



RESEARCH PARK
AT FLORIDA ATLANTIC
UNIVERSITY®

FLORIDA ATLANTIC RESEARCH AND DEVELOPMENT AUTHORITY

Board of Directors Meeting Minutes

3651 FAU Boulevard, #400, Boca Raton, FL 33431

October 8, 2014 at 8 AM

Members present

Bruce Rosetto	Chair
Michael Daszkal	Treasurer
Lonnie Maier	Member
Bob Swindell	Member
John Newcomer	Member

Members absent

Bob Parks	Vice Chair
Roxanna Trinko	Member

Staff present: Andrew Duffell, President & CEO
Freddy Perera, General Counsel
Christine Burres, Director of Operations
Jonathan Grabis, Program Manager

Others present: Ric Newman, *Maric Development*; Kellie Boyle, *CBRE*; Kathy Koch, *Ambit Advertising and Public Relations*; Keith O'Donnell, *Avison Young*; Dennis Crudele, Florida Atlantic University (left prior to official meeting start); Maria Gralia, *Stearns Weaver*

Call to Order

Meeting called to order by Chairman Rosetto at 8:07 AM.

Roll Call

President Duffell performed roll call, Board members Bob Parks and Roxanna Trinko absent. Mr. Duffell informed the Chairman that a quorum was present.

Additions, deletions, substitutions to the agenda

Chairman Rosetto had no additions or deletions to the agenda. President Duffell requested the deletion of item X, sub-item ii, the review of the budget, finance, and purchasing policy as well as the deletion of item X, sub-item i, the Tech Runway presentation due to the absence of Tech Runway coordinator, Kim Gramm.

Motion to reorder the agenda as recommended by the President & CEO made by Ms. Maier, seconded by Treasurer Daszkal. The motion passed 5-0, with two members absent.

Approval of the minutes

Chairman Rosetto asked if the Members had the opportunity to review the minutes from the June meeting. There being no additions or changes to the minutes, he asked for a motion to approve the minutes as presented.

A motion to approve the minutes of the June 11, 2014 meeting was made by Mr. Swindell, and seconded by Dr. Newcomer. The motion passed 5-0, with two members absent.

Chairman's Report

Chairman Rosetto spoke about the busy summer so far. The principals for the asset ownership in the Research Park will be visiting on October 15, 2014, giving the Authority an opportunity to review the ongoing relationship. Chairman Rosetto called for meetings of the governance committee and HR committees. Ric Newman (in attendance) of Maric Development purchased 1.8 acres in the Research Park, south of the ATG building. Chairman Rosetto also proposed rotating the FARDA Board meetings to other locations in the Research Park.

Treasurer's Report

Treasurer Daszkal noted that the financial reporting quality has been good. FARDA cash reserves have been depleted from roughly \$300,000 in last year to \$170,000 this year and a focus for the upcoming budget year should be building back those reserves. The revenues are largely on target but the TBI expenses have been much larger than anticipated. Mr. Swindell urged caution about spending down reserves. President Duffell offered clarification about the extraordinary expenses this year. The three main factors influencing these expenses, bad debts from EDC and Caffeine Spaces (Mark Laymon), and the money foregone in the Alumiglass building purchase, are one-off expenses that will not affect ongoing operations.

A motion to approve the Treasurer's report was made by Mr. Swindell, and seconded by Ms. Maier. The motion passed 5-0, with two members absent.

General Counsel's Report

Counsel Perera introduced a new colleague, Ms. Maria Gralia. Ms. Gralia will be working on developing the new TRAC language for FARDA's relationship with FAU. There are no current legal issues outstanding or on the short-term horizon.

President's Report:

President Duffell asked the Chairman if he could invite Mr. Keith O'Donnell of Avison Young to discuss the Research Park's real estate issues.

Mr. O'Donnell gave an update on outside perspectives on the Research Park. As a result of the most recent leadership trip to North Carolina, Mr. O'Donnell urged the

board to focus on regionalism as a core theme and to work on developing clusters of aligned interests to advance economic development goals. Market conditions are showing that the Research Park land and building assets premium relative to the broader market is well in line with expectations. Mr. O'Donnell also recommended that a stronger collaboration with FAU will enhance the value of Research Park assets.

President Duffell then outlined a broad range of happenings going on at the Research Park since the last meeting in June. Currently, the President is working on introducing FAU's new president, Dr. John Kelly, to the various companies in the Research Park. So far, these interactions have gone well, citing Dr. Kelly's infectious enthusiasm being well received by Research Park companies. This bodes well for enhancing the relationship between FARDA and FAU. Discussions with ATG to buy their building and lease it back to them are ongoing. Under the terms of any deal with ATG, they would absorb the transaction costs, resulting in a net gain for FARDA under any agreed upon terms. President Duffell detailed the recent Palm Beach County leadership trip to North Carolina. The outcome of this trip should be a renewed focus on education, healthcare, and entrepreneurship, all areas where the Research Park can be instrumental in defining a regional growth initiative. Although pessimism still exists about the regional silos that exist in Palm Beach and Broward counties, there is reason to hope that FARDA and FAU can be a driving force behind regional economic development. Dr. Newcomer added that Dr. Kelly will be focusing on key areas to get FAU national acclaim. The good news is that a strong research base already exists, the bad news is that all of the efforts are currently uncoordinated.

Old business

No old business outstanding.

New business

President Duffell recommended that FARDA engage S. Davis and Associates for the upcoming 2013-2014 audit. Treasurer Daszkal remarked that the cost for the audit seems in line with the market average and the work done by S. Davis and Associates in the past has been very good.

The motion to authorize the President & CEO to engage S. Davis & Associates to perform the 2013-2014 audit was made by Treasurer Daszkal and seconded by Ms. Maier. The motion passed 5-0, with two members absent.

The performance review and assessment of President Duffell was discussed. Overall average review for President Duffell's performance was 4.78/5, representing strong support for his performance in the last year. Compensation was discussed and deemed within the acceptable range relative to executive compensation in other industries.

The discussion segued into discussion about the draft 2014-2015 budget. President Duffell informed the board that due to some additional financial support from the City of Boca Raton, FARDA's budget should be strengthened, leading to an opportunity to contribute greater amounts to the FARDA seed fund as well as to build up additional

cash reserves. Mr. Swindell again emphasized the need to focus on building up cash reserves and to monitor very carefully the ways and means through which the Board appropriates these reserves in the future. Treasurer Daszkal noted that the draft budget seemed satisfactory but requested that the yearly budget be broken down into a per month basis with an option to directly compare between current year, plan for current year, and previous year.

The motion to approve the draft budget, pending the discussed changes was made by Treasurer Daszkal and seconded by Mr. Swindell. The motion passed 5-0, with two members absent.

President Duffell raised the schedule for the 2014-2015 Board Meeting calendar. The upcoming dates for FARDA Board Meetings will be 12/10/2014, 2/11/2015, 4/8/2015, 6/10/2015, and 8/12/2015.

Chairman Rosetto asked the Board if there was any additional new business and then called for a motion to adjourn.

Motion to adjourn made by Treasurer Daszkal, and seconded by Ms. Maier. The motion passed 5-0, with two members absent.

--
END

Approved 12/10/14


