

**Minutes
Board of Trustees Meeting
University of Central Florida
November 13, 2008**

Chair Richard Walsh called the meeting of the Board of Trustees to order in the Live Oak Center at 12:45 p.m. The following members were present:

The Honorable Judith A. Albertson	The Honorable Alan Florez
The Honorable Logan Berkowitz	The Honorable Micky Grindstaff
The Honorable Olga M. Calvet	The Honorable Conrad Santiago
The Honorable Manoj Chopra	The Honorable Thomas Yochum
The Honorable Patrick Christiansen	

The Honorable Harris Rosen attended the meeting via telephone conference call.

WELCOME

Chair Walsh welcomed the board members and called for approval of the September 18, 2008, board minutes, which were approved as written.

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

REMARKS AND INTRODUCTIONS

President Hitt announced that Trustee Micky Grindstaff was inducted into the College of Business Administration's Annual Hall of Fame at its tenth annual awards dinner. He congratulated Trustee Grindstaff and trustees Olga Calvet and Al Weiss who hold that distinction, as well.

Hitt congratulated UCF administrators who were named in *Women Who Shape Orlando* by *CEO Orlando* magazine: Helen Donegan, Vice President for Community Relations; Linda Chapin, Director of the Metropolitan Center for Regional Studies; and Dr. Deborah German, founding dean of the UCF College of Medicine.

Hitt recognized the following members of the faculty: Dr. Leonid Glebov, College of Optics & Photonics, recipient of the 2008 Dennis Gabor Award in recognition of his discovery and practical implementation of photo-thermorefractive glass as a new medium for recording high-efficiency volume holographic gratings; Dr. M.J. Soileau, College of Optics & Photonics, recipient of the 2008 Gold Medal of the Society of Photographic Instrumentation Engineers in recognition of his extraordinary dedication and service to optics education, research, and administration; Dr. Shin-Tson Wu, College of Optics & Photonics, recipient of the 2008 G.G. Stokes Award in recognition of his exceptional contributions to liquid crystal displays, tunable photonics, and adaptive-focus lenses; Dr. Cynthia J. Hutchinson, College of Education, recipient of the 2008 Mary L. Collins Award for Excellence in Teacher Education by the Florida Association of Teacher

Educators; and Dr. Kevin D. Belfield, College of Sciences, recipient of a four-year, \$1.8 million Collaborative Research in Chemistry grant from the National Science Foundation to support his project entitled “Self-Organized Aggregates in Photonics: A Comprehensive Approach to Multiphoton-Absorbing Supramolecular Assemblies.”

Hitt announced that the Fulbright Scholar Program annually sponsors 800 U.S. faculty and professionals abroad. Grantees lecture and conduct research in a wide variety of academic and professional fields. UCF leads the SUS institutions this year with five Fulbright scholars this year: Dr. Karen Biraimah, College of Education, serving at Kenyatta University, Nairobi; Dr. Humberto Campins, College of Sciences, serving at the Institute of Astrophysics of the Canaries, Tenerife, Spain; Kelley Melendez, College of Medicine, serving on the German-American Fulbright Commission, Berlin; Dr. Luis Carlos Rabelo, College of Engineering and Computer Science, serving at the Technological University of Panama, Panama City; and Dr. Carol Stoak Saunders, College of Business Administration, serving at the Vienna University of Economics and Business Administration, Austria.

Hitt announced that the Employee of the Month for July was Xavier Humphrey, an office assistant in Career Services; the Employee of the Month for August was Janki Maraj, an office assistant in the Art Department; and the Employee of the Month for September was Blake Stephens, a program analyst in the library.

Hitt requested that the board honor Dr. Beth Barnes, Vice President and Chief of Staff, by naming her *Vice President Emerita* upon her retirement in December. A charter member of the UCF faculty and a member of President Hitt’s leadership team since 1994, Barnes has also served as the associate corporate secretary to the board since its inception.

CONSENT AGENDA

Trustee Yochum moved the acceptance of the consent agenda, and members of the board concurred:

- **BOT-1 Conferral of Degrees** Concurrence for conferral of degrees at the Fall 2008 commencement ceremonies:
 - 3,020 Baccalaureate Degrees
 - 630 Master’s Degrees
 - 84 Doctoral and Specialist Degrees
 - 3,734 Total**

- **BOT-2 Compensation and Labor Committee Report and Recommendations** Approval to accept the Compensation and Labor Committee’s report and recommendations to:
 - endorse the recommended assessment of the president
 - endorse the recommended compensation of the president
 - endorse the recommended goals and incentives for the president and vice presidents

- **BOT-3 Collective Bargaining Agreement with American Federation of State, County, and Municipal Employees, Local 79** Ratification of reopened wages article of the collective bargaining agreement between the American Federation of State, County, and Municipal Employees, Local 79, and the University of Central Florida Board of Trustees.
- **BOT-4 Collective Bargaining Agreement with Police Benevolent Association (PBA)** Ratification of reopened wages article of the collective bargaining agreement between the Central Florida Police Benevolent Association, Inc., and the University of Central Florida Board of Trustees.
- **FIN-1 Public Funds Banking Resolution** Approval of public-funds banking resolution authorizing designated individuals to act on behalf of the University of Central Florida for the CDARS CD investment program.

ADVANCEMENT COMMITTEE REPORT

Trustee Alan Florez, chair of the Advancement Committee, reported the highlights from the committee meeting:

- Dan Holsenbeck, Vice President for University Relations, reported on legislative and elections events:
 - Representative Thad Altman now serves the UCF district
 - former Representative Andy Gardiner is now a senator, replacing Daniel Webster
 - a meeting of the Central Florida delegation and other key members of the legislature will be held on December 18, 2008, to discuss medical school funding and Courtelis matching funds
- Trustee Florez noted that Senator Ken Pruitt, along with other key leaders in Tallahassee, was supporting legislation for tuition enhancement.
- Florida Board of Governors' chair, Sheila McDevitt, will be commencement speaker for fall commencement on December 16, 2008, at 9:00 a.m. in the UCF Arena.
- Robert Holmes, Vice President for Alumni Relations and Development, reported that BB&T bank had pledged \$1 million at the rate of \$100,000 a year for ten years for a business ethics program.
- Holmes reported that donor support for academics exceed donations made by this same time last year.
- Holmes reported that the foundation board has changed its investment structure to withstand market volatility. Over the long term, this diversification should increase revenue. However, the current economic impact on endowment spending is serious. Based on September 30, 2008, projections, available spending will drop to \$1.1 million for FY2010.
- Thomas Huddleston, Vice President for Marketing, Communications, and Admissions, reported that student applications have increased 30% over last year with a 15% increase in students admitted over the same period.

- Huddleston also reported that UCF-TV, the university's full-time television station, will generate additional revenue. Programming schedules are located on the Web at www.ucf.tv.
- Huddleston reported that National Merit Scholar applications have reached 100, compared to 70 at this time last year.

AUDIT AND OPERATIONS REVIEW COMMITTEE REPORT

Trustee Olga Calvet, chair of the Audit and Operations Review Committee, reported that the committee has not met since the last board meeting. The next committee meeting is scheduled for December 5.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Trustee Judy Albertson, chair of the Educational Programs Committee, reported the highlights from the committee meeting:

- Provost Terry Hickey announced a new center and a new institute:
 - The Center for Public and Nonprofit Management will coordinate, strengthen, and increase the funded research efforts of faculty members and students in the Department of Public Administration and in the College of Health and Public Affairs. The center relies solely on external funding.
- The Marriage and Family Research Institute of the UCF College of Education will support healthy relationships and marriages for couples and families through research and training in marriage education.
- Huddleston presented a report on resident and non-resident student status as well as new student undergraduate enrollment costs. The report also listed strategic goals developed in 1994 that are relevant today:
 - align with mission
 - increase student demand
 - strengthen academic reputation
 - enhance institutional identity
 - provide access and diversity
 - encourage student retention
 - improve revenue
- M.J. Soileau, Vice President for Research and Commercialization, reported on The Patent Scorecard 2008, which lists UCF among the top10 research universities for patent productivity.
- Hickey noted that the budget deficit continues to grow. Currently, the state-mandated budget cut is 4%. UCF initially reduced its internal budget allocations by 6% in anticipation of further budget cuts this fiscal year.

- Albertson invited both the board and the audience to International Education Week, November 17-21, 2008.
- The Rosen College of Hospitality Management will forego seeking accreditation with the Accreditation Commission for Programs in Hospitality Administration.

FACILITIES PLANNING COMMITTEE REPORT

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

- William Merck, Vice President for Administration and Finance, and Tom O'Neal, Associate Vice President for Research and Commercialization, reported on the plans to purchase the Bennett Building located in Research Park and currently being leased by UCF through 2011. A contract will be presented to the Facilities Planning and Finance Committees for review before board approval is sought.
- Merck updated the committee on the 2010 master plan, which is due to the Board of Governors by January 15, 2010. A draft of the plan will be given to the Facilities Planning Committee in November 2009.
- Merck reported on the status of campus projects. He stated that \$310 million in construction is in progress, including the College of Medicine building and the Burnett School of Biomedical Sciences.
- Merck reported that UCF's utility costs increased by 24% this fiscal year.
- Merck discussed the need to expand shuttle service to serve an additional 2,000 students in nearby housing.
- Maribeth Ehasz, Vice President for Student Development and Enrollment Services, indicated that a contract to purchase the Sigma Phi Epsilon house has been completed. She noted that the Sigma Alpha Epsilon house purchase is in the process of being completed.

FINANCE COMMITTEE REPORT

Trustee Conrad Santiago, chair of the Finance Committee, reported on the discussions in the committee meeting:

- Trustee Santiago reported that the Sigma Phi Epsilon and Sigma Alpha Epsilon houses will be purchased with cash reserves in the UCF Housing and Residence Life budget.
- Vice President William Merck gave an update on the UCF CDARS investment program. He indicated that the initial \$30 million deposit has now increased to \$50 million.
- Santiago reported that a Public Funds Banking Resolution was adopted giving signature authority to William Merck, Vanessa Fortier, and Tracy Clark to conduct business with CNL Bank.
- The committee approved its 2009 Finance Committee meeting dates.
- Vanessa Fortier, Associate Vice President for Administration and Finance, reported on the status of the operating budget and noted no major variances.

- Tracey Clark, University Controller, presented draft financial statements for review and comment.
- Merck reported that the three-year letter of credit replacing approximately \$7.5 million taken from the convocation center housing reserves was renewed for an additional year for 85 basis points. The annual fee for the outstanding letter of credit will remain at 25 basis points for the remaining two years of the original agreement. The UCF Finance Corporation also has a letter of credit with Fifth Third Bank. This letter of credit was in lieu of bond insurance supporting \$60 million in bonds issued for the Burnett Biomedical Building at Lake Nona. Fifth Third Bank is not renewing this letter of credit when it expires in nine years.
- Merck noted that the Support Agreement Fund Balances report shows coverage of 8.5 times the required maximum annual debt service on the convocation center and stadium projects. The support agreement requires only a maximum of two times the coverage.
- Brad Stricklin, Associate Athletic Director of Business and Finance, UCFAA, Inc., reviewed the revised stadium projections and taxable debt payment schedules. Trustee Santiago requested that the numbers on the schedules be updated for the next meeting and that updates be given every six months.

Chair Walsh thanked everyone for sound financial management of the university during these difficult economic times.

NOMINATING COMMITTEE REPORT

Acting chair Manoj Chopra reported on the discussions in the Nominating Committee meeting:

- The last committee meeting was held on October 1, 2008.
- The committee discussed the Critical Success Factor document.
- Trustee Klock met with Dianna Fuller Morgan, chair of the University of Florida's Board of Trustees, who served as vice chair of the UF presidential search committee.
- The committee reviewed a search-process flow chart prepared by Scott Cole, Vice President and General Counsel, and the committee agreed that such a process would be useful.
- The next committee meeting will be a conference call on November 18 to review all of the search process documents.

NEW BUSINESS

A motion was made by Chair Rick Walsh and passed unanimously by the board approving *vice president emerita* status for Beth Barnes, Vice President and Chief of Staff, and Associate Corporate Secretary to the Board of Trustees. "We greatly appreciate your valuable service to this board and all that you've done to help each one of us," stated Chair Walsh.

ANNOUNCEMENTS

The next Board of Governors' meeting is November 20, 2008, in Tallahassee.

The Board of Trustees' retreat scheduled for December 12, 2008, will be rescheduled. The next Board of Trustees' meeting will be January 22, 2009, in the UCF Live Oak Center.

Chair Walsh announced that he will serve on the Board of Governors' search committee for a chancellor. He will also chair the State University System Shared Services Task Force to review possible shared services for universities. He welcomed recommendations for shared services from board members.

Chair Walsh adjourned the board meeting at 1:19 p.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary