

**Finance and Facilities Committee**  
**Meeting Minutes**  
**June 11, 2009**

The meeting was called to order by Chair Al Warrington. Trustees Joelen Merkel, Cindy O'Connell, Jordan Johnson, Jack Mecholsky, and Courtney Cunningham were in attendance.

The minutes of the Finance and Facilities Committee meeting of March 16, 2009, were approved.

Action items were presented to the committee:

A proposed amendment to the 2008-2009 University operating budget and the final operating budget for the 2008-2009 fiscal year were presented to the committee and approved as requested. The amendment reflected changes in the cost of insurance as well as recorded faculty practice plan revenues and expenditures.

The preliminary operating budget for 2009-2010 was reviewed by the committee and approved as presented. At the next Board meeting in September, a budget amendment will be presented that will allocate the expenditure of the \$42 million stimulus funding to the non-recurring expenditure categories for which these funds were used. The committee clarified that the \$6 million transfer from the University Athletic Association was not included in the preliminary budget. Trustee Warrington emphasized that the Athletic Association was providing funds for academic purposes, and there are no academic funds used to subsidize the Athletic Association.

The proposed 2010-2011 fixed capital outlay legislative budget request was discussed by the committee and approved as presented. There are no changes to the request from the last time it was presented to the board. In response to committee questions, the process for placing projects in the budget request was explained, and the continuing efforts by the University to assure future funding from the Facility Enhancement Challenge Grants were discussed.

The 2009-2010 facilities spending plan for monies appropriated by the legislature for PECO and Maintenance/Repair/Renovation/Remodeling was provided to the committee, discussed, and approved as recommended. The University received \$21.9 million in appropriations.

Agenda discussion items were then brought before the committee.

A presentation of the Archer Road project was provided to the committee. This project will provide a grand entrance to the UF Health Care Park where approximately \$1 billion in construction is underway, or will occur, in the near future. The changes will lower speed limits on Archer Road, improve way finding by providing improved signage, and provide a friendlier environment for automobiles, bicycles, and pedestrians. The committee commented on the positive nature of the project and the future benefits it will provide.

The University financial report as of March 31, 2009, was presented to the committee. It was noted by the committee that investment losses were reduced from those presented for the prior quarter.

A construction update was provided to the committee. It was noted that recent construction bids continue to be lower than projected, the number of bidders for projects has increased, and there are more sub-contractors competing for work on University projects. All these factors are helping to reduce construction costs on new projects.

The committee was given a brief update on utility costs. In the current fiscal year, the university will end up with approximately a \$1.5 million deficit in funding because of Progress Energy rate increases during the year. On July 1, 2009, Progress Energy will increase utility rates by 2%, and an increase of 8% is expected in January 2010. Between \$5 and \$8 million will be required to fund these utility increases.

State revenue collections for the 1<sup>st</sup> quarter of 2009 were discussed. General revenue collections for the quarter exceeded projections, and this is the first quarter in two years for which collections exceeded projections.

The proposed increase in 2009-2010 student tuition and fee increases were briefly discussed. The Educational Policy and Strategy committee will vote on the approval of the proposed increase at their meeting today.

University employees were presented to the committee for recognition of their dedicated service to campus.

Julie Rhee is an accounting coordinator responsible for general ledger control and integrity. Last month, Julie became a U.S citizen, and she is a Certified Internal Auditor and Certified Public Accountant.

Glenn Ketcham is the director of the University's risk management program. Glenn's department works to reduce risk and exposure to the university, insure adequate insurance is in place to protect against perils, and provide emergency planning to the campus.

Both employees were commended by the committee for their loyalty and tireless efforts on behalf of the University.

With no further business to conduct the committee meeting was adjourned.