



Finance & Facilities Committee Meeting

BOT approved 02.09.2022

MEETING MINUTES

**November 10, 2021
2:30 PM - 3:30 PM**

Florida Polytechnic University WEBEX TELECONFERENCE MEETING

I. Call to Order

Committee Chair Beth Kigel called the Finance and Facilities Committee meeting to order at 2:32 p.m.

II. Roll Call

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

Other Board Members present: Trustee Bob Stork, Trustee Mark Bostick

Staff present: President Randy Avent, Kathy Bowman, Penney Farley, Andrea Cashell, David Blanton, David Calhoun, Mike Dieckmann, Larry Locke, Melaine Schmiz, Lydia Guzman, Laura Marrone, Dr. Kathryn Miller, Dr. Tom Dvorske, John Causey, Kimberly Abels, Michele Rush, and Kristen Wharton.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Gary Wendt made a motion to approve the Finance and Facilities Committee meeting minutes of September 10, 2021. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.

V. Finance and Facilities Committee Work Plan Review

Penney Farley reviewed the Finance and Facilities Committee Work Plan. There was no discussion on this item.

VI. University Financials

Farley presented the first quarter financials starting with institutional ratios. She stated Florida Poly remains in a strong financial position relative to standard benchmarks set by NACUBO (National Association of College and University Business Officers).

Assets, liabilities, and net position for FY22 as compared to FY21 were reviewed. Cash and investments are down \$13M due to construction draws for the Applied Research Center (ARC). Receivables are down \$1.6M due to timing of construction draws. Deferred inflows

and outflows are related to pension and OPEB (Other Post-employment Benefits) over which the University has no control. Trustee Gary Wendt suggested Farley present this chart without the ARC included so trustees can see just the activity of the University. Farley agreed she can show the chart both ways. Committee Chair Kigel agreed.

Next, Farley reviewed a first quarter year-over-year variance summary of sources and uses. Chair Cliff Otto asked if raises were built into the budget. Farley said raises are now permanently embedded into the operating budget. Trustee Wendt inquired how much lottery money the University receives; Farley stated approximately \$500k.

Budget to actuals for sources and uses were reviewed. While there is a 30% increase in OPS (Other Personnel Services) expenditures, Farley stated there is \$900k in carryforward funds to accommodate OPS.

Farley presented carryforward balances for both Education & General (E&G) and Capital expenditures, then provided an update on CARES funding. All of CARES I funds have been spent. CARES II funds have \$378k remaining and Cabinet continues to discuss how to best spend the \$1.6M in CARES III funds. Trustee Wendt asked if the University has reporting requirements on how CARES funds are spent. Farley stated the University reports on CARES fund expenditures every quarter. President Avent added he fully expects the University to be audited on CARES expenditures at some point.

There is a total of \$37k in uncollectable student debt for the years 2014-2018 that President Avent recently wrote off. Going forward, the committee will review bad debts at the end of each fiscal year. Trustee Wendt recognized these overall receivables are less than 1%.

Farley reported the contracts with Cisco and Skanska were executed by President Avent for Furniture, Fixtures, and Equipment (FF&E) for the Applied Research Center (ARC).

Finally, Farley reviewed the revised carryforward spending plan. The previously approved plan included a total of \$7,677,820. Now that FY21 books are closed out and OPEB figures are in, the revised total is \$8,950,360. This revision does not need to go back to the Board of Governors; however, it does require approval by the Board of Trustees.

Trustee Samantha Ashby made a motion to recommend approval of the revised University Carryforward Spending Plan for the 2021-2022 fiscal year to the Board of Trustees. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

VII. Contracts Over \$200,000

There were no changes to the list of contracts over \$200k since the September meeting and no discussion occurred on this item.

VIII. Powers and Duties of the President

Committee Chair Kigel shared that the Governance Committee reviewed and approved this item earlier in the day; however, because there is an element to this item that impacts the Finance and Facilities Committee, she thought it prudent for the committee to review this item. Board Chair Cliff Otto shared the Governance Committee voted unanimously to move the revisions to the Resolution forward to the full Board for approval.

Committee Chair Kigel reviewed the changes to the Resolution, which include:

1. Increasing the President's authority as it relates to purchasing agreements from \$500K to \$1M, with the Chair of the Finance Committee approving contracts that are \$1M to \$2M in total value, and the Finance & Facilities Committee approving any contracts exceeding \$2M in total value.
2. Only requiring an annual report to the finance committee on purchasing agreements that exceed \$1M in total value.

Trustee Cliff Otto made a motion to recommend approval of the revised draft Florida Polytechnic University Board of Trustees 2021-004 Resolution on Powers and Duties of the President to the Board of Trustees. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Campus Construction Update

David Calhoun provided an update on campus construction, including the Applied Research Center (ARC), the FIPR Institute (Environmental Engineering building), and Ryan Companies' Public Private Partnership (P3) building.

The ARC is scheduled for substantial completion on May 22, 2022, with a projected move in of April 1, 2022.

A design criteria package is being developed for the Environment Engineering building. Construction is projected to begin summer 2022 with completion in summer 2023.

Ryan Companies has provided a conceptual schematic design package to the University, and leadership has received a presentation from Ryan Companies. Board Chair Cliff Otto inquired if they requested parking spaces on that parcel. Calhoun replied as this is not an optimal use of space, they adjusted the building further south on the parcel so people could easily park in Lot 6. Construction is projected to start August 2022 and completed in August 2023. Trustee Wendt inquired if the University has an agreement with Ryan. President Avent stated this Board approved the agreement earlier this summer and the Board of Governors also approved the agreement in August. Ryan Companies is still working through internal approvals.

Calhoun reported that all agencies have provided feedback on the revised Campus Master Plan (CMP). Minor recommendations were given. The final draft of the CMP will come to the Board in spring 2022 for approval.

The BOG required Educational Plant Survey (EPS) has commenced and will include two phases of study: space validation and needs assessment. The space validation portion will take place December 7-8; the needs assessment will occur in spring 2022 and brought to the Board of Trustees for adoption. This committee and the Board will approve the final EPS at their May and June 2022 meetings respectively.

X. Advancement and Foundation Update

Kathy Bowman gave an update on Advancement's pre-campaign planning. Currently, major gift giving capacity falls between \$110M and \$333M with a total gift value of approximately \$105M. The University has hired a capital campaign consulting firm to conduct feasibility studies and provide additional direction.

Bowman also reviewed three additional benchmarks she tracks including donor retention, donor recapture rate, and donor acquisition rate. Donor retention is "pretty good" at 45%,

while donor recapture is “very low” at 3%. These benchmarks have a direct impact on fundraising.

Annual giving programs and upcoming engagement activities on campus were also reviewed.

Trustee Wendt asked if Florida Poly will use its #1 University in the South ranking as a backbone of Advancement’s solicitation activities. Bowman responded in the affirmative.

XI. Foundation FY22 Q1 Financial Update

Larry Locke reviewed the University Foundation’s FY22 first quarter financials, including budget to actuals and a statement of activities year-over-year (YOY). While the chart reflects a revenue variance of -68%, donations for October 2021 were \$660k with a net gain of \$650k. Operating expenses are down 28% from budget. YOY revenue in the first quarter decreased 46% while operating expenses YOY decreased 59%. The Advancement team projects revenue of \$750k-\$1M by January 1, 2022.

Trustee Kigel asked how giving projections through January 2022 compared to what was budgeted. Locke responded they projected just over \$1M in revenue for the year. If the Foundation has a good second half of the fiscal year, revenue could double or even triple budgeted revenue.

XII. Closing Remarks and Adjournment

Trustee Wendt expressed concern that student housing was not on the meeting’s agenda. President Avent stated this topic will be a strategic item of discussion at next week’s Board meeting.

With no further business to discuss the meeting adjourned at 3:39 p.m.