Members Present: Dick Beard
Rhea Law
Lee Arnold
John Ramil
Sherrill Tomasino
Carl Carlucci, Executive Vice President and CFO (ex officio)
Tapas Das

Other Trustees Present: Maxon Victor

Chairman Beard called the meeting to order at 11:20am.

Action Items for Approval:

   **Action:** Approve new Article 23 (Salary) and Article 24 (Benefits) in 2004-2007 Collective Bargaining Agreement

Jim Malek presented the reopeners for salaries and benefits. Under the terms of the salary agreement, USF will establish (in addition to the 3.6% and promotional increases received in August) a 1.4% pool to be distributed as follows: 0.9% for national benchmarking increases; 0.2% for compression/inversion increases; and 0.3% for base salary or lump sum increases for excellence in research, teaching, service, or other assigned duties. The university also reserves the authority to distribute up to an additional 1% in discretionary funds for such things as increased duties and responsibilities, counteroffers, lawsuit settlements, and market equity issues. The benefits package allows full-time and retired employees to enroll for up to six credit hours per term free of charge, eliminating the "space available only" provision. USF and UFF also agreed to pursue the implementation of a domestic partner health care benefit program that will provide access to interested individuals and to continue to discuss the fiscal impacts of reassigning current tuition benefits to spouses and children.

There are also some language clarifications for sabbaticals and how overtime pay is funded.

Trustee Arnold asked is this for all campuses. Mr. Malek responded yes.

**Trusted Ramil made a motion to approve new Article 23 (Salary) and Article 24 (Benefits) in 2004-2007 Collective Bargaining Agreement. Trustee Law seconded the motion. The motion passed.**

II. 2006-2007 Housing Rental Fees and Proposed Revisions to Regulation USF4-0107 "Special Fees, Fines and Penalties" Section (1)(aa), Housing Rental Rates  
   a. Tampa Campus  
   b. St. Petersburg Campus  
   **Action:** Approve proposed housing fee structures and revisions to regulation
Dr. Carlucci introduced the housing item and noted rates were set to cover costs, we can cover debt service, and market comparison data is included. Tampa is requesting approval for a rate increase. St. Petersburg is requesting approval for proposed housing rates.

Dr. Meningall presented the Tampa proposed housing fee structure. A room rate increase is requested in the amount of 4.0% to 6.3% for on-campus residences. The proposed residence hall fee structure covers: (1) anticipated increase in the cost of living; (2) increase in natural gas, electricity, and sewer charges; and (3) financial pro-forma requirements which keep our building and renovation plan achievable.

Chairman Beard asked how do our utility costs relate to on campus. Tom Kane responded that natural gas has increased 150% therefore utilities will increase 30-40% next year over this year. Chairman Beard wants to make sure the increase covers more than just the utilities increase – we don’t want to get behind. Wants us to look at what percent of costs are utilities. Trustee Ramil noted according to attachment VII, utilities are about 1/3 of total costs.

Trustee Arnold asked any thought to individual meters. Dr. Meningall responded that it is hard for students to come up with deposits. If some can’t pay, won’t have lights. Trustee Beard commented if they had to pay, they would conserve and not waste. Trustee Beard wants us to look into this.

Trustee Arnold noted the debt service ratio is 1.2.

Trustee Beard suggested St. Pete look at utility issue as well.

Trustee Arnold asked about St. Petersburg’s occupancy. Max Kerlin responded St. Pete can make debt service with 60% occupancy. They now have 50 applications. They are expecting a late sign up for this – will fill as we get closer to fall.

Fell Stubbs noted St. Petersburg has six months of capitalized interest in hand.

The USF Special Fees, Fines and Penalties Regulation authorizes charges for campus housing and incorporates the Tampa housing brochure, “Live the Campus Life,” which contains information on Tampa housing rental rates. Therefore, this Regulation is amended to reflect the revisions to the brochure and housing rates. Section (1)(aa), of the Regulation is further amended to incorporate the proposed housing rates for the St. Petersburg campus.

Trustee Law made a motion to approve proposed housing fee structures (Tampa and St. Petersburg) and revisions to regulation. Trustee Arnold seconded the motion. The motion passed.

III. Parking Regulation

Action: Approve revisions to regulation and campus parking brochures

Dr. Carlucci presented the parking item. Tampa increases are driven by demand. Proposed 20% rate increase at Tampa. Contemplating new garages in master plan to accommodate with increases over the next 5 years.

Dr. Carlucci noted a petition from staff that the increase in parking rates is a financial burden. We do not disagree.

Jeff Mack stated $1.4M is needed to meet debt service on next garage. A 20% increase will generate $1M.

Dr. Carlucci explained current revenue covers current debt service. Need increased revenue to cover new garages.
Chairman Beard asked gross revenue divided by number of spaces and costs divided by number of spaces. Dr. Carlucci responded gross revenue is $110 per permit; costs are $350 per space.

Jeff Mack noted the last increase was 2004/05 when sales tax was added. Also, resident rates increased.

Chairman Beard read the petition into the record:

Because the cost of living has been steadily rising, including but not limited to huge increases in health insurance copays, prescriptions, and deductibles, and because pay has not kept pace with these and numerous other increases, on and off campus, and because a percentage of workers are already paid below poverty level wages while others maintain eligibility for food stamps, it is our belief that the proposed 5-year increase in the cost of parking at the USF Tampa campus, which amounts to a 248% increase over current rates, places an undue burden on the least financially capable members of the University community. We believe further that cost increases could be instituted on a sliding scale according to income or defrayed by other methods, such as its incorporation into the initial cost estimates of building on current surface parking, so that the burden does not fall inordinately onto the shoulders of an already underpaid workforce.

1,518 signatures were obtained.

Chairman Beard commented that he was not sure people signed the petition for the right reasons due to the language. Did they sign because of the parking increase or because employees are on food stamps.

Trustee Law asked can staff park in park-n-ride. Jeff Mack responded yes.

Trustee Law asked are we looking at ride sharing. Manuel Lopez responded yes, we are working with CUTR (Center for Urban Transportation and Research).

Trustee Ramil asked if there are any restrictions on bringing vehicles on campus. Mr. Lopez responded no.

Trustee Ramil asked should we restrict freshmen from bringing vehicles on campus. Trustee Law stated we should be looking at everything to find innovative solutions. Mr. Mack noted Hartline ridership is about 3,500 per month. This is free for students and discounted for staff – extended agreement.

Trustee Arnold suggested we look at light rail system. We cannot have all these cars on campus in the future as campus expands in the future. Trustee Ramil noted it is cheaper to build garages than a new transportation system.

St. Petersburg is adding resident parking. Do not need to increase rates yet – only have half year of debt service in 2006/07. Will request an increase in 2007/08.

Summary of request:
- Sarasota/Manatee – changes to rules only
- Tampa – one year increase and rule changes
- St. Petersburg – new resident parking fee and brochure changes.

Trustee Arnold made a motion to approve revisions to regulation and campus parking brochures. Trustee Law seconded the motion. The motion passed.
IV. Parking Structure IV Financing  
**Action:** Approve request to utilize Florida Division of Bond Finance to issue bonds

Dr. Carlucci introduced Parking Structure IV financing. Jeff Mack stated the garage will be located on Alumni and Magnolia – hope to fast track and open Fall 2007.

This will be a multi-level parking facility with 2,000 spaces.

Trustee Ramil made a motion to approve the process to utilize the Florida Division of Bond Finance to develop the necessary resolutions and other documents for submittal to the Florida Board of Governors and Florida Board of Education to issue bonds not to exceed $17.6 Million for the construction of Parking Structure IV on the Tampa Campus. Trustee Law seconded the motion. The motion passed.

V. Charter School Bylaws  
**Action:** Approve revisions

(Addressed after item VII)

VI. USF Property Corporation Bylaws and USF Finance Corporation Bylaws  
**Action:** Approve revisions

Fell Stubbs presented the amendment to USF Property Corporation Bylaws and to USF Finance Corporation Bylaws. Seeking ratification of changes approved at Corporations board meetings.

Trustee Arnold stated the financial audit should come to the USF Board of Trustees. This change changes that. Trustee Arnold amended the motion to include back Board of Trustees and Auditor General and to make all other DSOs consistent.

**Trustee Law made a motion to approve the revisions to the bylaws with Trustee Arnold’s amendment. Trustee Ramil seconded the motion. The motion passed with amendment.**

VII. University Audit & Compliance - Revised Charter  
**Action:** Approve revisions

Eric Walden presented the revised charter for University Audit and Compliance (UAC). The revisions simplify and clarify the charter. International Institute of Auditors (IIA) and other universities (SUS and out of state) were looked at in developing these revisions. UAC serves in an advisory capacity to the university.

The revised charter states "The Office of University Audit and Compliance reports to the President and operates under the day-to-day oversight of the University’s Executive Vice President. This reporting relationship ensures the OUAC’s independence, promotes comprehensive audit coverage, and assures adequate consideration of audit recommendations. The office also has direct access to the University Board of Trustees through its Liaison to the Board’s Finance and Audit Workgroup."

**Trustee Law made a motion to approve the revised charter for the Office of University Audit & Compliance. Trustee Arnold seconded the motion. The motion passed.**

V. Charter School Bylaws  
**Action:** Approve revisions

Colleen Kennedy presented the revisions to the Charter School Bylaws. The revised by-laws contain language to clarify ambiguities and to address important issues and concerns that are not included in the original by-laws.
Chairman Beard and Trustee Law requested a strike-thru and underline version so they can compare.

Trustee Arnold made a motion to approve the revised bylaws, looking for red line version for ratification at the BOT meeting. Trustee Law seconded the motion. The motion passed.

Information Items:

VIII. Internal Controls/Cash Collections

Nick Trivunovich presented the university’s cash collection action plan and provided a summary of cash collection sites. Sites that will remain open are sites tied to retail operations (ie computer store), ticket offices (ICA, VPA), sites with medical records and HIPPA requirements, and ERCCD. Required certification and segregation of duties for areas that will remain open. Additional important components of the plan are transaction reconciliation and budget review (quarterly and annual).

Trustee Beard noted if we don’t know what they were supposed to collect, we won’t know if they collected it or not.

Trustee Arnold wants cards tied to on-campus/university bank.

Trustee Ramil wants us to also look at safety and security of sites.

Trustee Arnold suggests bonding of employees.

Trustee Law commends the university for acting so quickly on the ELI issue.

IX. Recap of Marshall Center Financing

Fell Stubbs gave a recap of Marshall Center Financing. The project is a 229,000 sq ft structure at a cost of $64M (net of finance costs and does include FFE) - $41M bond financing, $23.6M accumulated fees and CITF. Demolition of SEC to begin in April.

Chairman Beard asked where we are on the building design. Dr. Carlucci responded design review with architects – have to fit our program with their design into our budget.

X. Status of Banking Services Contract

Fell Stubbs provided an update on the banking services contract. Banking Services Proposal sent to 20+ vendors on January 17. The proposal contains 4 services (vendors may bid on 1 or all): 1) General Banking Services (requires $500 mil FL deposits) - local; 2) Credit/Debit Card Processing; 3) Purchasing Card Processing – national, possibly out of state; 4) Student ID Card/Debit Card Processing. Will select a short list, then negotiate. Proposal will be opened on February 28. Expect multiple service providers.

XI. Status of USF Health Financing

Fell Stubbs provided an update on USF Health financing. Center for Advanced Health Care: $54M, 194,000 sq ft, 6 floor structure. TGH Medical Office Building: $26.3M, 130,000 sq ft, 7 floor structure. Funding: $45M of Series 2006A COPs / USF Financing Corp. Issue; PECO of $28M; Tampa General Hospital donation of $8.6M.

Trustee Arnold suggested bond anticipation note since we have money early and not using it – negative arbitrage in holding period. Dr. Carlucci indicated we would do a schedule to look at
Chairman Beard stated why borrow money before you need it.

XII. Code of Conduct for Financial Functions

Dr. Carlucci reported this process has been going on for two years now. A draft document is circulating and still raising issues – who is the accountable officer and who should sign the code.

Other

Chairman Beard asked if there was any other business.

Trustee Arnold requested the following:
- We should reflect upon the previous audits – bring report to next meeting.
- Grants – money coming in from third parties and expecting results. Need to establish protocols for grant holders to honor and have benchmark reviews.
- We need to look at our research dollars.

Having no further business, Chairman Beard adjourned the Finance and Audit Workgroup meeting at 1:25pm.