

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

October 17, 2011

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE OCTOBER 7, 2011 FAU FINANCE CORPORATION BOARD OF DIRECTORS MEETING.

PROPOSED BOARD ACTION

Initiate roll call to document member participation to ensure that appropriate quorum numbers are achieved and to approve the minutes of the October 7, 2011 FAU Finance Corporation Board of Directors meeting.

BOARD MEMBERS

Mr. Dennis Crudele, Chair	___
Mr. Scott Adams, Vice Chair	___
Mr. Peter LoBello	___

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Friday, October 7, 2011

1. ROLL CALL AND APPROVAL OF MINUTES OF THE JUNE 14, 2011 FAU FINANCE CORPORATION BOARD OF DIRECTORS MEETING.

Handout: Draft Minutes of the June 14, 2011 FAUFC Meeting.

The meeting of the FAU Finance Corporation Board of Directors (FAUFC BOD) was convened by the Chair, Mr. Dennis Crudele, at 9:08 a.m. Roll call commenced, confirming quorum, with the following FAUFC BOD members in addition to Mr. Crudele, participating:

Mr. Scott Adams and Mr. Peter LoBello.

The following official participated:

Ms. Stacey Semmel, FAUFC Secretary/Treasurer.

The following guests were in attendance:

Ms. Elizabeth Rubin and Ms. Linda Elliott.

Upon call, a motion was made by Mr. LoBello and seconded by Mr. Adams to approve the minutes of the June 14, 2011 meeting without change or correction. **The motion passed unanimously.**

2. REQUEST FOR APPROVAL OF AMENDMENT TO THE BY-LAWS OF THE FAU FINANCE CORPORATION..

Handout: Amended By-laws of the FAU Finance Corporation (Red-line and Clean).

Mr. Crudele introduced this item advising members that the reasons for modifying the FAUFC By-laws are to comply with Section 1004.28, Florida Statutes, which governs university direct-support organizations (DSO), and will realign the organizational structure to more closely mimic the other FAU DSOs, i.e., the FAU Foundation and the HBOI Foundation, etc. Ms. Elizabeth Rubin, FAU Associate General Counsel, was introduced to provide a comprehensive overview of the changes.

Ms. Rubin explained that the modifications encompass two material changes. The first is mandated by Florida Statutes and requires that the Chair of the FAU Board of

Trustees be given the opportunity to appoint one board member on any University DSO Board. The Chair may or may not fill the appointment him-herself and is authorized to appointment a designee.

The second issue is associated with the Florida Sunshine Law. Currently, the University Chief Financial Officer holds an appointment on the FAUFC BOD. In anticipation that the BOT Chair or his designee to the FAUFC BOD will be a member of the FAU BOT, the fiduciary relationship between the FAU Trustee and the FAU CFO becomes a Sunshine Law issue. Conversations relating to University and/or FAUFC financial issues become limited. To address this possible predicament, the By-laws will now create the FAU BOT Chair appointment noted above and eliminate the University CFO appointment.

In addition, the by-laws now create an Executive Director position. It is envisioned that the University CFO could hold this position and continue performing current duties i.e. scheduling meetings, preparing documentation, etc.

With these amendments the FAUFC BOD still remains a three member entity with the authority to nominate additional members as noted in the by-laws. In conjunction with the By-law changes, articulation and documentation of specific appointments and authorities will be initiated to ensure transparencies.

Members were reminded that changes to these by-laws require BOT approval and to that end, upon approval by this Board, the changes will be presented to the BOT Audit and Finance Committee later in October and to the BOT in November.

With no further questions, a motion was made by Mr. Adams and seconded by Mr. LoBello to approve the amendments as presented. **The motion was approved unanimously.**

Conversations followed on topics that included:

Stadium / Game Day:

- The Certificate of Occupancy has been received on the stadium and verification that the stadium will be ready for the October 15 game.
- Confirming that FAU Boulevard construction issues will be complete by game day.
- Parking issues and the additional lease of Palm Beach State College parking for game.
- Ticket sale information.
- Outside leasing plans.
- Newly release information on the early start of construction on the I-95 interchange.

Housing:

- The phenomenal success of Innovation Village Housing and current occupation rates.
- Status of Innovation Village Phase 2.
- Possible future Greek Housing.

Additionally, Mr. Adams advised that his company will be moving into the FAU Research Park and raised the question as to whether that would constitute a conflict of interest. Ms. Rubin advised Mr. Adams that she did not believe such occupancy by his company would constitute a conflict of interest as FAUFC has no direct legal relationship with the FAU Research Park.

Mr. Crudele advised members of the need for another meeting in the near future to review the FAUFC financial statements prior to release to the BOT.

3. **ADJOURNMENT OF MEETING.** With no further issues to discuss, **the meeting was adjourned at 9:30 a.m.**