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FLORIDA POLYTECHNIC UNIVERSITY
BOARD OF TRUSTEES
BY TELEPHONE CONFERENCE CALL
TALLAHASSEE, FLORIDA
AUGUST 13, 2012

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The Chair, Robert Gidel, convened the meeting of the Board of Trustees, Florida Polytechnic University by telephone conference call from Tallahassee at 1:00 p.m., with the following members present: Vice Chair Mark Bostick, Dr. Sandra Featherman, Dr. Richard "Dick" Hallion, Scott Hammack, Kevin Hyman, Frank Martin, and Donald Wilson.

1. Call to Order

Chair Gidel thanked members for participating in the conference call.

2. Consideration, Critical Path Project Plan

Chair Gidel explained that the purpose of the call is to provide an overview of the objectives that need to be accomplished, the tasks before the Board, and to organize the Board to accomplish these objectives. To help the Trustees visualize these tasks, Chair Gidel developed a Critical Path Project Plan that the Trustees received prior to the meeting.

Chair Gidel reported that he has met with members and staff of the Board of Governors, Chair John Ramil and President Genshaft from the University of South Florida, the consultants hired by USF to manage the construction, the outside architects for the project, the general contractor building the project, the Provost of UF and members of his staff, and the management of the Phosphate Institute. Chair Gidel also reported that he had toured the campus site and many of the other properties that may transfer to Poly. He said that he will continue to meet with people to gain the knowledge needed to make the important decisions going forward, and he encouraged other Trustees to do the same.

Chair Gidel explained that the Critical Path Project Plan is far from complete. He provided the document as a way to better understand the sequencing of all of the matters that must take place. Chair Gidel stressed that the need to do things correctly and in the necessary sequence will delay the completion of many of the objectives. He explained that the Board has been asked to oversee and organize the transfer from University of South Florida of the assets of the former USF- Polytechnic University, including a large tract of land and a building under construction. Once accomplished,

these assets, including cash, grants, and other financial commitments will be used to build an independent Polytechnic University.

Chair Gidel pointed out that as of today, the Florida Polytechnic Board has nothing - no money, no people, no obligations, no assets, not even a bank account. Chair Gidel reported that today he received a federal tax ID that will allow the Board to establish a bank account. Chair Gidel explained that the Board needs people to manage the operations, the properties, and the money before the Board can begin the talk about the educational vision of the Poly.

Chair Gidel reported that he has established four committees with two members on each committee. The committees are as follows:

- (1) Transition Committee - Rob Gidel and Don Wilson,
- (2) Educational Committee - Sandra Featherman and Dick Hallion,
- (3) Financial - Mark Bostick and Scott Hammack, and
- (4) Operations - Kevin Hyman and Frank Martin.

These committees are tasked with learning what and how each of the objectives on the Critical Path Project Plan can be completed as well as creating a timetable for completing the objectives. Chair Gidel said that the Board will meet again on September 5th to begin to better understand the sequencing, the restrictions, the gotchas, the alternatives, and some of the solutions.

Chair Gidel said that the first objective is to get the transition closed with the University of South Florida (USF). USF will keep the assets and personnel they need to teach-out the students currently enrolled in USF in Lakeland. Assets not needed for the teach-out will transfer to Florida Poly. The list of items to be transferred to Poly consists of leases, vehicles, monies, consulting contracts, the Phosphate Institute, and the campus and the building under construction. The Transition Committee will work on the tasks needed to complete the transaction, but the final decision to accept the transaction and close is a decision for the full Board. Chair Gidel said that the timing of this transaction is urgent because the monies needed by USF for the teach-out are being held until the transaction is completed. He said that he put September 30 in the chart to reflect that urgency.

Chair Gidel said that another task involves the management of the construction site. The Board will need to decide whether to retain the staff currently working on the project under the University of South Florida, including the owner's representative Pete Karamitsanis. Upon completion of the transfer, the Board must be ready to assume responsibility for the construction immediately. Being ready to accept the construction will be a herculean task.

Chair Gidel reported that the next objective on the Critical Path Project Plan chart is organizing the administration. The Operations Committee will handle this task. Chair Gidel said that the Board could enter into a shared services agreement with another university to provide HR, IS, basic legal, and other administrative services until the new university can do so. Chair Gidel reported that he had met with the University of Florida (UF), and they are considering providing these services. UF will construct a proposal for services and a fair fee arrangement for the Board meeting on September 5th.

Chair Gidel said that another grouping of tasks involves the facilities. In addition to the classroom building under construction, other buildings such as student dining, activities, and housing need to be considered. These facilities require sources of funds which will not be an easy task given the state of PECO funding. The Operations Committee will also handle these tasks.

Another group of tasks is establishing the financial infrastructure for the university including establishing basic accounting and budgeting, processing capital from the state, establishing a Direct Service Organization that will become our Foundation, funding the construction and related activities, and setting up the student services systems, which includes tuition, fees, and health. Once the university is accepting and spending money, we must have an audit function operating as well. The Financial Committee will handle these tasks.

Chair Gidel said that we also have a group for educational strategy, policy, and accreditation. This task is the probably most important, so the Educational Committee must first understand the opportunities and limitations of accreditation. The Committee will also begin to design the criteria we will use to chose a President and determine who will execute this strategy.

Chair Gidel said that the final two tasks on the Critical Path Project Plan are the vision statement and marketing. These tasks must be executed as a full Board. Chair Gidel suggested that the Board hold a meeting in late September and use a facilitator or strategic planner to work with the Board on establishing the framework and key elements of a common vision. The goal for the meeting would be developing a statement that can be supported by an executable plan for Poly.

Chair Gidel laid out the ground rules for communication using the staff at the Board of Governors to create a library of documents for each committee. The Board of Governors staff will forward any materials to all Trustees. Chair Gidel called on the Board of Governors General Counsel Vikki Shirley to provide a brief overview of the communications requirements under the Sunshine rules applicable in Florida. Ms. Shirley reviewed the Sunshine law requirements including providing notice of the

meeting and having a corporate secretary at the meeting to take minutes. Ms. Shirley also reviewed the civil and criminal penalties applicable for violations of the law. Dr. Featherman asked whether Committee meetings will need to follow these rules, and Ms. Shirley responded that the rules apply to Committee meetings because two members of the Board are on each committee.

Chancellor Brogan commended Chair Gidel on the extensive work that went into developing the Critical Path Project Plan chart and organizing the work of the Board of Trustees. He also commended the University of Florida for its commitment to assist the Polytechnic through this monumental process. Chancellor Brogan said that the Board of Governors looks forward to being partners with the Florida Polytechnic Board of Trustees in accomplishing both short- and long-term goals.

Chair Gidel clarified that he is not looking for the Committees to accomplish anything before the September 5th Board meeting. The task for the interim period is to become familiar with the materials that are available.

3. Concluding Remarks and Adjournment

Chair Gidel opened the floor for comments from the Trustees.

Mr. Hyman asked for guidance about how to orchestrate meetings with the staff from the University of Florida or other people who are involved. Chair Gidel said that the staff from the Board of Governors is dedicated to helping our Trustees. Chancellor Brogan suggested that Chair Gidel assign a lead contact person for each committee and committed to providing a contact person at the Board of Governors office for each Committee.

Mr. Wilson commented that the idea of contracting for services with another university is a good idea, but he thought that the Board of Trustees needs a Chief Operating Officer who works directly for the Board. Chair Gidel said that there is a sequencing issue – should the Board hire a Chief Operating Officer or close the transaction with the University of South Florida first. He also commented that finding a person with the complete set of skills needed – operating, infrastructure, financial, and construction experience – will be expensive. Mr. Hyman suggested that it might be more reasonable for the University of Florida to hire the person because they have the infrastructure in place to handle hiring. Chair Gidel said that option has been discussed with the University of Florida. He also said that the Board may be able to bifurcate the functions if Pete Karamitsanis can handle the construction aspects. He pointed out that the Board does not currently have access to money to pay anyone. Chair Gidel also suggested that the Board discuss in September who has the authority to hire a Chief Operating Officer.

Mr. Martin asked whether the target date for closing is September 30, 2012. Chair Gidel said that he choose that date to reflect the urgency of the task because the University of South Florida has money for the teach-out hanging in the balance. He recognizes that the urgency is met with necessary caution on the part of the Florida Polytechnic Board because our Board needs to understand the transaction and to be able to handle what is being transferred. Mr. Martin asked whether the information to assess the transfer will be available for review. Chair Gidel explained that the Board of Governors staff would be communicating with the Trustees about how to access that information.

Mr. Hammack commented that getting staff to work directly for the Board of Trustees is the first task in his mind. The second task would be hiring an attorney to handle the transaction. He also agrees that coming up with a vision for doing something new and different is crucial. Chair Gidel agreed that the Board will probably need an outside attorney but probably only to handle a handful of the tasks on the list of closing items, and the Transition Committee will take that advice to heart. He also agreed that the vision is crucial and will be guided by the framework developed by the members of the Educational Committee to meet the accreditation standards. Mr. Hammack pointed out that the Board needs a direction and vision early on that will lead to the creation of something new and different.

Vice Chair Bostick commented that he would like to get a lead assigned for each committee. He also appreciated the offer from Chancellor Brogan to assign a staff person from the Board of Governors to assist with the work of the committees. Both steps will help the work of the Board move forward.

Dr. Hallion seconded the ideas of Vice Chair Bostick. He also commented that he likes the ideas of Mr. Hammack about getting a vision in place to create a new kind of university.

Dr. Featherman requested that the Board set a regular meeting schedule. Chair Gidel said that he would get a meeting calendar to the Trustees by the September 5th meeting. Dr. Featherman asked for direction on what needs to be accomplished before September. Chair Gidel said that the only task is working to understand the tasks ahead and the sequencing. Information will be provided for the Trustees to read.

Chair Gidel said that the meeting on September 5th would be held in Lakeland. There will be a site tour available for members who want to participate. We will also be able to look at models of the site. Details will be forthcoming.

Having no further business, the meeting was adjourned at 1:58 p.m., August 13, 2012.

Robert Gidel, Chair

Monoka Venters,
Corporate Secretary,
Board of Governors,
State University System of Florida