



*Board of Trustees
Minutes
September 11, 2009*

A regular meeting of the University of Florida Board of Trustees was held on Friday, September 11, 2009 in 215B of Emerson Alumni Hall.

The meeting was called to order by Chair W. A. “Mac” McGriff, III, at 10:45 a.m. and a quorum was confirmed. Chair McGriff asked President Machen for the President’s report.

Dr. Machen began by noting the City has selected a new police chief and commented it is a great benefit to the entire Gainesville community. He acknowledged the generosity of Trustee Warrington’s gift of \$16 million to the University and commented that it is amazing to have a benefactor so aligned with the University’s mission and to step up at such a critical time. President Machen noted that his leadership is amazing and he hopes this will set a trend through the University.

Trustee Warrington thanked Dr. Machen for his comments and said he also hoped this would trigger more gifts.

Dr. Machen then highlighted personnel matters starting with welcoming the new Senior Vice President for Health Affairs David Guzick. He continued by noting that Cammie Abernathy was named Dean of the College of Engineering and was clearly the best candidate in a strong national pool. During the summer, Brian Beach accepted the full time position as Senior Vice President for Administration and Business Ventures and is already making things happen. Paula Fussell is now Vice President for Human Resources, fitting that job perfectly. Change is the order of the day and most of the time it is a good thing. Several searches are kicking off which are very important to the University: the Senior Vice President for Agriculture and Natural Resources, with Joe Glover chairing that search; the search for Paul Robell’s position will soon begin, with John Kraft as chair; the medical school dean’s position will be a national search with Win Phillips chairing; and the CIO position will be moved under Mr. Beach and a national search will begin for that position. Chuck Frazier has done a magnificent job and this search will be co-chaired by Paul Robell and Paul D’Anieri.

Chair McGriff then requested the reports from the committees. Trustee Joelen Merkel, Chair of the Committee on Audit and Operations, began by noting the change in the composition of the Audit committee, and acknowledged the contributions of Carlos Alfonso, Courtney

Cunningham and Earl Powell, welcomed new members Jordan Johnson and Jack Mecholsky, and welcomed back Cindy O'Connell.

Minutes from the June 11 audit committee meeting were presented and approved and, as there were no consent agenda items for consideration by the committee, they moved into the discussion items.

Phil Ciano, Audit Supervisor with the Auditor General's Office, provided an update on external audit activities: Fieldwork has wrapped up on the operational audit, performed every two years using a risk-based approach, and the report is in review. Preliminary and tentative findings are expected to be delivered in October. His office is awaiting receipt of the university's financial statements for the year ended June 30, 2009, which are due next week, in order to begin the audit. Anticipated release date by his office of the year-end audited financial report is no later than January 2010, consistent with last year. Phil reported on the federal financial assistance audit. This A-133 audit includes two "major" programs - Research and Development and Student Financial Assistance. Preliminary and tentative findings will be released by November, with the final report due to be released in March 2010. Phil also discussed the Bright Futures audit which will begin in the fall with the final report also due in March 2010.

Chief Audit Executive Brian Mikell presented the seven internal audits issued since the last Board meeting: 1) Florida Opportunity Scholars Program; 2) UFF Departmental Collections; 3) UFF Fundraising Event Management; 4) UFF Information Technology General Controls; 5) IFAS Animal Sciences Department; 6) IFAS Food Science and Human Nutrition; and 7) Purchasing Card Program. The reports and summaries had been previously provided for detailed review. Brian summarized each audit report and answered questions from the committee. Brian also reported on follow-up status of previously issued internal and other audits.

Chair Merkel discussed the proposed revisions to the OACR's Charter. The charter was last revised in 2006. Brian explained that revisions were necessary to address university administration organizational changes and to incorporate up-to-date language from the current IIA standard internal audit charter. Chair Merkel indicated that she had some questions and potential changes to the charter, and would like to work with the CAE and bring the charter back for committee consideration in December. The audit committee agreed and the revised OACR Charter will be considered at the December meeting.

The committee considered information provided by Business Affairs relating to audits of university affiliated organizations. The Florida 4-H Club Foundation, which has a March 31, 2009 fiscal year-end, is the only one completed.

Joe Cannella, OACR Audit Director, presented the proposed work plan for the 2009-2010 fiscal year. 2009-2010 is the last year of a three-year work plan approved by the audit committee in 2007. Joe explained the revisions to the original plan for year three that were necessary to address ever changing risks faced by the university, and the reduction in audit staff of three

positions since 2007. The audit committee approved the revised 2009-2010 work plan as presented.

Brian presented a PowerPoint presentation of the highlights from the OACR's 2008-2009 Annual Report. The report covered expenditures, available time analysis, allocation of total time, projects completed, client surveys, advisory reviews, investigations, major initiatives and other activities.

Chair Merkel reported that she has reviewed the investigations log and found that the investigations were being appropriately reviewed. The audit and operations review committee adjourned at 2:08pm.

Trustee Carlos Alfonso presented the report of the Committee on Educational Policy and Strategy. All committee members were present and reviewed and approved the minutes from the June 3, 2009 conference call and the June 11, 2009 meeting.

The committee reviewed and approved two tenure upon hire cases: Jeffrey Bloomquist, a professor in Entomology and Nematology in the College of Agricultural and Life Sciences, and Gonda Van Steen as associate professor in Classics in the College of Liberal Arts and Sciences.

The committee reviewed UF Regulation 6C1-3.0375 Tuition Cost to formally codify the emergency regulation from the previous meeting. The regulation was changed per Board of Governors' request to compute Florida Prepaid Tuition differently which increased the cost per student credit hour by \$0.21. The committee passed the regulation unanimously.

The final consent agenda item the committee reviewed and approved was the approval of senior managerial group for classified information. A new resolution was created to name President Machen and Dr. Phillips as the committee for classified information. The remainder of the Board of Trustees is specifically excluded by being listed as "trustees" instead of each trustee's individual name that would need to be reviewed each year.

Updates were received from the Faculty Senate Chair, the Director of the Student Health Care Center and the Provost on H1N1, and from the Director of Admissions on admissions.

Chairman Alfonso requested the committee to begin thinking about more strategic discussion in terms the future of UF; where is it going, and how do we get there with the current resources, for example: sustainability, epidemiology, cancer biogenetics, and other global issues.

As a university, he asked the committee to start thinking about strategies to organize around endeavors and disciplines to send a message rest of the country and world.

Secondly, Trustee Alfonso and President Machen asked the committee to start looking at taking the UF brand to enlarge the Gator Nation without enlarging the resident population. They proposed the idea of increasing service mission to more students to the committee.

Trustee Danny Ponce reported the External Relations committee was called to order with Trustees Alfonso, Daniels, Johnson, O'Connell, and Powell in attendance, along with BOT Chairman McGriff. The minutes were approved.

An update was received on the Gators for Higher Education grassroots program, including information efforts to increase awareness and membership. The committee asked for additional information about outreach efforts on Gators for Higher Education as well as the activities of the regional Flagship Councils. Other government relations briefings included the status of UF research funding at the congressional level and efforts to work with the City of Jacksonville on funding for the College of Medicine Jacksonville campus.

Committee members also heard about revisions to the branding campaign. A new "Do you Remember When you became a Gator" television spot aired during the first game and will air throughout the rest of the academic year. The value of the "free" institutional spots could exceed \$4 million this year thanks to the national coverage received by UF Athletic events.

A "Remember When" public relations campaign will accompany the new branding ads. Students and others will be encouraged to videotape their own "Remember When" stories and post them to www.insidethegatornation.com.

"Gator OPS," a new program designed to promote the Florida Opportunity Scholars, was introduced. The campaign allows individual \$5 donations to Florida Opportunity Scholars by texting a simple message to a predetermined number.

Twitter will be used to support the campaign and Urban Meyer and Billy Donovan will use Twitter to challenge each other and their fans to get involved with Florida Opportunity Scholars. The committee also discussed other social media and web site communication efforts and Trustee O'Connell asked for data on online hits and links from others.

Committee members were informed that the Strategic Communications Planning initiative is moving forward and a final report will be presented at the committee's December meeting.

On media relations, UF once again outpaced all in-state rivals and was among the best in the nation with its print and broadcast outreach campaign. The committee also discussed a new effort under way to publicize to the state and the Legislature UF's economic impact on Florida. A UF News Bureau writer has been assigned to an economic impact beat to produce at least one news release per week about UF's economic contributions. In addition, all campus communicators have been encouraged to highlight UF's economic impact in their publications. Trustee Alfonso urged the staff to focus communications on economic impact.

Under old business, the committee addressed the overall topic of UF communications. There was considerable discussion about processes for developing key messages, determining the value of publications, and enhancing communication and coordination among public relations and publications operations on campus. Chairman Ponce asked the staff to provide the committee at the December meeting with a proposal for enhancing communications.

The committee concluded the meeting by recognizing Joe Hice for his outstanding contributions to UF since joining the university four years ago and wished him well in his new position as Chief Communications Officer at North Carolina State University.

Trustee Steve Scott delivered the report of the Committee on Finance and Facilities. Trustees Joelen Merkel, Diana Morgan, Al Warrington, and Jack Mecholsky were in attendance and the minutes of the June 11, 2009 meeting were approved.

Actions items presented to the committee were: The revised 2010-11 fixed capital outlay legislative budget request. The only change to this legislative budget request was to move PECO project priority #7 Mechanical Aeronautical Engineering Building up to priority #4. The revised budget request was approved as presented.

Under Florida law and Board of Governor's policy each state university is required to perform an educational plant survey which must be approved by the university's board. Assistant Vice President Carol Walker explained the baseline data and pointed out that all health center facilities were removed from the survey as requested by the Board of Governors. The Board of Governors intends to revise the method of computing health center facility space needs in the future.

The committee was provided an amended 2009-2010 budget of revenues and expenses which presents the university's plan for utilizing resources available from the legislature and local sources. The amended 2009-2010 budget of revenues and expenses was approved by the committee.

A proposed naming of an ethanol biorefinery plant in honor of Representative Stan Mayfield was presented to the committee. Representative Mayfield was instrumental in securing a \$20 million grant to fund construction of a multifaceted research and demonstration cellulosic ethanol plant. The committee approved the naming of the plant as the Stan Mayfield Biorefinery Pilot Plant.

Discussion items brought before the committee were: The University financial report as of June 30. It was noted that final financial data for the Auditor General would be completed by September 15th. January 2010 is the completion date for the Auditor General financial audit.

The construction update provided to the committee noted several projects were completed in the past quarter including the lacrosse facility, southwest parking garage complex and IFAS Land Relocation project.

The committee was informed that all fiscal year 2009-2010 Direct Support Organization budgets due on August 29, 2009 have been submitted and have been reviewed or are under review.

At the request of the Board of Governors, the university is revising the credit hour tuition assessed to students participating in the Florida Pre-Paid Tuition program. The revision is minor, adding 13 cents per credit hour to the amount of the tuition.

Vice President Poppell informed the Committee that the university is making plans to construct a 14,000 square foot data center annex on the east campus. Approval by the committee will be requested at their December 2009 meeting.

Vice President Fajack updated the committee on the RCM budget project. Campus training is underway and the goal is to have RCM budgets available next July 1st. In the next few weeks pro-forma budgets will be available for campus to review.

A group of university employees was presented to the committee for recognition of their efforts in implementing a Fringe Benefit Pool. This 40+ person team began work on the project in January 2009 and completed their task in time to implement to pool on July 1, 2009. The fringe benefit pool distributes benefit costs across campus to various budgetary sources and will save the university approximately \$1 million dollars in state funding each fiscal year. The Fringe Benefit Pool team was warmly congratulated by the committee for their efforts. With no further business to conduct the committee meeting was adjourned.

Trustee Powell presented the report on the Committee on Governance and noted all members except Trustee Cunningham were present. The minutes of the June 12, 2009 meeting were reviewed and approved.

The first action item on the committee's agenda was the recommendation that the Board approve amendments to the Articles of Incorporation of Shands Teaching Hospital and Clinics, Inc. Vice President and General Counsel Jamie Keith reviewed the proposed changes and explained that Florida Statutes require that any changes to Shands' Articles of Incorporation must be approved by the UF Board of Trustees. The proposed amendments ensure appropriately coordinated and consolidated leadership for UF's Health Science Center and Shands. The existing relationship of Shands as a separate legal entity and UF's Health Science Center will continue, but the success of both entities will be enhanced through better and more effective leadership coordination. With the existing authority and changes being proposed, President Machen will be able to designate the new Senior Vice President for Health Affairs as Chair and President of Shands with Board appointment and removal authority. The Senior Vice President will serve in these roles as the UF President's designee which is a good control. The proposed changes implement the Board of Trustees principles for affiliated organizations making sure a UF Trustee serves on Shands' Board as an ex-officio director. The number of Board members is changed slightly to keep a good balance of insiders and outsiders while making the Board a more efficient size. The authorities granted in the Resolution will become effective upon Shands' Board's approval of the changes, which is anticipated in late September.

The second action item was the recommendation to amend the Board Committees' Charters. After discussion, the Committee voted unanimously to recommend the proposed amendments be adopted.

Trustee Dianna Morgan gave the Committee a brief report on Trustee vacancies that will need to be filled over the next year.

President Machen advised the Committee that Senior Vice President for Health Affairs David Guzick will make a presentation in December on Shands' and the Health Sciences Center's organizational structure and other changes at the December Trustees meeting.

The Committee then met in closed session to receive a report on the University's collective bargaining progress after which the meeting was adjourned.

Chair McGriff directed the Board to agenda item 6.0 regarding the approval of the naming of the Stan Mayfield Biorefinery Pilot Plant. Trustee Ponce moved to approve and the vote was unanimous.

Next, Chair McGriff brought the Board's attention to the consent agenda items. Approval for the consent agenda was unanimous.

Chair McGriff then asked for new business and none was presented. No requests for public appearance were received, so Chair McGriff began his comments by noting his appreciation of the opportunity to serve this term as chair. He commented on the \$26 million NIH grant and the \$8 million grant to develop the Florida Innovation Hub, which should expand our technology spin-off business. Research grants are up 2% from last year to \$574 million, and by the year end we will have opened three new buildings. Football, volleyball and soccer are enjoying their usual successes. As Dr. Machen pointed out, we still need to cut \$16 million out of our operation between this year and next year. Chair McGriff noted that a wonderful job was done with the stimulus money and that UF is slowly emerging from the budget crisis. Hopefully, those trends will continue. He also acknowledged Dr. Machen's plans to hire faculty with the stimulus dollars. As a last comment -- to Al Warrington -- for a wonderful gift to the Warrington College of Business. We thank you. With that, the meeting was adjourned.