

**University of North Florida
Board of Trustees
March 15, 2007**

Minutes

Trustees in Attendance: Dr. Edythe Abdullah, Mr. Luther Coggin, Mrs. Toni Crawford, Mr. Wilfredo Gonzalez, Mrs. Wanyonyi Kendrick, Dr. Chip Klostermeyer, Mrs. Joan Newton, Dr. Bruce Taylor, Mrs. Carol Thompson, Mr. Kevin Twomey

Trustees Absent: Mr. Justin Damiano, Mrs. Ann Hicks

Item 1: Call to Order. Chair Taylor called the meeting to order and stated that the agenda included one item of business.

Chair Taylor stated that he would like to inform the Board that Dr. Terry MacTaggart had been selected to participate in the review of the university's governance. He stated that Dr. MacTaggart would participate in a two-day visit to UNF during April.

President Delaney stated that he had engaged in conversation with Dr. MacTaggart and his observations regarding UNF's current state were enlightening.

Item 2: Minutes (January 26, 2007). Chair Taylor asked for a motion to approve the minutes for January 26, 2007. The motion was offered, seconded and approved unanimously.

Item 3: Open Comments. Chair Taylor asked for open comments. There were none.

Item 4: Debt Management Guidelines. Chair Taylor asked Vice President Shuman to speak about this item.

Vice President Shuman stated that the debt management guidelines were being presented to the Board for approval, as required by the Board of Governors (BOG). She stated that these guidelines conformed with those required by the BOG and the Division of Bond Finance.

Vice President Shuman spoke about the guidelines, in their current form, stating that they were conservative in nature. She provided an outline, stating that these new guidelines required that bonds issued by direct support organizations (DSO's) receive approval by the universities' boards of trustees and subsequently, approval by the BOG.

Vice President Shuman stated that the BOG recommended a 1.20 x coverage to cover debt service payments. She stated that other recommendations were as follows:

- Universities should have ratings from rating agencies. (UNF has rating agency presentations scheduled in April 2007.)

- Revenue streams were confined to specifically assigned categories. (Housing and parking could not commingle revenues.)
- The final maturity on bonds should not exceed 30 years and bond payments should not balloon but should remain constant.
- Fixed debt is preferred – variable debt requires considerable justification.
- Refunding bonds should not extend beyond their current life.

Vice President Shuman spoke about UNF's position relating to these guidelines. She stated that these guidelines restricted the activity and service fee and athletic fee to five percent for debt service – that scenario didn't currently work for UNF because of the pending Student Union building. She stated that the legislature has been aware of UNF's plans for the Student Union for at least three years and she believed there would be a grandfather clause removing UNF from this criterion for the Student Union.

Chair Taylor stated that these debt management guidelines were deliberated by the Finance and Audit Committee (FAC) (just prior to this meeting) and were unanimously approved, and subsequently, the FAC made a motion for approval to the Board of Trustees.

Trustee Twomey stated that these guidelines offered flexibility but not many choices. He stated that if the university wanted to go outside these guidelines, there should be a thoughtful process. Trustee Twomey clarified that this Board would have oversight over all debt.

Vice President Shuman discussed UNF's current debt situation, as follows:

- Plans were to secure fixed rate funding on some current variable rate bonding in the amount of \$34 million.
- There was \$81 million in new bonds for the new housing project.
- There was \$25 million in new bonds for the new student union building.
- Parking was currently at a 100 percent variable rate – this would be assigned to the new financing corporation for potential refinancing in the future.

Chair Taylor stated that there was a motion from the FAC for approval of the debt management guidelines. He asked for a vote from the Board of Trustees – the debt management guidelines were approved unanimously.

Chair Taylor stated that based on the discussion of bonds for student housing, the April 26th Board meeting would be lengthened for further discussion.

Unlisted Agenda Items

Item 1: Doctorate of Nursing Practice President Delaney and Doctorate of Physical Therapy Program. President Delaney stated that the Doctorate of Nursing Practice and the Doctorate of Physical Therapy Program were both on the agenda for the upcoming Board of Governors meeting. He stated that all signs looked positive for approval and this was a major step forward for UNF. President Delaney stated that Ms. Sharon Ashton, UNF's Assistant Vice President for Public Relations, was preparing a media release and celebration to commemorate this event.

Trustee Abdullah asked if these programs were approved by the Southern Association of Colleges and Schools (SACS). Provost Workman stated that the university was required by SACS to seek substantive changes before these new programs could be available, and SACS approval was required prior to offering classes – the university hoped to offer classes in both programs fall 2007.

Item 2: Governor Crist’s Education Initiatives. President Delaney stated that Governor Crist’s recent interview capitulated that the State University System had some work to do regarding current opinions of higher education. He outlined the interview and related issues stating that it was likely that

- tuition increases would be opposed,
- over-enrollment would not be funded,
- additional unplanned growth would not be encouraged, and
- the State of Florida would have less money for fiscal year 2008 than was available for 2007. This was due to the combination of inflation, level sales taxes and a population growth – all of which caused a negative impact on total collections.
- Things looked good in the PECO area, and
- appearances were that UNF’s projected enrollment growth would be funded, excluding previously 350 over-enrolled students.

Trustee Coggin asked if the Governor’s philosophical attitude was different – were economic initiatives driving his approach to higher education? President Delaney stated that the Governor appeared to support student access and lower tuition and this approach would require state funds to support faculty, etc.

Item 3: Community College Baccalaureate Degrees. Trustee Thompson asked for an update regarding community colleges and baccalaureate degrees. President Delaney stated that the legislature had approved community college degrees in applied science, nursing, and education. He stated that although other schools in the SUS didn’t have cooperation with community colleges, UNF had a great relationship with Florida Community College at Jacksonville (FCCJ).

Trustee Kendrick stated that she would like to recommend a workshop to further discuss these degrees in collaboration between FCCJ. She stated that community colleges might be better served to offer four-year certifications rather than degrees.

President Delaney stated that the Florida Board of Education reached a settlement that community colleges could offer these baccalaureate degrees. He stated that this topic would be included in an upcoming workshop.

Item 5: Adjournment. Chair Taylor adjourned the meeting.