



**Special Board of Trustees Meeting
June 18, 2008
Via Conference Call**

Minutes

Attendance: Mr. Anthony Welters, Dr. Jordan J. Cohen, Mr. Jackie Collins, Dr. Nerimiah L. Emmett, Ms. Joy Fitzgerald, Mrs. Sarah Hambrecht, Dr. DeLutha H. King, Jr., Mr. W. Thomas Lomax, Dr. Ruth B. Love, Dr. John E. Maupin, Jr., Mr. Phillip H. McCall, Jr., Mr. Bruce D. Sullivan, Mr. Felker W. Ward, Jr., Dr. Philip G. Wiltz, Jr.

Members Absent: Dr. Regina M. Benjamin, Dr. Lonnie R. Boaz III, Dr. William H. Cleveland, Dr. Robert M. Franklin, Mr. Eric Holder, Mr. Brian O. Jordan, Mr. Kevin E. Lofton, Dr. Thomas N. Malone, The Honorable Judge Greg Mathis, Dr. Sylvester McRae, Dr. John W. Rowe, The Honorable Calvin Smyre, Dr. Robert L. Wright.

Staff: Dr. Eve J. Higginbotham, Mrs. Sondra Rhoades Johnson, Mr. Harold W. Jordan, II, Mr. Eli H. Phillips.

Introduction

The meeting commenced at approximately 11:10 a.m. Dr. Maupin thanked the Trustees for making themselves available for this special Board meeting to approve the FY 2009 budget.

Report of the Vice President, Finance

Mr. Phillips highlighted several line items in FY 2008 budget:

- Existence of an approximately \$1.3 million surplus in the FY 2008 budget based in large part upon unanticipated payments by Grady Hospital.
- Short term line of credit balance of \$2.438 million from the settlement of Karon Hill qui tam litigation
- Note payable on College Partners Inc. ("CPI") property of \$5.695 million
- Outstanding \$4.8 million bond on MSM's parking deck

Chairman Welters asked whether MMA had a repayment plan regarding the line of credit incurred to pay the Karon Hill settlement. Mr. Phillips recommended to the Trustees that the FY 2008 surplus be used to pay down this line of credit. Chairman Welters stated that he suggested that the Trustees consider Management's recommendation about using a portion of the FY 2008 surplus to pay down the Karon Hill line of credit before making a final decision.

Mr. Ward asked whether Management had a plan of action to pay off the bonds used to finance the Parking Deck. Ms. Fitzgerald asked whether there was still a "hold" on filling core physician positions and further asked how many positions were "on hold". Dean Higginbotham responded that there were 12 such positions "on hold" and estimated the hold would last for 3-6 months. Dean Higginbotham also stated an increase in the School's operating grant from the State of Georgia would allow the School to give raises to key faculty members who had foregone salary adjustments for several years.

Dr. Maupin stated that FY 2008 was a challenging year financially for the School. Dr. Maupin stated that the Class Size expansion proposal over the next three (3) academic years should result in increased revenues from the State of Georgia over the short term. Dr. Maupin stated that a benchmarking analysis of the School's tuition showed that our tuition and fee structure is below the average fee structure for comparable medical school. Consideration will be given to increasing tuition and fees incrementally over the next several years to achieve a more optimal fee structure.

Dr. Maupin thanked Mr. Phillips and members of the Finance Department for their collective efforts in preparing a budget to submit to the Board of Trustees for the Board's review prior to the beginning of the fiscal year. Dr. Maupin stated that the budget process would be enhanced with improvements in the School's IT infrastructure.

The Board unanimously approved Management's recommended budget for FY 2009.

Executive Session

The Board of Trustees went into executive session at approximately 11:55 a.m. to discuss: the President's performance appraisal for FY 2007; evaluation instrument and process for the ensuing year; and the School's executive leadership team.

Respectfully submitted,

Philip G. Wiltz, Jr., M.D.
Secretary