

Florida Polytechnic University
Board of Trustees

Finance & Facilities Committee Meeting

MEETING MINUTES

**Wednesday, September 11, 2019
12:45 PM – 1:45 PM**

**Florida Polytechnic University, Student Development Center
4700 Research Way, Lakeland, FL 33805- 8531**

I. Call to Order

Committee Chair Frank Martin called the Finance and Facilities Committee meeting to order at 12:59 p.m.

II. Roll Call

Winnie Hall called the roll: Committee Chair Frank Martin, Committee Vice-Chair Henry McCance (call in), Trustee Bob Stork, Trustee Victoria Astley, Trustee Philip Dur, and Trustee Gary Wendt were present (Quorum).

Other trustees present: Board of Trustee Chair Don Wilson.

Staff present: President Randy Avent, Provost Terry Parker, Mr. Mark Mroczkowski, Ms. Gina Delulio, Mrs. Maggie Mariucci, Mr. Bob Kennedy, Mr. David Blanton, Mr. David Calhoun, Mr. Derek Horton, Mr. John Sprenkle, Mr. David O'Brien, Mrs. Treasa McLean, Mrs. Kris Wharton, Mr. David Brunell, Mrs. Melaine Schmiz, and Mrs. Winnie Hall were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes the May 22, 2019 Minutes

Trustee Bob Stork made a motion to approve the Finance and Facilities Committee meeting minutes of May 22, 2019. Trustee Philip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Finance and Facilities Committee Work Plan Review

The 2016-2018 Finance and Facilities Work Plan remains unchanged and no discussion occurred.

VI. University and Foundation Financial Review

Mr. Mark Mroczkowski presented the 2018-2019 Fourth Quarter Financial Review of the University's and the Foundation's financial results for the quarter ended June 30, 2019. The University's total revenue was up 18% and expenses were up significantly to 22%. Total assets remain stable at approximately \$220M. Liabilities are up slightly to approximately \$24M. The net position is incredibly strong at nearly \$197M. The primary reserve ratio remains high and both net income and return on net asset ratios are down slightly. The University's viability ratio remains exceptionally strong. The Foundation's net position is much improved at \$4.1M.

Committee Chair Frank Martin asked the committee members to reflect on the financial review and determine if they are comfortable with the presentation of the information, i.e. would they like to see additional information reported on, etc.

Trustee Gary Wendt asked that future financial information be presented in smaller portions so that it would be more easily discernable.

Discussion and questions ensued, but no further action was taken.

VII. Approval of Revised Carry Forward and Fixed Capital Outlay Budgets

Mr. Mroczkowski reviewed the University's fixed Capital Outlay Budget of \$22,628, 683. In addition, he presented the revised Carryforward Budget to include \$2M for the Applied Research Center (ARC) and an adjustment to the previously estimated carryforward increasing the actual year end carryforward to \$7.3M, leaving an available carryforward balance of \$4.1M. The amendments include several technical changes to comply with Senate Bill (S.B.) 190 and revised BOG reporting requirements.

Trustee Philip Dur made a motion to approve the amendments to the carry forward, fixed capital outlay, and operating budgets. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Approval of University Resources Used by the Foundation in 2018-19

Mr. Mroczkowski reviewed the University resources used by the Foundation in 2018-2019.

Trustee Bob Stork made a motion to approve the University resources used by the Foundation in 2018-2019. Trustee Philip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Approval of Revision to Policy Number FPU-7.0001P Electronic Funds Transfer

Mr. Mroczkowski reviewed the revisions to Policy Number FPU-7.0001P Electronic Funds Transfer. This amendment will update the policy to remove obsolete procedures and references. As amended, this policy sets forth the procedures in which any funds under the University's control can be moved by electronic transfer for any purpose including direct deposit, withdrawal, investment, or wire transfer.

Trustee Bob Stork made a motion to approve the revisions to Policy Number FPU-7.0001 Electronic Funds Transfer. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

X. Applied Research Center (ARC) Update

Mr. David Calhoun provided an update on the Applied Research Center (ARC) to the Committee. The total project budget is \$40.6M (design, permitting, inspections, and construction) and the estimated project

cost is \$12.7M. The Guaranteed Maximum Price (GMP) for Phase I, which includes ground enhancement, foundations, and structure, is \$8.2M.

Discussion and questions ensued but no further action was taken.

XI. Approval of Contracts Over \$500,000

Mr. Mroczkowski presented two contracts in excess of \$500,000 to the committee for board approval.

A. Applied Research Center (ARC): As part of its construction management agreement, Skanska has submitted the first of three incremental Guaranteed Maximum Price (GMP) proposals, GMP Phase I Sitework/Foundation/Structure at \$8.2M, for construction of the ARC.

Committee Chair Martin commented that, in the interest of time, he would like to ask the team aforementioned by Mr. Mroczkowski (Mr. David Calhoun, Mrs. Treasa McLean, Mr. David O'Brien, and Mr. David Brunell) to address additional questions regarding this contract at a future committee meeting.

Trustee Bob Stork made a motion to approve the original construction management contract and the Phase I GMP for \$8.2 million. Trustee Philip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

B. University Dining Services - Compass Group, USA, Inc. (Chartwells), University Dining Operations Management vendor, has requested an amendment to our current food services agreement to adjust commission rates and future capital contributions payable to the University. The amendment to this revenue producing contract was requested due to meal plan sales falling below original estimates.

Committee Chair Frank Martin commented that due to this information being added at the last minute he would like more detailed information to be provided to the committee members.

Trustee Bob Stork made a motion to approve the amendment to the current contract to adjust commission rates and future capital contributions payable to the University. Trustee Philip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

XII. Review of Contracts over \$200,000

Mr. Mroczkowski reviewed two new contracts in excess of \$200,000.

1. Tucker Hall: Public Relations and Communication Consultation Services
2. Capture, LLC: Recruitment Services and Enrollment Software

This item was for informational purposes only. No further action was requested or taken.

XIII. Approval of Foundation Board Reappointments

Trustee Bob Stork made a motion to approve the reappointment of Trustee Alice Hunt for service to the Florida Polytechnic University Foundation Board of Directors for a two-year term. Trustee Philip Dur 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 2:00 p.m.

