

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

**August 20, 2008**

**Members present:** Dave Cleveland and Tim Haag; Casey Rodgers, Brett Shaw, and Marny Gilluly via conference call.

**Staff present:** Dean Van Galen, Susan Stephenson, and Sheri Pope

**Guests present:** None.

**Order:** Dave called the meeting to order at 9:00 a.m. in the Ferdinand Board Room at the Homewood Suites on Corporate Woods Drive in Pensacola.

**Business Discussion Items:**

Dave thanked everyone for making additional time for the extended Executive Committee meeting. He asked Sheri and she confirmed that a quorum was present. Dave briefly recapped the portions of the agenda covered on August 12<sup>th</sup> and asked Dean to present the Development and Campaign report.

Dean began by asking the committee members to reserve October 2<sup>nd</sup> for the Donor Recognition dinner. He mentioned the new Donor Recognition Wall in the Conference Center and encouraged them to stop by to see it if they had time. Dean announced Kenda Hembrough had accepted the Annual Fund Manager position and would be starting next week. She has worked most recently with the Studer Group and at PJC prior to that.

Next, Dean went over the Campaign update handout. We are very close to our goal of \$35 million, about \$34.4 million in gifts and pledges now. Very soon the Board will need to consider whether to keep going and set a new goal. Committee members asked if the numbers included State match and if state matching funds could be expected in the future considering the state's budget outlook. Dean confirmed that the campaign numbers do include state match. He also said that while it is not a guarantee, he felt it would be very unlikely that the state would abandon the state matching gift program. In the past, the state has postponed funding in tough years and caught up in good years.

Dave went over a second handout showing the increase in Foundation Board member giving. He noted that in 2008 74.3% of the Board members had made contributions, an increase over prior years. He plans to build on the good work that Marny has done to continue to increase Board giving toward the goal of 100% participation.

Susan reviewed the Executive Director's report handout. Recent spending has included support for the Archaeological Survey in Mexico, a commitment of non endowed funds to support the Next Exit History Podcast project, fees for NPR, the UWF lobbyist, and various consultants, as well as the campus celebration to welcome Dr. Bense as Interim President. As efforts continue to settle the dispute, mediation is scheduled next week in the Dunn lawsuit. Alumni Association agreements for the renewal of the GEICO agreement, the new travel company and graduate health insurance company are being completed this week. Payment for the duplicate reimbursement to Dr. Cavanaugh was received last week (\$119.44). The transition audit conducted by the UWF Internal Audit Office had no significant findings. Housing should be at 104% occupancy over design to start the year. Many students want to sign up for the triple rooms. There was an isolated leak in a room in Pace Hall that has been repaired. All indications are that Housing is on track to meet or supersede all bond covenants. They have taken over landscaping of the Village apartment complexes. Nursing has moved into Building 8. ECUA, the University, and the Foundation have completed a tri-party agreement for utility easements. The agreement will be voted on at the September 3<sup>rd</sup> full Board meeting.

Dave reported on the efforts of the Investment Committee. Utilizing the \$4.2 million repaid from the Alcaniz mortgage, the Investment Committee has moved to consider new investments in private and public real estate investment trusts and private equity. The Investment Committee voted to invest \$550,000 each with Cohen & Steers and Alpine International Real Estate. These investments are in keeping with the targets set in the approved Investment Policy and represent real estate investments in publicly traded funds that are readily valued in the market. Three potential fund managers were invited for interviews/presentations before the committee: Harbert Real Estate (a private equity real estate manager); and Parrish Capital and Portfolio Advisors (Private equity fund managers). They are great firms with great histories and the Investment Committee will be meeting again on September 3<sup>rd</sup> prior to the Board meeting to consider these investment options. The Committee is intentionally taking extra time to do their homework and consider these new investment alternatives. Ray will be giving a full update on their progress at the Board meeting on the 3<sup>rd</sup>. The funds remain invested in the SPIA account until a decision is reached.

It was another very difficult quarter. The strength of our portfolio showed in that we were not down as much as most of our benchmarks. Relative to the market our performance was good. Overall performance for the immediate past twelve months was -6.35%. That is 70 basis points better than the balanced index. Our investments in alternatives posted positive results for the quarter and helped out the overall portfolio. This performance indicates that we are properly diversified.

Pat gave the grants committee update at the last meeting. However, Susan asked the committee to consider another request. Marny had previously approved an emergency request to award a matching grant for the Podcast project. The faculty members associated with the project have asked that the committee consider making an outright award regardless of the grants they have applied for. Since the request was not time sensitive this time, Susan and Dean felt they should bring it back before the Committee. Marny and other committee members spoke in favor of making the award. Casey made the motion to ratify the award and it was seconded by Marny. All voted to approve the grant award of \$10,000 to support the podcast project.

Dave asked Dean to speak about the Donor Bill of Rights. Dean explained that the donor Bill of Rights is an industry standard. It describes how officers of the Foundation and Development staff will behave and what donors can expect. He noted that he would like to present it for formal adoption at the September 3<sup>rd</sup> meeting of the full Board and would like to include it in the annual publication to donors. Several committee members spoke in favor of adopting the statement and thanked Dean for bringing this to the Board.

Dean and Susan presented the year end budget to actual report. They proposed that just over \$16,800 be returned to the endowments and the other \$43,144.28 be used to cover the June CGA payment with the balance to be used to establish a quasi endowment for First Amendment Lectureships. The Executive Committee members considered and discussed the recommendation. Tim made the motion to approve the proposal. Marny seconded the motion and it passed without dissent. Susan told the Committee that the Bank of New York has begun moving investment of the CGA pool to the investment mix approved by the Investment Committee at their last meeting. She noted that Morgan Keegan had been instrumental in helping us obtain some of the investments that we wanted. Brett said that he has been reviewing the budget to actual reports for the Foundation and Housing and that everything looks good. At the next Budget Audit Committee meeting, scheduled for Friday August 29<sup>th</sup>, the committee will hold an exit conference with the auditors and receive the audited financial statements. Susan informed the group that the audit is going well. We do expect a clean opinion, but may see some comments about internal controls in Housing and a possible suggestion regarding appraisal of the Trader Jon Collection.

Susan reminded everyone to review and update their calendars. Several meetings have been changed and a couple of meetings have been added to the schedule. Susan noted that Wayne has agreed make a presentation

on the changes in the Form 990 at the Audit Budget Committee meeting on November 21<sup>st</sup>. Dave encouraged everyone to consider volunteer opportunities. Susan noted that the Board Orientation was scheduled for September 30<sup>th</sup> and all Board members are welcome to attend.

Tim invited everyone to come out and support the 2<sup>nd</sup> Annual Alumni Golf Tournament to be held at Scenic Hills on September 26<sup>th</sup>. The proceeds will go to benefit an Alumni Association scholarship.

Dave thanked everyone for attending. There being no further business, the meeting adjourned at 10:00 a.m.

/S/ Susan Stephenson  
August 24, 2008