New College of Florida Board of Trustees Approved Minutes Meeting of June 16, 2012 Sudakoff Conference Center

Trustees Participating: Chairman Johnson; Brad Baker; Rick Coe; Audrey Coleman; William R. Johnston; Elaine Keating; Michael Long; Keith Monda; Mary Ruiz; John Saputo; Felice Schulaner; Steven L. Snyder.

Call to Order and Acknowledgement of Notice of Meeting

The meeting was called to order by Chairman Johnson at 10:01 AM. He requested confirmation of the publication of notice of meeting. Ms. Janney said notice was published on June 9, 2012.

Approval of Minutes

Chairman Johnson called for the approval of the Minutes of the last Meeting of the BOT on May 12, 2012 as distributed to the Trustees with the deletion of a "t" in his name on page 1. A motion to thus approve the minutes of the BOT meeting on May 1, 2012 was made by Trustee Baker, seconded by Trustee Johnston, and approved by unanimous vote.

Chairman's Report

Chairman Johnson noted that this would be the last BOT Meeting for President Michalson. He said no one can ever thank Mike enough for his stewardship of New College through the past eleven years, and for the remarkable staff he put together which brought New College to where it is today, as an accepted and venerated member of the State University System.

President's Report

President Michalson announced that a preview of the New College University Workplan Update will come later in the agenda. Since the last BOT Meeting on May 12th, 179 students have graduated, the second largest class ever at New College. New Scholars/New College made its debut, with numerous students presenting their research projects in Sudakoff on the day before graduation to proud families and other students, even some prospective students. One of these "prospects" was sufficiently impressed to choose New College over the institution where he had already decided to enroll next fall. It was a celebration of what New College does best, a reflection on the best efforts of the faculty. He hoped the College would keep the tradition of showcasing student research on the day before graduation. Presidentdesignate O'Shea has been in town on and off since June 1. President Michalson congratulated everyone especially Chairman Johnson and the Search Committee he led - on the successful result. Dr. O'Shea is natural and collegial; he is genuinely excited to be taking on the new job. President Michalson noted that the campus is being used to best advantage this summer by hosting a very large Duke TIP Center Program of 7th and 8th graders (144 students in each of two month-long terms - 288 students in all) and a staff of 38 for two months. Students and staff are being housed in five new dorms, using the ACE, some natural sciences labs, and computer labs, in addition to being fed by the campus food service. The College is making good money on providing conference services to this program, which is introducing highly talented students to our institution at an early age. The College has been working with Duke TIP on a variety of smaller programs for at least a decade, with the goal of have a larger program come to fruition. He also mentioned that Professor Gilchrist has directed a smaller PUSH-SUCCESS summer program for many years on campus, reaching out to disadvantaged youth and exposing them to a life on a college campus and a variety of scientific topics and careers.

President Michalson announced that the University Work Plan Updates would be presented at the BOG Meeting in Orlando next week. It is an important moment statewide. All eleven presidents have to answer the same questions and are limited to 11 slides to explain what they are doing in relation to BOG

goals in front of the full membership of the BOG. There is a great sensitivity on cost and Governor Scott has requested to lunch with the presidents next Tuesday to discuss this issue. Just to put this in context, President Michalson said that on the advice of his special advisor on higher education, Dean Colson (who is now the BOG Chairman), Governor Crist had opened the differential tuition program, allowing universities to seek up to 15% more in in-state tuition each year. The goal was to get the average Florida in-state tuition up to at least the national average, recognizing the need for families to pay a little more of the overall cost. At that point, four years ago, all the SUS universities planned on an additional 15% coming each year from in-state tuition. Planning under these new circumstances is very difficult. The agenda for next week is the Governor's lunch with the Presidents on Tuesday, and Wednesday at 12:45 pm the New College plan will be presented to the BOG, with Trustee Bill Johnston in attendance.

President Michalson thanked Chairman Johnson for his kind remarks and his friendship. He wants to direct all the positive energy and attention to President O'Shea. He said it was an honor to be entrusted with responsibility for New College, its safety, financial integrity, and the reputation of the institution. At the initial BOT Meeting, on July 14, 2001, Dr. Michalson said he told the new board that if there were going to be any bad surprises, he'd do everything in his power to let the board know ahead of time. It's gone well, despite some testiness around the separation from USF. He is excited at the prospect of being back in the classroom and working on research. Intellectual curiosity is part of his DNA. He thanked the BOT for the honor of serving as the President of New College of Florida. Chairman Johnson added that he had spoken to Don O'Shea yesterday, on his way to a math meeting in London. He is talking New College up everywhere he goes.

Foundation Report

Interim Foundation Executive Director Clint Monts de Oca was delighted to report that every member of the New College Board of Trustees has contributed to the New College Promise Campaign this year. The Foundation Board and staff members have also contributed 100%, demonstrating their belief in and commitment to New College. The total amount of contributions this year total \$2,210,000, including \$900,000 from the Annual Fund and \$74,000 from the Alumnae/i Association's Phone-A-Thon, directed by Jessica Rogers, Sarah Thompson and Trustee Michael Long. Since it is the corporate budget-building season, the Foundation has been contacting businesses to solicit their support. He will let the Trustees know of what contacts are being made as the results come in. The restructuring exercise for the Foundation got underway with a visit at the end of May from Charles Haight, VP for Development at Mount Holyoke College and a former colleague of President-designate O'Shea. Mr. Monts de Oca and the Foundation are working with the College on introducing Dr. O'Shea to the local community at a series of small gatherings. As a Direct Support Organization, the Foundation is always ready to work with the Trustees, faculty and staff to help fund the College activities.

Audit Committee Report

Committee Chair Mary Ruiz reported that the Committee met earlier in the morning to review the findings and processes for the Human Resources and IT Audit. There were only two findings for which management proposed corrections: one concerned running background check on individuals rehired after six months; the other concerned written documentation for desktop processes in Information Technology. The corrections proposed were approved by the Committee.

Ad Hoc Nominating Committee Report

The Ad Hoc Nominating Committee, chaired by Vice Chair Keating and comprised of Trustees Baker, Coleman, and Chairman Johnson as an *ex officio* member, met earlier in the morning. Vice Chair Keating reported that the Committee approved the recommendation to nominate Trustee Johnston as Board Chair and Trustee Monda as Vice Chair for the next two years at the end of the Annual Meeting. Chairman Johnson asked if there were any nominations from the floor at this time for either position, Chair or Vice Chair. None were forthcoming. Trustee Ruiz asked if the Board could close the nomination process, and

then moved to do so. Trustee Keating seconded the motion. The Board voted unanimously to close the nominations. Chairman Johnson announced that the election of new officers for the Board of Trustees would take place at the end of the Annual Meeting on September 8, 2012.

Ad Hoc Presidential Evaluation Committee Report

The Ad Hoc Presidential Evaluation Committee, chaired by Trustee Johnston and including Trustees Keating and Monda, plus Chairman Johnson as an ex officio member, reported that they recommend the 2012 Evaluation Report on President Michalson to the full Board for adoption. The Committee approved the 2012 Evaluation Report draft at their publically noticed Teleconference Meeting of June 13, 2012. Committee Chair Bill Johnston read Chancellor Brogan's comments as expressed to BOT Chair Bob Johnson on May 30, 2012 on President Michalson's performance into the record:

"Mike was great to work with, not only as President of New College, but up here where he has made great contributions. He was always forthcoming, never afraid of accountability and never burned his bridges when things did not go New College's way. He took over New College at a fragile time when there were detractors and he led it into a stable, credible, strong institution."

He noted that all of the 12 living Trustees completed the evaluation form, and their overall rating was unanimously "Excellent, Truly Outstanding;" He offered his own quick thank you to President Michalson. Chairman Johnston moved that the Board adopt the 2012 Evaluation Report draft as presented and approve the report for submission to the Board of Governors. Trustee Monda seconded the motion and it was approved by unanimous vote.

Tenure Recommendation for President-designate O'Shea

Provost Miles stated that the Board is building on standard practice that the university president be granted tenure. Dr. O'Shea's contract, signed in April, stipulated that the issue of tenure be decided within his first year as President. It is significant that Dr. O'Shea thought it important that we go through our process of reviewing his academic credentials at the outset. His CV, publication record, etc. are in the packet along with his writings and evaluations of his teaching from his students at Mount Holyoke. These materials were made available to the Natural Sciences faculty and of course the mathematicians. The Provost's Advisory Committee (PAC) led a discussion among the Natural Sciences faculty, who then voted on his tenure and promotion. Then it went to a separate vote of the PAC, and now the Provost is making a recommendation to the Board of Trustees that O'Shea be granted tenure. It says a great deal, his qualification are superb, but the fact that he wanted to go through the process early and in this way, says a lot about what he brings to our institution. The process has followed in President Michalson's tradition openness and cooperation, and also in taking nothing for granted. Trustee Schulaner moved that Dr. Donal O'Shea be granted tenure as incoming President and Professor of Mathematics at New College of Florida, seconded by Trustee Johnston, and the motion was approved by unanimous vote. The audience applauded. Chairman Johnson added his unqualified support and lauded Dr. O'Shea's international connections, contacts with other liberal arts colleges and national foundations, stating that he had strong faculty support and was positioned to take New College to the next level.

Revisions to Regulation 3-1002 Setting Tuition and Fees for 2012 - 2013

Chairman Johnson explained Trustee Ruiz had pointed out that the issue of tuition is built into the NCF Workplan for 201-2013, so it needs to be addressed in advance of the Workplan. He called on Vice President for Finance and Administration Martin to present the tuition issue. VP Martin stated the recommendation for the BOT is to adopt the proposed revisions of Regulation 3-2001, setting tuition and fees for 2012-2013 to be effective upon approval of the Florida Board of Governors, and submit the Regulation to the BOG for approval. A duly noticed public hearing was held at the last BOT meeting's Finance and Administration Committee Meeting on May 12, 2012, on all the proposed tuition and fee

changes. This public hearing is traditionally held each year in May while students are still on campus. The most important concern to students was the \$150 daily fee for early dorm occupancy (Item 5). During the public hearing, Trustee Long brought up concerns about the need for exemptions for certain international students and those students whose travel availability is restricted to weekends. Subsequent to the public hearing student Harrison Sherwin raised similar concerns. VP Martin noted that the Housing Office has and will continue to make exceptions on a case-by-case basis regarding early arrival. A father, Frank Murphy, asked, conceptually, could not a student's tuition be set for four year upon entrance and Director of Public Affairs Jake Hartvigsen provided the response. Proposed changes in the Regulation include the following two most important items:

Tuition for Florida Resident Students – The tuition differential piece. The legislature, which sets the "base" tuition rate, provided no increase in the base tuition to be charged for the 2012-2013 academic year to Florida resident students. The College is proposing a tuition differential increase of fifteen (15) percent (\$18.71 per credit hour equivalent), constituting either a \$600 or \$675 increase per student per year, depending on whether or not it includes an ISP. This would generate approximately \$400,000 in revenue, with 30% of that going to increasing support student financial aid and the rest to the operating budget's deficit. Nine SUS institutions are proposing a 15% increase; USF is proposing an 11% increase and UF a 9% increase.

Tuition for Non-Florida Students – No increases in the Non-Florida Resident Fee for non-Florida resident students over the tuition charged for the 2011-12 academic year is proposed. The increase in the tuition differential noted above yields an overall 2.5% increase in tuition for non-Florida students. In response to a request for comments, Trustee Long asked what would happen if the BOG does not approve the requested increase in the tuition differential. VP Martin stated that if the BOG did not approve it, presumably, the BOG would provide some guidance on what their expectations were for the BOT to consider. There would be some consultation, and the BOT would send a second recommendation to the BOG. Chairman Johnson noted that he and the other BOT Chairs have monthly teleconferences with the Chancellor to keep everyone on the same page to prevent such situations.

Trustee Ruiz noted that NCF's credit hour equivalents are the lowest in the SUS, so a 15% increase will not generate as much funding as at the other institutions. VP Martin acknowledged this, and added that the BOG will look at each institution individually; a 15% increase will bring NC up to the current SUS average. Trustee Ruiz asked why NCF has the highest out-of state tuition. VP Martin responded that State statutes require all institutions, including NCF, to charge "the full cost of instruction" to out-of-state students. NCF had to increase out-of-state rates the maximum permitted for several years straight to get to the "full cost" level. In doing so, the College did increase the amount of financial aid to out-of-state student to mitigate a portion of the increases. Trustee Ruiz asked if NCF provided parents with a four-year projection of tuition costs. Dean of Enrollment Services and Information Technology Killion responded that the NCF website publishes only the current tuition. Trustee Ruiz suggested adding a footnote providing the past years' tuition, even though the past is not a predictor of the future. Chairman Johnson added that since the legislature acts on tuition each year, it is impossible to predict accurately.

Trustee Snyder asked why 30% of the 15% increase went to support need based student financial aid, and VP Martin explained that the statute authorizing differential tuition requires that at least 30% be set aside for the most needy students. VP Martin noted that even with a 15% increase, NCF will still be have a \$600,000 recurring deficit to address in FY 2013-14 assuming the legislature makes no further cuts. If granted another 15% differential increase in 2013-14, NCF will be able to close the gap if costs can be held in check. Provost Miles noted that after the 30% goes to financial aid, the rest goes to the academic program and instruction. Next year it will support several tenure track searches, which will help restore the academic program and be critical to strengthening it. Since there were no further comments, Trustee Ruiz moved to approve the recommendation for the BOT to adopt the proposed revisions of Regulation 3-2001, setting tuition and fees for 2012-2013 to be effective upon approval of the Florida Board of

Governors, and submit the Regulation to the BOG for approval; the motion was seconded by Trustee Keating and adopted by unanimous vote.

NCF Workplan Update 2012

President Michalson introduced the Workplan Update for 2012, noting that the Provost's Office and especially Julie Morris, Hui-Min Wen and Raymonda Burgman, have put in the lion's share of effort to complete this document. The workplan is required of every SUS institution and must be approved by each BOT prior to submission to the BOG. Each SUS President will personally present an approved university workplan to the BOG at its meeting next week (June 20) in Orlando.

President Michalson proceeded to elaborate on the NCF's Workplan's Powerpoint slides. He commented that NCF is a distinctive institution within the SUS, known for its clarity of mission, high quality of people, public-private partnerships, and noted the importance of the flexibility and critical thinking skills that a liberal arts education offers. Although the NCF budget is only 7/10 of one percent of the total SUS budget, the College generates a disproportionate share of good publicity for the state, in terms of student success in securing Fulbright grants, which underlines our global connections, as well as favorable ratings in college guides and the National Survey of Student Engagement. For our Statement of Strategy, we want to strengthen the academic program to more fully support student success from enrollment to the senior thesis and graduation.

Strengths and opportunities include the exemplary academic program, and the positioning of the College under the new president to connect more deeply to the local community and to other innovative colleges, and to reach out from the capital campaign and our integrated marketing efforts to form new partnerships. Diversifying the funding model for New College is a must. He pointed out that public funding for universities is in a state of change nationwide, and Florida is in the middle of this meta-issue. NCF's institution-specific key initiatives for the coming year are focused on: (1) student preparation for the senior thesis; (2) first year retention; and (3) the ongoing capital campaign. Two additional institutional goals are to develop: (4) campus and educational diversity and (5) writing and critical inquiry skills more intentionally in first and second year students in preparation for scholarly work in their discipline. Performance indicators are set with metrics supplied by the BOG to measure the efforts of all SUS universities on three sets of common goals under the rubric of Academic Quality, Operational Efficiency and Return on Investment. Operations and Enrollment Management are also covered in the Workplan. Dr. Michalson noted that modest enrollment growth is anticipated over the next three years, mainly from increased retention. A section of the Workplan is devoted to the allocation of the tuition differential. Trustee Snyder pointed out that if the simple average were changed to a weighted average, NCF's portion would increase considerably. Dr Michalson expressed his disappointment that none of the underlying assumptions allow for increases in faculty or staff salaries, although the students themselves voted to raise their Capital Improvement Trust Fund (CITF) fee to \$1.38 to support maintenance and construction of facilities supporting student life (Ham Center, Fitness Center, etc.). Trustee Long moved to approve the NCF Workplan for 2012 as presented, and authorize the President or his designee to adjust the distribution of the Tuition Differential funds among the various components listed on page 14-17 of the Plan during the year, as appropriate. The motion was seconded by Trustee Ruiz, and approved by unanimous vote.

NCF Preliminary Operating and Capital Budgets for 2012-2013

VP Martin introduced the Preliminary Operating Budget by explaining that the adoption of the Budget today by the BOT will allow NCF to secure release of state appropriations on July 1, when the new fiscal year begins. The BOT will be provided with a revised Operating Budget in November, once the State's allocation is made clear.

The preliminary budget is based on the FY 2011-12 approved budget, plus changes in FY 2012-13 State funding appropriated by the Legislature and approved by the Governor, proposed changes in tuition and fees, including a 15% increase in the tuition differential and a \$1.38 per credit hour increase in the Capital Improvement fee; plus increases in contracts, grants and gifts. No increases are proposed for student activity fees, housing rental rates, or meal plan rates. He said it is important to note that the College projects using approximately \$1.7 million in cash reserves, in addition to recurring increases from tuition and the Foundation and implementing additional reductions in operating costs. VP Martin asked the Trustees to correct the total amount of the State appropriations earmarked for NCF's capital construction or PECO budget on page 2, line 1 to read: \$1,793,266, rather than \$1,709,809. An additional \$42,700 was provided also for minor projects. The \$1,793,226 is infrastructure funding, the most flexible type of capital funding. New College is fortunate to be one of only six SUS institutions sharing in the \$31 million appropriation generated by bonding lottery funds for the first time ever and is the only institution to receive infrastructure dollars. Public Education Capital Outlay (PECO), the historic source for these funds, derives from a gross receipts tax on utilities (electric, cable TV, phones, etc.). This revenue has been flat for the last two years and is projected to remain so for the foreseeable future. The SUS needs on the order of \$400 million or so annually just to address existing building infrastructure needs, but for FY 2012-13, only \$9 million is available. Projections for the next two years are even more dismal for K-20 educational institutions. The BOG has appointed a select task force, chaired by UWF President Judy Bense to seek solutions for this funding crisis. Trustee Long is a member of this task force. Trustee Monda asked what the normal request from NCF would be. VP Martin responded that our original request was \$4 million, plus some special project funds. Trustee Baker asked the amount of our reserves and the total amount of deferred maintenance that we have. The College reserves are approximately \$3.5 million responded VP Martin and deferred maintenance needs are estimated at approximately \$51 million, not counting what is needed for student housing and for parking lots and underground infrastructure. The fact that our facilities are as well off as they are is a tribute to the maintenance staff. More than 40% of our space is over 40 years old.

VP Martin led the Trustees through the Preliminary Operating Budget, explaining that non-recurring reductions in General Revenue (GR) State Aid of \$627,336 and \$1,548,051 and a recurring reduction in GR support for retirement contributions of \$151,100 is partially offset by a recurring increase of \$1.3 million in GR funds, the last installment supporting of NCF's Academic/Administrative Start Up funding and \$127,336 in non-recurring GR funds. Foundation support is increasing approximately \$75,000 over the prior year. No increases are anticipated in housing room rentals or Food Service. Trustee Ruiz asked where the \$600 thousand in E&G cuts were being made, was it in staffing? VP Martin responded that staff couldn't be cut further without serious operational consequences, so the College is going to draw down reserves to cover this recurring shortfall as well as non-recurring needs. The spreadsheet on page 9 of this agenda item details the projected use of reserves. Seven tenure track faculty lines are open and now filled with visiting or adjunct faculty. We will start recruiting this fall to fill those lines in Academic Year 2013-14, assuming the budget situation does not worsen and an additional 15% differential tuition increase is authorized for FY 13-14. The College's total preliminary operating budget's bottom line is \$29.7 million.

He noted that the Legislature reduced SUS institution's contributions to employees participating in the SUS Optional Retirement Program in excess of 2% on top of last year's 3% reduction. For NCF employees this represents an additional \$200,000 recurring reduction in benefits this year. When combined with the \$300,000 reduction in retirement benefits last year that all College employees experienced, the total is a \$500,000 recurring cut for those in the optional retirement program. VP Martin mentioned that there is a Florida Supreme Court case pending; a lower court ruled in favor of the bargaining units. These cuts may have to be restored by the Legislature or by the institutions if the lower court's ruling is upheld. VP Martin asked the Trustees to turn to page 6 of the packet containing the "glide path" budget model for the next five years. NCF is projected to begin FY 12-13 with unrestricted

reserves of about \$3.5 million. During FY12-13, we would spend down about \$1.7 million in reserves leaving a balance of \$1.8 million. If the College were authorized to receive another 15% tuition differential increase in FY 13-14, it would be able to eliminate the remaining \$600,000 recurring shortfall and still retain modest cash reserves. Trustee Johnston moved to approve the Preliminary Operating Budget for 2012-13 as presented, and authorize the President to make necessary adjustments to the budgets during the operating year, seconded by Trustee Coleman, and the motion was adopted by unanimous vote.

NCF Capital Improvement Plan for the Five-Year Period of FY 2013-14 to FY 2017-18

VP Martin introduced the rolling five-year Capital Improvement Plan for which each SUS institution submits an updated set of priorities annually. He requested a correction in the amount of the total allocation for 2012: \$1,793,266 rather than \$1,769,809, and reiterated how fortunate New College was to be one of only six SUS institutions receiving capital funds this year. He introduced Bob Mason, Director of Facilities Planning and Construction, and Jack Whelan, Campus Architect. The College's Priority #1 for FY 2013-14 is the same as every year, a request for Utilities/Infrastructure funding to allow continuation of campus improvements in areas such as chilled water, plumbing, sewer, roofing, wiring, lighting, structural repairs, etc. Priority #2 is the Cook Library Mechanical Renovation, Remodeling Phase 2, which last year was #7. This project was elevated because of a pressing need to address HVAC, fire protection and electrical renovations in the library that can no longer be deferred. Priority #3 is last year's #2, Remodeling and Renovation of Caples Mansion and Caples Carriage House (dating from the 1930s) and three of the five existing facilities of the Caples Fine Arts Complex (Mundy, Sainer, and the Sculpture building). Priority #4 would permit acquisition of at least one of the six remaining parcels on 58th Street not currently owned by the College. Priority #5 would provide a 22,000 square foot addition to the Heiser Natural Sciences Complex for additional labs and faculty offices. Priority #6 will accumulate funds over time to complete the acquisition of the remaining 58th St. parcels. Priority #7 will remodel/renovate College Hall and Priority #8 (new for 2013) is a Joint Use Facility request to fully integrate NCF's and FSU Ringling's chiller plants to function as a single plant serving both institutions. Preliminary engineering reports indicate that a combined plant will allow for more efficient use of existing equipment/chiller capacity and provide an increased level of chiller back up support that, when fully built out, will produce estimated annual operating cost savings approaching \$200,000.

The Capital Improvement Trust Fund (CITF) portion of the request relates to an allocation planned for FY 2014-15; allocations occur every three to five 5 years. NCF's share, estimated at \$350,000, is based on the College's proposed CITF fee increase of \$1.38 per credit hour recommended by the Student Fee Committee that would be effective Fall 2012. The actual allocation dollar amount will not be known for certain until the CITF bonds are sold. The funds will be used to address certain capital renewal and deferred maintenance needs in some or all of these facilities: Four Winds, Fitness Center, Swimming Pool and Bath House, Hamilton Center, and Waterfront Recreation. Project priorities will be recommended by the Student Fee Committee, whose composition is at least 50% students.

Page 6 contains two projects for which the College is requesting General Revenue funds (Plant Operation & Maintenance – POM funding) to provide for maintenance and upkeep of the new space. The 800 gross square foot open air classroom was recently constructed as part of the intertidal lagoon portion of the Sea Wall project. It can support all manner of courses, with particular relevance to marine biology, biology and environmental studies. The International & Area Studies Building, Phase 1 is still under consideration and a decision has not yet been made on whether to proceed with combining private grant funding with College infrastructure funds. The College is considering combining up to \$1.495 million in PECO Infrastructure funding currently on hand with \$500,000 in private funding to design and construct a building to house International & Area Studies functions as well as admissions, financial aid and registrar functions. This would allow PECO funds to produce significantly more square feet of custom designed

space for Admissions, et. al. than would be the case if the funds were used to renovate Robertson Hall, with the added benefit of leveraging the \$500,000 of private funds on hand to generate space supporting International & Area Studies. A decision on whether or not to proceed with this project will be made this fall. In the meantime, this request will serve as a placeholder that the College can update later.

Chairman Johnson asked about the Car Museum, and the possibility of obtaining maintenance money for that structure. VP Martin responded that the College received authorization from the 2012 Legislature to request maintenance (PO&M) funding for FY 2013-14. The tenant's lease expires in December 2012. There is no guarantee that new funding would be appropriated. We need to weigh the pros and cons of allowing the tenant to stay, at least until June 2013. We can't collect POM funding if the tenant is still paying rent. The Car Museum has continued to do business under several owners over its long tenure and the long term lease was structured such that the tenant is required to provide all the maintenance and upkeep on the building. The building is not in very good condition. Appraisal at the time of purchase valued it at zero. We could use the building for storage or we could allow the tenant to stay longer and increase the rent. A decision will be made this fall on how to proceed. Since there was no further discussion, Trustee Baker moved to adopt the NCF Capital Improvement Plan for the Five Year Period of FY 2013-14 to FY 2017-18 and its priorities as presented and to authorize the President to make adjustments to this request, if determined necessary, and report to the Board at its next regularly scheduled meeting following any such adjustments.

Chairman Johnson announced that the Board of Governors will announce the new Trustee for NCF next week. He also reminded the current Trustees to return their Financial Disclosure Form to Tallahassee. The forms are due on September 1, 2012.

Since there was no further business before the Board, the meeting was adjourned at 11:55 am.

Respectfully submitted,

Suzanne Janney
Assistant Secretary

Seal