



Finance & Facilities Committee Meeting

BOT approved 04.26.2021

MEETING MINUTES

**February 10, 2021
10:30 AM - 12:00 PM**

Florida Polytechnic University WEBEX TELECONFERENCE MEETING

I. Call to Order

Committee Chair Cliff Otto called the Finance and Facilities Committee meeting to order at 10:30 a.m.

II. Roll Call

Kelly Beall called the roll: Committee Chair Cliff Otto, Trustee Beth Kigel, and Trustee Connor Coddington were present (Quorum).

Committee members not present: Committee Vice-Chair Gary Wendt

Other Board Members present: Vice Chair Mark Bostick, Trustee Bob Stork, and Trustee Laine Powell

Staff present: President Randy Avent, Provost Terry Parker, Mrs. Kathy Bowman, Ms. Gina DeIulio, Ms. Penelope Farley, Mrs. Kimberly Abels, Ms. Kelly Beall, Mr. David Blanton, Mr. David Brunell, Mr. David Calhoun, Mr. John Causey, Ms. Lydia Guzman, Mr. Alexander Landback, Mr. Larry Locke, Mrs. Maggie Mariucci, Mrs. Laura Neff-Henderson, Ms. Michele Rush, Ms. Melaine Schimiz, Mr. Rick Maxey, Mrs. Treasa McLean, Ms. Sherri Pavlik, and Mrs. Kristen Wharton.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Connor Coddington made a motion to approve the Finance and Facilities Committee meeting minutes of November 10, 2020. Trustee Beth Kigel seconded the motion; a vote was taken, and the motion passed unanimously.

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

Ms. Penelope Farley reviewed the 2020-2022 Finance and Facilities Committee Work Plan. The Work Plan remains unchanged and no discussion occurred.

VI. 2020-2021 University Second Quarter Financial Review

Ms. Farley reviewed the University's financial results for the quarter ended December 31, 2020.

The campus community has been committed to working within the 6% holdback parameter set by the State of Florida. There has been no decision from the State as to whether they will keep the 6% or not.

Construction of the Applied Research Center (ARC) is the major player within the University's balance sheet and will continue to be for another 12 months.

The University's net income to date is \$2.2 million below FY19; however, it is \$2.7 million over the approved budget with the holdback. The University is succeeding in spite of the COVID-19 pandemic.

The net tuition and fee revenue for FY21 spring semester is approximately \$1.3 million, creating a surplus of approximately \$398,000 over the base budget.

Budget sessions are underway for FY22, working with a projected 8.5% reduction from the FY20-21 base budget.

Trustee Beth Kigel inquired how much of the variance in support from the Foundation is expected to be paid. Mrs. Kathy Bowman confirmed the entire amount will be paid by the end of the fiscal year. The variance is due to the timing of payment of the Foundation support.

President Randy Avent reminded the Committee that CARES funding is split between students and the institution. Committee Chair Cliff Otto inquired if we are in possession of the \$1.2 million in institutional CARES funding. Ms. Farley confirmed it is available to us, though we expend it first and then draw down from the federal account to cover the cost.

VII. Review of Contracts Over \$200,000

Ms. Farley reviewed existing and active procurement contracts over \$200,000 and less than \$500,000. There is one new contract in the amount of \$495,558 effective January 1, 2021 through December 31, 2023 for the Education Data Hub platform software, support, and maintenance.

Provost Terry Parker explained that the data hub will centralize various data systems currently used on campus, and it will enable us to perform dynamic queries institution-wide. It will also enhance our response to reporting and auditing requirements.

VIII. Approval of Contracts Over \$500,000

Ms. Farley presented one new contract in excess of \$500,000: a second amendment, three-year subscription renewal, for Workday HCM and Financial in the amount of \$592,386.66 effective April 29, 2021 through April 30, 2024.

Trustee Coddington asked which line item the contract pulls from in the ledger. Ms. Farley confirmed it comes from contractual services.

Trustee Beth Kigel made a motion to approve the contract renewal for Workday HCM and Financial in the amount of \$592,386.66 for a three-year period effective April 29, 2021 through April 30, 2024. Trustee Connor Coddington seconded the motion; a vote was taken, and the motion passed unanimously.

IX. P3 and ITN Update for Research Facility

Mrs. Treasa McLean provided an update on the Invitation to Negotiate (ITN) to enter 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.

ITN 21-001 was published on November 12, 2020. One proposal was received in response to this solicitation. In February, the evaluation committee will meet to discuss recommendations for moving forward. If the committee recommends moving forward with negotiations in April, a presentation of the final ground lease agreement will be brought before the Board for approval at the May 3rd Board meeting.

President Avent shared that the proposal is from a large, Fortune 100 company that specializes in international flavors and fragrance. They intend to build a global innovation center on our campus that will incorporate manufacturing elements and virtual reality work.

X. 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 79% complete with the construction work 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% of the remaining construction work not yet under contract consists primarily of finishes, landscaping, furniture, fixtures, and equipment. Completion is contingent upon \$14.9 million of additional funding from the State of Florida. The amounts or timing of such funding is unknown.

Mr. Calhoun presented four scenarios for utilizing additional funding in various amounts ranging from \$4.5 to \$14.9 million. President Avent will discuss the Carryforward Plan and ARC scenarios in more detail at the full Board meeting.

XI. Advancement Update

Mrs. Kathy Bowman reviewed the Advancement and Foundation updates.

Because of COVID-19, Advancement will host the Women in STEM event virtually on March 25. Founder's Day will be postponed until Fall 2021.

The Phoenix Alumni Association doubled the size of their board.

The Foundation has \$30.5 million in pipeline prospects, with a goal to convert \$4 million into donations in FY21. The ability to track metrics has increased with the recent implementation of Blackbaud.

Foundation finances are now independent of the University, and investments have been moved from TIAA CREF to CAPtrust.

Chair Otto requested clarification on the nature of the \$4 million goal. Mrs. Bowman confirmed the goal is the sum of current and deferred pledges, cash gifts, gifts in kind, and gifts in service less pledges (receivables) from prior years.

Trustee Coddington noted the large increase in pipeline opportunities and inquired about the timeline of prospects. Mrs. Bowman responded that the major move cycle is within three years of initial conversations. She will break down the pipeline stages moving forward to provide more clarity for the Committee.

Trustee Kigel inquired about target closure rates. Ms. Bowman confirmed the ability to track metrics will be used to develop target closure rates moving forward.

Trustee Coddington asked about goals for supporting the University. Ms. Bowman explained regular meetings are held with Financial Aid and leadership to discuss the needs and allocate resources, as necessary.

XII. Foundation Second Quarter Financial Review

Mr. Larry Locke reviewed the Foundation's financial results for the quarter ended December 31, 2020.

Second quarter revenues were \$1,774,148.27 and expenses were \$322,905.82 for a net gain of \$1,415,242.45. Total Foundation cash and investments were \$8.2 million, \$6.4 of which is restricted.

Trustee Kigel inquired about the \$2.75 million liability in deposits payable. President Avent provided historical context about the donor's agreement. Mrs. Bowman confirmed her ongoing conversations with the donor with a goal to discuss reworking the gift agreement prior to June 30, 2020 in order to would allow the Foundation to recognize the funds as an asset and not a liability.

XIII. Approval of Foundation Board Appointments

Mrs. Bowman reviewed the reappointments of Cindy Alexander and Todd Baylis for service to the Florida Polytechnic University Foundation, Board of Directors.

Trustee Connor Coddington made a motion to approve the Foundation reappointments as proposed. Trustee Beth Kigel seconded the motion; a vote was taken, and the motion passed unanimously.

XIV. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 11:51 a.m.