

**MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE
SPECIAL MEETING
THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES
JUNE 5, 2007**

The meeting of the Finance and Administration Committee of the Board of Trustees was held at 11:45 a.m. EDT, Tuesday, June 5, 2007 in the Andy Holt Tower, 8th Floor, in Knoxville, Tennessee.

- I. **Call to Order** - Mr. Bill Stokely, Chair called the meeting to order. Mr. Stokely explained that the special Committee Meeting was being held in order to expedite consent calendar items and routine Committee work before the June 20-21 Board Meeting.
- II. **Roll Call** - Dr. Gary Rogers called the roll and advised the Chair that a quorum was present.

Present

Bill Stokely, Chair
Johnnie Amonette, Member
Jim Haslam, II, Member
Andrea Loughry, Vice-Chair
John Petersen, Member
Don Stansberry, Ex-Officio
Charles Wharton, Member

Absent

Jerry Jackson, Member

- III. **Approval of Minutes of Last Meeting**—Mr. Stokely called for consideration of the last meeting's minutes. On a motion made by Mr. Jim Haslam and seconded by Ms. Andrea Loughry, the minutes were unanimously approved as distributed with no corrections needed.
- IV. **Approval of Disabled Space Parking Fine Increases**—The Chair, Mr. Bill Stokely asked for a discussion of the increase in the fine. Mr. Chris Cimino, Budget Director informed the Trustees that on April 17, 2007, Governor Bredesen signed a bill that raised the disabled space parking fine from \$100 to \$150. This item is to bring the University's charge in concurrence with statute. Mr. Haslam asked if the University could increase the rate over \$150; the answer was no, statute sets the amount of the fine. Mr. Jim Haslam made a motion to approve, second was made by Ms. Johnnie Amonette; the motion carried unanimously.
- V. **Approval of UT Martin Parking Fine and Late Fee Increases**—Chris Cimino advised the Trustees that UT Martin has proposed to increase their parking fine by \$5. In addition, they have proposed to increase the late fee by \$5 as well. Mr. Haslam asked for curiosity sake what was paid

in fines last year. UT Martin collected some \$215,000 in parking fines, UT Chattanooga collected \$310,000 and Knoxville collected \$1,000,000 in parking fines last year. Ms. Johnnie Amonette made a motion to approve, second was made by Mr. Charles Wharton; the motion carried unanimously.

- VI. **Review of Fee Changes Requiring President's Approval**—Information Item— Note: There was discussion regarding the various fees presented on the chart. The schedule will be finalized before the June Board meeting.
- VII. **Approval of UTHSC Easement to Memphis LG&W**—Consent Item— This easement involves less than 1/10 of an acre on the Health Science campus and is to the University's benefit. Motion was made by Mr. Jim Haslam to approve, seconded by Ms. Johnnie Amonette; the motion carried unanimously.
- VIII. **Annual Report of Sale of Gift Property**— Consent Item—Mr. Bill Stokely asked Alvin Payne to report on the gifts. Five properties were sold for a total of \$975,010. Motion to approve was made by Mr. Jim Haslam, seconded by Ms. Andrea Loughry and passed unanimously.
- IX. **Approval of UTC Property Acquisition by Gift**—Consent Item— Hamilton County and/or the U.S. Department of Education will give UTC 91 acres that was a buffer property to the former Volunteer Army Ammunition Plant. This gift is similar to the 189 acres that was received four years ago. The property will be used for educational purposes. UTC can use the property for whatever deemed appropriate after 30 years. Motion to approve was made by Mr. Jim Haslam, seconded by Ms. Andrea Loughry and passed unanimously.
- X. **Ratification and Approval of Distribution of Hospital Lease Proceeds**—Consent Item—Mr. Stokely asked Butch Peccolo, VP & Treasurer to address the Committee regarding the distribution of hospital lease proceeds. Mr. Peccolo stated that the operation of the Medical Center was converted to a private non-profit organization, UHS several years ago. Payment was \$25,000,000 upfront and then lease payments were to follow which totaled around \$40,000,000. Distribution outlined includes \$1.4 million support provided to the Research Centers of Excellence and other research. Contribution from the State did not materialize, so the difference was made up from funds from the hospital lease proceeds. Motion to approve was made by Mr. Jim Haslam, seconded by Mr. Charles Wharton and passed unanimously.
- XI. **Ratification of Quasi-Endowments**—Consent Item—Chairman Stokely asked Mr. Peccolo to review the report. Mr. Jim Haslam made the motion to approve, it was seconded by Ms. Andrea Loughry and was approved unanimously.

- XII. **Review of UT Foundation Operating Budget for FY 2008**—Information Item—Mr. Peccolo reviewed the proposed budget of the UT Foundation for 2008 and reported on Knoxville Place operation.
- XIII. **Review of UT Research Foundation Operating Budget for FY 2008**—Information Item—Mr. Peccolo reviewed the UTRF budget, and the Committee discussed the development of intellectual property by the UTRF.
- XIV. **Approval of President Emeritus Agreements**—Consent Item—Chairman Stokely referred item number XIV to Dr. John Petersen. Dr. Petersen informed the Committee that there were agreements in place for Dr. Edward Boling and Dr. Joseph Johnson and that they could be found behind Tab 11. Dr. Boling's expenses were increased due to a computer networking installation. Dr. Johnson has taken on the Family Campaign efforts for the System. He has incurred additional expenses due to travel, communication, printing and duplication for this assignment. He also had an increase in expenses due to a computer networking installation. Mr. Charles Wharton made the motion to approve the President Emeritus Agreements and Mr. Jim Haslam made the second. The motion carried unanimously.
- XV. **Other Business**—Chairman, Mr. Bill Stokely called for any other business items and the Committee did not have any.
- XVI. **Adjournment**—Based on the fact that there was no further business to be brought before the committee, Mr. Stokely adjourned the meeting.

Gary W. Rogers
Senior Vice President and Chief Financial Officer