

APPROVED

4 March 2004



**THE FLORIDA INTERNATIONAL BOARD OF TRUSTEES
BOARD MEETING**

MINUTES

**MONDAY, 17 NOVEMBER 2003
UNIVERSITY PARK BALLROOMS
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA**

I. CALL TO ORDER

Chairman Henriques convened the meeting of The Florida International University Board of Trustees at 9:00 a.m., on November 17, 2003, at Florida International University, University Park Campus, Miami, Florida.

The following attendance was recorded:

PRESENT:

Betsy S. Atkins
Rafael A. Calderón
Albert E. Dotson, Sr.
Marcel Escoffier
Patricia Frost
Adolfo Henriques
David R. Parker
Sergio Pino
Rosa Sugrañes
Clayton Solomon
Herbert A. Wertheim
Modesto A. Maidique

EXCUSED:

Miriam Lopez
Claudia Puig

SPECIAL GUEST OF THE BOARD:

Donald E. Lefton, FIU Foundation Chairman

GUESTS:

Mr. Javier Hernandez-Lichtl, Chief Administrative Officer, Baptist Health
Mr. John Matuska, Chief Executive Officer, Mercy Hospital
Dr. Christian Patrick, Senior VP, Medical Affairs & Chief Medical Officer, Miami Children's
Ms. Eleni Sfakianaki, Miami-Dade County Health Department
Dr. Jeffrey Hortsmyer, MD, Chief, Mercy Hospital Division of Neurology
Dr. George Dambach, Wayne State University
Dr. Carlos Martini, Consultant
Dr. Dan Coleman, Consultant

Mayra Beers
Erica Martinez took a silent roll.

II. APPROVAL OF MINUTES

Chairman Henriques recommended approval of the September 2, 2003 minutes of the Board of Trustees as submitted. The motion was MSC.

III. CHAIRMAN'S REMARKS

Chairman Henriques welcomed FIU Foundation Directors and special guests including Mr. Javier Hernandez-Lichtl, Chief Administrative Officer, Baptist Health; Mr. John Matuska, Chief Executive Officer, Mercy Hospital; Dr. Christian Patrick, Senior VP, Medical Affairs & Chief Medical Officer, Miami Children's Hospital; Eleni Sfakiani, Miami-Dade County Health Department; Dr. Jeffrey Hortsmyer, MD, Chief, Mercy Hospital Division of Neurology; Dr. George Dambach, Wayne State University; and Dr. Carlos Martini, Health and Medical Education Consultant to FIU.

Chairman Henriques reported on recent FIU events including the groundbreaking of the Patricia and Phillip Frost Museum Board on Sunday, November 16, 2003. He reported that it was well-attended and thanked the Frosts for their support of FIU. The Chairman's report also included congratulations to Mike Lowell, graduate of FIU, Class of 1997, for his achievements with the Florida Marlins, the signing of an agreement between FIU and Itanjin University of Commerce to run a hospitality management school in China, that would mirror the top-ranked Miami program. He noted the agreement is one of the first examples of this particular partnership between the Chinese government and a foreign university and therefore has significant potential for FIU's School of Hospitality and Tourism Management. Chairman Henriques also noted FIU's involvement with the U.S. Department of Energy Solar Decathlon, congratulated FIU's Division of Sponsored Research for an all time record high of \$75.5 million in grants and contracts, noted the FIU Foundation BOD accepted a check for \$450,000 from Blue Cross Blue Shield of Florida to be used to build the BC/BS Auditorium at FIU, and recognized alumnus Alian Aguila who was honored as an NIH Fellow in cancer research at the NIH Center for Complementary and Alternative Medicine in Bethesda, MD.

IV. FOUNDATION REPORT

Donnald Lefton, Chairman of the FIU Foundation Board of Directors, addressed the Board, providing an update on the activities of the BOD. He spoke briefly about the two new foundation members, academic grants, provided a financial overview, and gave an open invitation to the BOD meeting on November 19, 2003.

Please see Appendix A for his complete report.

V. REQUESTS TO ADDRESS THE BOARD

Chairman Henriques recognized Dr. Howard Rock, currently the faculty member on the Board of Governors. Howard Rock addressed the Board on his observations following his participation in the Board of Governors' meetings. He reported two Health and Medical Education Initiative related PhD's for FIU were approved by the BOG on October 22, 2003, including a PhD in Nursing and a PhD in Biomedical Engineering. Dr. Rock reported on the "powers and Duties" document adopted by the Board of Governors at their last meeting. He commented on the role of the Chancellor for Colleges and Universities within the new governance structure; remarked on the ranking of universities within the state according to research levels; and addressed the role of the BOG in selection of university presidents. Dr. Rock also answered Trustee questions about the BOG and its operations.

VI. ITEMS FOR APPROVAL

1. **Consent Agenda-** Chairman Henriques reminded the Board of its decision at the prior Board meeting on September 2 2003, to take up and pass action items as part of a consent agenda requiring a single motion. He reported the consent agenda items would be voted upon in one motion unless a Board member had an objection to a particular item. In the case of an objection, Chairman Henriques stated the item would be removed and discussed separately. Chairman Henriques noted the procedure would allow the Board to have more time for discussion of strategic issues. Chairman Henriques noted all of the Trustees had been briefed on the consent agenda items prior to the meeting and should therefore be ready to vote. He asked for any objections to the consent agenda. With no objections raised, Chairman Henriques recommended Board approval of the consent items as presented. The recommendation was MSC.

The following consent items were approved in the consent agenda:

Academic Policy and Student Affairs Committee Items

- A. Granting of Tenure as a Condition-Of-Hire - candidates for tenure included Janine M. King, School of Architecture, George S. Dulikravich, College of Engineering, Dev S. Pathak, College of Health and Urban Affairs, and David Cohen, College of Health and Urban Affairs.

- B. Track Conversion to Stand Alone Program Early Childhood Education, B.S.
Administration and Compensation Committee Items
- C. Florida Educational Equity Plan projecting equity hiring at FIU.

2. Executive Performance and Compensation

Chairman Henriques asked Trustee Dotson to present this item. Trustee Dotson recommended Board approval of the "best practices" recommended executive compensation scale and ratings as submitted by the Administration and Compensation Committee. The recommendation was MSC.

3. Annual Executive Evaluation Process

Chairman Henriques introduced Trustee Dotson once again to provide a summary of the Annual Executive Evaluation Process and the results for President Maidique.

Trustee Dotson first thanked all of the parties who worked hard in preparation of the executive evaluation process including Dr. Patricia Telles Irvin, Mayra Beers, and her staff, Dr. Paul Gallagher, Dr. Mark Rosenberg, and Cristina Mendoza. He stated the evaluation would not be possible without their assistance.

Trustee Dotson continued to explain the responsibility of the Board to evaluate the President according to Florida statute. He stated that on September 10, 2002, the Board approved shared University performance goals for the 2002-2003 fiscal year. He elaborated on the process of evaluation, explaining it was divided into two separate parts including the Trustees' evaluation of the President and the President's very own self-evaluation.

Trustee Dotson reported President Maidique received a management performance review from the members of the Board solidly in the highest category. He added, the comments for each area by the Trustees reflected the strength of the President's efforts to move FIU towards its ultimate goal of becoming one of the top public research universities in the United States and his commitment to meet the community's desires for a higher quality of education.

Trustee Dotson continued to report on the results of the President's self-evaluation. He explained to the Board President Maidique reported to the Administration and Compensation Committee a review of his 2002-2003 university performance goals as adopted by the Board of Trustees. He highlighted accomplishments in several areas.

Trustee Dotson concluded his report by stating President Maidique either met or exceeded, the major 2002-2003 University goals as adopted by the Board of Trustees, often by a large margin. He indicated to the Board a complete report on the

University's performance was included in the agenda as a part of the President's Self-Management Review behind tab three.

Trustee Dotson then requested in view of the overwhelming approval of the President's performance, the Board of Trustees commend the President and his management team for a very successful academic year. Trustee and audience applause ensued.

Trustee Dotson then recommended Board approval of a new compensation package for President Maidique in two separate motions. First, he recommended Board approval of a ten percent compensation increase to the President's current compensation package of \$285,000 based on the "best practices" recommended compensation increase for "Superior" performance on the compensation scale adopted by the Board. The recommendation was MSC.

Trustee Dotson continued with a second motion recommending Board approval to request up to an eight percent increase of the President's annuity from the FIU Foundation. The recommendation was MSC.

4. 2003-2004 University Goals

Chairman Henriques once again requested Trustee Dotson continue his report. Trustee Dotson asked President Maidique to present his proposed University goals for the 2003-2004 fiscal year. He indicated a copy of the goals was located behind tab four in the agenda. President Maidique made a presentation on his proposed goals for the upcoming year. At the conclusion of the President's presentation, Trustee Dotson made a recommendation for Board approval of the university goals for the 2003-2004 year. The recommendation was MSC.

Trustee Dotson, concluded by commenting on the President's pending decision to move FIU football program to a higher division. He stated he understood the difficulty in making such a decision as he served on the Orange Bowl Committee and also coached football for many years. Therefore, he requested the Board give President Maidique a vote of confidence to endorse his decision on the status of the football program, whether to remain I-AA or move to the I-A division. The recommendation was MSC.

VII. INFORMATION ITEMS

Chairman Henriques noted the information items required no action or discussion and were included in the agenda for informational purposes. He noted the Board would dispense with Committee reports to accommodate Trustees' request for more discussion time.

Chairman Henriques pointed the Trustees to the minutes included in their agenda from Committee meetings held since the last Board meeting in September behind tabs five and six. He reported the PeopleSoft Project continued on time and on

budget and update documents were included in the agenda behind tab seven. Lastly, Chairman Henriques mentioned a copy of the Board of Governors' Powers and Duties, as adopted by the BOG at their last meeting on October 22, 2003, was located behind tab eight.

VIII. UNIVERSITY ISSUES

Chairman Henriques asked University General Counsel Cristina Mendoza to provide an update to the Board on the status of collective bargaining. Cristina Mendoza reported that FIU and the United Faculty of Florida (UFF) was waiting for the Public Employees Relations Commission (PERC) to rule on whether chairs will be in or out of unit. She noted once a ruling is made, the University would proceed to bargaining. She stated the AFSCME's first bargaining session would occur the week of December 8, 2003 and the session would establish ground rules and begin the bargaining process. Cristina Mendoza concluded her report noting the PBA would have its first bargaining session the week of December 1, 2003.

At the end of the General Counsel's report, Chairman Henriques announced he was appointing the Board's *de-facto* Executive Committee, made up of the Board Committee Chairs and the Chairman, as the bargaining agent for the Board. He added the group will meet in executive session and will bring recommendations to the full Board for approval.

9. UNIVERSITY MISSION AND MANDATE

Chairman Henriques opened discussion on issues regarding the University's mission and mandate. He posed several questions that President Maidique, in turn, answered. President Maidique spoke of FIU's mission to become the top urban public research university and outlined the steps the University had taken thus far to achieve that status. He added FIU has not met the needs of the community. He expressed his concerns for insufficient classroom space to meet the needs of the growing university student enrollment. He elaborated on the funding needs of the University and the importance of communicating to the Legislature. He concluded by reiterating his vision for the University. President Maidique noted he was aggressively making the case for equity to the Governor and members of the Legislature to better serve the needs of our community.

10. LIFE SCIENCES CORRIDOR UPDATE

Noting the bold move Governor Bush had made in persuading the Scripps Institute to come to South Florida, President Maidique explained the Governor's vision of SE Florida as a great center in the life sciences. President Maidique noted such an emphasis had long been in the strategic plan for FIU and the Governor had provided energy for the fulfillment of that vision.

Chairman Henriques requested Trustee Parker update the Board on issues raised during the Academic Policy and Student Affairs Committee meetings. Committee Chair Parker noted over the last six months, the Committee reviewed the need for a Health Center and Medical School at FIU. He then briefly outlined the need for a new public medical school in Miami. Trustee Wertheim added the Committee had spent many months and countless hours

deliberating the merits of the program and had conducted many discussions with key personnel and community leaders. He suggested a medical program at FIU was long overdue to help serve a most-valuable need in our community.

Chairman Parker asked Provost Rosenberg to present to the Board the Health and Medical Education Initiative noting it was an ideal time to give the process serious consideration. Provost Rosenberg opened the discussion by stating what FIU is already doing in the health field, including engineering and the sciences. He then presented a proposal for a Health and Medical Education Initiative for FIU centered on an MD in Allopathic Medicine, as outlined in the concept paper included in the agenda package. He noted the strong support voiced by the community for this initiative and introduced and thanked several community guests to the meeting including Javier Hernandez-Lichtl, Chief Administrative Officer, Baptist Health; John Matuska, Chief Executive Officer, Mercy Hospital; Dr. Christian Patrick, Senior VP, Medical Affairs & Chief Medical Officer, Miami Children's Hospital; Eleni Sfakiani, Miami-Dade County Health Department; Dr. Jeffrey Hortsmyer, MD, Chief, Mercy Hospital Division of Neurology; Dr. George Dambach, Wayne State University; Dr. Carlos Martini, Health and Education Initiative consultant for FIU; Dean Ronald Berkman; Bruce Dunlap, Dean College of Arts and Sciences; Dr. Dan Coleman, consultant; and VP of Research Dr. Thomas Breslin.

Provost Rosenberg stated the proposed Health and Medical Education Initiative concept was aligned with local, state, and national needs. He also noted the importance of such an initiative and the necessary support and input needed from the members of the community, the Trustees, and the entire FIU family in order for this project to be presented to the Board of Governors. A full discussion ensued among Trustees, community leaders, and the lead organizers of the Health and Medical Education Initiative. Trustee Sufrañes raised issues of affordability while Trustee Frost voiced her concern that the University of Miami, located less than an hour away from FIU, already had a medical school. Trustee Frost supported the idea of an MD program, but felt the medical school proposal needed further discussion and development before it should be approved. As an alternative, Trustee Frost proposed a future partnership between those private institutions that already have a successful medical school with the public institutions that do not.

President Maidique noted he already set-up a meeting with University of Miami President Donna Shalala who has given the President her support of such a proposal for FIU. President Maidique continued noting Florida's current need for more than 3,000 doctors, while the state only produces approximately 500.

The Trustees asked community leaders in the health care field for their comments. Dr. Christian Patrick, the Chief of Staff at Miami Children's Hospital stated his hospital needs for local University sponsorship. He noted all student residencies at his hospital come from New York and not Miami. Mr. Javier Hernandez-Lichtl, Executive Vice President of Baptist Hospital, shared his desire for future FIU medical residences in Baptist's future West Kendall Hospital. Dr. Jeffrey Horstmyer, MD, Chief of Mercy Hospital Division of Neurology, stated a medical program at FIU would increase the quality of medicine in the

community. He stated the University of Miami medical program offers very little to the community beyond its Jackson Memorial Hospital base. He voiced his support for a local public medical program.

Dr. George Dambach also made strong arguments in support of the proposal. He outlined his experiences as he created a medical school at Wayne State University with very little funding. He also highlighted the facts pointing to a great need of more physicians in Florida. Trustee Wertheim, an OD himself, gave his full support for the Health and Medical Education Initiative, and stated the necessary steps should be promptly taken to ensure the proposal becomes a reality. Donald Lefton, Chairman of the FIU Foundation, noted a strong Board commitment was needed in order for the proposal to succeed. He also gave a strong endorsement of this initiative, noting timing was essential.

Chairman Henriques closed the discussion by thanking the members of the community for their comments, Provost Rosenberg for his hard work, and commended the efforts of those involved in the Health and Medical Education Initiative. He also referenced a letter sent to him from Trustee Puig who was unable to attend the meeting. In her letter she gave full support of the Health and Medical Education Initiative if the Board chose to approve it.

Trustee Pino made a recommendation to approve a proposal for an MD in Allopathic Medicine degree program for consideration by the Board of Governors. The recommendation was MSC.

IX. OTHER BUSINESS

In closing remarks, President Maidique noted a copy of *Mystic River* by Dennis Lehane was included for all Trustees along with their agendas. He added the author was an FIU alumnus (MFA, '01).

President Maidique also announced he wanted to recognize the hard work of faculty and staff by requesting Board approval of two extra days of paid leave: Friday, December 26, 2003 and Friday, January 2, 2003. Board members concurred with his decision.

X. ADJOURNMENT

Citing the historic decision the Board had approved to go forward with the MD in Allopathic Medicine and the vision of a Health Center at FIU, Chairman Henriques encouraged Trustees to become involved in a public campaign to inform the community and garner support for the vision of a great public research university for the under-served South Florida community.

With no other business raised, the Chairman requested a motion to adjourn the meeting. The recommendation was MSC.

The meeting of the FIU Board of Trustees was adjourned on Monday, November 17, 2003 at 11:46 a.m.

emm and meb
11/19/03

Adolfo Henriques
Chairman

Modesto A. Maidique
Corporate Secretary

Appendix A:

Donald Lefton's Foundation Report to the Board
(As submitted)

FOUNDATION REPORT November 17, 2003

FINANCIAL OVERVIEW

Through October 31st, Foundation fiscal year-to-date revenues total \$7.2 million, including investment gains estimated at \$4.1 million, or 6.1%, for that four-month period. Expenses for the same period total \$1.4 million. Both revenues and expenses continue to track closely to the approved budget. The total amount invested for this period was \$72.3 million.

Last year at this time, Foundation investments totaled \$58.7 million, and fiscal year-to-date investment losses for the four-month period were \$3.7 million, or -5.9%. By June 30, 2003, the Foundation had not only recouped those losses, it posted a 3.7% gain for the fiscal year. Our Board's Investment and Finance Committees are two of our most active committees; they work closely with our investment consultants (Consulting Services Group) in monitoring individual investment manager performance, establishing spending and asset allocation policies and rebalancing the portfolio.

Based on a survey conducted by the Commonfund, a not-for-profit investment fund, the Foundation's June 30, 2003 investment performance is **above average** in comparison to similar institutions. Whereas other institutions with a fund size between \$51 and \$100 million had average rate of returns of 1.9%, FIU Foundation's rate of return for the fiscal year ended June 30, 2003 was 3.7%. The Foundation's asset allocation is also in line with those of other institutions.

NEW MEMBERS

Our newest members are:

- **Jesus Diaz**, General Manager, Miami Herald Publishing Company
- **Carlos Sabater**, Managing Partner, Deloitte & Touche, South Florida and Puerto Rico

The Foundation is actively pursuing other great potential members. I will provide you with the latest additions at the next meeting.

The following Directors have joined the Board in the last two years (since September 2001):

1. **Donald V. Browne** - Chief Operating Officer, Telemundo
2. **Bonnie M. Crabtree** - Office Managing Director, Florida, Korn/Ferry International
3. **Jesus Diaz** - General Manager, Miami Herald Publishing Company
4. **Robert Dickinson** - President and CEO, Carnival Cruise Lines
5. **Dorothea Green** - Director, Green Family Foundation
6. **Noel Guillama-Alvarez** - Chairman, The Quantum Group, Inc.
7. **John Hogan** - Partner/Practice Area Leader - Litigation-Miami, Holland & Knight LLP

8. **Thomas V. Kuntz** - Chairman, President and CEO, SunTrust Bank
9. **Howard J. Leonhardt** - Chairman and CEO, Bioheart, Inc.
10. **Jim Mandich** - President, Lotspeich Company, Inc.
11. **Thomas Gene Prescott** - President, The Biltmore Hotel
12. **Carlos A. Sabater** - Managing Partner, South Fl. and Puerto Rico, Deloitte & Touche
13. **Keith St. Clair** - Chairman and CEO, TraveLeaders
14. **Ronald A. Shuffield** - President, Esslinger-Wooten-Maxwell, Inc. Realtors
15. **Keith R. Tribble** - CEO, Orange Bowl Committee
16. **Isaac Zelcer** - Chairman, Isaco International
17. **Sanford Ziff** - Director, Ziff Plaza Associates

FACULTY GRANTS

In January, the Academic Committee will meet with faculty to review grant proposals submitted by faculty. Last year, the Foundation approved the awarding of 15 grants in the amount of about \$5,000 each to junior untenured/tenured track faculty. This year, the Foundation will once again award \$75,000.

BOARD OF DIRECTORS MEETING

Please join us for our next meeting this Wednesday, November 19 at 8:00 a.m. (breakfast at 7:30 a.m.). The meeting will occur in the MARC Building in the International Pavilion on the 2nd floor.