

UWF Business Enterprises, Inc. Board of Directors Meeting

UWF Commons Meeting Room 272

April 20, 1:00-3:00 p.m.

Minutes – Approved (at Aug. 24, 2012 meeting)

Present

Chair Judy Bense, Vice-chair K.C. Clark, Secretary Jay Patel, Treasurer John Todorovich, Member Suzanne Lewis, Member C. Ray Jones, Chief Executive Officer Matt Altier, Associate General Counsel Pat Lott, and Staff Support Secretary Marie Glass

Guests: Lee Gore, Kim Brown, Betsy Bowers, Susan Stephenson, Ruth Davison, Angela Wallace, Heidi Thorsen, Ellen Till, David O'Brien, Jim Barnett, Rick Harper, Jim Hurd, Amy Bueno, Cora Merritt, Keldrick Averhart, and Josh Finley.

Welcome/Open Remarks/Introductions

Chair Judy Bense called the meeting to order at 1:05 p.m. The Chair welcomed C. Ray Jones and thanked him for agreeing to serve on the board.

Ms. Glass called roll and confirmed that a quorum was present. The Chair asked the CEO for opening remarks. CEO Altier remarked that there were many exciting action items and project updates to be discussed.

ACTION ITEMS

1. Minutes of November 28, 2011 – Chair Bense asked members if there were any changes or corrections to the minutes. Vice-chair Clark remarked that he had a few recommended changes but none were material in any way and moved to approve the minutes. He also noted that his preference for future minutes would be in the form of summary minutes. Chair Bense asked the Board if they were agreeable to a summary format for future minutes. All members were agreeable.

Motion to approve: Vice-chair Clark

Second: Member Lewis

Motion passed unanimously.

2. Property Acquisition - Staff presented information concerning the proposed purchase of the Scenic Hills Golf Course property and facilities. BEI staff believed that the proposed purchase of the property and facilities would be in the best interest of the University to facilitate the development of additional housing and associated amenities serving the students, faculty, and staff of the University.

It was recommended that the Board of Directors authorize staff to (i) proceed with additional due diligence investigation of the proposed acquisition of the Scenic Hills Golf Course property; and (ii) in the event the due diligence was satisfactory, proceed to purchase the property for a purchase price not in excess of \$2,200,000, using available cash and bank financing backed by

Servis 1st of a three-year loan at 3.95%, which could be refinanced after the first year. CEO Altier requested to make a change to the per annum of 1% to 4.5%. Vice-chair Clark asked why the shift of 3.5% to 4.5%. Altier responded that they had explored different financial models, which might include a loan from Foundation or private banks, and in discussions with private banks, found the interest rate would be higher. CEO Altier provided a PowerPoint presentation of the history and background of the Scenic Hills Country Club. Discussions throughout the presentation included timing of the purchase based upon market value, appraisals, financial aspects, assets, benefits, adjacent residential lots, facilities value, risk analysis, and revenue from existing contracts. Information was shared regarding communications with the golf association and the homeowner's association. Chair Bense requested that the Board consider a motion to set aside 20% of the profits for faculty development.

Vice-chair Clark made a motion to authorize the staff to proceed with the due diligence investigation of the proposed acquisition of the Scenic Hills Golf Course and to present that to the Board for final approval of the purchase.

Second: Secretary Patel
Motion passed unanimously.

Treasurer Todorovich made a motion that BEI make available to the University 20% of the net profits derived from the operations of the business currently known as the Scenic Hills Golf and Country Club for faculty development.

Second: Secretary Patel
Motion passed unanimously.

3. BEI Board Meeting Schedule - The Board's guidelines contemplated that the Board would meet approximately three times per year. The April 20, 2012 meeting was the first meeting for this calendar year. The staff support secretary needed the Board members' assistance to identify additional dates this year when at least a quorum would be available.

BEI Board coordinated with the staff support secretary to identify meeting dates in August and December. August 24 and December 6, both from 2:00 to 4:00 p.m.; however, at the end of the meeting, per the Chair's request and with the Board's agreement, the meeting time for future BEI Board meetings was changed to 12:00-4:00 p.m.

4. Land Lease Agreement - The Master Sublease Agreement provided for the lease of specific parcels of property to BEI, a direct service organization of the University. It contemplated that BEI may sub-lease in whole or in part to third party developers to design, finance, construct, manage, and operate the facilities contemplated above in exchange for revenue sharing with BEI in order to help finance current and future programs on behalf of the University.

Administrative Services staff and BEI staff believed that the approval of the Master Sublease Agreement would be in the best interest of the University to facilitate the development of

additional facilities on the core campus. The Board of Trustees of the University approved the document at its meeting March 8, 2012. It has been executed by the University.

Motion by Vice-chair Clark to approve the form of the Master Sublease Agreement and authorize execution in substantially the form thereof.

Second: Treasurer Todorovich
Motion passed unanimously.

4. Accept Transfer of Building 8 - The UWF Foundation proposed to transfer ownership of Building 8 to BEI at no cost. Foundation staff provided the following information:

- Building 8 was last appraised before 06/30/09 at \$260,000.00. There was no mortgage or lien against the property. The Foundation has arranged for an appraisal of the building to provide an updated value, due on or before 05/03/12.
- The University currently rents the building.
- Foundation staff would present the proposal to transfer the asset to BEI for Foundation Board approval at its next meeting.

VP Altier showed the location of Building 8 on University Parkway on the aerial map and remarked that BEI envisioned the use of the building as the new dental clinic.

Motion by Vice-chair Clark to accept deed of Building 8 on behalf of BEI once the transfer has been approved by the UWF Foundation.

Second: Member Jones
Motion passed unanimously.

Report of the Chair

Chair Bense provided an update from the Board of Governors and Legislature. She mentioned that the Board of Governors had asked her to serve on the Florida Board of Governors Task Force on Facilities Funding. The task force would seek to develop alternative ways to form public/private partnerships to fund facilities since PECO would no longer be available.

Chair Bense briefly talked about the SUS's budget cuts for all universities. She stated that, beginning next year, UWF would develop a new budget model, based on actual spending, and would have centralized funds that would allow the University to make good use of the funds and investments based on the University's strategic initiatives.

Chair Bense stated that an agreement had been reached with the faculty union, and due to the University's increase in growth, they were able to give a 2% raise across the board. She then briefly discussed the faculty salary compression rate.

Chair Bense next talked about our student growth for summer courses and the need for more courses, with summer admissions at approximately 400% increase and fall admissions at 160% increase. She remarked that though the University is in good shape, it has growing pains, and that the actions of the BEI will help to address these issues.

Report of the CEO

CEO Altier opened by showing the approved BEI logo and stationery. He next provided updates on the campus master plan, which included the development of the west campus with the potential purchase of Scenic Hills Country Club, and the development of the east and central campuses.

CEO Altier talked about the development of the University's historic properties and with Pensacola's rich history, the revitalization of the downtown area would help to create a year-round destination for the fastest growing segment of tourists today, the cultural heritage tourists.

CEO Altier discussed a BEI program called Student Employment Services, with the anticipated structure of a temporary agency. This program would not be an internship nor affiliated with an academic program. BEI would house the student applications and would match the students with individual businesses who have contracted with BEI for student workers.

Altier gave an update on EDN, Electronic Data Network. EDN would provide flat screen TVs for the campus. The flat screens would be used to run ads and static displays for the University, and would generate a percentage of the revenue for BEI.

He also noted that an electronic billboard would be installed on the east campus by this summer. State permitting has to take place before Bill Salter Outdoor Advertising can construct the electronic billboard.

Altier noted that the hotel/conference center proposals were due next week.

CEO Altier announced the new Bistro Blue diner truck would soon provide outside dining. The Bistro Blue, completely funded by Chartwells, would provide BEI with a percentage of all revenue.

He proceeded with showing a video of the electric vehicle project. The University has partnered with a local company to obtain a fleet of 50-65 of the electric cars, to start, for use by the University's students. The electric cars would serve as part of a cost-saving system of transportation services for the students and UWF could use the cars as a marketing tool. The goal is for a student to be able to come to UWF and not need to own a car. This would be one of the greenest projects in the United States.

CEO Altier presented the new BEI webpage, as a work in progress. Once the website is active, members would be notified via email.

He continued with an update of the Hillview housing project. The project would have approximately 169 apartments that could house 550-570 students, and would include a courtyard and swimming pool. The student-housing complex, which would be financed 100% by a private-sector developer, would connect to the University campus, and would have a new parking lot for the electric car project. A housing affiliation agreement would be created with the developer in order to integrate into the University's housing program, with the possibility of University Housing staff managing the student-housing complex, and with University Police having jurisdiction as well.

CEO Altier announced the opening of a dental service program through BEI. The dental program would be a comprehensive dental care plan offered to all UWF faculty, staff, and students. A survey of faculty, staff, and students was conducted. The majority of the comments from the survey indicated a keen interest by the participants. A flat fee would be offered per person, per family member. This program would be integrated with an outsourced provider through BEI. The outsourced provider would be the custodian of the medical records. BEI would be the system of the financial collection. A contract between the provider and BEI would be brought before the BEI Board for review.

Altier provided an update of the large RFP, which included the new student union and retirement community, and noted the RFP would be released next month.

He also stated that instead of selecting an outside counsel, Pat Lott would serve as the General Counsel for the BEI Board exclusively.

CEO Altier stated that a bank had been selected for BEI, BBVA Compass Bank (Banco Bilbao Vizcaya Argentaria, a worldwide financial services group based in Argentina). BBVA had submitted the best proposal and had given BEI the best options for the checking account.

Other Business

Chair Bense asked for any other old business. Vice-chair Clark requested an electronic copy of the Scenic Hills PowerPoint presentation materials that was shared in the meeting.

New Business

Chair Bense suggested that the BEI Board meetings be expanded to four hours. Members agreed. Member Lewis brought up the question of how to stay better informed of the current progress of the BEI projects. Ms. Lott suggested the formation of sub-committees as part of the BEI structure, but the members chose not to take this route. A brief discussion followed. Vice-chair Clark suggested adding that topic to the August meeting for suggestions on how to improve communications. CEO Altier stated that in the meantime, an executive summary of the projects would be created and shared with members.

Chair Bense adjourned the meeting at 3:40 p.m.

Respectfully Submitted by Marie Glass, Staff Support Secretary