Courtney Cunningham to the Committee and acknowledging the many contributions made by Trustee O'Connell during her time on the Committee.

Mrs. Merkel reported that Vice President Doug Barrett reported on the five areas of the Bridges implementation noting that improvement has been made in the areas of personnel, reporting, training, and data warehousing. Dr. Barrett noted significant issues remain in contracts and grants billing and integration, with the emphasis on active accounts being completed by 6/30/06 and the projected date for full completion being 2/07.

Mrs. Merkel reported two consent agenda items for the Audit committee to address – the acceptance of the audited financial reports for the University of Florida and for the Law Center Association, both for the year ended June 30, 2005 and noted after discussion of the reports, the Committee accepted both items for full Board approval.

Dr. Properzio reported on planning for the threat of Avian flu at the University. He said UF is working with the Health Department to plan a strategy to manage UF's population and associated issues, noting that he is working with other state universities in this disaster planning.

The committee discussed the financial audit of the University, the Information Technology audit for Bridges and the Federal Financial

assistance program audits issued by the Office of the Auditor General and the University's responses. Phil Ciano, of the Auditor General's office, responded to questions from the Committee and also reported that the audit of UF's administration of the Bright Future Program resulted in no comments for the third year in a row. The Committee then discussed the internal audits completed by the Office of Audit and Compliance Review and the quarterly follow-up. Trustee Warrington expressed his concern about the potential for misuse associated with Purchasing Cards and requested continued audit coverage in this area.

Bob Miller reported that the SARBOX committee issued a memo to all affiliates which included model audit committee charters with guidelines based upon the structure of the affiliates. The SARBOX committee is still reviewing the concept of an outside intake service that would provide for a 24/7, anonymous hotline. Future meetings will focus on CEO and CFO attestation letters required by SARBOX.

Chairman Merkel advised the Committee that she has reviewed the ongoing investigations addressed by the OACR, noting she had nothing to report to the Committee. Bob Miller also reported that his office had received and reviewed the budgets for all DSOs in accordance with the DSO operating memorandum.

Trustee Carlos Alfonso gave his report on the Educational Policy and Strategy Committee and began by noting this was his first meeting as chair of the Educational Policy and Strategy Committee. He noted that he met with Dr. Fouke on the March 22nd to get insight from her regarding the challenges and opportunities. He indicated the committee had a pre-meeting on March 23rd at which time they handled a great deal of the committee work. The committee approved the minutes of the conference call, previous meetings and quickly went through the consent agenda items such as the granting of tenure upon hire for seven new professors who were offered employment and 2 new degree programs: a BA in Astronomy and a MA in International Studies. The committee also looked at two separate University Regulations that were minor regulations and that the University is including in future employment contracts that will become employment conditions.

The committee then took up the issue of the naming of the Department of Biomedical Engineering, which will be named the J. Crayton Pruitt Family Department of Biomedical Engineering, in recognition of

contributions made by Dr. Pruitt and Family. Also, in a separate item of consent, the committee approved the granting of an honorary Doctorate of Philosophy to Dr. J. Crayton Pruitt.

The committee then discussed the new housing rental rates, which included comments from Student Trustee Goldberg that the new rates were in line with the Student Governments idea of fairness for new rental rates of university housing. This remained a consent agenda item.

Lastly, the committee went through the NCAA executive summary of the report on Athletics, a huge exercise, and discussed scheduling for rollout of compliance and NCAA approval of the report.

New business included a discussion on admissions and how to better understand and better look at our admissions policy. Additionally, Mr. Alfonso discussed some strategic goal setting philosophies for the future work of the committee to be developed at in collaboration with the Provost.

The committee then adjourned.

After Trustee Alfonso concluded his report, Trustee Warrington inquired about the tenure report process. Provost Fouke clarified the process.

Trustee Courtney Cunningham presented his report on the committee on External Relations. He began by noting this was formerly the Public Relations Committee and Government Relations Committee, now External Relations. The committee met to discuss government relations and public relations activities at the University. Its agenda included an update on the Florida Legislature, the University of Florida Foundation and public relations.

The Florida Legislature is considering appropriations on more than 20 UF projects, including priorities such as Emerging Pathogens, Physician Supplemental Payments, IFAS Research Workload, High Tech Corridor and Ethanol research. The first four projects have been funded at some level by both the House of Representatives and the Senate. Support for ethanol research depends on the availability of additional

revenue, which is expected to be announced on April 12th. These funding bills are working their way through Senate and House committees and are not final.

The committee discussed several policy issues pending in the legislature and expressed concern over a bill regarding the powers of the legislature, Board of Governors and Boards of Trustees which would reverse some aspects of devolution. The bill is moving through the House of Representatives, where it has significant support, but there is no companion bill in the Senate. President Machen has met with House leadership on the legislation and the staff is supporting efforts by the Board of Governors to amend it.

The Senate Education Committee this week approved the appointments of four members of the Board of Trustees. The appointments of Roland Daniels, Joelen Merkel, Earl Powell and myself will now be forwarded to the Senate Ethics and Elections Committee, then the full Senate for confirmation. Five additional members of the Board – Manny Fernandez, Carlos Alfonso, Mac McGriff, Dianna Morgan and Cindy O’Connell – were appointed a few months ago and have not yet begun the confirmation process.

The committee was briefed on Gator Day activities, which are scheduled for April 5th. A member of the UF government relations team is scheduling legislative appointments for each trustee and will accompany him/her to the meetings. Briefing materials on the university’s top priorities will be provided to the trustees and a meeting on the morning of April 5th has been scheduled to go over the issues. The committee discussed the opportunity Gator Day provides UF to recognize the basketball team.

Chris Brazda from the University of Florida Foundation briefed the committee members on the capital campaign’s public relations efforts.

The media report for this quarter shows UF received coverage on national media including ABC, NPR, CBS, Fox and CNN and exceeded board cast coverage of the Universities of Michigan, North Carolina, Virginia and FSU, among others. Articles on UF appeared in the New York Times, Wall Street Journal, Washington Post, and National Geographic and were carried on Associated Press. Congratulations to

Jane and her staff. The Committee confirmed that the above numbers do not reflect coverage of UF sports. The chairman requested that the information be included in future committee meetings.

The branding campaign continues and print ads have recently appeared in Atlantic Monthly, Harper's, the Chronicle of Higher Education and Florida Trend. The committee discussed advertising during TV coverage of the Final Four tournament and were informed that CBS's contract with the NCAA does not include free spots for the universities.

Trustee Cunningham asked Vice President Jane Adams to brief the board on the schedule of events for Gator Day. Ms. Adams noted there would be a set schedule and the first event would be at the home of Trustee O'Connell the night before. At 8:15 a.m. on April 5th, there will be a briefing for each Trustee assigned to a Government Relations team member, with a one-page document listing the top priorities. Also included is a one-page summary of each topic. She noted the House and Senate go into session at 9:00 a.m. There will be lunch at noon and a reception at 5:00 p.m. in conjunction with the Alumni Association. Appointments with Legislators will be scheduled around those times. She expects significant reception attendance.

Trustee Warrington asked for additional information about the governance bill being drafted. Vice President Adams responded that it attempts to clarify the responsibilities between the Legislature, BOG and the BOT; a 300 page bill which takes a look at a whole range. The BOG had 39 amendments. The bill is very long and complicated and makes technical and policy changes. There is no companion bill so far. It has not been picked up by the Senate but that can happen overnight. Chairman Fernandez noted that it would be best for this complicated bill to not pass. Trustee Merkel asked if the bill included the must to may language and it was noted that the draft does include it.

Trustee Dianna Morgan delivered her report on the Committee on Finance and Facilities by noting the newly formulated Finance & Facilities Committee of Roland Daniels, Joe Goldberg, Mac McGriff, Joelen Merkel and Al Warrington, was provided with orientation presentations from Facilities Planning and Construction, IFAS Facilities, and Finance and Accounting as well as a financial overview of the

University. A question and answer session followed. The December minutes were approved and an overview of budget is to be scheduled.

The revised 2006-2007 Capital Improvement Program/Facilities Enhancement Challenge Grant was presented to the committee. Changes to this document included additional funding for the Pathogen Research Facility which brings the 2006-07 PECO allocation to \$74 million. Pugh Hall (Graham Center) gift match was amended to reflect an additional gift of \$1.5 million. The committee approved the revised report, which is on the consent agenda.

Two proposed facilities namings were presented for the Bispham Turfgrass Hall and Lemerand Field House. This is a consent agenda item.

The 2005-2015 Campus Master Plan was presented by Linda Dixon. The committee approved the Campus Master Plan. This culminated a multi-year process that included faculty, staff, students and the community. You have received a copy of the comments, our response to the CD of adopted plan.

The committee also approved the proposed changes to Board Internal Operating Memorandum 03-6 pertaining to Campus Master Plans and Campus Master Plan amendments. These changes were required to bring the Internal Operating Memorandum into compliance with changes to the Florida Statute governing master planning.

Several University of Florida Regulation changes were presented to the committee for approval – the regulation concerning the use of firearms was clarified to include IFAS; Traffic & Parking regulations clarified the use of metered spaces by visitors as well as an annual decal price adjustment; Updated regulations language that governs the local fees to reflect the changes in the per credit hour fee (transportation, health activity and service fees). The Library fine regulation was removed from the consent items pending further review of the library process.

The committee then approved the transfer of 59 acres of IFAS property to the State Department of Parks to compliment the San Falasco State Park and the Fox Park Reserve. This property is not needed by IFAS. The committee heard a brief presentation by Dedee Delongpre about the

University's comprehensive sustainability initiatives. Trustee Morgan noted the possibility of the committee moving to a pre-meeting in the future.

Trustee Mac McGriff gave a report on the Committee on Governance. Mr. McGriff noted all members were in attendance and the committee approved the minutes of the previous meeting. The committee then approved the new Board of Trustees committee structure and their respective charges as outlined in the Board materials.

Mr. McGriff asked committee members for input about the most appropriate committee to receive UFICO investment policy and performance reporting. After discussion, and on the suggestion of Mr. Powell, the committee determined that UFICO will report to the full board in September of every year and to the Committee on Finance and Facilities in March.

Mr. McGriff invited committee members to discuss the agenda item on 2006, 2007, and three-year presidential goals and objectives. After discussion and input from President Machen, the committee decided that between now and June, Dr. Machen will develop his June 30, 2007 goals. Dr. Machen also will propose to the committee how to roll up into his goals those university goals identified in the strategic work plan under development. Dr. Machen suggested that the strategic work plan should be included on the Board's June meeting schedule. Dr. Machen will provide the Board with that work plan two weeks before the June meeting to give trustees an opportunity to consider it before discussion. Upon the suggestion of Mr. Daniels, the committee requested that a workshop for trustees on the strategic work plan be held the Friday morning of the June Board of Trustees meeting.

In regard to the processes for presidential and board evaluations for 2006-07, Mr. McGriff reported that consultant Tom Ingram had agreed to assist the Board with both. The committee agreed that Mr. Ingram will prepare a proposal for the Board to evaluate its performance, as well as to make a few adjustments to the process for presidential evaluation, for consideration by the committee in June.

The committee next discussed the Board's retreat follow up activities. Mr. McGriff invited committee members to think about follow up topics for June discussion. Prompted by Ms. Morgan, the committee discussed the need to identify two or three areas where the Board itself could have the

greatest impact in advancing the university's strategic goals. The committee accepted Mr. Fernandez' suggestion that he and Dr. Machen will discuss potential areas of Board focus and will bring their ideas to the committee and Board in June.

Mr. McGriff requested that members of the university's bargaining team remain in the room for a closed collective bargaining update. After that discussion, the committee adjourned.

Chair Fernandez asked Trustee Powell to speak on UFICO. Trustee Powell noted UFICO meets quarterly and a meeting was held on Wednesday which was very well attended. He noted a report from the staff showed endowment is up 11.2% since last July and exceeded the benchmark and brings total endowment at the end of February to \$921 Million. Three-year results of the endowment have an analyzed return of 17%. Year to date costs are below budget. Mr. Powell thinks the staff is doing great job in the current market value. He announced that UFICO is now in new offices downtown.

Chair Fernandez next directed the board to the consent agenda as amended by the Committee on Finance and Facilities. Trustee Warrington noted changes to the December minutes and moved for approval. The motion was adopted.

Next Chair Fernandez noted coming to this moment of having to say goodbye to people who have become good friends. As said before, our process only allows this Trustee to be on the board for a year. We all feel that you have made us broader, given us a better view and we think a little smarter because of what you have brought to this Board. Chair Fernandez read the resolution honoring Trustee Joe Goldberg.

Trustee Goldberg briefly acknowledged the new Student Body President, John Boyles, who will take office and become a Trustee on May 1st. He noted he has worked with John for the past four years and he will be a great addition to the Board. He commented it was bittersweet to leave the board and end his term and continued by saying he had received hands on experience on what this university is and what it means to the students and the Gator nation. He wished more students knew how much this Board appreciates and cares about the students – every one of you give so much of your time and energy to this university and mentioned his opportunity to

make friends with all of the vice presidents and that he considers all a personal friend. He thanked Dr. Machen who has a lot of time demanded of him but still made himself available and is a true friend and advocate to the students and is a true mentor to himself. Trustee Goldberg also thanked Brian Beach who has been his personal friend and mentor and who has taught him that wherever you go and whatever you do you have to have a mentor.

Chair Fernandez then read to the board the resolution honoring Trustee Tanzer.

Trustee Tanzer thanked all of the board noting it has been a real pleasure and privilege working with all of them and seconds everything Trustee Goldberg said. She noted she enjoyed working with each of the Trustees professionally and getting to know them all personally and that they are an inspiration to all at the University of Florida. Trustee Tanzer commented it is important that all of our constituents know all you have done.

Trustee McGriff moved for approval. The motion was adopted.

Chair Fernandez asked for new business and with no new business moved to his closing remarks. He began by stating we will miss Pam Bernard significantly and she will always be a part of us – once a Gator, always a Gator – a member of our close family, noting she was very instrumental in making us what we are today and we thank her. He went on to thank all for their tremendous commitment to the University and to the Board noting it is very commendable how many of you will show up on Gator Day. He continued by noting that now that he has had an opportunity to meet other boards, he believes they are a unique group of individuals and a unique board and that he has a good feeling about what is happening on that front. Chair Fernandez thinks the committee structure is going to work fine and will give the Trustees more time. He commented on today's excellent strategic presentation by President Machen. Chair Fernandez finished with a reminder of Gator Day and noted a lot of things will be going on in Tallahassee on April 5th – a great day and Vice President Adams will lead us into, hopefully, a very good day in Tallahassee. Thank you for everything you do.

Trustee McGriff mentioned we would be remiss without wishing our basketball team the best.

Chair Fernandez commented that he hoped we would have another opportunity to talk about what some of our coaches are doing and obviously they are creating more than a basketball team – they are a group of great representatives and ambassadors to the UF. Wishes all a safe travel and Go Gators!

Meeting adjourned at 12:00 p.m.

J. Bernard Machen
Secretary

Brian Beach
Assistant Secretary