The meeting was called to order by Chairman Beard at 9:50am.

I. Local Fees
   Dr. Carlucci introduced the local fee item noting fees are approved by the state and subject to the 40% and 5% rules (fees should be less than or equal to 40% of matriculation fees and cannot increase more than 5% per year).

   a. Student Health Fee Increase
      Dr. Harold Nixon presented the Student Health Fee increase. Given that the 40 percent cap will only allow an increase of $1.16, it is proposed that Student Health Services and the Athletic Department split the $1.16 into $.58 each. Funds resulting from this fee increase will be used to provide expanded health care services to meet the needs of a growing student population. Student Health Services (SHS) has had the same size facility and same footprint for 30 years and currently rents space in the bookstore. Dr. Terenzi, director of SHS, noted both mental health and medical care services are provided. An increase in the number of resident students increases the number of students to SHS. Students receive three semesters of coverage after graduation. Increase in fee would generate $472K per year which would meet bonding needs. Bundle bonding with MC. Trustee Arnold asked can Medical Clinics provide some care to students. Dr. Carlucci responded that he did ask the practice plan, but insurance carrier for graduate students is not the carrier used by practice plan. Specialty care services are handled by medical clinics but not feasible for primary care. Clinics lack capacity in primary care area - 30 year old facility, pinched already. Clinics cannot address SHS demand for primary care. Trustee Arnold asked if the addition to the SHS facility will get us through our 5 year plan and will any parking will be displaced. Dr. Nixon answered that yes it will get us through our five year plan and no parking will be displaced. Trustee Arnold indicated that parking will be needed when square footage is increased.

   Trustee Arnold made a motion for approval of the Student Health Fee Increase of $0.58. Trustee Law seconded the motion and the motion was unanimously approved.
b. **Athletic Fee Increase**

Lee Roy Selmon presented the Athletic Fee increase. The purpose of the athletic fee increase is to help support new training facility, specifically for maintenance of facility. On the Tampa campus this will mean an increase of 58¢. This increase will generate $452K. For St. Petersburg - .50 SCH or $45,748; for Lakeland - .25 SCH or $5,974; for Sarasota - .60 SCH or $20,626. The increases total $524K which is $200K less than needed. Cost of maintenance is estimated to be $700K. Chairman Beard asked does the budget to 2010 take into account the move to the Big East Conference. Mr. Selmon responded no, the proforma was done before Big East. Chairman Beard wants to see new budget numbers taking into account the Big East. Chairman Beard would like to increase the fee more but limited because of cap. Trustee Arnold noted agreement/support from students.

Trustee Arnold made a motion for approval of the Athletic Fee Increase – all campuses. Trustee Law seconded the motion and the motion was unanimously approved.

c. **Material & Supply Fees Revisions**

Provost Khator presented the material & supply fee revisions. These are fees assessed on courses to purchase supplies directly consumed in courses. 612 courses currently have material & supply fees. The fees range from $5 - $75; the average fee is $10. Material & supply fees are reviewed by the college and approved by cabinet. Fee goes to department and instruction.

A motion was made to approve the material & supply fees for Tampa. Motion passed unanimously.

d. **New Material & Supply Fee – Hotel & Restaurant**

A motion was made to approve the new material and supply fees for Sarasota/Manatee (Hotel and Restaurant Management courses). This motion also passed unanimously.

The President presented an additional action item.

As we approach the Holiday Season as thanks for hard work, President Genshaft proposed granting all non OPS employees 2 additional floating holidays - 12/26 and 01/02. This would be paid time off without using annual leave. Essential personnel can use the floating holiday at other times. This is consistent with some other SUS institutions and must be approved by the Board.

Trustee Arnold made a motion for approval of the Floating Holidays. Trustee Law seconded the motion. The motion unanimously passed.

II. **Finance Issues**

a. **Revised Audit and Compliance Charter**

Marie Hunniecutt presented the revised University Audit & Compliance charter. The revised charter reflects the title change from Inspector General and defines
responsibilities. Compliance is new role. Hired Ethics & Compliance officer from Moffitt. Unlimited/unrestricted access of office to all campus records. Does not have the authority over DSOs. The Finance Committee will review each DSO. DSOs have internal and external controls/audits. Office of Audit & Compliance (OAC) will certify. Keep workload in DSOs – most have internal audit functions (larger DSOs). OAC will do for small DSOs to determine where are our risks. OAC will perform internal audit function for auxiliaries. Trustee Arnold mentioned that he doesn’t want to rack up audit costs – don’t audit what is not necessary. Document audit procedure as described here and ratify. Chairman Beard asked what has changed in the revised charter. He wants quarterly audit reports to BOT Executive Committee and annual reports on DSOs. OAC reserves the right to do investigations. We have assigned audit function to DSOs. Ms. Hunniecutt stated the charter should come forward on an annual basis to be sure OAC is meeting the needs of BOT and administration. Chairman Beard wants to be sure OAC has the right to look at anything with DSOs not just investigatory. Dr. Carlucci asked if the board wants to delegate BOT authority to OAC to go into DSOs if don’t like their audit. Trustee Arnold responded that the independent auditor (OAC) should report to the BOT. Trustee Cancio wants to look at independence and authority sections. Trustee Arnold stated an independent advocate would not be afraid to come forward with bad news.

**NO ACTION – deferred approval of the 2003-2004 OAC Charter.**
Dr. Carlucci will bring revision to Trustee Law.

b. **Code of Ethics for Fiscal Officers - Information item**
In response to the Sarbanes-Oxley Act, the Financial Code of Ethics was developed by the Treasurer (Eric Walden) in conjunction with the Finance Committee and General Counsel. The financial code of ethics deals with 3 areas: employees, conflicts of interest, and internal controls. The code would be signed annually by financial people. Trustee Arnold asks does this apply to students. Mr. Walden responded no as students do not function at this level. Dr. Carlucci stated that the code of ethics is targeted to financial officers (CFOs and business managers), maybe later add senior management. This is a first step. Trustees Law and Burton were not clear as to which employers this affects. Trustee Cancio asked should all employees be subject to the code of ethics. Trudie Frecker responded that all employees are subject to the general code of ethics – this is limited to finance group only. Trustee Law recommended revising the code to be sure this is financial staff only, not faculty. Joann Strobbe wants to see this include DSOs. Dr. Carlucci will come back to the workgroup with a list of who this applies to in order to clarify who this addresses and does not address. Trustee Law wants to see who we are targeting.

**Other**

Trustee Arnold wants to see land use planning for all campuses - process like city or county to include application, committee review, etc. He wants a process to be a procedure for each of the campuses. President Genshaft suggested a Development Review Committee for the total university. She stated we need a process to look at how our land is being used and to answer specific questions. Applies to affiliates on our campus who want to expand and use more of our land. Chairman Beard assigned this to Trustee Arnold and the ACE workgroup to set up. Trustee Arnold wants Tampa planning staff to write up procedures.

Chairman Beard reported that we are home to Florida’s Alzheimer’s Center. The Board Executive Committee needs to approve term sheet to go negotiate final contract and give
the President authority to negotiate. Chairman Beard, Trustee Burton and President Genshaft (ex-officio) are on the Alzheimer’s Board by state directive. Unanimously passed.

Chairman Beard closed the meeting at 11:10am.