

**Minutes
Board of Trustees Meeting
University of Central Florida
January 17, 2008**

Chair Richard Walsh called the meeting of the Board of Trustees to order in the Live Oak Center on the University of Central Florida campus at 1:37 p.m. The following members attended the meeting:

The Honorable Judith A. Albertson
The Honorable Olga M. Calvet
The Honorable Manoj Chopra
The Honorable Patrick Christiansen

The Honorable Alan Florez
The Honorable Brandie Hollinger
The Honorable Phyllis Klock
The Honorable Conrad Santiago

WELCOME

Chair Walsh welcomed the board members and called for approval of the minutes of the November 29, 2007, board meeting. One minor, non-substantive correction was made to the minutes of the last meeting. Since no further changes were requested, the minutes were approved.

Both Chair Walsh and President John Hitt commented that they were pleased that members of the board could be at the Liberty Bowl football game in Memphis, Tennessee. They agreed the UCF Knights had played well and represented the university with honor.

Chair Walsh called on President Hitt for opening remarks and introductions.

REMARKS

President John Hitt announced that Trustee Richard Nunis' term expired on January 8 and that he was not seeking reappointment by the governor. Hitt lauded Nunis' leadership and service to the board and the university. He noted that Nunis had served in an exemplary manner and given freely of his time, talent, and treasure. Hitt said that he admired his commitment, his pursuit of excellence, and the tremendous passion that he brought to all his tasks. He continued by wishing Dick and his wife Mary all the best. He noted that they had assured him that they will continue to think of UCF as their hometown university and will continue to be ardent supporters. Hitt asked the audience to join him in a round of applause in honor of Trustee Nunis, who could not be present.

Hitt called on Doan Modianos, associate vice president for Academic Affairs, to present a progress report on the performance dashboard prototype for 2007-2010. Modianos reported that this was a draft of a performance dashboard and credited Dr. Paige Borden, director of Institutional Research, for the creation of the presentation materials. Indicators included UCF comparison data on SAT averages, graduation rates, National Merit Scholar rankings, bachelor's degree production, master's degree production, doctoral

degree production, research grant funding, and UCF Foundation fundraising by fiscal year. Trustee Klock suggested that in the future, it would be helpful if the indicators showed the targets and the period to which they were applicable.

Hitt referenced three handouts given to the board: *Specialty Plate Revenue* showed UCF as fifth in the state in revenue from license plates, which he reported was very good overall. *Kiplinger's Best Values in Public Colleges Results* placed UCF at 51st in good college buys. UF was 2nd and FSU was 15th, with USF in 79th place. And, finally, Hitt referenced the *IPEDS Data Feedback Report 2007*. IPEDS is a single, comprehensive system designed to encompass all institutions and educational organizations whose primary purpose is to provide postsecondary education. Hitt said that in this data report, UCF was not compared with other universities in the SUS, but with similar peer institutions across the nation.

INTRODUCTIONS

President Hitt announced that the **Texts and Technology** Ph.D. program was ranked 9th in the nation in faculty productivity this year by *The Chronicle of Higher Education*. The top-ten list includes such institutions as Cornell, Duke, Yale, Notre Dame, Ohio State, the University of California at Berkeley, Catholic University, and the University of Chicago. This recognition is remarkable because the program was just established in 2001. Hitt recognized and congratulated the College of Arts and Humanities dean, **Dr. Jose Fernandez**, faculty members **Dr. Karla Kitalong**, **Dr. Craig Saper**, and **Dr. Blake Scott**, and the program's current director, **Dr. Paul Dombrowski**, and former director, **Dr. Melody Bowdon**.

Hitt introduced the following members of the audience: **Dr. Tom Huddleston**, vice president for Marketing, Communications, and Admissions, who was appointed to the Council for Advancement and Support of Education's Commission on Communications and Marketing. CASE is the professional organization for higher education advancement professionals who work in communication, marketing, alumni relations, and fundraising; **DeLaine Priest**, assistant vice president for the Student Success Center in the Division of Student Development and Enrollment Services, recently received the Outstanding First-Year Student Advocate Award from the National Resource Center for the First-Year Experience and Students in Transition. Priest will be recognized in *The Chronicle of Higher Education* and at the annual conference on the First-Year Experience in February in San Francisco. And, finally, Hitt announced the UCF Employee of the Month for November, **Richard Zotti**, an engineer in CREOL, and the UCF Employee of the Month for December, **Lourdes Emanuelli**, an administrative assistant in the Department of Marketing in the College of Business. Hitt asked the audience to join him in congratulating these outstanding members of the UCF family.

President Hitt had previously mentioned to the board his desire to designate William Merck, vice president of Administration and Finance, as chief financial officer of the university. The board concurred and Hitt formally announced the designation. His new title will be *Vice President of Administration and Finance and Chief Financial Officer*.

Hitt concluded by reporting that the provost and members of the administration have been discussing trends in graduate education and the advisability of creating a graduate school at UCF. He suggested that it would not be an expensive undertaking but would bring UCF in line with other major universities.

CONSENT AGENDA

Chair Walsh called for approval of the consent agenda. A motion was made by Trustee Judy Albertson and members of the board concurred. The approved consent agenda included the following items:

- **ADV-1 Morgridge International Reading Center** – Approval to rename the *Morgridge National Reading Center* the *Morgridge International Reading Center*.
- **EP-1 Delegation of Approval Authority for the State University Research Commercialization Assistance Grant Program** – Approval of the Board of Trustees to delegate authority to the appropriate university administrative office for submission of Research Commercialization Assistance Grant Program proposals.
- **FIN-5 University Depositories** – Approval for depositories into which university funds may be deposited, authorizing the president to transfer funds between depositories, and to designate university employees to sign checks for payment of university obligations.
- **GOV-1 Board of Trustees' Second Amended and Restated Bylaws** – Approval of revisions to the Board of Trustees bylaws.

ADVANCEMENT COMMITTEE REPORT

With no action items to report, Trustee Alan Florez, chair of the Advancement Committee, reported highlights from the committee meeting:

- Chair Florez reported that committee governance documents were being developed to establish an ongoing culture of self-assessment and accountability for trustees and should be finalized for approval by the board at the March meeting.
- Dan Holsenbeck, vice president for University Relations, gave a legislative update indicating that the governor's budget recommended \$52 million in new student enrollment, a \$23 million increase for medical schools that included fully-funding UCF's requests, \$60 million for establishing new centers of excellence, and \$100 million for matching challenge grant programs. The budget is subject to legislative approval.

- Robert Holmes, vice president for Alumni Relations and Development, reported that charitable gifts to the Foundation total \$32.8 million as it moved toward its goal of approximately \$60 million.
- Holmes reported that the effort to fully fund four-year scholarships for the first class of the UCF College of Medicine currently totaled 23.5 scholarships out of a total of 40.
- The Morgridge Reading Center will be renamed the Morgridge International Reading Center enabling it to seek philanthropic support beyond the United States.
- Tom Huddleston, vice president for Marketing, Communications, and Admissions, reported that UCF ranks 50th in colleges and universities in America that enroll National Merit Scholars and 2nd among the state's universities in that same category.
- Huddleston proudly referenced the new launch of UCF-TV with 17 hours worth of programming being featured on Bright House Video on Demand Channel 300.

AUDIT AND OPERATIONS REVIEW COMMITTEE REPORT

Trustee Olga Calvet, chair of the Audit and Operations Review Committee, reported on the discussions in the committee meeting:

- Trustee Calvet reported that DSO audited financial statements for fiscal year 2006-2007 have been reviewed for the UCF Research Foundation, Foundation, Health Facilities Corporation, Convocation Corporation, Golden Knights Corporation, and the Athletics Association.
- She noted that the reviews were very favorable and said that the Foundation DSO had some contributions that were reported incorrectly and an information technology security issue, but these items have already been addressed.
- The committee will begin working toward standardizing procedures such as record keeping, reporting, and investment policies throughout the university.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Trustee Judy Albertson, chair of the Educational Programs Committee, reported on the discussions in the committee meeting:

- Trustee Albertson reported that the committee would return to meeting on the days of the board meetings.
- **Dr. Alison Morrison-Shetlar**, dean of Undergraduate Studies, reported on the UCF general education program unifying theme, *Our Planet, Our Education, Our Future*, an online initiative created to focus discussion and reflection on global climate change across a variety of intellectual experiences within the university, local, and global communities.
- An interactive *GEP UT Weblog* Web site and Web blog devoted to the unifying theme are located at www.gep.ucf.edu. On this site, course materials will be posted by faculty, environmental factoids will be listed, a glossary of

environmental terms will be available, and curriculum development resources will also be offered.

- **Dr. Patricia Bishop**, vice provost and dean of Graduate Studies, discussed the new timeline for the implementation of new degree programs. Because the Board of Governors' submission deadline is three months prior to the June and November dates, materials must be submitted in March and August. Therefore, the timeline for the UCF Board of Trustees' approval will have to be adjusted.
- **Dean Deborah German** reported that the College of Medicine accreditation site visit exceeded her expectations in all categories and that she anticipated good news from the preliminary accreditation team in February.
- Albertson voiced her concurrence with the delegation of authority to the appropriate university administrative office for submission of Research Commercialization Assistance Grant Program proposals to facilitate the submission process.
- Albertson reported that the committee hopes to have its mission and charter ready for board approval at the next meeting.

FACILITIES PLANNING COMMITTEE REPORT

Trustee Pat Christiansen, chair of the Facilities Planning Committee, reported on the discussions in the committee meeting:

- Trustee Christiansen commented on the master plan overview presented at the Facilities Planning Workshop earlier that morning. The overview highlighted the elements of the current master plan and explained the master planning process and how it works at UCF. He indicated that the master plan is updated every five years.
- Christiansen reported that UCF has been rendered a favorable opinion for the appeal of the 2005 campus master plan. He recognized Scott Cole, vice president and general counsel, for his success on this case.
- **FP-1 Lake Nona Land Swap** – No action was taken on this item pending further discussions.

FINANCE COMMITTEE REPORT

Trustee Conrad Santiago, chair of the Finance Committee, presented the following items discussed in the committee:

- Trustee Santiago discussed the operating budget status recommendation to release revenues from the Bright House Networks Stadium to the Athletics Association, the details of which are covered in item FIN-7.
- He briefly reviewed the variance report that was added to the operating budget and agreed that there were no items to be addressed at this time.

- He discussed the state’s quarterly funding releases and agreed that Vanessa Fortier, director of University Budgets, would notify the board of any further decreases in funding.
- In a discussion about the draft investment policy, Trustee Santiago reported that the committee would continue to explore an approach that divides cash reserves of the university into three different pools. The controller, he reported, is working on a method for tracking those reserves by department and by area.
- **FIN-1 Housing Rental Rate Increase 2008-2009** – A motion was made by Trustee Santiago and approved by the board to establish UCF on-campus housing fees for 2008-2009. The Department of Housing and Residence Life strives to provide living environments that are conducive to academic achievement. The department receives no state funding and relies primarily upon rental revenue. Salaries, debt service on facilities, utilities, maintenance of facilities, and administrative overhead are all funded by the generated revenue. The department requested an average rental rate increase of 3% for all types of accommodations for 2008-2009. In addition to rental revenues, income will be generated from interest, conferences, and other miscellaneous sources. The increases in rates result from inflationary increases in the cost of goods and services, additional staff for managed facilities, and necessary repairs.
- **FIN-2 Student Activity & Service, Health, Athletics, and Transportation Access Fees Recommendation** – A motion was made by Trustee Santiago and approved by the board to increase the Activity & Service, Health, Athletics, and Transportation Access fees, effective Fall 2008. The fees approved by the board are summarized in the following table:

Fee	Fall 2007	Cost of Living Increase	Additional Increase	Fall 2008
Activity & Service	\$9.65	\$0.24	\$0.20	\$10.09
Health	8.11	0.20	0.28	8.59
Athletics	11.72	0.29	0.09	12.10
Total	\$29.48	\$0.73	\$0.57	\$30.78
Transportation Access	7.09	---	.50	7.59

- **FIN-3 Parking Decal Fees Increase 2008-2009** – A motion was made by Trustee Santiago and approved by the board to increase the 2008-2009 parking decal fees by 5%. This increase is required to help generate sufficient revenue for the parking and transportation operation on campus, to pay for the shuttle system, and to cover debt service payments for the parking garages. Other sources of revenue include the transportation access fee, traffic fines, and metered parking fees.

- **FIN-4 & FP-2 Addition of Two Greek Houses to the UCF Housing and Residence Life System and Demolition of One Fraternity House** – A motion was made by Trustee Santiago and approved by the board to: 1) purchase two Greek houses, Sigma Alpha Epsilon and Sigma Phi Epsilon, to add to the UCF Housing and Residence Life system, subject to the board’s approval of a financing plan, and 2) for demolition of the Pi Kappa Alpha House at a cost not to exceed \$40,000.
- **FIN-6 College of Medicine Faculty Practice Plan Structure** – A motion was made by Trustee Santiago and approved by the board establishing a structure for the College of Medicine Faculty Practice Plan, including:
 1. College of Medicine Practice Plan description
 2. University of Central Florida Practice Plan Regulation
 3. Amendment to Florida Board of Governors Regulation 6C-9.017 governing faculty practice plans to include the University of Central Florida College of Medicine.

In addition, this same motion approved the articles of incorporation and bylaws for a new, not-for-profit, 501(c) (3) corporation named Central Florida Clinical Practice Organization, Inc., which will provide administrative services to the College of Medicine Practice Plan, and authorize the president or his designee to undertake such actions as are necessary and desirable to establish the corporation.

- **FIN-7 Golden Knights Corporation Cash Release** – A motion was made by Trustee Santiago and approved by the board to release up to \$1.3 million from the Golden Knights Corporation to the UCF Athletics Association, Inc., for use in meeting operating expenses as funds are received. After allowing for reserves, UCF expects to have over \$1.3 million available for release by the end of the fiscal year.
- **FIN-8 & FP-3 Recreation and Wellness Center Expansion Loan** – A motion was made by Trustee Santiago and approved by the board for an \$8 million credit facility to further expand the Recreation and Wellness Center, subject to board approval of a proposed financing plan.

GOVERNANCE STRUCTURE AND PROCESS REVIEW AD HOC COMMITTEE REPORT

Trustee Pat Christiansen, chair of the Governance Structure and Process Review *Ad Hoc* Committee, reported on the discussions in the committee meeting:

- The Governance Structure and Process Review Committee was established and appointed by the chair of the board for the purpose of making recommendations to the full board to improve the process of the board. Some of the approved

- recommendations are incorporated in **GOV-1**, the Second Amended and Restated Bylaws prepared by Scott Cole, vice president and general counsel.
- As a result of the changes to the bylaws, the governance structure has been both enhanced and expanded.
 - Chair Christiansen referred to a Governance Committee meeting with the vice presidents as being very meaningful and constructive. In that meeting, board members solicited input from the staff for problems or items that may need board assistance.
 - Chair Walsh thanked the committee for its work as being important to the infrastructure and long-term viability of the board and the university.

NOMINATING COMMITTEE REPORT

Trustee Phyllis Klock, chair of the Nominating Committee, reported on the discussions in the committee meeting:

- The first meeting of the committee took place on January 9 when its mission and charter were discussed.
- At its next meeting, the committee will review a draft of the documents and forward them to the board for ratification.
- The committee has been given a three-fold charge:
 1. nominate a board chair and a vice chair for consideration by the full board
 2. develop recommendations about developing a profile of the composition of an ideal board and to influence to the largest extent possible, the actual selection of those board members by the Board of Governors and/or by the governor
 3. propose a presidential search process policy
- It is the third portion of the charge that the committee has chosen to undertake as its major initial task. The focus of the committee will be on preparing and updating an institutional analysis and developing a leadership statement. According to Trustee Klock, these two items would identify the university's current status, where it would hope to be in the next 5-10 years, and what leadership skills and talents might best get it there.
- Chair Walsh encouraged the board members to become involved in the process of succession planning.

ANNOUNCEMENTS AND ADJOURNMENT

The next regularly scheduled board meeting will be **Tuesday**, March 18, 2008.

With no further business to discuss, Chair Walsh adjourned the board meeting at 3:07 p.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary