

Board of Trustees
Finance Committee Meeting Minutes
December 1, 2005

Trustees Present:

Alfred C. Warrington, Chairman
David Brown
Mac McGriff
Earl Powell

The minutes of the September 9, 2005 meeting were approved.

Mike Smith, the Director of University of Florida Investment Corporation (UFICO), gave a presentation on UFICO's performance for the past year. In his presentation he spoke about organization, asset allocation, and the future development of UFICO, including managing the assets of other University of Florida entities such as, UAA and Shands. UFICO has had a very good first year in investment returns. UFICO will continue to update the Board of Trustees as necessary.

The next item of business was a staff briefing on a several issues facing the university.

- First, was recognition that utility prices were increasing significantly. The Public Service Commission approved an increase of 35% in fuel adjustment rates, effective January 1, 2006. While consumption is down somewhat, it was expected that the fuel adjustment increase in January alone would increase the University's E&G Utilities cost by some \$3M dollars.
- The second item was an update on Hurricane Recovery. Staff advised the Trustees that insurance funds were very slow in arriving to cover the hurricane damage from a year ago. The University has only received about \$1.3M in cash of a \$5.5M request.
- A third issue was construction cost escalation. The University has submitted a request totaling \$25.2M dollars for six projects where construction costs have increased since the project began. These costs have been affected by hurricane issues, as well as the demand for petroleum products and other construction products such as steel, rebar, drywall, and concrete.

Bob Miller briefed the committee on the student fee increases that were approved by the Student Fee Committees. The A&S fee, the Health fee, and the Transportation Access fee will all be increased effective Fall 2006. This was for information purposes only.

The committee next reviewed the draft Annual Finance Report which is currently being audited by the Auditor General's Office. The Finance Committee also received the Quarterly Financial Report for activity from July through September.

The last agenda item was a joint committee meeting of the Audit Committee and Finance Committee to hear a Bridges update by Dr. Barrett, Senior Vice President. Dr. Barrett briefly recapped the organization structure in which the Senior Vice Presidents are involved in the integration and prioritization of the Bridges initiatives. Dr. Barrett reported that significant progress has been made in each of the targeted areas of Contracts & Grants, Reporting, Human Resources, and Training. A rewrite of the Contracts & Grants Receivables and Billing system should be complete by September 2006. Enhanced and additional reports will be available to campus on December 23, 2005. Some of the Human Resource enhancements, such as Centralized Appointments and a new front-end recruiting tool, are currently being piloted and will be available in late spring of 2006. The Trustees were pleased with the continued progress being made with the Bridges development.

The meeting was adjourned.