

Finance and Facilities Committee

Meeting Minutes

September 13, 2007

The meeting was called to order by Chair Al Warrington, and the minutes of the Finance and Facilities Committee meeting of June 14, 2007, were approved with corrections as noted by the committee.

Senior Vice President Cavanaugh presented a report on the progress of the “Cost Reduction and Revenue Enhancement Task Force.” The Task Force has held several meetings and intends to meet bi-weekly. An outside consultant, Huron, has been engaged to assist the Task Force. Huron has experience working with universities on these types of issues. As the Task Force continues with their charge, the Vice Presidents and Deans have been provided with targeted budget reductions for this fiscal year.

Currently, Huron is on campus developing business cases to demonstrate opportunities to increase revenue and reduce costs. Huron will develop a detailed business case for each recommendation, which will present the net fiscal impact, any potential impact on service levels, the risk exposure to the university, and the ease of ability to implement the recommendation. Huron engagement is expected to be ten (10) weeks.

The committee then addressed the action items on the agenda.

The final Operating Budget for 2007-08 was approved by the committee as presented. Because this budget does not include the reductions that are pending by the Legislature, the committee understood that an amended Operating Budget will be presented at a later meeting. The committee also asked that the budgeted receipts/revenues for sponsored research and intercollegiate athletics be given further consideration, as they appear to be conservative. Also, the committee asked that the carry forward budget be reviewed to identify ways to use this source of funding to soften the impact of the required budget reductions this year.

The committee next approved the 2008-09 Capital Improvement Plan, as amended, to include the Joint Use Library Storage Facility, the Harn Storage Space and the Chemistry Building moving to fourth priority.

A request to authorize Vice President Ed Poppell to negotiate and execute a final Campus Development Agreement for the IFAS Ft. Lauderdale Research and Education Center was brought before the committee and approved.

A request to name a “to be constructed” IFAS facility, The Alto and Patricia Straughn Extension Professional Development Center, was approved by the committee.

Agenda discussion items were then brought before the committee.

Athletic Director Jeremy Foley gave the committee a brief update on lacrosse. A head coach has been hired. The location and cost of new lacrosse facilities have not been determined at this time. Mr. Foley said the facilities would not require any bond issuance. More information should be available for the committee this spring. The committee unanimously thanked the University Athletic Association for the recent donation of \$6 million to the University.

The Financial Reports as of June 30, 2007, were reviewed by the committee. The reclassification of the P. K. Yonge School funding as state appropriations was discussed. The committee requested that this funding in the prior year financial reports be restated for consistent reporting.

A construction update was then presented to the committee. Assistant Vice President Carol Walker elaborated on cost increases that had occurred for several projects. The scope of several construction projects had increased, such as the Stadium Renovation and Expansion. Some projects had received additional donor funding and matching funds, which increased the scope, and inflationary pressures had also increased the cost of some projects.

The committee was informed that 17 of the 20 DSO budgets due by August 31st had been received and reviewed by the University. Two budgets had been received but required minor adjustments, and receipt of one budget was pending preparation in the required format. The committee believes that they should receive and review DSO budgets, and are working with the Governance Committee to clarify responsibilities in this regard.

Chief Linda Stump and Assistant Vice President and Dean of Students Gene Zdziarski (pronounced JAR ski) presented an overview of security on campus. Areas highlighted included training of both the campus and the police in active shooter protocols, UF's emergency notification system, which is a multimodal approach to communication; including radio, TV, audible systems, the internet, cell phones, text messages, and land line phones. The committee was also briefed on the University's Crisis Response Team responsible for the coordinated response to student emergencies, such as death of a student, life threatening illness or injury, sexual assault, and other such incidents.

The St. Augustine properties offered to the University have been assessed. It is not the intent of the University to accept this property unless adequate funding is provided by the Legislature to cover maintenance, upkeep, and repairs of the facilities.

The committee was informed that the Hilton UF Conference Center has a new owner as of today and that this transition should be seamless with the Center continuing to provide great service and accommodations.

Senior Vice President Barrett briefed the committee on the Proton Therapy Institute, which has completed its first year of operation. This past August, a refinancing had occurred that reduced the cost of capital from 7.6% to 5.92%, and the amortization

schedule was revised to level payments and extend the financing to 22 years from 10 years. Last July, the Institute had positive net income of slightly more than \$250,000. Approximately 1344 patients are being treated monthly, and August collections should be approximately \$2.1 million. The board of the Institute has been restructured to include two at-large members, including Vice President Poppell. Dr. Barrett's two concerns for the Institute are improving the through-put of patients and the uncertainty of future technological developments that could impact proton therapy.

Mike Smith, of UFICO, briefed the committee on the results of the 2006-07 fiscal year. The asset allocation of UFICO at year end included an increase in private investments to 26% of the portfolio. UFICO earnings for the year had achieved their benchmark and those set forth in their investment policy.

Two University employees were then recognized by the committee.

F. J. Kutch works in Bridges as a supervisor. F .J. began employment as a student intern from the Warrington School of Business and was hired to a permanent position in 2004. Within two years he was promoted to a supervisor position responsible for the general ledger and budgetary control. F. J. was a valuable member of the team that implemented PeopleSoft for use by our Phase I DSO's and the financial reporting team that initiated much improved financial reports.

Investigator Ernest Hale of the UF Police Department was then recognized. Ernest was the UFPD officer of the year in 2006 and has held the investigator rank for the past five years. He has served on the DEA drug task force, and during his career his efforts have removed 1,000 kilograms of cocaine from the streets. Recently, he apprehended a known computer thief on campus, recovering several stolen student laptops and preventing a planned armed robbery by this criminal.

There being no further business, the committee meeting was adjourned.