Members Present: Dick Beard  
Rhea Law  
Lee Arnold  
Margarita Cancio  
John Ramil  

Judy Genshaft, Corporate Secretary (ex officio)  
Carl Carlucci, Executive Vice President and CFO (ex officio)  

Faculty Liaisons: Assoc. Professor Jacqueline Reck  
Professor M. Dwayne Smith  

Chairman Beard called the meeting to order at 9:15am.

Action items:

I. 2005-2006 Housing Rental Fee – Tampa Campus

The first item presented was the 2005-2006 Housing Rental Fee for the Tampa Campus by Acting Vice President Kofi Glover. A 3.5% to 4% increase in housing rates for 2005-2006 was proposed 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;  
(3) a student requested upgrade to our cable television system; and  
(4) financial proforma requirements which keep Housing’s building and renovation plan achievable.

Chairman Beard asked where the market is today for the USF rental community. Dr. Tom Kane, Director of Housing, indicated that USF is competitive with the off-campus market. He also stated that double rooms are more popular than single rooms on campus. Dr. Kane further noted that last year’s increase was 6% and this year it is 3.5% – 4%.

Chairman Beard then asked what the occupancy rate is off campus. Dr. Kane believes it is less than 85% noting that some off campus properties ask us to buy them to guarantee occupancy.

Trust Arnold asked what is the debt ratio. Dr. Kane stated the debt ratio is 1.2. Dr. Carlucci calculated a 2.29 payment coverage on debt ratio.
Trustee Arnold also wanted to know why the debt service is going up and why there are no reserves. Dr. Carlucci indicated that this is a modest increase only to get to breakeven. Both Chairman Beard and Trustee Arnold stated that Housing needs to be proposing a higher increase to build credit.

Trustee Arnold stated that we need to talk about what we want to do philosophically going forward.

He also wanted to know what the demand will be if we increase the price. Dr. Kane said that enrollment is the biggest impact on occupancy especially FTICs.

Trustee Arnold noted that debt service increases by $900k but revenue does not increase. Chairman Beard stated that Housing needs to be at a 1.2 debt coverage ratio. Nick Trivunovich, University Controller, indicated that he has numbers that show a 1.26 ratio for Housing.

Trustee Arnold wants a different format for showing budget in cases like this.

**Trustee Arnold made a motion to approve the housing rental fee increase pending we can show that the debt coverage ratio is greater than 1.25. The motion passed.**

### II. Parking Rules

Steve Prevaux presented a summary of proposed changes to USF parking rules and campus parking brochures. Mr. Prevaux noted that there are no new fees or increases in existing rates for 2005-06.

Trustee Law noted that there is a section which addresses accommodations for those temporarily disabled in the Sarasota-Manatee brochure, but not in the Tampa or St. Pete brochures. She recommended standardizing all brochures to include the procedure for temporary disabled permits.

Chairman Beard asked what the revenue is per parking space. Jeff Mack, Director of Auxiliary Services, stated that revenue per space is $357 this year (2004-05). Chairman Beard remarked that we are building garages at $8,000 per space. Dr. Carlucci noted that surface parking subsidizes structured parking. Both Chairman Beard and Trustee Arnold stated that rates should increase as we build more garages. President Genshaft said that parking is a sensitive issue, particularly cost and availability and we need to have a process before just imposing increases. Chairman Beard indicated that we have more parking garages coming up and need to develop a plan.

Trustee Law made a motion for approval. Trustee Ramil seconded. Passed unanimously.

### Information items:

### III. Finance Issues

Dr. Carlucci presented a notebook to track revenues and expenditures in a way we were never required to do before under state control.
a. **USF Quarterly Financial Reports – All Sources**

Nick Trivunovich presented the quarterly income statement, balance sheet and statement of cash flows for Quarter 2. He noted there are two purposes for financial information:

1. overall financial picture of the university - this is the financial statements which are accrual basis;
2. budget information – this is an internal management tool to control spending and is cash basis.

Mr. Trivunovich noted that there are differences between the financial statements and the budget reports due to interdepartmental billings and cash transfers. He pointed out that the timing of tuition revenues creates a cash surplus in Q1 and Q2 which is then spent down in Q3 and Q4. He also noted that departments are starting to accumulate reserves and are being conservative.

Trustee Arnold would like a position paper from Jeff Muir with talking points on the debt issues and bond financing.

b. **USF Quarterly Budget Reports – Budget to Actual**

Bertha Alexander, Director of Budget & Policy Analysis, presented USF’s Quarterly Budget Reports, Budget to Actual, all sources. Chairman Beard was pleased with the format and the information.

c. **USF DSO Quarterly Financial Reports**

Eric Walden, University Treasurer, presented the DSO Quarterly Financial Reports for Quarter 2.

Chairman Beard asked about our investment policy. Mr. Walden indicated the Finance Committee will be looking at developing an investment policy. The Foundation, the Practice Plan, and the Research Foundation each have their own investment committees. The concern is regarding the smaller DSOs and their investment decisions.

Chairman Beard noted that all DSOs look good except the Charter School and the Sun Dome. Mr. Walden pointed out that the Sun Dome has now gone under the control of Intercollegiate Athletics. Both the board and the structure are still in place and need to be looked at. Dr. Carlucci stated that we do have an opportunity to change the board. Trustee Arnold wants a risk analysis.

The USF Golf Course is part of the Sun Dome and currently expenditures exceed revenues. Dr. Carlucci indicated that the university is helping the golf course to repair damage from last year’s hurricanes. He also noted that we are doing an RFP to outsource management of the golf course.

Trustee Arnold stated that the golf course supports the golf teams. Rick Costello, CFO for Athletics, indicated that this is not true. The golf course only pays the coaches’ salaries. Athletics provides all other support for the teams.
Continuing Issues:
  o Reserve Issue – liquid days on hand
  o Breakeven Concept

Other Information:
  o President Genshaft mentioned the feasibility study for the capital campaign. It has been 5 years since the last one. Consultants will be talking to BOT members. Want to spend time on Athletics and what we need going into the Big East. Chairman Beard suggested there needs to be separate fund raising for Athletics going into the Big East.

  o Trustee Arnold asked Dr. Carlucci how he feels about our cash position. Dr. Carlucci would like to have 60 days on hand going into hurricane season. He indicated we are ok on a daily basis but we are not leveraging as well as we should.

With no further business, Chairman Beard adjourned the meeting at 11:35am.