

MINUTES OF THE FALL MEETING

BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE

October 20, 2000
Knoxville, Tennessee

The fall meeting of the Board of Trustees of The University of Tennessee was held at 1:30 p.m., Friday, October 20, 2000, in the Auditorium of the Ellington Plant Sciences Building in Knoxville.

I. CALL TO ORDER AND INVOCATION

Mrs. Johnnie D. Amonette, Vice Chairman of the Board, called the meeting to order, and Mr. William B. Sansom gave the invocation.

II. ROLL CALL

The Secretary called the roll, and the following were present:

Mrs. Johnnie Amonette
Mrs. Barbara C. Castleman
Mr. B. C. "Scooter" Clippard
Commissioner Vernon Coffey
Mr. J. Steven Ennis
Dr. Maurice Field
Dr. J. Wade Gilley
Mr. Robert Hamilton
Mr. James A. Haslam, II
Mr. Waymon L. Hickman
Mr. Jerry L. Jackson
Mr. D. Lynn Johnson
Mr. Frank J. Kinser
Mrs. Andrea J. Loughry
Mr. R. Clayton McWhorter
Mr. Arnold E. Perl
Dr. Richard Rhoda
Mr. William B. Sansom
Mr. John C. Thornton
Commissioner Dan Wheeler
Mrs. Susan R. Williams

The Secretary announced that a quorum was present.

III. INTRODUCTIONS AND PRESENTATIONS

President J. Wade Gilley introduced special guests and invited comments from representatives of the National Alumni Association, the Development Council, the Student Government Association and the Faculty Senate.

Vice Chairman Amonette recognized a representative of the Living Wage group who addressed the group's concerns about salaries and working conditions for non-exempt employees.

IV. REPORT OF THE PRESIDENT

President J. Wade Gilley described positive trends that developed near the end of the fiscal year pointing to an upward trend for The University of Tennessee. In the Annual Report of the President (Exhibit 1), Dr. Gilley set forth goals necessary to keep the University on track in its plan to move into the ranks of the top twenty-five research institutions in the country.

V. APPROVAL OF THE MINUTES OF PRIOR MEETINGS

Mr. James A. Haslam moved approval of the minutes of the June 13, 2000 Executive Committee meeting, the June 22, 2000 annual Board meeting, the July 5, 2000 special Board meeting, and the August 23, 2000 Executive Committee meeting. Mrs. Susan R. Williams seconded, and the motion carried unanimously.

VI. ADOPTION OF RESOLUTION OF RECOGNITION

Mr. R. Clayton McWhorter moved adoption of the Resolution (Exhibit 2) recognizing Mr. Beauchamp E. Brogan for twenty-five years of service as General Counsel and Secretary of the Board of Trustees. Mr. Arnold Perl seconded, and the motion carried unanimously.

VII. UNFINISHED BUSINESS

The Secretary reported there was no unfinished business to come before the Board.

VIII. NEW BUSINESS

A. REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

1. June 2000 Financial Report (Exhibit 3). Treasurer Charles M.

Peccolo, Jr. reported the auditors' opinion letter is included in the Financial Report and an unqualified opinion was received once again. The Schedule of Current Fund Revenues, Expenditures, and Other Changes shows the results of operations for the fiscal year. The net reduction in total revenue from \$1.3 billion to \$1.2 billion is a result of the spin-off of the Knoxville hospital. The audit found only four weaknesses, and steps have been taken to address each. The University's conversion to the SAP financial system is on track, and the year-end reporting for next fiscal year will be accomplished through the new system.

2. **2000 Investment Report.** Mr. J. Steven Ennis moved approval, ratification and confirmation of The University of Tennessee Annual Report to the Finance Committee of the Board of Trustees on Investments on Endowment and Similar Funds and Life Income Funds, Fiscal Year Ended June 30, 2000 (Exhibit 4). Mr. James A. Haslam, II, seconded, and the motion carried unanimously.
3. **Approval to Convey an Easement to the Knoxville Utilities Board.** Mr. J. Steven Ennis moved to approve conveyance of a utility easement (Exhibit 5) in Knoxville, Tennessee, to the Knoxville Utilities Board. Mr. James A. Haslam, II, seconded, and the motion carried unanimously.
4. **Approval to Sell Gift Property.** Mr. J. Steven Ennis moved to approve the sale of gift property located in New Mexico and Fairfield Glad, Tennessee (Exhibit 6). Mr. James A. Haslam, II, seconded, and the motion carried unanimously.
5. **Approval of Capital Outlay and Maintenance Projects for FY 2001-02.** Mr. James A. Haslam, II, moved to approve the proposed FY 2001-02 funding requests for capital outlay and maintenance projects and the proposed priority rankings for submission to the Tennessee Higher Education Commission, the Governor, and the General Assembly and to authorize the administration to enter into contracts for design and construction within available funds (Exhibit 7). Mrs. Susan R. Williams seconded, and the motion carried unanimously.
6. **Approval of Revenue/Institutionally Funded Projects for FY 2001-02.** Mr. James A. Haslam, II, moved approval of the proposed revenue funded projects for FY 2001-02 for submission to the Tennessee Higher Education Commission, the Governor, and the

General Assembly and to authorize the University to enter into contracts for design and construction within available funds (Exhibit 8). Mrs. Susan R. Williams seconded, and the motion carried unanimously.

7. **Filing of Liaison Committee Minutes.** Mr. J. Steven Ennis moved acceptance of minutes filed for the UT Medical Center Liaison Committee meetings held April 13, 1999 (Exhibit 9) and July 14, 1999 (Exhibit 10) and for the minutes filed for the UT Bowld Hospital Liaison Committee meetings held May 10, 1999 (Exhibit 11), August 18, 1999 (Exhibit 12) and November 15, 1999 (Exhibit 13). Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.

8. **Approval of UT Bowld Hospital Transfer.** Action was postponed.

B. REPORT OF THE ACADEMIC PROGRAMS AND PLANNING COMMITTEE

1. **Approval of Proposal to Establish a Program of Study leading to the Degree of Master of Science in Agricultural Operations Management at UT Martin.** Mr. Frank J. Kinser moved the approval of the establishment of a program leading to the Master of Science Degree in Agricultural Operations Management at UT Martin (Exhibit 14). Mr. Jerry Jackson seconded, and the motion carried unanimously.

2. **Trustee Scholarship Report.** Mr. Frank J. Kinser reported on the newly established Trustee Scholarship program which is available on each of the University's campuses. The Scholarship is designed to attract Tennessee's best and brightest high school students to the campuses. It is a four-year, \$1,000 per year scholarship guaranteed to all Tennessee incoming freshmen with ACT scores of 26-30 and a high school GPA of 3.5 *or* who graduated in the top 10 percent of their senior class.

C. REPORT OF THE ADVANCEMENT AND OUTREACH COUNCIL.

Council Chairman Arnold Perl reported the Council heard reports on the Agricultural Experiment Stations, the status of New College and special Legislative initiatives underway and planned for the years 2000 and 2001. In conjunction with the initiatives, the next meeting of the Advancement and Outreach Council is scheduled to be held in Nashville January 29-30, 2001 to coincide with the Governor's budget presentation to the Legislature. Mr. Perl invited and encouraged all Trustees to attend.

D. REPORT OF THE FACULTY AND STUDENT COUNCIL. Mrs. Susan R. Williams, Chairman, reported the Council heard updates on student housing , the master plan and student life, including presentations by each of the Student Government Association presidents.

E. REPORT OF THE LIAISON COMMITTEES

1. **UT Chattanooga Liaison Committee.** Mr. Frank Kinser reported the Chattanooga Liaison Committee has held two meetings since its creation. The Chattanooga campus is moving ahead with exciting plans and enjoys the autonomy the Liaison Committee provides UT Chattanooga.

2. **UT Martin Liaison Committee.** Mr. Jerry Jackson said the Martin campus has not been as quick to accept the autonomy offered by the Liaison Committee structure as Chattanooga has been, but in the Committee's first two meetings significant progress has been made. The campus community is becoming more comfortable with the new structure and is beginning to move ahead.

F. APPROVAL OF AMENDED AND RESTATED BYLAWS. Vice President, General Counsel and Secretary Catherine Mizell reported the process of amending the Bylaws began in February. Changes reflect the restructuring that has taken place within the University since that time along with changes of a technical nature. The first change is to incorporate the duties of Secretary of the Board into those of the Secretary of the University. Another substantive change is the addition of a fourth stated meeting of the Board to be held in the Spring. A third change clarifies wording to make it clear that only a student or employee of the University may request permission to place a matter on the agenda of the Board. The fourth major change reflects the restructuring and streamlining approved by the Board in February and allows the President to appoint staff vice presidents in various functional areas. Mr. James A. Haslam, II, moved approval of the amended and restated Bylaws (Exhibit 15). Dr. J. Wade Gilley seconded, and the motion carried unanimously by roll call vote.

G. REPORT OF GRADUATES. The Secretary reported graduates at commencements held on August 14, 2000, at The University of Tennessee at Chattanooga (Exhibit 16); August 11, 2000 at The University of Tennessee in Knoxville (Exhibit 17); and August 6, 2000, at The University of Tennessee at Martin (Exhibit 18).

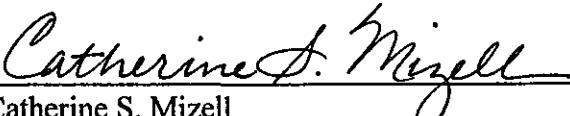
X. OTHER BUSINESS

The Secretary announced the meetings for 2001:

1. Winter Meeting in Memphis: February 21-22, 2001
2. Spring meeting in Martin: April 25-26, 2001
3. Annual meeting in Knoxville: June 27-28, 2001
4. Fall meeting in Knoxville: October 4-5, 2001

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.



Catherine S. Mizell
Vice President, General Counsel and Secretary