



BOARD OF TRUSTEES
**Finance & Facilities
Committee Meeting**

BOT approved 06.07.2023

**Wednesday February 8, 2023
1:00 PM – 3:00 PM**

Florida Polytechnic University

I. Call to Order

Committee Chair Beth Kigel called the Finance and Facilities Committee meeting to order at 1:00 p.m.

II. Roll Call

Kim Abels called the roll: Committee Chair Beth Kigel, Committee Vice-Chair Bob Stork, Trustee Melia Rodriguez, Trustee Gary Wendt, and Trustee Mark Bostick were present.

Other Board Members present: Trustee Williams

Staff present: President Randy Avent, Dr. Allen Bottorff, Kathy Bowman, Mike Dieckmann, David Fugett, Penney Farley, David Blanton, David Calhoun, Larry Locke, Melaine Schmitz, Alex Landback, Maggie Mariucci, Lydia Guzman, Kelli Stargel, Kerri Demeri, Kathryn Miller, and Kristen Wharton.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Melia Rodriguez made a motion to approve the Finance and Facilities Committee meeting minutes of November 15, 2022. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

V. Finance and Facilities Committee Work Plan Review

Committee Chair Kigel reviewed the Finance and Facilities Committee Work plan. There was no discussion on this item.

VI. University Finance and Budget

A. University FY23 Q2 Financial Update

Dr. Allen Bottorff presented an update on the University FY 23 Q2 financials. The cash and investments on hand relate to funds carried over from FY22, additional operational funding received and slower than anticipated funding. The receivables have increased \$4.1 million due to the recognition of a lease receivable; \$3.86 million due from the state for PECO funding and student and grants accounts receivable has decreased \$912k. The noncurrent liabilities decreasing are due to the actuarial swing in pension liability.

Other sources increased \$326k within several areas of Auxiliary services due to dining commissions, parking, and shared service agreements. Grants have increased \$643k including \$276k of CARES institutional funding.

A 50% drop in OPS is accounted for in carryforward funds. The operating expenses include a \$103k increase in utilities, a \$1.36 million increase in contractual services, a \$335k increase in materials and supplies, a \$87k increase in travel and \$301k in expendable capital outlay.

The net tuition and fees are trending higher than projected. Salary and benefit expenses are down due to transitions and vacant positions. The sponsored programs account for the 50% increase in OPS. Additional funding has been authorized for FY23 to engage in new projects and these funds have not all been expended. OIT purchases are down \$1m due to continued supply and demand issues.

The CARES Act (HEERF I) and CRRSAA (HEERF II) funds have been fully expended. The Federal Higher Education Emergency Relief Funds (HEERF) have just under \$350,000 remaining to be drawn down from the federal holding account, but all of that amount was encumbered or expensed.

The University balance sheet remains strong and thriving in support of strategic priorities and the university continues to use carryforward funding for nonrecurring investments.

B. Student Housing Update:

The university has been working with the Division of Bond Finance (DBF) to secure funds for the new dorm. In January the university, supported by DBF and Brailsford and Dunlavy, presented our university's bona fides and the FL Poly Housing System business case to Standard and Poor's Global. S&P Global assigned its BBB-long term rating to the \$76 million series 2023A dormitory revenue bonds, issued for Florida Polytechnic University with a stable outlook. The university and DBF are now working with Build America Mutual to investigate potential cost and benefits of wrapping the bond with insurance. The University received approval from the BOG to proceed with issuance of the dormitory bond and creation of our university housing system.

The next steps include the finalization of pre-sale execution steps including investor presentation and advertising the sale of the bonds. The anticipated bond sale is slated for the end of February with the delivery of the bond proceeds approximately 3 weeks later.

Trustee Wendt questioned if the advisors have given any idea on what the rates of the bonds would be. Dr. Bottorff answered yes, the rates are holding at all the presented estimates.

VII. University Facilities Planning, Design, and Construction

A. David Calhoun, AVP Facilities and Safety Services, presented an update on campus construction projects:

- The Applied Research Center (ARC) is in the final close out and currently in operation. Some of the furniture and other items affected by supply chain issues are arriving.
- The Gary C. Wendt Engineering building design build proposals have been received and each firm has presented on their proposal. Contract negotiations will progress with the awarded team soon.
- In effort to maintain chilled water redundancy, the University is installing an additional 600-ton chiller and cooling tower. The project completion is awaiting delivery of VFD's for final commissioning activities to be completed. We will have space needed for chiller #4 as we continue to grow the campus.

- The Groundbreaking for the IFF (public private partnership) building was held in October and construction has begun with foundations and concrete slabs poured.
- The design reviews are complete for Residence Hall III and the permit review is in progress.
- The Public Safety and Operations Center is funded through a deferred maintenance allocation and carry forward funds. The facility will be a hardened amenity, equipped to support the Police, Emergency Management, IT, and Facilities Operations. This facility will provide the opportunity to eliminate temporary leased facilities resulting in an operational saving of \$75k annually.

Trustee Rodriguez questioned the anticipated loss of space as fencing is installed to prepare for construction. The answer was the Gary C. Wendt engineering building area will be fenced and the campus control center will not affect any space.

B. Gary C. Wendt Engineering Building (Engineering Building 1):

In January three short-listed firms' presented proposals to the selection committee. Charles Perry Partners, Inc. was the accepted top recommended firm. Contract negotiations will begin with the intent of final development of a final contract for approval and commencement of design within the next few weeks, and construction will follow.

The project is fully funded with carry-forward funds and is listed on the university's capital improvement plan and recommended on the university's educational plant survey.

The building will consist of 2 stories with the first floor fully built and the second floor a shell for future expansion.

Trustee Melia Rodriguez made a motion to recommend approval to the Board of Trustees of the Gary C. Wendt Engineering Building (Engineering Building 1) to be designed, constructed, and furnished within the total budget, not to exceed \$14,672,556. Trustee Bob Stork seconded the motion.

VIII. Advancement and Foundation Update

A. Advancement & Foundation Report:

Kathy Bowman, VP Advancement, stated the Foundation has recently hired a staff accountant who will train with Larry Locke before his retirement in March. Larry Locke will be hired on as a part-time consultant beginning in April and this will satisfy the Board of Governors Crowe audit findings.

Kathy introduced Lydia Vigil, Director of Corporate and Foundation Relations. Lydia presented an overview of the Corporate Impact Network. There are currently 12 corporations in the network with a FY end goal of 16. The corporations have opportunities to host company days at Florida Poly. The exclusive events offer the companies an opportunity to create awareness and inform students and faculty of company vision and mission as a corporate partner. Upcoming Company days include Accusoft on February 9th, Saddle Creek Logistics Services on February 16th and IFF on March 29th.

Other notable upcoming events include eMerge Americas pitch night on February 13th, Synapse Summit 2023 on February 14th, Women in STEM, March 2nd, Day of Giving, April 6th, eMerge Americas conference, April 20-21st, Capstone Showcase /Impact Summit, April 27th and a Saddle Creek Reception, date TBD.

The eMerge Americas pitch nigh competition will include 10 teams of students and community members pitching start-up ideas. The winners will get the chance to compete at the eMerge Americas conference in April.

Trustee Kigel asked if students will have the opportunity to compete at the conference level. The answer was yes, one student team and one community team will advance. The students will then have a chance to pitch in front of investors.

The Women in STEM luncheon on March 2nd will feature Florida Polytechnic Board Trustee Lyn Stanfield as the keynote speaker.

Kathy Bowman shared a new brochure Be the #CHANGEMAKERS promoting the campaign for Florida Poly. The fundamentals of an effective campaign were shared along with key performance indicators showing expectations to raise \$9.5m for FY23. The \$20m campaign ends at the end of FY24.

B. Re-appointments to University Foundation Board of Directors:

Kathy Bowman presented two foundation board members (Cindy Alexander and Todd Bayliss) for re-appointment to the Foundation Board of Directors. Both have been very active members on the foundation board.

Trustee Melia Rodriguez made a motion to recommend approval to the Board of Trustees of the appointment of Cindy Alexander to the Florida Polytechnic University Foundation Board of Directors. Trustee Bob Stork seconded the motion.

Trustee Gary Wendt made a motion to recommend approval to the Board of Trustees of the appointment of Todd Bayliss to the Florida Polytechnic University Foundation Board of Directors. Trustee Melia Rodriguez seconded the motion.

C. Foundation FY23 Q2 Financial Update:

Larry Locke presented the Foundation FY23 Q2 financial update:

FY23 Budget to Actuals

- o Revenue – 43% below FY23 budget needs
- o Operating Expenses – 54.98% over budget
- o Foundation’s FY23 Q2 has a 142.89% net asset loss

- FY23 Statement of Activities YOY

- o Revenue – Down 61.25% from FY22 Q2
- o Expenses – 96.99% greater than FY22 Q2
- o FY23 Q2 net assets are 117.38% less than FY22 Q2

- FY23 Statement of Financial Position YOY

- o 5.73% increase in assets and ending fund balance is up 3% over FY22 YTD
- o FY23 total liabilities is up 11.91% over FY22 YTD due to endowment investments being underwater

The FY 23 quarters three and four project revenue coming in and numbers will increase.

Trustee Wendt questioned how donations come into the University. It was explained, all donations come in through the foundation and then the funds are moved.

Trustee Kigel thanked Larry for his report and congratulated him on his upcoming retirement.

IX. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 2:24 p.m.