

**UWF FOUNDATION, INC.
EXECUTIVE COMMITTEE MEETING
MINUTES**

August 13, 2007

Members present: Marny Gilluly, Tim Haag, Dave Cleveland, and Casey Rodgers.

Staff present: Dean Van Galen (via conference call), Susan Stephenson, Sheri Pope

Order: Marny called the meeting to order at 3:55 p.m. in Conference Room 1 of the Bowden Building in downtown Pensacola.

Business Discussion Items:

Marny asked Sheri if she had taken the roll and she reported that a quorum was present. Marny requested the committee members review the minutes of the last meeting. Tim made the motion for the minutes to be accepted as written. Casey seconded the motion and all voted in favor of the motion.

The President's report was skipped and Marny moved directly into the committee reports.

Dave reported on the performance of the investments. He noted that returns have been very good this year. The return for the quarter was 4.89% and 16.90% for the fiscal year. Overall, the portfolio continues to beat the balanced index benchmark. After interviewing two small cap firms (proposed by Morgan Keegan) at the June meeting, the Investment Committee chose to invest with Golden Capital. He reported that the investments were over \$67 million at the end of June. During the volatile month of July, the portfolio has been holding up well. While the market was down about 9%, the Foundation's portfolio was down less than 2%. Dave commented that the investment committee was pleased with the downside performance and the Investment Committee continues to be very pleased with the advice and assistance provided by Morgan Keegan.

Dean presented the Development and Campaign Report. He referenced handouts that provided information about the first four students named as Argo Scholars. A well attended press conference was held for the announcement with good media coverage. He thanked Pat Denkler Rainey for her help with the Argo Scholars effort. Dean reported on the gifts to the campaign (handout provided), highlighting the information by type and campaign priority. He noted the total campaign goal that was being considered by the Campaign Steering Committee, and it will be announced at the Campaign Kick-off Celebration on September 25th.

Dean also asked the Executive Committee to consider a revision to the cumulative giving levels. He provided a proposal from the Development staff (handout). The proposal compared the number of donors in the current giving clubs and estimated the number of donors that would be in each giving level if adopted. The proposal would add three new levels (\$250,000, \$500,000, and \$1 million), all higher than the current top level for cumulative gifts of \$100,000 and above. Dean asked that the Executive Committee consider approving the new giving levels in concept and task Development staff with proposing names for the new levels at a later date. Casey made a motion to approve Dean's request and Tim seconded the motion. All voted to approve.

Susan gave the Executive Director's Report. Recent large or unusual transaction expenditures were for retirement celebrations, student computer labs, and housing bond payments. The President's bonus has been

paid as well as his annual premium for the additional disability insurance. All Hurricane Loans paid through payroll deduction have been collected and one outstanding loan continues to be paid through monthly credit card charges. The transition to the new account code structure has been very beneficial, as expected, during audit. Susan gave a brief update on the lawsuit over the Joseph Dunn, Sr. estate, stating that it's the Foundation's hope to move toward a settlement of the issue. The Foundation is working with the University on the new deferred compensation plan called for in the President's contract. The State budget issues reported in the paper will be impacting the University budget. Depending on the outcome of the proposed 4% - 10% possible University budget cuts, the Foundation may be called upon to revise its budget to assist with the shortfall. Housing has 51 students assigned to triple rooms and 21 assigned to temporary space with staff. These students will be reassigned as space becomes available. The Woodbine Springs property is still for sale, all time shares have been sold, and all payments for interest and rent have been received on time for the Alcaniz loan and Building 8 lease, respectively. Susan reminded the committee that the Alcaniz property note is due to be paid in full as of June 30, 2008. Part of the Baroco property owned by the Foundation may be used to help the University establish a Research Park to the West of campus. The Trader Jon collection was moved to Lock N Store storage where it is now being kept in a climate controlled environment. Committee members asked if staff had been able to obtain insurance on the collection. Susan responded that we still have not been able to find a company willing to insure the collection, but that our insurance agent continues to search. Susan concluded her report stating that two Special Purpose Investment Accounts (SPIA's) had been opened and approved by the Investment Committee. One account holds gifts to be matched through the State Courtelis program. The second will be used to facilitate a more planned approach to draw downs from the investment pool for operating expenses. The SPIA accounts are interest bearing. Dave moved to approve the SPIA's set up and uses described with the understanding that the total of these and the other cash funds stay within the established cash target allocation guideline. Tim seconded the motion and all voted in favor.

Susan provided the Treasurer's Report. The FY2007 Budget to Actual Reports for the Foundation and Housing were presented and reviewed. Housing has used some of the excess funds this year to pay for the renovations and improvements to the Village West facility. Susan also thanked Brett Shaw for his extra efforts to gain a deeper understanding of the Foundation Business operation by spending part of a morning reviewing gift handling procedures, observing the check request process, and receiving a general overview of Foundation internal control procedures.

Marny reminded the group that the September Board of Director's meeting would be September 24th to coincide with the 40th Anniversary and Campaign Kick-off Celebration. She also mentioned that the special guest portion of the meeting would be utilized for an Induction Ceremony for the new Foundation Fellows and the Board's Welcome reception will follow the meeting. She encouraged everyone to make plans to attend.

Meeting adjourned at 4:45 p.m.

/S/ Susan Stephenson
September 4, 2007