

**FLORIDA POLYTECHNIC UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MEETING MINUTES
Florida Polytechnic University Admissions Building
4700 Research Way, Lakeland, FL 33805
October 31, 2017 @ 9:30 AM**

I. Call to Order

Committee Chair Bob Stork called the meeting to order at 9:58 a.m.

II. Roll Call

Maggie Mariucci called the roll: Committee Chair Bob Stork, Vice Chair Henry McCance, Trustee Mark Bostick, Trustee Jim Dewey, Trustee Sandra Featherman, and Trustee Gary Wendt were present (Quorum).

Other Trustees present: Chair Frank Martin, Trustee Don Wilson, and Trustee Dick Hallion.

Staff present: President Randy Avent, Dr. Terry Parker, Mr. Kevin Aspegren, Ms. Gina DeJulio, Mrs. Maggie Mariucci, Mr. Rick Maxey, Mr. David Calhoun, and Mr. Mark Mroczkowski.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Henry McCance made a motion to approve the Finance and Facilities Committee meeting minutes of June 7, 2017. Trustee Sandra Featherman seconded the motion. A vote was taken, and the motion passed unanimously.

V. 2016-2018 Finance and Facilities Committee Work Plan

There was no discussion by the Committee regarding the Work Plan.

VI. Revised Regulation: FPU-1.003 Use of University Facilities and Property

Ms. Gina DeJulio stated the main revision to regulation FPU-1.003 Use of University Facilities and Property ensures the government relations staff is contacted if legislators are invited to University events. Definitions for three terms were also added to the regulation. Trustee Wendt recommended the regulation be amended to include “candidate for elected office.” Discussion occurred on the method of informing employees and students of this regulation. **Trustee Gary Wendt made a motion to approve the revisions to the FPU-1.003 Use of University Facilities and Property, with the additional amendment to include the term “candidate for elected office”**

in the document. Trustee Sandra Featherman seconded the motion. A vote was taken, and the motion passed unanimously.

VII. Financial Review

Mr. Mark Mroczkowski gave the financial review. Mr. Mroczkowski stated the University is slowly increasing revenue from sources such as tuition and fees, grants and contracts, and auxiliaries. In the “other” column, a one-time contribution came from an inherited contract from USF with Sprint that gives the University \$15k per month in royalty income.

State appropriations increased 5.5% for FY18. Tuition and fees continue to grow as enrollment increases. The new dining contract with Chartwells is more lucrative than in the past.

Mr. Mroczkowski reviewed the composition of the University’s investments. Twenty-three percent of the University’s investment money was moved to an investment advisory firm.

A high-level view of the University budget by divisions was presented. Overall, revenue has been greater than expenses. Trustee Henry McCance inquired about Academic Affairs budget variance for 2017. Mr. Mroczkowski replied the variance was due to not being able to hire faculty quickly enough. Trustee Sandra Featherman asked if the Academic Affairs budget is in line with other SUS. The University spends up to 29% on instruction. This is low but the University intends to increase this. The largest expenditure remains salaries and benefits for employees.

Board Chair Frank Martin requested that Mr. Mroczkowski add the number of students per year to the budget review slide. Trustee McCance requested Mr. Mroczkowski include the past year’s actuals to compare to the current budget.

Mr. Mroczkowski reviewed the budget planning process. Board Chair Martin asked how specific the budget numbers are and whether there is a narrative prepared by the division heads to support the numbers requested. The numbers are specific, narrative is provided, and if there is a significant variance, division heads must defend their request to the Budget Council.

Committee Chair Robert Stork restated the importance of seeing the budget to actuals in the high-level quarterly presentations.

VIII. Deep Dive-Annual Financial Report

Committee Chair Stork stated that Mr. Mroczkowski has provided narrative to explain large increases in budget. Mr. Mroczkowski reviewed all of the significant increases to budget lines, most of which were due to moving budget funds from one department to another. Much time was spent explaining where funds were transferred to and why.

Committee members expressed frustration with the lack of narrative on the report. The committee requested that a detailed narrative of the major variances be sent to them prior to the meeting. The committee agreed they would perform a deep dive once a year at the meeting in the spring when the budget is approved. The committee also agreed that a separate committee meeting might be necessary to go over this report in detail.

Board Chair Martin inquired about the results achieved from the \$1.6M of non-recurring funding for entrepreneurship. He also inquired if the \$1.6M was budgeted for one year or if it was spread

over multiple years. Going forward, Chair Martin directed Mr. Mroczkowski to include only the actual amount the University intends to use in that budget year and place the remaining funds in a reserve account that will be used in subsequent years.

Overall, the budget increased only 2.8%. Committee Chair Stork noted understanding the majority of the variances were due to moving budget from one department to another or changes in account codes; however, the Committee must have a better understanding of this prior to the Committee meetings. Board Chair Martin stated he might call a subset of the Board or of this committee for a conference call to review the report format with staff to ensure it provides all of the necessary information.

Mr. Mroczkowski will email a 2018 budget revenue report to Trustee Gary Wendt.

Mr. Mroczkowski presented the unaudited annual financial report for year-end June 30, 2017. There was no discussion about the report.

IX. Workday ERP Update

The Workday Student ERP implementation is just beginning; it will take 18-20 months to complete. Mr. Mroczkowski reviewed the completion timeline in detail. Workday Student will replace the current CAMS system. The \$2.5M cost for Workday Student has been spread over two years via a deferred payment plan.

X. Foundation Report

Mr. Kevin Aspegren provided an overview of the departments that fall under Advancement. The Foundation Board intends to add nine new board members each year for the next three years. He reviewed his development marketing strategy that includes four primary goals: raise money, drive awareness, strengthen the current base of supporters, and convert prospects to donors. Trustee Featherman inquired if Development is researching foundations who donate to higher education. Mr. Aspegren stated his department is reviewing foundations nationwide, to determine whom to contact.

XI. University Police Report

Chief Rick Holland reviewed the history, current statistics and programs of the University Police department.

XII. Construction Progress & Facilities

Mr. David Calhoun stated Wellness Center II construction should be completed by the end of November 2017 and will officially open in January 2018.

The design firm for the Applied Research Center (ARC) has been selected. The contract negotiations and the design schedule are currently in progress. The RFQ for the construction manager is also in progress. Mr. Calhoun is hopeful the University can begin infrastructure improvements along with the design schedule.

IST room 1018 has been reconfigured to be an engineering workshop. There may be other areas in the IST that could be used as shop space but the University needs to define what, exactly, that space should be.

XIII. Closing Remarks and Adjournment

Committee Chair Bob Stork adjourned the meeting at 12:46 p.m.