



Finance & Facilities Committee Meeting

BOT approved 11.10.2021

MEETING MINUTES

**September 8, 2021
1:45 PM - 3:15 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 1:45 p.m.

II. Roll Call

Kelly Beall called the roll: Committee Chair Cliff Otto, Committee Vice-Chair Gary Wendt, Trustee Samantha Ashby, and Trustee Beth Kigel were present (Quorum).

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

Staff present: President Randy Avent, Ms. Kathy Bowman, Ms. Gina DeJulio, Provost Terry Parker, Ms. Penelope Farley, Ms. Andrea Cashell, Mr. David Blanton, Mr. David Calhoun, Mr. Kevin Calkins, Mr. Mike Dieckmann, Mr. Alexander Landback, Mr. Larry Locke, Ms. Michele Rush, Ms. Melaine Schmiz, Mr. John Causey, Ms. Kimberly Abels, Ms. Kelly Beall, and Ms. Kristen Wharton.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Samantha Ashby made a motion to approve the Finance and Facilities Committee meeting minutes of April 26, 2021. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

V. Finance and Facilities Committee Work Plan Review

Ms. Penelope Farley reviewed the Finance and Facilities Committee Work Plan. After an internal review of content and timing of presentations, the Committee's Work Plan has been updated to better reflect the University and Foundation's workflow and the Board of Governor's deadlines. The only new item is Bad Student Debts in November.

Trustee Beth Kigel made a motion to approve the Finance and Facilities Committee Work Plan for the 2021-2022 fiscal year. Trustee Ashby seconded the motion; a vote was taken, and the motion passed unanimously.

VI. 2020-21 University Year-End Financial Review

Ms. Farley reviewed the University's financial results for the year ended June 30, 2021.

The University's balance sheet remains strong and our focus on spending that makes a quality difference in our mission will continue to be imperative.

CARES II and III institutional funding will serve to repair learning loss for our students and to provide online platforms and environments towards their success as well as our faculty.

The University will have sufficient carryover funds that together with performance-based funding will allow us to reward our employees and focus on the President's strategic initiatives in FY22.

President Avent inquired about the sources (over)/under variance for the year over year expense variance analysis. Ms. Farley will review the numbers and adjust as necessary.

Trustee Wendt inquired if state funding is reflected in the Education & General (E&G) Carryforward balance. Ms. Farley explained that no, state funding is PECO which is managed separately.

VII. 2021-22 University Carryforward Spending Plan and Fixed Capital Outlay Budget

Ms. Farley reviewed the University's Carryforward Spending Plan and Fixed Capital Outlay Budget for the 2021-2022 fiscal year.

For the fiscal year ended June 30, 2021, the University is projecting a \$7.6 million carryforward balance. The University has committed those funds for non-recurring university operations and construction.

The University presently has the \$47.2 million Applied Research Center (ARC) under construction. It has been previously funded from PECO with \$7 million, University funds of \$25.3 million and in fiscal year 2021-2022 has received the balance of \$14.9 million to complete the building.

The University will begin construction of the new Environmental Engineering building with \$6.1 million of carryforward funding. This building should not exceed \$9,793,615 by completion with any differential coming from further carryforward funding.

The University continues to work with the City of Auburndale on the Reclaimed Water Project connecting the University to the City of Auburndale's Reclaimed Water Plant. To date, the University has spent \$761,260 with \$1,238,740 remaining. This project is scheduled for completion in December 2022.

Trustee Ashby inquired how Environmental Engineering was determined for the next research facility on campus. President Avent explained that it would bring the Florida Industrial and Phosphate Research (FIPR) Institute onto campus from its current location in Bartow, and it would help launch the environmental engineering program.

Trustee Kigel made a motion to approve the University Carryforward Spending Plan and Fixed Capital Outlay Budget for the 2021-2022 fiscal year. Trustee Ashby seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Contracts Over \$200,000

Ms. Farley reviewed existing and active contracts in excess of \$200,000 with spend-to-date information. A solicitation will be issued next quarter for University Promotional Products; in the meantime, the University will issue a temporary extension of the current contract with 4Imprint which has not exceeded the estimated spend of \$250,000.

IX. Contracts Over \$500,000

Ms. Farley reviewed a purchasing agreement with CDW-G related to furniture, fixtures, and equipment (FF&E) for the ARC project in the amount of \$582,378.46. The specific request is for the purchase of network devices such as, but not limited to, processors, routers, switches, firewalls, access points, etc. This would allow the University to move forward with finalizing the ARC building while maximizing cost savings.

Trustee Wendt asked if the amount is estimated or spent. Mr. David Calhoun confirmed it is an estimate.

Trustee Kigel inquired if we would normally buy these items at list price without a contract such as this. Ms. Farley explained that the state universities work together for discounted, consortium rates. Mr. Mike Dieckmann confirmed this contract is under the state contract pricing.

Trustee Ashby made a motion to approve the execution a purchasing agreement with CDW-G, related to FF&E (Furniture, Fixtures and Equipment) for the ARC project in the amount of \$582,378.46. Trustee Kigel seconded the motion; a vote was taken, and the motion passed unanimously.

X. Campus Construction Update

Mr. David Calhoun provided an update campus construction.

The ARC is 70% complete and fully funded. The contracted construction completion date (substantial completion) for the project is March 23, 2022, with a final completion date of May 25, 2022. The University is working to validate and procure all additional services, furniture, fixtures, and equipment for the ARC following receipt of funding in FY21/22.

The Mechanical Shop Building (Environmental Engineering) is proposed to be adjacent to the ARC with a building footprint of 20,000 square feet. A Continued Service Provider Design Consultant has been selected to prepare an Advanced Schematic Design for the project. It is the intent to construct the facility by entering into a design build contract to complete the remaining design and construction of the facility.

Trustee Wendt asked how 20,000 square feet was determined for the Mechanical Shop Building. Mr. Calhoun explained it's based on pre-programming needs and an analysis of the current FIPR building. Provost Terry Parker added that FIPR currently utilizes 8-10,000 square feet, so there will be 10-12,000 square feet remaining for academic purposes.

Trustee Kigel asked how comprehensive local governments are when reviewing of the Campus Master Plan. Calhoun confirmed we do not receive many detailed comments during the 90-day review.

Committee Chair Cliff Otto asked about a target date for the Public Private Partnership (P3) with International Flavors and Fragrances (IFF). Mr. Calhoun has requested a revised

schedule. Construction is currently planned to begin in Spring 2022 with a target completion date in Spring 2023.

XI. Policy on President's Authority to Execute Change Orders and Purchasing Agreements for FF&E related to the ARC Project

Ms. Gina DeIulio reviewed a draft policy on President's authority to execute change orders and purchase agreements related to FF&E for the ARC project.

The proposed policy would temporarily allow for the increase in the President's authority to approve and execute the change orders and purchasing agreements that exceed his current authority provided he obtain the approval of the Board Chair or the Finance & Facilities Chair. Such authority would be limited so that the amount spent on such change orders and agreements could not cause the total cost of the project to exceed the amount budgeted for the project. In addition, the change orders exceeding \$100,000 in value and the purchasing agreements exceeding \$500,000 would be promptly reported to the Finance & Facilities Committee and the Board of Trustees at a subsequent meeting.

Trustee Wendt made a motion to approve the Board Policy on President's Authority to Execute Change Orders and Purchasing Agreements related to FF&E for the ARC Project. Trustee Ashby seconded the motion; a vote was taken, and the motion passed unanimously.

XII. P3 Update for Research Facility

Provost Terry Parker confirmed that the Board of Governors approved the University's P3 agreement to develop a research facility on campus which entails approval of (1) a ground lease agreement with Ryan Companies USA, Inc., or an affiliate and (2) an affiliation agreement with International Flavors and Fragrances Inc.

Trustee Kigel echoed that the P3 was very favorably received by the Board of Governors.

Trustee Ashby inquired if the University would have any authority within the building. Provost Parker confirmed that no, the building is owned by the company.

XIII. Advancement and Foundation Updates

Ms. Kathy Bowman provided updates on Advancement and the Foundation.

Advancement has identified 653 of the 1,051 alumni, 82% of whom are employed and working in Florida. Alumni are identified through LinkedIn, Facebook, Twitter, website, and email.

The new Foundation website will launch, and the Annual Report will publish, in September.

The Corporate Impact Network (CIN) philanthropic impact is \$326,000.00. It has yielded 125 visits, 70 new corporate contacts, and 23 referrals for capstone projects, career development, internships, and recruitment.

Trustee Wendt asked if there are criteria for CIN membership in addition to fees. Ms. Bowman replied that no, the membership fee is payable for a three-year network opportunity. The Foundation works with each company to determine where funds should be allocated and engaged.

Trustee Kigel inquired if the Foundation participates in professional associations such as the ACEC to draw awareness and network with new partners. Ms. Bowman responded that

they've had some traction with engineering societies. Trustee Kigel offered to meet privately with Ms. Bowman for further discussion on potential referrals to other associations.

Net production in FY21 was \$2.2 million. There was a 60.17% increase in revenue, a 60.14% decrease in operational expense, and an 89.5% increase in scholarship expense from the previous year.

Campaign planning has identified a giving capacity base of \$110-333 million. The campaign focus is Building Tradition on Campus, which emphasizes naming opportunities for infrastructure and facilities.

XIV. Foundation Year-End Financial Review

Mr. Larry Locke reviewed the Foundation's financial results for the year ended June 30, 2021.

For the statement of activities budget to actuals, revenue doubled from the FY21 budget and scholarship expense tripled as requested by Financial Aid.

For the state of activities year over year, there was a 60.17% increase in revenue and a 60.14% decrease in operating expenses from FY20 to FY21. Scholarship expenses increased 89.5%, and the Foundation went from \$43 thousand in the red to \$502 thousand in the black.

For the statement of financial position year over year, total assets increased 22.41% from FY20 to FY21 and the total fund balance increased 41.12%.

Foundation budget projections include an expected annual 20-25% increase in unrestricted donations over the next two fiscal years, a potential return to standard leadership support levels in FY23, and an estimated 7-10% annual increase in scholarship expectation over the next two fiscal years.

XV. 2020-21 Foundation Actual Use of University Resources

Ms. Bowman reviewed the actual use of University personnel and facilities by the Foundation in the 2020-2021 fiscal year. The total salary, benefit, and space utilization cost was \$305,539.74.

XVI. Foundation Board Appointments/Reappointments

Ms. Bowman reviewed the new appointments of Justin Hollis and Cady Johnson, and the reappointments of Travis Hills and Ryan Perez, for service to the Florida Polytechnic University Foundation, Board of Directors.

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

XVII. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 3:13 p.m.