

**FLORIDA POLYTECHNIC UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE & FACILITIES COMMITTEE  
MEETING MINUTES  
Florida Polytechnic University  
Circle B Bar Reserve  
4399 Winter Lake Road  
Lakeland, FL 33803  
June 1, 2016 @ 2:30 PM**

I. Call to Order and Roll Call

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

Maggie Mariucci called the roll: Chair Frank Martin, Vice-Chair, Bob Stork, Trustee Christina Drake, Trustee Sandra Featherman, and Trustee Henry McCance were present (Quorum).

Other trustees present: Trustee Mark Bostick, Trustee Philip Dur, Trustee Dick Hallion, Trustee Cliff Otto, and Trustee Don Wilson were present.

Staff present: President Randy Avent, Gina DeJulio, Maggie Mariucci, Rick Maxey, Mark Mroczkowski, Dr. Elhami Nasr, and Scott Rhodes were present.

II. Public Comment

There were no requests received for public comment.

III. Approval of Minutes

**Trustee Bob Stork made a motion to approve the minutes of the Finance and Facilities Committee of March 16, 2016. Trustee Christina Drake seconded the motion; a vote was taken, and the motion passed unanimously.**

IV. Legislative Budget Request for 2017-2018

Rick Maxey presented to the Committee the Legislative Budget Request (LBR) for 2017-2018. The Budget Request is required by law to request additional money through the Legislative process to enhance the operations or delivery of existing programs and services and establish new programs. Funds appropriated through this process are in addition to funds received in previous Legislative sessions for operating the University. The LBR contains two segments: (1) Operating Budget (day-to-day operational expenses), and (2) Fixed Capital Outlay (FCO) for facilities construction, maintenance and remodeling. The request includes both recurring and non-recurring funds.

The Board of Trustees must approve and submit its University Legislative Budget Request to the Board of Governors (BOG) by August 1, 2016. The BOG will meet on September 22, 2016, to approve the initial State University System LBR comprising some of the items from among LBRs of the 12 public universities in Florida. The BOG estimates a submission date around October 15, 2016 to the Governor and Legislature. Rick stated there is no guarantee any portion of

Florida Poly's request will be included. Additionally, the University is not yet qualified to participate in performance-based funding.

The Board of Governors has requested universities submit requests for the following priority components:

#### A. Operating Budget

These are shared system resources. Consideration will be given to initiatives that allow for greater efficiencies through shared system resources or are a system-wide need.

Rick reported Florida Poly's two priorities are:

1. Institute for Technology Entrepreneurship - \$5M (recurring funds)
2. Faculty Hiring (for Institute) - \$6.6M (\$5.5 recurring; \$1.1M non-recurring)

Trustee Henry McCance inquired if the non-recurring funds must be spent this fiscal year. Rick stated spending the non-recurring funds during the current fiscal year is not mandatory. Also, Florida Poly is not locked into these expenditure categories. The hiring projection is currently two full-time faculty and two OPS; however, the University may adjust this as needed.

Trustee McCance asked if the University has hired a staff member to oversee the Institute for Technology Entrepreneurship. President Avent stated an individual from Georgia Tech has been hired to conduct a study of the architecture across universities. An Associate Vice-President for Jobs and Economic Development will also be hired. This process is currently underway.

Rick reported Senator Joe Negron recently visited the Florida Poly campus and is supportive of Florida Poly's efforts. The University will continue to have conversations with his office.

#### B. Capital Improvement Plan

Each university is required by law to create a Campus Master Plan which is a 3-year projection for facilities. Within that 3-year period, each University must project within a 5-year window those things which are important.

The four categories of funding within the Capital Improvement Plan are:

- A. PECO (Public Education Capital Outlay) Eligible Projects – Funding generally spread across the higher education system
- B. CITF (Capital Improvement Trust Fund) – Funding used to build facilities that directly affect students
- C. Non-PECO Sources – Non-recurring funding for construction from other state sources
- D. Private Enterprise – Projects not funded by the state, but need to be made known

The University priorities for PECO eligible project requests are:

1. Applied Research Center
2. Student Achievement Center
3. Faculty Staff Office Building

Last year, the Legislature approved \$5M funding for the Applied Research Center with a matching \$5M from the University. This year, the University is requesting the remaining \$25M for the Applied Research Center (total cost: \$35,338,230). If received, the Center will come online approximately 2019-2020.

Trustee Cliff Otto asked if Rick had a sense if the University will receive the \$25M being requested. The Legislature generally continues funding a project once funding begins. Rick indicated he feels the University will get some, if not all, of the \$25M request.

President Avent stated one of the challenges is the Governor requires the University to match the funds allocated. Trustee Bob Stork asked if the University must match the entire \$25M if received. Rick stated it is a directive the University match some portion, but not necessarily all, funds appropriated.

**Trustee Bob Stork made a motion to recommend to the full Board the approval of the Legislative Budget Request Operating Budget for 2017-2018. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.**

**Trustee Sandra Featherman made a motion to recommend to the full Board the approval of the Legislative Budget Request Capital Improvement Plan for 2017-2018. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

V. 2016-2017 Operating Budget

Mark Mroczkowski presented the 2016-2017 Operating Budget to the committee.

**ALL SOURCES OF FUNDS**

Beginning General Revenue (\$31,992,790 – 1,500,000)	\$30,492,790
Shift to Lottery	(32,669)
Florida Retirement Contribution Adjustment	30,142
Florida Retirement System – Admin & Educ. Fee	1,296
Technical Transfer Between Entities (UF and Florida Poly)	75,000
Florida Poly Entrepreneurship Center	2,500,000
Florida Poly State-wide Hazing Prevention Online Course	<u>1,500,000</u>
<b>Sub-Total</b>	<b>\$34,566,559</b>
Financial Aid	50,000
Casualty Insurance Premium	<u>30,307</u>
<b>Total FY 2016-2017 E&amp;G Budget (excluding tuition collection)</b>	<b>\$34,646,866</b>

Estimated Tuition Collections	\$ 2,966,654
FIPR	3,660,818
Technology Fees	270,361

Auxiliaries (Health, Athletics, SGA)	1,206,168
Other Auxiliaries (Parking, Housing, Bookstore)	2,090,302
Orientation Fees (Auxiliary)	21,000
Contracts & Grants	500,000
PECO	5,000,000
Concessions	<u>8,500</u>
<b>FY 2016-2017 TOTAL SOURCES OF FUNDS</b>	<b>\$50,379,669</b>

Trustee Bob Stork inquired regarding the funding for the current Shared Services agreement with University of Florida. Mark stated Florida Poly is using approximately \$18.5M in carry forward funds toward this obligation which has decreased from 10% to approximately 4.5%. The Shared Services agreement should be phased out in approximately five months.

Trustee Sandra Featherman asked what Florida Poly will be paying UF next year for Shared Services. Mark stated the University will pay UF approximately \$500-\$700K next year.

Trustee Featherman requested the Committee be provided a carry forward report of anticipated expenditures. Mark stated he will supply the report at the close of the meeting. Additionally, Trustee Bob Stork requested a year-to-year variance report which will also be provided by Mark.

President Avent stated there are strict regulations concerning where and when carry forward funds can/cannot be spent.

Committee Chair, Frank Martin, requested the timeline for approval of the operating budget by the Board of Trustees and submission to the Board of Governors. Mark stated the operating budget must be submitted to the BOG by the end of June. The submission is for reporting purposes only; not approval.

Mark defined carry forward funds as unused E&G budget money from the prior year which may be used for a ten year period beginning in 2012. Therefore, the University has until 2022 to spend these funds for on-campus projects, of which approximately \$13M is committed to date with approximately \$17M available.

Trustee Cliff Otto asked if Florida Poly is still creating carry forward funds. President Avent stated the University is no longer creating carry forward funds. Carry forward funds are currently in a spending state only.

**Trustee Henry McCance made a motion to recommend to the full Board the approval of the 2016-2017 University Operating Budget. Trustee Sandra Featherman seconded the motion; a vote was taken, and the motion passed unanimously.**

Derek Horton, University Controller, and Kimberly Sikorski, University Budget Analyst, submitted the 2016-2017 Foundation Budget to the Committee for review.

University Salaries & Benefits	\$ 432,133
University Events/Meetings	<u>18,000</u>
<b>Minimum Total University Commitments</b>	<b>\$ 450,133</b>

Advocacy	\$ 252,000
Operation Expenses	66,900
Foundation Events	<u>329,450</u>
<b>Minimum Total Foundation Commitments</b>	<b>\$ 648,350</b>

Derek Horton reported the scholarship funding needed for 2016-2017 is \$4,873,937 (not to exceed).

The FY 2015-2016 final budget was \$5,011,476. The FY 2016-2017 final budget is \$6,102,420 which is an increase of \$1,090,944.

Trustee Frank Martin requested the Committee/Board be provided a copy of the Foundation presentation. Derek indicated copies will be provided at the close of the meeting.

Trustee Henry McCance inquired regarding the amount of Foundation assets. President Avent stated the Foundation has very few assets; most funds are spent each year. Trustee McCance asked what the fund raising income was from events. Cindy Alexander, Associate Vice-President of Advancement, stated the Foundation raised \$4,729,000 in cash with \$1.2M in pledges for next year and \$2.75M from an anonymous donor.

Trustee Cliff Otto stated some pressure will be removed from the Foundation once the University achieves candidacy and students become eligible for federal scholarships/funding. President Avent specified the first and second cohorts required 3.5 years of funding and the third cohort required one year of funding. Therefore, student scholarship funding will decrease significantly next year. However, President Avent stated due to the federal funding application process, which takes approximately 6-9 months, Florida Poly is hopeful students will be eligible for federal funding by Spring 2017, but no later than Fall 2017.

Trustee Sandra Featherman stated the Foundation's fund raising efforts are to be commended specifically since Florida Poly currently has no alumni from which to draw and this also speaks to the community's vision of the University. Trustee Cliff Otto mentioned most of the money has been raised within Polk County. Trustee Bob Stork stated what the Foundation does for Florida Poly cannot be matched and is a credit to the leadership of the Foundation Board.

Committee Chair, Frank Martin, requested the Committee be provided a copy of the Foundation's detailed presentation. Maggie Mariucci reiterated the Foundation Board has already approved the 2016-2017 Foundation Budget.

VII. Increase in Annual Waiver Authority

Mark Mroczkowski presented a request increasing the annual waiver authority from \$1.5M to \$2.4M. Due to the increase in scholarship requirements created by the third incoming class, the University is requesting increased waiver authority in order to meet its forecasted obligation under scholarship agreements.

Committee Chair, Frank Martin, requested the annual cost per student. Mark stated this figure is \$5,000/student. Trustee Christina Drake asked if the cost per student will decrease after the current academic year. Mark said it would.

**Trustee Bob Stork made a motion to recommend to the full Board the approval of an increase in annual waiver authority from \$1.5M to \$2.4M. Trustee Christina Drake seconded the motion; a vote was taken, and the motion passed unanimously.**

#### VIII. Campus Master Plan Amendment – Addition of English Language School Facilities

Mark Mroczkowski presented to the Committee a request to amend the current Campus Master Plan to include the English Language School (ELS) facilities. Florida Poly is currently taking part in discussions with the ELS to enter into a ground lease on campus that will permit them to construct a purpose built, stand-alone, building of approximately 10,000 square feet to conduct their business.

Construction would most likely begin during the 2017-2018 fiscal year. The University estimates the building to cost approximately \$3.7M which will be paid by ELS. Florida Poly has not yet negotiated terms for a ground lease or an operating agreement.

The benefit to the University is both direct (ground rent, utilities, fees) and indirect (student matriculation). Florida Poly may alternatively examine the possibility of constructing a joint use multi-purpose building for use by the ELS and Florida Poly.

Trustee Sandra Featherman inquired if Florida Poly will have approval over design of the facility. Mark Mroczkowski said that it would and stated the structure would be located near the existing Wellness Center.

Trustee Henry McCance asked about the dedicated use of the 10,000 square feet. Mark Mroczkowski indicated the building will be strictly for ELS's use for office and classroom space. President Avent also stated discussions have taken place regarding Florida Poly renting space from ELS for offices to assist with the current shortage of office space.

Trustee Philip Dur asked if this presupposes the ELS students will already be enrolled at Florida Poly. Mark Mroczkowski stated the students will have to pass through Florida Poly's admissions process. They will primarily attend the English Language School.

Trustee Bob Stork inquired regarding the financial benefit to Florida Poly. Mark Mroczkowski stated the students will sleep in the University's dorms, eat in the Wellness Center, pay activity/parking fees, etc. Mark Mroczkowski also stated a 20-year contract is being discussed where the building will revert to the Florida Poly at the end of 20 years.

Maggie Mariucci stated all contracts related to the ELS will come before the Board for approval.

Committee Chair, Frank Martin, asked how many students will initially be accommodated. Mark Mroczkowski stated in the preliminary stages, the program will involve approximately 20-25 students with a **maximum of 200 students.**

**Trustee Sandra Featherman made a motion to recommend to the full Board the approval of the amendment of the Campus Master Plan to add English Language School facilities. Trustee Christina Drake seconded the motion; a vote was taken, and the motion passed unanimously.**

## IX. Facilities Update

David Calhoun, Director of Campus Development and Facilities, provided an update to the Committee.

### A. Current Projects

David Calhoun stated there are seven current projects which are either complete or in production, with the exception of the swimming facilities.

1. Engineering Shop (TBD)
2. Cooling Tower – Under Construction
3. Parking Lots 5 & 7 – Under Construction
4. Wellness Center Phase 2 – Under Construction
5. Recreation Field & Courts – Complete
6. Parking Lots 6 & 8– Complete
7. Recreation/Swimming Facility – Design Phase
  - The schematic design is approved.
  - Design development documents are 90% complete.
  - The proposed construction document start date is June 2016.

### B. Design

David Calhoun provided an update on campus design and standards.

1. Campus Master Plan (CMP)
  - The CMP is currently undergoing a 90-day review with state and local agencies.
  - A Public Hearing is scheduled to take place following the September 7 Board of Trustees meeting (must be held after 5:00 p.m.).
  - The Campus Development Agreement (CDA) is to be submitted June 2016.
2. Campus Design Standards
  - Consultant scope review
  - Final standards for adoption TBD

## C. Facilities Operations

David Calhoun provided an update on Facilities Operations.

1. Manuals and procedures
  - Guides are complete.
  - Forms are complete
  - Work is currently ongoing with the General Counsel's office in order to adopt and publish the manuals and procedures by September 2016.
2. Maintenance and Operating Procedures

David Calhoun stated baseline plans, scopes, schedules, and specifications are complete.

## D. Systems & Infrastructure Enhancements

1. Cooling Tower 2

The cooling tower will provide 100% redundancy cooling and additional capacity. The anticipated completion date is June 2016.

2. Building Automation Upgrades

The anticipated completion date is June 2016.

Trustee Bob Stork noted the architectural greatness of the IST Building and stated the importance of keeping this in mind when building additional structures on campus. President Avent stated the University will find a middle ground between facilities and programs.

Committee Chair, Frank Martin, requested David Calhoun provide copies of the presentation at the close of the meeting.

## X. Workday Implementation Update

Jackye Maxey, Director of Special Projects and Project Manager for Workday Implementation, provided an update to the Committee. Angela Debose, Project Coordinator, was introduced.

Jackye stated the following goals and objectives for the Workday implementation:

### A. Goals

1. To deploy the Workday Human Capital Management and Financials application, to transition current business processes from University of Florida
2. To support future administrative business processes at Florida Poly

## B. Objectives

1. Leverage innovative technology by moving toward cloud-based services
2. Phase out the Shared Services agreement with University of Florida
3. Create an environment of excellent customer service and user experience
4. Deliver quality state-of-the-art tools and streamline business processes
5. Create an easy-to-use system based on transparency and information sharing

Jackye also presented a timeline of the current Workday progress:

- Plan Stage (October 2015 – January 2016) – Complete
- Architect Stage (December 2015 – April 2016) – Complete
- Configuration and Prototype Stage (February 2016 – July 2016) – In Progress
  - This is the stage where the University is to date.
- Test Stage (June 2016 – August 2016) – Not yet started
  - Unit testing has already been done.
  - End-to-end testing will begin in June 2016 and finish in July 2016.
  - Training will begin in August 2016.
- Deploy Stage/Post Production (August 2016 – November 2016) – Not yet started

Jackye reported Workday will be rolling out a new release just prior to Florida Poly's go-live. Necessary training for resultant changes due to the new release will occur.

In summary, implementation is 51% complete. The University has used 46% of the contract hours and 47% of the budget. Deployment is scheduled for October 2016 and is expected to come in on time and on budget.

Trustee Henry McCance asked if Workday has been implemented at other Florida universities. Jackye listed several Florida universities currently using the Workday system and conveyed all are, in general, very happy.

Trustee Bob Stork inquired if a version freeze has been discussed to avoid a change just prior to the University's scheduled go-live. Jackye stated such a freeze is not possible.

With no further business to discuss, the Finance and Facilities Committee meeting adjourned at 3:58 p.m.