



Finance & Facilities Committee Meeting

BOT approved 11.10.2020

MEETING MINUTES

**Wednesday, September 9, 2020
11:15 AM – 12:00 PM**

Florida Polytechnic University WEBEX / TELE-CONFERENCE MEETING

I. Call to Order

Committee Chair Cliff Otto called the Finance and Facilities Committee meeting to order at 12:35 p.m.

II. Roll Call

Kelly Beall called the roll: Committee Chair Cliff Otto, Committee Vice-Chair Gary Wendt, Trustee Don Wilson, and Trustee Connor Coddington were present (Quorum).

Other Board Members present: Vice Chair Mark Bostick, Trustee Frank Martin, Trustee Earl Sasser, Trustee Bob Stork, and Trustee Ala' J. Alnaser.

Staff present: President Randy Avent, Provost Terry Parker, Mr. Mark Mroczkowski, Ms. Gina Delulio, Mr. Rick Maxey, Mrs. Kathy Bowman, Mr. David Blanton, Mr. David Calhoun, Mr. John Causey, Mr. Alexander Landback, Mr. Jake Morrow, Dr. James Mennie, Ms. Kathryn Miller, Ms. Kimberly Ables, Ms. Lydia Guzman, Ms. Maggie Mariucci, Ms. Melaine Schmiz, Ms. Sherri Pavlik, Mr. Tom Dvorske, Mrs. Kristen Wharton, Ms. Michele Rush, and Mrs. Kelly Beall.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Don Wilson made a motion to approve the Finance and Facilities Committee meeting minutes of May 20, 2020. Trustee Connor Coddington seconded the motion; a vote was taken, and the motion passed unanimously.

V. Approval of the 2020-2022 Finance and Facilities Committee Charter

Mr. Mark Mroczkowski reviewed the 2020-2022 charter.

Trustee Wilson recommended unified formatting across all committees, and Committee Vice-Chair Gary Wendt recommended condensing the content.

The committee tabled further discussion until the November 2020 Finance and Facilities Committee meeting.

VI. 2020-2022 Finance and Facilities Committee Work Plan Review

Mr. Mroczkowski reviewed the 2020-2022 work plan which provides members with an outline of upcoming meetings and the expected matters to be presented before the Committee.

VII. 2019-2020 University Year-End Financial Review

Mr. Mroczkowski reviewed the University's Summary Annual Financial Report for the year ended June 30, 2020.

The University finished the fiscal year ended June 30, 2020 with a net loss of \$4.4 million but with a positive cash flow of approximately \$1.2 million. Revenues were down 5% overall, primarily due to losses in food service revenue resulting from COVID related closures. Expenses were also down by 1.5%. Discussions were held regarding the Governor's 6% holdback of the FY 20-21 appropriations and potential further budget cuts.

Management has proactively cut spending plans and has Carryforward available to potentially help sustain further cuts to current and future appropriations. The University will participate in Performance Based Funding for the FY 21-22 which may help offset potential cuts to the base appropriation.

Committee Vice-Chair Wendt requested a separate financial statement for FIPR in the future to analyze its performance independent of the University. Mr. Mroczkowski agreed.

VIII. Approval of Carryforward and Fixed Capital Outlay Budgets

Mr. Mroczkowski reviewed the University's Carryforward Spending Plan and Fixed Capital Outlay Budget for FY 20-21.

From the fiscal year ended June 30, 2020 the University carried over \$3,721,575 and added it to the existing carryforward balance of \$7,719,765 for a new total fund balance of \$11,441,340.

The Capital Outlay Budget details the continued construction of the Applied Research Center which has a total cost of \$47.2 million. It has been partially funded from PECO in the amount of \$7.0 million, and from University Carryforward funds in the amount of \$25.3 million, leaving \$14.9 million to be funded from future PECO appropriations.

Committee Chair Otto requested a presentation format that will be easier to read in future virtual meetings. Mr. Mroczkowski agreed.

Committee Vice-Chair Wendt confirmed that the University does not have the necessary funds to complete the Applied Research Center. Committee Chair Otto recounted the Board of Trustees' decision to proceed with the project, knowing the University did not have adequate funding, because of anticipated Carryforward and Legislative funding.

Committee Vice-Chair Wendt made a motion to approve the University's Carryforward Spending Plan and Fixed Capital Outlay Budget for FY 20-21 as proposed. Trustee Wilson seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Review of Contracts Over \$200,000

Mr. Mroczkowski reviewed existing and active procurement contracts over \$200,000. There were no new contracts in excess of \$200,000 or \$500,000.

Trustee Coddington inquired about Workday Student. President Avent explained its intent to replace CAMS, though the project is on hold.

X. Review and Approval of Proposed Concept for a P3 Research Building on Campus and Process for ITN

Mr. Mroczkowski reviewed the concept to issue an Invitation to Negotiate ("ITN") to enter into a public-private partnership between the University and a private company to plan, design, fund, construct, maintain and operate an on-campus state-of-the-art research building. The Finance and Facilities Committee would need to request the authority to review and approve the final ITN, recommend that the President be delegated the authority to make any necessary changes to the ITN.

The concept is that the University will negotiate a ground lease on its main campus sufficient for the private company to fund, construct, and operate a research facility. The amount of land and the location of the project will be determined by the University.

Committee Vice-Chair Wendt requested a succinct summary of what the ITN will solicit from vendors. Mr. Rick Maxey explained that the ITN will solicit language detailing the relationship between the University and potential vendors. Vendors will describe their capacity and expertise to construct and operate the building, alignment with the University's mission, benefits to the University, and more.

Committee Vice-Chair Wendt made a motion to recommend approval to the Board of Trustees the concept for a proposed P3 building on campus with authorization for the Finance and Facilities Committee to give approval of the final ITN and authorization for the President to make amendments to the ITN as needed. Trustee Coddington seconded the motion; a vote was taken, and the motion passed unanimously.

XI. Applied Research Center (ARC) Update

Mr. David Calhoun provided an update on the design, schedule, construction, and budget for the Applied Research Center.

The ARC is currently 33% complete with the construction currently under contract. The current contracted work affords the University a fully enclosed building with a completed exterior shell, portions of interior framed walls, and a portion of the mechanical, electrical, and plumbing. When the work currently under contract is complete, the total project will be approximately 68% complete at a cost of \$32.3 million with an interim completion date of May 2021. The 32% work remaining to be completed after May 2021 consists primarily of finishes, landscaping, furniture, fixtures, and equipment.

Mrs. Kathy Bowman mentioned naming opportunities for the ARC in the private gift amount of \$10,000,000.

XII. 2019-2020 Foundation Year-End Financial Review

Mrs. Bowman reviewed the Foundation's Summary Annual Financial Report, yielding \$1,790,000 net production, for the year ended June 30, 2020.

Committee Vice-Chair Wendt recommended the Florida State Pension Plan as a potential alternative for TIAA-CREF. Mrs. Bowman will consider the suggestion.

XIII. Approval of University Resources Used by the Foundation FY19-20 and to be used FY20-21

Mrs. Bowman reviewed the University resources used by the Foundation in FY 19-20 in the amount of \$192,647 and proposed the University resources intended for use by the

Foundation in FY 20-21 in the amount of \$225,000.

Trustee Wilson made a motion to approve the University Resources Used in FY 19-20 by the Foundation and proposed to be used in FY 20-21. Trustee Coddington seconded the motion; a vote was taken, and the motion passed unanimously.

XIV. Approval of Foundation Board Appointments

Mrs. Bowman reviewed the re-election of Phillipa Greenberg, Jack Harrell, Ford Heacock, Joshua McCoy, Ivette O'Doski, Blake Paul, and Donna Sylster, and the new nomination of Hailey Skoglund, for service to the Florida Polytechnic University Foundation, Board of Directors.

Trustee Coddington made a motion to approve the Foundation Appointments as proposed. Trustee Wilson seconded the motion; a vote was taken, and the motion passed unanimously.

XV. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 1:35 p.m.