



Meeting Minutes

Wednesday, March 15, 2006

Chairwoman Sherry Plymale convened the meeting of the Florida Atlantic University Board of Trustees (BOT) at 10:18 a.m. with the following members present:

Nancy Blosser, Bill Bryant, David Feder, Armand Grossman, Rajendra Gupta, Roy Levow, Bob Stilley, Norman Tripp, Dan Wilson and George Zoley. Trustees Scott Adams and Lalita Janke participated by phone.

The following University officials participated:

Frank T. Brogan, President; Bob Friedman, University Architect and Vice President; Bill Miller, Director of the FAU Libraries; Ken Jessell, Vice President for Financial Affairs; David Kian, General Counsel, Jennifer O'Flannery, Chief of Staff

Strategic Planning Committee Meeting

Chair Nancy Blosser

Chair Nancy Blosser asked the Board to:

- A. Review and Approve the Amendment to the Jupiter Campus Master Plan;
- B. Authorize an Amendment to the Land Lease with the State of Florida for the Jupiter campus;
- C. Authorize the sublease of a portion of the Jupiter campus to the Scripps Research Institute;
- D. Authorize an Amendment to the Financing Agreement with Palm Beach County to fund the Jupiter campus sublease with the Scripps Research Institute.

David Kian explained that Items B, C and D are the three master legal documents that will place Scripps on the FAU Jupiter campus. Regarding Item D, FAU is not a party to this agreement. Scripps and the County are negotiating and closure is expected by the end of the month. A special called meeting either by telephone or a special meeting during a Committee meeting may be necessary.

Nancy Blosser entertained a motion to authorize the Administration to present to the Board of Trustees a proposed amendment to the FAU lease with the State of Florida for the Jupiter campus that would extend the term of the lease to 99 years and authorize a sub-lease to the Scripps Research Institute.

Motion was made and seconded. Motion passed unanimously.

Chair Blosser entertained a motion to authorize the Administration to present to the Board of Trustees a proposed sublease to Scripps for approximately 30 acres at the Jupiter campus to house their east coast headquarters. **Motion was made and seconded. Motion passed unanimously.**

Chair Blosser entertained a motion to authorize the Administration to present to the Board of Trustees a proposed amendment to the funding agreement with Palm Beach County to fund the Jupiter campus sublease with Scripps. **Motion was made and seconded. Motion passed unanimously.**

Nancy Blosser thanked Bob Friedman for all his help to the Strategic Planning Committee since its inception and wished him luck on his retirement.

Motion was made and seconded to adjourn the Strategic Planning Committee meeting. Motion passed unanimously.

The President announced that Bob Friedman has agreed to stay with FAU on a consulting basis while the search progresses for his replacement. This will give Bob the opportunity to complete some of the major projects he has worked on in the last year and a half.

This concluded the Strategic Planning Committee portion of the meeting.

Chair Sherry Plymale convened the Full Board Meeting at 10:45 a.m.

A. Recognition of Ginny Miller

Chair Sherry Plymale thanked former Trustee Ginny Miller for her past years of service to FAU as a Trustee and currently as a member of the FAU Foundation Board.

B. Approval of Minutes

A motion was made and seconded to approve the minutes of the January 18, 2006 Board Meeting. **Motion passed unanimously.**

C. Revised Meeting Calendar

The revised calendar included in today's backup material has been again revised to eliminate the entry for Tuesday, May 9, 2006, the Palm Beach Community College Board Reception at the Baldwin House, which will be rescheduled. Also, the date for the BOT Retreat at PGA Resort has been changed to September 26 and 27 in order to allow David Feder to attend.

D. Chairman's Report

Sherry Plymale reported on the following items:

The Christine E. Lynn College of Nursing Dedication and Dinner Reception for Christine E. Lynn;

The ceremony for the signing of our medical education partnership with Boca Raton Community Hospital and the University of Miami;

The Evaluation at each Trustee's place is read and any suggestions will be taken into consideration.

The card included with the backup material lists items of interest to FAU legislatively, and Trustees were advised that now is the time to contact friends in the legislature and advise them of their connection to FAU and ask them to intercede on the University's behalf.

PECO Funding – FAU has not been awarded much this year due to state money going to K-12 students.

Dr. William Covino, Dean of Arts and Letters, had presented an idea to have each Board member shadow a dean or Vice President. Sherry Plymale would like each Board member to select an area of interest and then report back to the Board. Call Jennifer O’Flannery to schedule your visit.

FAU Days in Tallahassee on March 7-9 were well-attended.

Donor Recognition Event at the Sean Stein Pavilion of the College of Business on March 16, 2006.

E. Introduction of New Board Member

Chair Sherry Plymale introduced new Trustee Bob Stilley and welcomed him to the Board. Mr. Stilley will work on the Academic & Student Affairs and the Strategic Planning Committees.

F. MY FAU. The FAU Library System

Mr. Bill Miller, Director of the FAU Libraries gave an overview of the University system. He displayed a copy of FAU’s one millionth book, *A Field of Owls*, which he co-wrote and produced with President Brogan.

G. Audit and Finance Committee Report **Norman Tripp**

a. Information Items

- i. Hospital Due Diligence Update – David Kian, General Counsel, gave an update on the academic and the land transaction aspects.

The academic track has been approved. The land transaction was originally planned as an even land swap, where we would provide a portion of our campus to Boca Raton Community Hospital (BRCH) and they would provide a parcel near the campus. None of the possible sites for the swap fully met our needs, and a proposal was submitted to BRCH last fall that we modify the nature of the transactions from a land swap to a long-term lease, with BRCH providing money for a multi-level parking garage. By building vertically, we would be able to recapture more than half of the land provided to BRCH. We will also have the benefit of the use of the hospital as the teaching hospital center.

There are basically three components for closing on the land deal:

1) Legal -- will consist of the sublease agreement with BRCH, which will be for the remainder of our sublease term, 67 years with the state plus any renewals. A draft of the proposed lease terms will be provided to the Board before the April 19 committee meetings. If there are no changes, the lease will be presented to the Board in May for their approval.

2) Planning -- Tom Donaudy, University Architect, has been working with BRCH staff on siting the hospital. It will be on the southeast corner of campus, at the intersection of Glades Road and FAU Boulevard on approximately 38 acres, and details will be presented for review as they progress. An amendment to the campus Master Plan will also be necessary and will be presented for Board approval in the near future. Any costs involved with the

placement of the hospital, i.e., traffic mitigation, utilities connection, etc. will be covered by the hospital.

3) Financial – regarding hospital’s ability to build the project on campus and manage it successfully. Raymond James and Associates has been retained for this purpose.

Chair Tripp asked David Kian to elaborate more fully on what we are giving and what we are receiving on this project.

The transaction will be a long-term lease, 67 years, plus a right to renew if FAU has its master lease renewed; the tax consideration will not be paid out of the 67 years, but on a much shorter window on the total payment of the cash, probably within a 10-year time frame. The ability to value the property is complicated because 1) we do not actually own the property and 2) the permitted uses are covered by our campus master plan and the agreement we have entered into with the city of Boca Ration to implement the master plan. Therefore, FAU & BRCH have retained some appraisal services jointly and have advised the appraiser to make hypothetical assumptions, such as, that the property would be on the market from a willing seller to a willing buyer, and that it could have a set of potential development rights. The market value of the property will be determined using several scenarios, assuming we had the right to develop as a multi-family residence, or mixed use services business, or as office space, or as university housing. A report is being prepared and will be presented to the Board in April.

To mitigate the most important negative impact on campus, losing 38 acres of otherwise developable space, we are planning to construct two parking structures to recapture the lost acres. The cost of these will not be entirely covered by BRCH because 2015 construction costs are unknown, but projections on today’s costs will be made. A component of the consideration will also be used to fund academic programs within the medical education program, and projections will be incorporated into the payment schedule. These figures will all be presented to the Board during the April Committee Meetings.

Trustee Wilson asked if environmental concerns would be taken into consideration, and the answer was affirmative.

Trustee Tripp said it was necessary to inform the Board about the current discussions and negotiations in order for them to make the right decision and to understand what they are voting for, and suggested holding a workshop on the hospital. Trustee Plymale said the April 19th Strategic Planning committee meeting would have this issue as a primary focus and invited everyone to attend that, and if another meeting is required, it would be scheduled.

Project Director Ms. Kelly Arduino, Raymond James & Associates, presented an Interim Report on BRCH Feasibility Evaluation. She gave a short tutorial and then discussed her firm’s preliminary findings. She assured the Board that BRCH is financially sound, has good management in place, and that the agreement FAU is entering into is on solid ground. She will prepare a final written report, which will be delivered to Board members before the April 19th Committee meetings. Trustee Tripp asked her to include in her report the impact the hospital will have on the Boca campus, particularly with regard to traffic.

- ii. Presentation on the Second Quarter Status of Florida Atlantic University's 2005-06 Operating Budget, July 1 – December 31, 2005
Dr. Kenneth Jessell

There has been a loss of revenue due to the decrease in the number of out of state students. This is a national phenomenon.

Receipt of government funds were delayed and will be included in the March report.

Athletics budget will be balanced by June 30, 2006.

- b. Action Items
 - i. Request for Approval of Revisions to Personnel Policies and Regulations
Ms. Robin Kabat

Revisions were recommended for the following sections: Separation Notice; Grievance Procedure; Employee Standards and Disciplinary Procedures; and University Support Personnel System Employee Performance Evaluations. Motion made and seconded to approve these revisions. **Motion passed unanimously.**

H. Strategic Planning Committee Report Chair Nancy Blosser

Sherry Plymale stated that this Committee's Report on the a) Information Items i) Innovation Village Update, and ii) Strategic Plan Web Site would be postponed until May.

- b. Action Items
 - i. Motion was made and seconded to approve (i) the Amendment to the Jupiter Master Plan; (ii) the Authorization to the Land Lease with the State of Florida for the Jupiter Campus; (iii) the authorization to Sublease a Portion of the Jupiter Campus to The Scripps Research Institute; and (iv) the authorization to amend the Financing Agreement with Palm Beach County to Fund the Jupiter Campus Sublease with the Scripps Research Institute. **Motion approved unanimously.**
 - ii. Motion was made and seconded to approve the Reallocation of 2006-07 PECO Funding. **Motion approved unanimously.**
 - iii. Approval of the Resolution for updated DSO list for Residence Hall Funding Agreement and Innovation Village. Dr. Jessell said the original plan will be followed and financed through the Division of Bond Finance as originally presented, and will go to the BOG for approval. Dr. Jessell asked for Board approval of an amendment to the Board's June 29, 2005 resolution authorizing the President to implement funding for a 600 bed housing project that could serve as Phase I of the Athletic Innovation Village project. This is only a placeholder in

the event we were to move forward with any or all plans to develop housing, retail or athletic facilities we will already have established this benchmark with the BOG and the Legislature would not need a calendar year or more.

Chair Blosser stated the Strategic Planning Committee recommended approval of the revised list for the 2006-2007 Fixed Capital Outlay Projects Requiring Legislative Approval to be financed and constructed by a Direct Support Organization. No objections. Motion ca

I. President's Report

Frank T. Brogan

President Brogan announced two new Vice Presidents, Communications & Marketing, Aileen Izquierdo, and Medical Education, Dr. Michael Friedland.

The President commented on the following items:

- a. A new Organization Chart was distributed. Searches have been initiated to fill the positions of Vice President for Facilities and Vice President Student Affairs replacing Bob Friedman and Manny Newsome respectively.
- b. A Boca Raton campus map was distributed showing the initial campus acreage of 1121 acres and the various agreements which have been entered into that leave our current acreage at 578.72. The T-Building renovation is underway, with 3-4 buildings set aside as museums and extra classroom space.
- c. Scripps Update – the Academic Affiliation Agreement was distributed for informational purposes.
- d. FAU Digital Radio's Operation -- A presentation by Dean Covino on the partnership with WXEL/WNET
- e. Branding One Year Anniversary – A presentation showing the FAU brands in the past and present.

J. BOT Member Comments

Trustee Bryant announced that the Diversity Committee which he heads has met twice and will be completing a report on their findings.

K. Old Business/New Business

There will be a Student Government-sponsored Hurricane Relief Event on April 9 @ 5 pm in the Bank Atlantic Center in Sunrise, FL – the Florida Panthers vs. Tampa Bay Lightning.

FAU's Women Swimming and Diving team has completed its first year and won the Sunbelt Conference and are off to the NCAA competitions.

Women's teams in Volleyball, Soccer and Basketball have also excelled.

Campus Safety – The President commended the Campus Police Department on their successful handling of the February sexual assault case, which has since proven to be a false claim. There is no new information on the October sexual assault incident. New lighting has been installed to replace what was lost during the last hurricane.

L. Public Comment

There was no public comment.

M. Meeting was adjourned at 2:15 p.m.