

Minutes
UWF Board of Trustees
Finance, Administration and Audit Committee Meeting
UWF/OWC Campus
1170 Martin Luther King Jr. Boulevard
Fort Walton Beach, Florida

Tuesday, March 7, 2006

Committee Chair Sharon Hess Herrick called the meeting to order at 8:35 a.m. announcing that Trustee J.T. Young would not be attending due to a conflict in schedule. She asked Faye Bowers to call roll.

Other committee members attending:

Mrs. Marny Gilluly
Mrs. Nancy Fetterman

Others attending:

Dr. John Cavanaugh, President
Dr. Hal White, Executive Vice President
Dr. Dean Van Galen, Vice President for Development
Mr. K.C. Clark, Board Chair
Dr. Debbie Ford, Vice President for Student Affairs
Ms. Anita Schonberger, Interim General Counsel
Ms. Kim Spear, Chief of Staff/Assistant Corporate Secretary/BOT
Ms. Faye Bowers, Executive Specialist/Assistant Corporate Secretary/BOT
Mr. Michael White, UWF ITS

Chair's Greetings

Chair Hess Herrick thanked everyone for their attendance at the meeting. She thanked the Fort Walton Beach Campus for hosting the meeting. Dr. Joyce Gossom, Director of Academic Affairs at UWF/FWB represented Dr. Little who was out due to illness.

Action Items

1. Approve **Minutes of December 9, 2005 Roundtable Discussion and Finance Committee** meeting as presented by Chair Hess Herrick.
<http://uwf.edu/trustees/committees/documents/12.9.05ApprovedFinanceRoundtableMinutes.pdf>
<http://uwf.edu/trustees/committees/documents/12.9.05ApprovedFinanceMinutes.pdf>
Motion: Trustee Fetterman
Second: Trustee Gilluly
Action: Motion Approved Unanimously

2. **Certify audits of FIHMC, WUWF, and Intercollegiate Athletics** as presented by Ms. Betsy Bowers. These items were certified in one motion.
FIHMC http://uwf.edu/trustees/Mar7_06/fihmc2005financials.pdf
http://uwf.edu/trustees/Mar7_06/fihmc_mgmt_letter.pdf
WUWF Radio http://uwf.edu/trustees/Mar7_06/WUWFRadio63004financials.pdf
UWF Intercollegiate Athletics
http://uwf.edu/trustees/Mar7_06/intercollegiate2005_2004financials.pdf
Motion: Trustee Fetterman
Second: Trustee Gilluly
Action: Motion Approved Unanimously

3. Approve **Trolley Fee Increase to be effective Fall Semester 2006** as presented by Dr. Jim Barnett who reported in Mr. Bert Harley's absence as noted below for October 1, 2006 to September 30, 2007:

<u>Classification</u>	<u>Current Fees</u>	<u>Proposed Fee</u>	<u>% Increase</u>
Student – per semester credit hour	\$1.51	\$1.80	19 Percent
Employee – annual	\$5.48	\$6.50	19 Percent

Trustees Clark and Hess Herrick inquired whether the trolley service has met and or exceeded expectations. Dr. Barnett indicated that rider ship has been more than anticipated saying the trolley meets the students' needs very well. A motion to approve the trolley fee increase to be effective Fall Semester 2006 was made.

Motion: Trustee Gilluly
 Second: Trustee Fetterman
 Action: Motion Approved Unanimously.

4. Approve **proposed Student Activity and Service, Athletic and Health Fee increases effective Fall 2006** as presented by Dr. Debbie Ford who noted that increases may be 5% annually saying that UWF is within the 40% cap. Much work has been done through the leadership of Dr. Jim Hurd, Associate Vice President meeting with committees to review proposed increases said Dr. Ford.

Exhibit A—Schedule of Current and Proposed Fee Increases

http://uwf.edu/trustees/Mar7_06/SAFees_EXHIBITA.pdf

Exhibit B—Minutes of Fee Committee Conference Session

http://uwf.edu/trustees/Mar7_06/SAFees_EXHIBITB.pdf

Exhibit C—UWF Fee History http://uwf.edu/trustees/Mar7_06/SAFees_EXHIBITC.pdf

Exhibit D—Comparison of SUS Fees for 2005-2006

<http://uwf.edu/StudentAffairs/BOTinfo/index.html>

Chair Hess Herrick noted that it was obvious of the amount of work in preparing these proposals.

Motion: Trustee Gilluly
 Second: Trustee Fetterman
 Action: Motion Approved Unanimously

5. Approve the **proposed University Housing and Residence Life Rental Rate increase effective Fall 2006** as presented by Dr. Debbie Ford noting that 5.37% is the recommended increase as opposed to the 11% increase last year. Ford met with the Student Executive Committee and Student Senate saying that inflation is the reason for the increase in fees especially the cost of utilities and maintenance repairs and meeting the objective in providing a quality living and learning experience for all UWF students. UWF has the lowest, most secure, and nicest housing and residential life facilities in the state.

Trustee Fetterman inquired about whether the media is publishing and projecting these positive aspects of UWF housing and residential life. Ford reported that having met frequently with student representatives, she feels comfortable that UWF will continue to attract high quality students with hopefully 100% occupancy in the fall of 2006.

President Cavanaugh commented regarding the media reaction that UWF is the most reasonable in the state being \$165.00 below the next Florida university and this is definitely a great place to be.

Exhibits A - E <http://uwf.edu/StudentAffairs/BOTinfo/index.html>.

Motion: Trustee Fetterman
 Second: Trustee Gilluly
 Action: Motion Approved Unanimously

Informational/Discussion Items

1. An **update of the 2005-06 UWF Operating Budget** was presented by Mr. Barry Brighton, Director of Budgets who said he was pleased to say that UWF is where it should be at the end of the second quarter with a couple of areas to review.

 - Capitol Budget is on target.
 - Concurrency Trust Fund – advertised for an architect and this fund will decrease.
 - E & G – Two issues (Revenue, Student Fee Trust Fund is at 95%) and (Expense, Utility bill with an increase in consumption of electricity 19% cost increase and natural gas 102% projected cost increase) both are pressure points with \$575,000 over budget projected. Brighton noted that everything that can be done is being done to limit consumption.

Trustee Fetterman inquired about whether students are being involved in conservation. President Cavanaugh noted that SEAS (student organization) is very big on conservation. He also reported that he is communicating with everyone on campus regarding conservation and due to the climate in this area, there isn't much that can be done. UWF might get into other problems such as moisture... There is much conversation throughout Florida regarding utilities, and the Board of Governors is in support of increasing funding for utilities. Cavanaugh said that he would address this further during the Deferred Maintenance topic.

http://uwf.edu/trustees/Mar7_06/CapBudget31dec05.pdf
http://uwf.edu/trustees/Mar7_06/2q2005FY06consoperbudgetsummary.pdf
2. Dr. Dean Van Galen, Vice President for Development presented a **Draft (MOU) Memorandum of Understanding between UWF Board of Trustees and the UWF Foundation Board of Directors**. Van Galen noted that the MOU will be brought before the full Board for approval during the May meeting. He urged trustees to review the document thoroughly and reply with any questions and suggestions.

Hess Herrick inquired about what is covered by the University and the Foundation. Dr. Van Galen thanked those who have given so much time preparing the draft MOU which included: Kim Spear, Attorney Margaret Stopp, Anita Schonberger, Hal White, and Susan Stephenson.

http://uwf.edu/trustees/Mar7_06/MOU_FNDandUWF.pdf
3. **Development Update** as presented by Dean Van Galen who noted fundraising and relationship building efforts, especially the First Annual Scholarship Luncheon on January 18 at which time donors and recipients had an opportunity to meet and chat over lunch. More than 900 students receive scholarships annually, Van Galen noted, through the Foundation.

Bill Peebles Scholarship reception was hosted by President and Mrs. Cavanaugh in the Dorr House. Mr. Peebles widow attended the reception as well as scholarship recipients.

The 3rd Profiles in Leadership Series, hosting Pat Denkler Rainey '76 UWF alumnus who addressed more than a dozen UWF classes. She chose to speak with students who are finding their way in addition to visiting PHS where she graduated. Denkler-Rainey also made a visit to UWF/OWC at Fort Walton Beach.

Major Gifts since the December 2005 Board of Trustees Meeting

Baptist Health Care for Nursing

Alfred I. DuPont Foundation for Alfred I. DuPont Foundation Scholarship Endowment

Red Ribbon Charitable Foundation for Health Psychology Research Lab

Philip B. Phillips for Kathleen T. and Philip B. Phillips, M.D. Jazz Piano Competition

Mr. and Mrs. William A. Hunt for TBD

McAlpin Group for Athletics

Mr. and Mrs. Britt Landrum for Nell D. and H. Britt Landrum, Jr. Annual Scholarship

Mr. and Mrs. K.C. Clark for College of Business

Harriett Latham Rosasco for Robert C. Rosasco Endowment for the Arts

Kerrigan, Estes, Rankin, McLeod & Thompson for WUWF

D.W. McMillan Foundation for Dr. D.W. McMillan Nursing Scholarship

Anonymous donor for La'Christa C. Knox Memorial Scholarship Endowment

Van Galen said that the Major Gift activity is a reflection of very good staff and a consistent effort in Creating Great Futures Campaign.

4. **Enterprise Resource Planning Update** was presented by Betsy Bowers noting that 'the overriding goal of this project was to meet the state-mandated deadlines for the conversion to local systems, while preserving university operations and with minimal negative disruption to those operations. Considering that the goal was to effect this massive change in only eighteen months – a timeframe unheard of in standard ERP implementations – this was an ambitious undertaking'. Bowers continued by remarking it is fair to say that UWF's ERP system implementation was among the most successful within the state university system. Unlike universities that have seen as much as 200% cost overruns, UWF's project has stayed within or under budget. All deadlines mandated by the state were met. Payroll processing continued without a single disruption, both during the conversion and through subsequent events such as Hurricane Ivan.

The initial implementation phase of Banner came to a close in January 2006, as we completed our first full year of processing payroll through Banner. The Banner software licensing and implementation services purchased from Sunguard SCT cost a total \$3.7 million. This cost was financed through a five-year loan from the Bank of Pensacola. Loan payments are \$787,074 per fiscal year, and extend through the 2007-08 fiscal year. Total interest on the loan is \$235,375 – making the entire cost of this up-front purchase \$3,935,374. From the inception of the project through January 2006, UWF has spent \$5.625 million on the ERP project, including loan repayments. The project plan approved by the Board in January 2003 included \$10.287 million of costs for this four-fiscal-year period¹.

5. **Hurricane(s) Update** was presented by Betsy Bowers.

Summary of *Estimated* Hurricane Reimbursements & Expenses As of January 31, 2006

Hurricane	Expected Reimbursements	Estimated Expenses	Estimated Not Reimbursed
IVAN	\$8,276,045	\$10,165,724	\$1,889,679
DENNIS	734,904	844,307	109,403
KATRINA	15,608	20,390	4,782
All	0	2,000,000*	2,000,000
Grand Total	\$9,026,557	\$13,030,421	\$4,003,864

* This includes losses not approved by FEMA/State insurance, previously unreported losses, and hazard mitigation costs all of which were out-of-pocket expenses. Currently, a detailed reconciliation of each account is ongoing and will be reported at the June 2006 Board of Trustees meeting.

With no further finance committee items, Chair Hess Herrick adjourned the meeting at 9:47 a.m. and suggested that other trustees and guests attend the Academic and Student Affairs Committee until its adjournment.