

Florida Polytechnic University
Board of Trustees

Finance & Facilities Committee Meeting

MEETINGS MINUTES

Wednesday, March 13, 2019

12:15 PM – 12:45 PM

Florida Polytechnic University, Admissions Building, 4700 Research Way, Lakeland, FL 33805-8531

I. Call to Order

Committee Chair Frank Martin called the Finance & Facilities Committee meeting to order at 12:34 p.m.

II. Roll Call

Julie Ann Hudson called the roll: Committee Chair Frank Martin, Committee Vice-Chair Henry McCance, Trustee Bob Stork, Trustee Jim Dewey, Trustee Philip Dur, and Trustee Gary Wendt were present (Quorum).

No other trustees were present.

Staff present: Provost Terry Parker, Mr. Mark Mroczkowski, Mr. David Blanton, Mr. Derek Horton, Mr. David Calhoun, Mrs. Kris Wharton, Mrs. Melaine Schmitz and Mrs. Julie Ann Hudson were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of the December 5, 2018 Minutes

Trustee Bob Stork made a motion to approve the Finance & Facilities Committee meeting minutes of December 5, 2018. Committee Vice-Chair Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Finance and Facilities Committee Work Plan Review

The 2018 -2020 Finance and Facilities Committee Work Plan remains unchanged and no discussion occurred.

VI. Regulation FPU-1.007 Demonstrations

Mrs. Melaine Schmitz presented the proposed amendments to existing Regulation FPU-1.007 Demonstrations. This regulation is being substantially revised to reflect the provisions of the Campus Free Expression Act Section 1004.097, Florida Statutes. The regulation is being renamed to "Campus Free Expression". The regulation defines campus expression and describes the parameters placed on campus

expression to maintain the safe and normal operations of the University and the expressive rights of other parties. Specifically, the changes to the regulation are:

1. Defines campus expression, University grounds, and indoor areas;
2. Provides that persons may engage in campus expression on University grounds and indoors areas, however, indoor demonstrations, assemblies, events and other similar functions must follow the procedures in University Regulation FPU 1.003 Use of University Facilities and Property, and University Policy FPU-1.0038 Events on Campus;
3. Clarifies that campus expression cannot materially and substantially disrupt or interfere with the operations of the University and rights of others as the Act requires the disruption or interference to be material and substantial; and
4. Removes a provision requiring persons wanting to demonstrate on University grounds to notify the University at least 2 business days in advance if the demonstration will consist of more than 30 participants or will use sound amplification as this provision violates the freely, spontaneously, and contemporaneously provision of the Act.

The University does not have free speech zones, no revision regarding the prohibition of free speech zones is necessary.

The regulation was noticed on the University's website on February 10, 2019 and no comments were received.

Trustee Bob Stork made a motion to approve the proposed amendments to Regulation FPU-1.007 Demonstrations. Trustee Rear Admiral Phillip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

VII. Financial Review

Mr. Mark Mroczkowski reviewed highlights from the 2018-2019 University Second Quarter Financial Review including updates to the University Financial Dashboard, University Q2 Budget, Foundation Financial Dashboard, and the Foundation Q2 Budget along with explanations on significant budget and year-over-year variances.

Mr. Mroczkowski shared the University's operations are stabilized and not experiencing large fluctuations. University carryforward, unrestricted and auxiliary fund balances grew by 28%, 7%, and 25% respectively. Growth in revenue and investments is significantly impacted by an \$8.2 million insurance recovery that will be used to repair the IST building. Expenses are up year-over-year largely due to faculty hiring and implementation of the student information system. Auxiliary funds experienced significant growth due to increased revenues incurred from new food venues. The University's composite financial index remains strong at 97%. The Foundation is performing poorly on key performance indicators and a Foundation revitalization is in process.

Trustee Gary Wendt initiated questions surrounding the Foundation Financial Dashboard and the \$587,542 University Support line item. The committee requested clarity regarding cash versus accrual and how much cash had actually been given to the University. As part of that discussion, trustees asked where the Foundation support is included in the University's financial statements. Mr. Mroczkowski explained the Foundation support is included in the University's tuition revenue line item because the support provided

by the Foundation is primarily intended to contribute towards student tuition.

Trustee Philip Dur asked for clarification on the University Q2 Budget Update, line item Tuition & Fees and the Foundation Financial Dashboard, line item University Support. For future meetings, a request was made by the committee to separate the line items and make clear the amount of financial support versus student tuition received from the Foundation. Mr. Mroczkowski agreed to provide such clarity in future reports.

VIII. Approval of Contracts Over \$500,000

There were no contracts exceeding \$500,000 presented for approval. Mr. Mroczkowski shared the Skanska quote for \$9.6 million will be presented for approval at the May meeting. This quote is to replace the pergolas damaged during Hurricane Irma in September 2017. A concern arose from the committee whether property insurance premiums would increase caused by the Hurricane Irma claims. Mr. Mroczkowski responded premiums from the state were reasonable but there is an expectation that premiums will rise.

A brief discussion took place on the cost differential between the Skanska quote for pergola repairs (\$9.6M) and the insurance recovery payment (\$8.2M). Committee Vice Chair Henry McCance asked if the difference of \$1.4 million would be covered by FEMA. Mr. Mroczkowski stated that a claim was in process with FEMA and that he was optimistic of recovery.

Trustee Bob Stork initiated a discussion regarding the selection process of Skanska for the pergola repairs. Mr. Mroczkowski added the insurance adjusters obtained quotes from additional companies, but such quotes were not comparable in that they used other materials and did not include engineering. He further offered that Skanska was selected as the sole source due to the unique nature of the building. Mr. David Calhoun elaborated Skanska is the only contractor that has the specific expertise required to complete the repairs of the pergolas without any potential negative impact on the existing building envelope and without voiding the warranty. Committee Chair Martin asked for clarification on the sole source process and if additional quotes were obtained. Mr. David O'Brien responded the State Department of Financial Services requested the additional quotes as part of their claims adjusting process which did not alter the validity of a sole source selection process.

IX. Review of Contracts over \$200,000

Mr. Mroczkowski reviewed the status of the Waybetter Marketing, Inc. contract. Waybetter Marketing, Inc. provides student recruitment services. The vendor is currently under contract with New College of Florida, ITN 111617SRS. This service will work as an extension of our admissions and marketing team. They collaborate and recruit potential students by assisting in the enrollment services process to ensure prospective students find their way to our doors. Expected spend for this contract is \$378,000 over a three-year term ending December 31, 2021.

X. Closing Remarks and Adjournment

With no further comments, the meeting adjourned at 1:05 p.m.