Board of Trustees
Finance & Facilities Committee Meeting

Wednesday, September 5, 2018
11:30 AM - 12:30 PM

Florida Polytechnic University
ADMISSIONS BUILDING
4700 Research Way
Lakeland, FL 33805-8531

Frank Martin, Chair
Dr. Jim Dewey

Henry McCance, Vice-Chair
Rear Admiral Philip Dur

Bob Stork
Gary Wendt

AGENDA

I. Call to Order
Frank Martin, Chair

II. Roll Call
Julie Ann Hudson

III. Public Comment
Frank Martin, Chair

IV. Approval of the May 22, 2018 Minutes
*Action Required*
Frank Martin, Chair

V. Finance and Facilities Committee Charter Review
Frank Martin, Chair

VI. 2018-2020 Finance and Facilities Committee Work Plan Review
*Action Required*
Frank Martin, Chair

VII. 2018-19 University Financial Review
Mark Mroczkowski

VIII. Review of Contracts over $200,000
Mark Mroczkowski

IX. Facilities & Safety Services Update
David Calhoun

X. Foundation Board: New Members
*Action Required*
Kevin Aspegren

XI. Closing Remarks and Adjournment
Frank Martin, Chair
I. Call to Order

Committee Chair Bob Stork called the Finance and Facilities Committee meeting to order at 12:05 p.m.

II. Roll Call

Kris Wharton called the roll: Committee Chair Bob Stork, Committee Vice Chair Henry McCance, Trustee Mark Bostick, Trustee Jim Dewey, Trustee Cliff Otto and Trustee Gary Wendt were present (Quorum).

Other trustees present: Chair Frank Martin, Trustee Don Wilson, Trustee Dick Hallion, Trustee Cliff Otto, Trustee Louis Saco, Trustee Adrienne Perry, and Trustee Travis Hills.

Staff present: President Randy Avent, Provost Terry Parker, Ms. Gina Delulio, Mr. Mark Mroczkowski, Mr. Kevin Aspegren, Mr. Rick Maxey, Mrs. Kris Wharton and Mrs. Maggie Mariucci were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Mark Bostick made a motion to approve the Finance and Facilities Committee meeting minutes of February 28, 2018. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2016-18 Finance and Facilities Committee Work Plan Review

The 2016-2018 Work plan remains unchanged and no discussion occurred.

VI. ARC Funding Recommendation

President Randy Avent reviewed the SUS plant survey which shows Florida Poly has a significant unmet need in both research and office space. He reviewed the history of the Board of Trustees and Legislative actions toward funding the Applied Research Center (ARC). The state requires that 72% of funds be acquired before construction can begin. As Florida Poly did not receive any PECO funding this year to support the construction of the ARC, President Avent presented two options for the Board of Trustees to consider: wait another year and request funding again in the 2019 legislative session, or use $15.8M
of the University’s carry forward funds, which achieves the required 72%, and begin construction. Trustees discussed the advantages and disadvantages of both options. There is a potential for the state to sweep carry forward funds next year which gives a sense of urgency to this decision. The remaining $10.8M needed to complete the building can be requested over the next two legislative sessions.

Mr. David Calhoun stated that using carry forward funds to begin construction enables the shell to be dried in and the mechanical components put in place. The additional $10.8M is needed to put the equipment and furnishings in the building. Discussion also occurred on the benefit of increasing the building size by an additional 10,000 feet. This would require additional funds from carry forward which the Board did not find favorable.

Trustee Gary Wendt made a motion to recommend approval to the Board of Trustees for an additional $15.8M in carry forward funding be committed so ARC construction can begin immediately. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

Mr. Calhoun reviewed the ARC construction schedule and projects an August 2021 completion date.

President Avent shared the University has been soliciting private donations as well as exploring non-traditional ways to pay for additional buildings.

VII. 2018-19 University Financial Review and Budget Approval

Mr. Mark Mroczkowski reviewed the financial dashboard and the Q3 budget update along with explanations on variances. He then reviewed the proposed University operating budget for 2018-2019.

Trustee Cliff Otto made a motion to recommend approval of the 2018-2019 University Operating Budget to the Board of Trustees. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Contracts for Review and Approval

Mr. Mroczkowski presented one contract for Board approval: $1.5M, 3-5 year contract with Clark Nikdel Powell (CNP) for PR and marketing services. University Relations and Admissions both utilize CNP’s services. Trustee Bostick inquired if bids were obtained. Mr. Mroczkowski responded that an ITN was issued and contracts were awarded to several companies. The purpose of a multi-year contract is to allow for flexibility of University Relations and Admissions to obtain services as they need them. Chair Martin requested that in the future, that a narrative be provided explaining the details of the ITN. Some Trustees were concerned with approving the contract without knowing exactly how the funds will be spent, while other Trustees understood the need for ease of servicing staff needs as they arise.

Trustee Gary Wendt made a motion to recommend approval of the Clark Nikdel Powell contract for $1.5M to the Board of Trustees. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed with one dissenting vote.

Mr. Mroczkowski reviewed the status on all existing purchasing contracts valued at over $200k. There was no further discussion.

IX. Legislative Budget Request for 2019-2020

Dr. Terry Parker presented the four items in the Legislative Budget Request (LBR) operating budget for
2019-2020:
1. Graduate Program Growth: $2.5M in recurring funds to support building a strong graduate program.
2. Three-Year Graduation Pathway: $2.25M to support accelerated learning.
3. Outreach to Underserved Populations in Support of STEM Degrees: $750k in recurring funds to provide summer STEM boot camps to underserved populations (in partnership with Polk State College).
4. Advanced Mobility Institute (AMI): $3.5M in recurring funds to support continued operation of AMI.

Discussion occurred regarding the four items and how they align with state legislators’ initiatives.

Trustee Henry McCance made a motion to recommend approval of the Legislative Budget Request for the Operating Budget for 2019-2020 to the Board of Trustees. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

Mr. Calhoun reviewed the Capital Improvement Plan (CIP) for 2019-2020. The CIP includes funding requests for three buildings: the ARC, the Student Achievement Center (SAC), and a Faculty/Staff Office building. This year’s proposed CIP focuses on the request for the remaining $10.8M needed to complete construction of the ARC. The other two facility fund requests are staggered into future years.

Trustee Cliff Otto made a motion to recommend approval of the Legislative Budget Request for the Capital Improvement Plan for 2019-2020 to the Board of Trustees. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

X. Foundation Action Items

Mr. Kevin Aspegren reviewed the following four items for Committee approval:

1. Senate Bill 4 asks the Board of Trustees to take greater oversight of the Foundation Board. This includes approval and confirmation of Foundation Board members.

   Trustee Mark Bostick made a motion to recommend the Board of Trustees recognize and confirm the current Florida Polytechnic University Foundation, Inc. Board Members. Trustee Jim Dewey seconded the motion; a vote was taken, and the motion passed unanimously.

2. The 2018-2019 Foundation Budget was approved by the Foundation Board on April 5, 2018. This budget includes a $1M goal (not commitment) for scholarships.

   Trustee Henry McCance made a motion to recommend approval of the 2018-2019 Foundation Budget to the Board of Trustees. Trustee Jim Dewey seconded the motion; a vote was taken, and the motion passed unanimously.

3. Four financial gifts were presented for approval:
   - Chess Club Endowed Scholarship: $26K
   - Avent Family Endowed Scholarship: $25K
   - Boring Business Solutions Naming Opportunity: $50K
   - The Gidel Family Foundation Endowed President’s Fund: $100K
Trustee Cliff Otto made a motion to recommend approval of the four financial gifts to the Board of Trustees. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

XI. Consideration and Approval of Anticipated Use of University Resources for 2018-2019

David Blanton shared that state auditors are asking university boards to recognize and approve the resources that the university provides to the foundation.

Trustee Cliff Otto made a motion to recommend approval of estimated resources of $232,885 to be provided to the Florida Polytechnic University Foundation for the 2018-19 fiscal year to the Board of Trustees. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

XII. Closing Remarks and Adjournment

With no further comments, the meeting adjourned at 1:59 p.m.
Subject: Finance and Facilities Committee Charter Review

Proposed Committee Action

For review. No action required unless changes to the charter are requested.

Background Information

Finance and Facilities Committee: (Staff Liaison: Mark Mroczkowski)

This committee is responsible for all issues related to budget, finance, facilities planning and construction, and oversight of the Direct Support Organizations (i.e. Foundation).

Chairman Frank Martin
Vice Chairman Henry McCance
Bob Stork
Dr. Jim Dewey (Faculty Senate Chair)
Rear Admiral Philip Dur
Gary Wendt

Supporting Documentation: None

Prepared by: Mark Mroczkowski, VP & CFO
**Florida Polytechnic University**
**Finance & Facilities Committee**
**Work Plan 2018-2020**

<table>
<thead>
<tr>
<th>September 5, 2018</th>
<th>December 5, 2018</th>
<th>February 27, 2019</th>
<th>May 21-22, 2019</th>
</tr>
</thead>
</table>
| • University and Foundation Financial Update  
• Contract Review  
• Construction Update | • University and Foundation Financial Update  
• Contract Review  
• Construction Update | • Educational Plant Survey  
• University & Foundation Financial Update  
• Contract Review  
• Construction Update | • 2018 Legislative Session Appropriations  
• 2019-2020 Legislative Budget Request (Operating and Fixed Capital Outlay)  
• 2019-2020 University Operating Budget  
• 2019-2020 Foundation Operating Budget  
• University & Foundation Financial Update  
• Contract Review  
• Construction Update |

<table>
<thead>
<tr>
<th>September 11, 2019</th>
<th>December 11, 2019</th>
<th>February, 2020</th>
<th>May, 2020</th>
</tr>
</thead>
</table>
| • University & Foundation Financial Update  
• Contract Review  
• Construction Update | • University & Foundation Financial Update  
• Contract Review  
• Construction Update | • University and Foundation Financial Update  
• Contract Review  
• Construction Update | • 2019 Legislative Session Appropriations  
• 2020-2021 Legislative Budget Request (Operating and Fixed Capital Outlay)  
• 2020-2021 University Operating Budget  
• 2020-2021 Foundation Operating Budget  
• University & Foundation Financial Update  
• Contract Review  
• Construction Update |

<table>
<thead>
<tr>
<th>September, 2020</th>
<th>December, 2020</th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| • University and Foundation Financial Update  
• Contract Review  
• Construction Update | • University and Foundation Financial Update  
• Contract Review  
• Construction Update | | |
Subject: 2018-19 University Financial Review

Proposed Committee Action

No action required – information only.

Background Information

Annual review of the University’s financial position and results of operations for the twelve months ended June 30, 2018.

Supporting Documentation:  PowerPoint Presentation

Prepared by: Mark Mroczkowski, VP & CFO
Florida Poly has enjoyed financial growth and has sustainable financial strength with a composite financial index score of 75.67 compared to the benchmark of 10

*National Association of Colleges & University Business Officers (NACUBO) performance benchmarks
Outline

- Introduction
- University Q4 Financial Review
- Foundation Q4 Financial Review
- Summary
# University Q4 Budget Update

## Summary of Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>12 Months Budget 06/30/18</th>
<th>12 Months Actual 06/30/18</th>
<th>Budget Variance</th>
<th>12 Months Actual Prior Year</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; General (E&amp;G)</td>
<td>36,473,591</td>
<td>37,286,796</td>
<td>2%</td>
<td>37,792,359</td>
<td>-1%</td>
</tr>
<tr>
<td>Florida Industrial &amp; Phosphate Research Institute (FIPR)</td>
<td>2,748,444</td>
<td>1,739,443</td>
<td>-37%</td>
<td>1,654,873</td>
<td>5%</td>
</tr>
<tr>
<td>Public Education Capital Outlay (PECO)</td>
<td>2,000,000</td>
<td>2,184,505</td>
<td>9%</td>
<td>5,082,495</td>
<td>-57%</td>
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<tr>
<td>Educational Enhancement Trust Fund (Lottery)</td>
<td>243,148</td>
<td>243,148</td>
<td>0%</td>
<td>292,824</td>
<td>-17%</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>0</td>
<td>8,824,641</td>
<td>100%</td>
<td>5,396,997</td>
<td>64%</td>
</tr>
<tr>
<td>Tuition &amp; Fees (Out-of-state, Transportation etc.)</td>
<td>2,706,363</td>
<td>6,402,036</td>
<td>137%</td>
<td>5,027,977</td>
<td>27%</td>
</tr>
<tr>
<td>Activity &amp; Service Fees</td>
<td>278,886</td>
<td>396,248</td>
<td>42%</td>
<td>595,681</td>
<td>-33%</td>
</tr>
<tr>
<td>Athletic Fees</td>
<td>223,489</td>
<td>316,847</td>
<td>42%</td>
<td>474,701</td>
<td>-33%</td>
</tr>
<tr>
<td>Health Fees</td>
<td>151,631</td>
<td>215,023</td>
<td>42%</td>
<td>319,879</td>
<td>-33%</td>
</tr>
<tr>
<td>Auxiliaries (Dining, Bookstore, Parking etc.)</td>
<td>5,698,372</td>
<td>5,505,913</td>
<td>-3%</td>
<td>4,102,031</td>
<td>34%</td>
</tr>
<tr>
<td>Grants &amp; Contracts</td>
<td>500,000</td>
<td>842,448</td>
<td>68%</td>
<td>678,136</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>51,023,924</td>
<td>63,957,047</td>
<td>25%</td>
<td>61,417,953</td>
<td>4.13%</td>
</tr>
<tr>
<td>Education &amp; General (E&amp;G) Carryforward</td>
<td>5,659,107</td>
<td>1,401,758</td>
<td>-75%</td>
<td>1,902,713</td>
<td>0%</td>
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<tr>
<td>Public Education Capital Outlay (PECO) Carryforward</td>
<td>5,000,000</td>
<td>0</td>
<td>-100%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Other</strong></td>
<td>10,659,107</td>
<td>1,401,758</td>
<td>-87%</td>
<td>1,902,713</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>61,683,031</td>
<td>65,358,805</td>
<td>6%</td>
<td>63,320,666</td>
<td>3%</td>
</tr>
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</table>

## Summary of Uses

<table>
<thead>
<tr>
<th>Use</th>
<th>12 Months Budget 06/30/18</th>
<th>12 Months Actual 06/30/18</th>
<th>Budget Variance</th>
<th>12 Months Actual Prior Year</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Benefits</td>
<td>28,620,934</td>
<td>25,727,943</td>
<td>-10%</td>
<td>19,602,930</td>
<td>31%</td>
</tr>
<tr>
<td>Part-Time Employment (adjunct faculty, student workers etc.)</td>
<td>2,157,285</td>
<td>2,318,728</td>
<td>7%</td>
<td>1,734,562</td>
<td>34%</td>
</tr>
<tr>
<td>General Expense (instructional supplies, equipment, utilities etc.)</td>
<td>15,833,739</td>
<td>13,911,665</td>
<td>-12%</td>
<td>18,733,980</td>
<td>-26%</td>
</tr>
<tr>
<td>Scholarships</td>
<td>0</td>
<td>13,834,662</td>
<td>100%</td>
<td>9,283,435</td>
<td>49%</td>
</tr>
<tr>
<td>Other (depreciation, capital projects etc.)</td>
<td>14,426,830</td>
<td>5,373,745</td>
<td>-63%</td>
<td>4,939,986</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>61,038,788</td>
<td>61,166,744</td>
<td>0%</td>
<td>54,294,894</td>
<td>12.66%</td>
</tr>
</tbody>
</table>

Sources in excess of uses: 644,243 4,192,060 551% 9,025,772 -54%
Variance Analysis

- **Significant Budget Variances**
  - FIPR budgeted revenue to match estimated expenses and actual expenses of $2.3 million were partially funded $0.5 million from its trust fund.
  - Financial aid is too new to forecast and was not budgeted this year.
  - Tuition and fees were $4 million or 118% higher than budgeted due to increase in student growth and out of state tuition.
  - Grants & contracts grew by $.03 million or 68% due to increases in research activity by faculty.
  - Faculty hiring is based upon a multi-year plan and unused budget will carry-over for faculty hiring in succeeding years. Scholarships are partly dependent upon available financial aid and was not budgeted as noted above.
  - Capital projects is $5.0 million under budget because the ARC project has not yet used its available budget.
Significant YOY Actual Variances

- State appropriations for PECO & lottery funds decreased by $2.9 million or 55%
- Third party aid increased $3.4 million or 64% with growth in student body during our second year of eligibility
- Tuition and fees increased by $0.9 million or 14% due to growth in student body
- Grants & contracts increased $0.1 million or 24% due to faculty research growth
- Salary, benefits and part-time employment increased $6.7 million or 31% primarily as a result of increased hiring of faculty, adjunct faculty and student workers
Outline

• Introduction

• University Q4 Financial Review

• Foundation Q4 Financial Review

• Summary
## Foundation Financial Dashboard

### 12 Months Ended YOY Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,884,166</td>
<td>+16.50%</td>
</tr>
<tr>
<td>Expenses</td>
<td>$585,647</td>
<td>-23.72%</td>
</tr>
<tr>
<td>University Support</td>
<td>$1,469,923</td>
<td>-71.11%</td>
</tr>
<tr>
<td>Investments</td>
<td>$5,740,790</td>
<td>-9.79%</td>
</tr>
<tr>
<td>Net Position</td>
<td>-$923,415</td>
<td>-8.27%</td>
</tr>
</tbody>
</table>

### Financial Ratios

<table>
<thead>
<tr>
<th>Metric</th>
<th>FPUF</th>
<th>Benchmark*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>0.88%</td>
<td>2.24%</td>
</tr>
<tr>
<td>Cash Ratio</td>
<td>0.07%</td>
<td>0.20%</td>
</tr>
<tr>
<td>A/R Turnover</td>
<td>1.47%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Average Collection</td>
<td>24.70</td>
<td>53.45</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>69.80%</td>
<td>71.83%</td>
</tr>
<tr>
<td>Return on Assets</td>
<td>8.30%</td>
<td>7.18%</td>
</tr>
</tbody>
</table>

*All benchmark numbers are across U.S. Foundations as provided by BIZMINER, Inc.*

**Current Ratio** measures ability to pay short-term liabilities. **Cash Ratio** measures ability to pay current liabilities with available cash. **A/R Turnover** measures number of times average A/R is collected. **Average Collection** measures average days to collect on pledges. **Operating Margin** measures earnings per dollar. **Return on Assets** measures how well available assets are used.
## Foundation Fund Composition

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>1,460,512</td>
<td>-33.49%</td>
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<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowments</td>
<td>857,181</td>
<td>9.32%</td>
</tr>
<tr>
<td>Scholarships</td>
<td>733,557</td>
<td>22.30%</td>
</tr>
<tr>
<td>Programs</td>
<td>3,278,461</td>
<td>0%</td>
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</tbody>
</table>
## Foundation Commitment History

<table>
<thead>
<tr>
<th>Commitment/Payment Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued FY16 Scholarship Commitment</td>
<td>$1,399,785.07</td>
</tr>
<tr>
<td>FY16 Ending Balance</td>
<td>$1,399,785.07</td>
</tr>
<tr>
<td>Accrued FY17 Scholarship Commitment</td>
<td>$4,653,332.10</td>
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<tr>
<td>Scholarship Payment</td>
<td>($229,785.07)</td>
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<td>FY17 Ending Balance</td>
<td>$5,823,332.10</td>
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<tr>
<td>Accrued FY18 Scholarship Commitment</td>
<td>$1,469,922.96</td>
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<tr>
<td>Scholarship Payment</td>
<td>($2,137,945.03)</td>
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<tr>
<td>FY18 Ending Balance</td>
<td>$5,155,310.03</td>
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## Foundation Q4 Financial Update

### REVENUE

<table>
<thead>
<tr>
<th></th>
<th>12 Months Budget 06/30/18</th>
<th>12 Months Actual 06/30/18</th>
<th>Budget Variance</th>
<th>12 Months Actual Prior Year</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>3,737,092</td>
<td>1,397,687</td>
<td>167%</td>
<td>1,435,213</td>
<td>-3%</td>
</tr>
<tr>
<td>Interest</td>
<td>0</td>
<td>305,765</td>
<td>100%</td>
<td>95,249</td>
<td>221%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>0</td>
<td>180,714</td>
<td>100%</td>
<td>86,858</td>
<td>108%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>3,737,092</td>
<td>1,884,166</td>
<td>98%</td>
<td>1,617,320</td>
<td>16.50%</td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>12 Months Budget 06/30/18</th>
<th>12 Months Actual 06/30/18</th>
<th>Budget Variance</th>
<th>12 Months Actual Prior Year</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Benefits</td>
<td>433,569</td>
<td>331,232</td>
<td>-24%</td>
<td>434,801</td>
<td>-24%</td>
</tr>
<tr>
<td>Accounting/Banking Services</td>
<td>17,500</td>
<td>58,342</td>
<td>233%</td>
<td>20,394</td>
<td>186%</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>252,000</td>
<td>254,666</td>
<td>1%</td>
<td>279,128</td>
<td>-9%</td>
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<tr>
<td>Scholarships</td>
<td>2,000,000</td>
<td>1,138,691</td>
<td>-43%</td>
<td>4,653,332</td>
<td>-76%</td>
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<tr>
<td>Travel</td>
<td>26,000</td>
<td>12,014</td>
<td>-54%</td>
<td>4,016</td>
<td>199%</td>
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<td>Professional Licenses</td>
<td>1,801</td>
<td>70</td>
<td>-96%</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>Rental Space/Equipment</td>
<td>19,000</td>
<td>75,253</td>
<td>296%</td>
<td>14,917</td>
<td>404%</td>
</tr>
<tr>
<td>Printing</td>
<td>16,625</td>
<td>35,052</td>
<td>111%</td>
<td>9,847</td>
<td>256%</td>
</tr>
<tr>
<td>Postage</td>
<td>4,750</td>
<td>756</td>
<td>-84%</td>
<td>1,180</td>
<td>-36%</td>
</tr>
<tr>
<td>Other</td>
<td>50,000</td>
<td>47,848</td>
<td>-4%</td>
<td>216,214</td>
<td>-78%</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,000</td>
<td>2,306</td>
<td>-42%</td>
<td>2,434</td>
<td>-5%</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>187,103</td>
<td>63,970</td>
<td>-66%</td>
<td>91,333</td>
<td>-30%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>61,750</td>
<td>35,350</td>
<td>-43%</td>
<td>127,597</td>
<td>-72%</td>
</tr>
<tr>
<td>Meeting/Program Expense</td>
<td>45,600</td>
<td>0</td>
<td>-100%</td>
<td>705</td>
<td>-100%</td>
</tr>
<tr>
<td>Component Unit Transfers</td>
<td>617,394</td>
<td>0</td>
<td>-100%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>3,737,092</td>
<td>2,055,570</td>
<td>-45%</td>
<td>5,855,896</td>
<td>-64%</td>
</tr>
</tbody>
</table>

**Revenue over Expense**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>(171,405)</td>
<td>100%</td>
<td>(4,238,576)</td>
<td>-95%</td>
</tr>
</tbody>
</table>
Variance Analysis

• **Significant Budget Variances**
  - The Foundation set an overly aggressive fundraising goal of $3.7 million such that donations received were $2.3 million less than budgeted but still comparable to the prior year accordingly, scholarships funded were $0.8 million less than budget
  - Interest and other revenues were not budgeted this year but will be included next year
  - All other operational costs were $0.8 million below budget as a result of the lower revenues

• **Significant YOY Actual Variances**
  - Donation revenue was relatively flat compared to the prior year down only 3%
  - Interest and other revenue were up $0.3 million due to increased investment and other program revenue
  - The Scholarship expense was lower compared to prior year as a result of a reduction in scholarship commitments
  - All other expenses were down by $0.3 million or 24% primarily due to reductions in salaries and other expenses
Outline

• Introduction
• University Q4 Financial Review
• Foundation Q4 Financial Review
• Summary
Summary

• University revenue growth continues to outpace expenditure growth

• University carryforward, unrestricted and auxiliary fund balances grew significantly

• University is performing very well on key performance indicators

• Foundation needs time to grow to improve on its key performance indicators.
Subject: Review of Contracts over $200,000

Proposed Committee Action

No action required – information only.

Background Information

1. Review and disclosure of new contracts over $200,000 and less than $500,000.

   a. Boring Business Systems – Lakeland, FL: New Copier/Printer Service agreement to replace Ricoh USA. Comparison quotes were obtained prior to executing the agreement with Boring under the competitively bid agreement through the National Joint Powers Alliance (NJPA) consortium. This 5-year agreement began on June 30, 2018, with two 1-year renewals. Expected spend for five years is approximately $285,700.

   b. Safari Micro – Chandler, AZ: Virtual Application Portal (Software/Hardware/Implementation) will allow faculty, staff, and student access to university software on any personal device. This service agreement was procured through the US General Services Administration (GSA) competitive solicitation for IT Equipment, Software, and Services. The agreement is for three years and implementation began on July 16, 2018. Expected spend for the three-year term is $376,752.

   c. Clarus Glass Boards – FT. Worth, TX: Glass Boards for the classrooms were procured through a National Cooperative Purchasing Alliance (NCPA) consortium under the competitively bid agreement awarded to Workscapes. This is a goods purchase made on May 14, 2018, in the amount of $205,020. Installation completed in August 2018.

   d. LMG LLC – Orlando, FL: Projectors for the classrooms were procured through a competitively bid agreement with Valencia College. This is a goods purchase made on July 11, 2018, in the amount of $215,999.

   e. CDW-Government LLC – Vernon Hills, IL: Refreshed computer equipment for the labs were procured via a competitive procurement through a consortium agreement with E & I Cooperative. The acquisition of this equipment was made July 3, 2018, in the amount of $274,738.

   f. MG McGrath, Inc. – Maplewood, MN: Pergola repair for the IST building due to Hurricane Irma damage. This purchase was a Sole Source as MG McGrath, Inc. is the designer, fabricator, and erector of the current pergolas. The amount of the repair is estimated to be $264,855.
2. Report on existing and active procurement contracts in excess of $200,000 with spend-to-date information.

**Florida Polytechnic University**

**All active contracts in excess of $200,000**

**As of August 13, 2018**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Contract Type</th>
<th>Start Date</th>
<th>End Date</th>
<th>Original Amt</th>
<th>Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen Norton &amp; Blue, PA</td>
<td>Legal Counsel</td>
<td>7/1/2017</td>
<td>6/30/2018</td>
<td>$200,000</td>
<td>$186,748</td>
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<tr>
<td>Barnes &amp; Noble Bookstores USA Inc.</td>
<td>Bookstore Services</td>
<td>5/12/2014</td>
<td>5/11/2019</td>
<td>$250,000</td>
<td>$254,935</td>
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<tr>
<td>Boring Business Systems, Inc.</td>
<td>Copier/Printer Service (Services)</td>
<td>6/19/2018</td>
<td>6/30/2023</td>
<td>$285,700</td>
<td>$0</td>
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<tr>
<td>Bright House Networks LLC</td>
<td>High Speed Communications Service</td>
<td>10/28/2013</td>
<td>10/27/2018</td>
<td>$1,444,400</td>
<td>$386,693</td>
</tr>
<tr>
<td>CDW-G</td>
<td>Lab Refresh (Goods/Services)</td>
<td>7/3/2018</td>
<td>N/A</td>
<td>$274,738</td>
<td>$274,738</td>
</tr>
<tr>
<td>Clark Nikdel Inc.</td>
<td>Creative Services</td>
<td>2/25/2014</td>
<td>2/24/2019</td>
<td>As budget allowed</td>
<td>$712,429</td>
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<tr>
<td>Clark Nikdel Inc.</td>
<td>Creative Services</td>
<td>7/1/2018</td>
<td>6/30/2020</td>
<td>$1,500,000</td>
<td>$0</td>
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<tr>
<td>Clarke Environmental Mosquito Management Inc.</td>
<td>Mosquito Control Services</td>
<td>7/1/2016</td>
<td>6/30/2021</td>
<td>$222,915</td>
<td>$84,920</td>
</tr>
<tr>
<td>Clarus Glass Boards (Workscape)</td>
<td>Glass Board for Classrooms (Goods)</td>
<td>5/14/2018</td>
<td>N/A</td>
<td>$205,020</td>
<td>$205,020</td>
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<tr>
<td>Creative Enterprise Solutions LLC</td>
<td>University Ticketing System</td>
<td>1/13/2017</td>
<td>1/31/2020</td>
<td>$237,143</td>
<td>$168,340</td>
</tr>
<tr>
<td>Elliance, Inc.</td>
<td>Creative Services</td>
<td>3/19/2018</td>
<td>3/18/2020</td>
<td>$375,000</td>
<td>$0</td>
</tr>
<tr>
<td>Hellmuth Obata and Kassabaum Inc.</td>
<td>HOK - Applied Research Center</td>
<td>10/1/2017</td>
<td>5/30/2022</td>
<td>$2,762,795</td>
<td>$296,222</td>
</tr>
<tr>
<td>Indie Atlantic LLC</td>
<td>Creative Services</td>
<td>2/25/2014</td>
<td>2/24/2019</td>
<td>As budget allowed</td>
<td>$290,355</td>
</tr>
<tr>
<td>Indie Atlantic LLC</td>
<td>Creative Services</td>
<td>7/1/2018</td>
<td>6/30/2020</td>
<td>$375,000</td>
<td>$0</td>
</tr>
<tr>
<td>International Business Machines Corporation</td>
<td>IBM Implementation Services - Workday Student</td>
<td>5/15/2017</td>
<td>11/15/2017</td>
<td>$2,584,494</td>
<td>$190,676</td>
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<tr>
<td>Lakeland Regional Medical Center</td>
<td>Student Health Care Services</td>
<td>8/20/2014</td>
<td>8/20/2019</td>
<td>$275,000</td>
<td>$257,516</td>
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<tr>
<td>Liberty Lawn Care LLC</td>
<td>Grounds Maintenance</td>
<td>1/28/2016</td>
<td>1/27/2019</td>
<td>$1,376,379</td>
<td>$932,448</td>
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<tr>
<td>LMG</td>
<td>Projectors for Classrooms (Goods)</td>
<td>7/11/2018</td>
<td>N/A</td>
<td>$215,999</td>
<td>$215,999</td>
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<tr>
<td>MG McGrath, Inc.</td>
<td>Pergola Repair</td>
<td>4/23/2018</td>
<td>until work completed</td>
<td>$264,855</td>
<td>$60,000</td>
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<tr>
<td>Potthast Studios, Inc.</td>
<td>Creative Services</td>
<td>4/24/2018</td>
<td>4/23/2020</td>
<td>$375,000</td>
<td>$2,390</td>
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<tr>
<td>Presidio Networked Solutions Inc.</td>
<td>Cisco SmartNet; Network equipment repair and maintenance</td>
<td>12/15/2017</td>
<td>6/30/2019</td>
<td>$274,633</td>
<td>$274,633</td>
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<tr>
<td>Ricoh USA Inc.</td>
<td>Printers/Copy Service</td>
<td>8/1/2014</td>
<td>6/30/2019</td>
<td>$359,009</td>
<td>$266,848</td>
</tr>
<tr>
<td>Vendor</td>
<td>Contract Type</td>
<td>Start Date</td>
<td>End Date</td>
<td>Original Amt</td>
<td>Spend</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------------------------------------------</td>
<td>-------------</td>
<td>-------------</td>
<td>--------------</td>
<td>--------</td>
</tr>
<tr>
<td>SalesForce</td>
<td>Customer Relationship Management Software</td>
<td>7/1/2017</td>
<td>6/30/2018</td>
<td>$111,613</td>
<td>$111,613</td>
</tr>
<tr>
<td>Tinsley Creative</td>
<td>Creative Services</td>
<td>3/15/2018</td>
<td>3/14/2020</td>
<td>$375,000</td>
<td>$15,503</td>
</tr>
<tr>
<td>S3Media Group</td>
<td>Creative Services</td>
<td>3/20/2018</td>
<td>3/19/2020</td>
<td>$375,000</td>
<td>$0</td>
</tr>
<tr>
<td>Safari Micro</td>
<td>VMware (Software/Hardware/Implementation)</td>
<td>7/16/2018</td>
<td>7/15/2021</td>
<td>$376,752</td>
<td>$0</td>
</tr>
<tr>
<td>Super Transportation of Florida LLC</td>
<td>TransDev Services Inc - Student Transportation Services</td>
<td>8/12/2016</td>
<td>7/31/2019</td>
<td>$418,022</td>
<td>$271,742</td>
</tr>
<tr>
<td>WFF Facility Services</td>
<td>Custodial Services</td>
<td>1/25/2016</td>
<td>1/24/2019</td>
<td>$831,528</td>
<td>$545,979</td>
</tr>
<tr>
<td>Workday Inc.</td>
<td>Workday Student (Subscription &amp; Delivery Assurance)</td>
<td>7/29/2016</td>
<td>7/28/2021</td>
<td>$1,371,867</td>
<td>$566,056</td>
</tr>
<tr>
<td>Workday Inc.</td>
<td>Workday HR Finance (Subscription &amp; Delivery Assurance (Renewal))</td>
<td>4/30/2015</td>
<td>4/29/2021</td>
<td>$2,132,537</td>
<td>$1,399,174</td>
</tr>
</tbody>
</table>

**NOTES**

1. As budget allowed means there was no firm fixed Total Value for the Agreement, only estimates based on budget availability.
2. Continuing Service Contracts for architectural, engineering, & construction services are based on multiple releases for minor projects and are limited to $2 million

**Supporting Documentation:** Included above.

**Prepared by:** Mark Mroczkowski
Subject: Facilities and Safety Services Update

Proposed Committee Action

No action required – information only.

Background Information

Update on campus improvements and building enhancements.

Supporting Documentation: Facilities & Safety Services Update (ARC) Presentation

Prepared by: David Calhoun, AVP, Facilities & Safety Services
• **Total project budget** ($38.7M)
• **Prior funding**
  - PECO funding 16-17 ($5.0M)
  - PECO funding 17-18 ($2.0M)
  - CF funding 16-17 ($5.0M)
  - CF funding 18-19 ($15.9M)
• **Estimated project cost remainder** ($10.8M)
• **Projected PO&M** ($2.0M)
• **Proposed completion date** (08/2021)
• **Building size**
  - NAS (60,786)
  - GSF (85,100)
ARC Schedule Update

• **Design**
  - RFQ complete
  - Contract negotiation complete
  - Design update
    - Programming in progress
    - Conceptual Design in progress
    - Advanced Schematic Design in progress

• **Construction**
  - RFQ complete
  - Selection recommendation approved
  - Contract negotiation complete
  - Preconstruction In Progress
Chartwells Renovation

- **Description**
  - Renovate old recreation space to support additional food services

- **Einstein Brothers Bagels**
  - Kitchen

- **Tu Taco Concept**
  - Taco Concept
• **Mission Focus**
  - Support ABET accreditation
  - Enhanced learning environment
  - Align with campus growth projections

• **Classroom enhancements (24)**
  - Clarus board installation
  - Increased classroom size to support growth model

• **Lab enhancements**
  - 1013, 1021, 1036, 1058/1056, and 1063
  - Increased use of Research/Lab Space
  - Support Capstone/Project base learning
  - Restructure for ABET accreditation
Subject: Approval of Foundation Board of Directors Candidates

Proposed Committee Action

Request approval of four Foundation Board of Directors candidates:

- Phillipa Greenberg
- Jack Harrell, III
- Michael B. Lawley
- Marlene O’Toole

Background Information

Pursuant to section 1004.28(3), Florida Statutes (recently revised), “…the University Board of Trustees shall approve all appointments to any direct support organization not authorized by this subsection.”

Supporting Documentation: Four Foundation Board of Directors Candidate Bio’s

Prepared by: Kevin Aspegren, VP of Advancement
Phillipa Greenberg – Semi-Pro cyclist turned CEO, and Founder of Next Machine, a supercomputing firm which brings cluster computing and machine learning to the forefront. An early pioneer in commercializing computation, Phillipa Co-Founded a supercomputing app, which provides a ‘Single Source of Truth’ for Distributed Computation.

She joined an Alzheimer’s clinical research firm as Quality Assurance Director, overseeing the Regulatory/Biometrics & safety division for three years prior to making the transition to Bio-Pharma as a leader in Portfolio Bio-Asset Analytics, specializing in the oncology precision medicine analytics division.

FIERCELY committed to sharing transformational systems and methodology and inspirational stories to audiences around the world, she remains a huge advocate for STEM & STEAM and women in science & tech initiatives.

Next Machine is a full scope predictive analytics decision lab – We provide end-to-end solutions from: Infrastructure that supports big data initiatives to providing robust predictive/prescriptive outcome-driven data analysis, which will facilitate the acceleration of the most appropriate, personalized therapies for patients, quicker.

Precision medicine is rapidly evolving and as we continue to leverage new genomic datasets and knowledge, Phillipa is committed to leveraging AI, machine learning and other forms of computation to address the outcomes, affordability and accessibility of precision medicine.

Phillipa places a strong emphasis on women and diversity in STEM education.
Jack Harrell, III

Jack Harrell, III is the Senior Vice President of Marketing, Inventory and R&D at Harrell’s LLC, Lakeland, Florida. In addition to being one of the nation’s largest distributors of branded fungicides, herbicides and insecticides, Harrell’s produces top-quality, custom blended fertilizers, specialty liquids, and wetting agents for golf course, sports turf, landscape management, horticulture and specialty agriculture industries.

Prior to his current position with Harrell’s LLC, Jack served as the company’s Director of Inventory and Business Development, as well as Territory Sales Manager.

Harrell holds a Master’s Degree in Turf and Turfgrass Management from Clemson University and a Bachelor’s Degree in Business Administration and Management from Samford University.

Jack Harrell, III brings to the Foundation a vast global network and a passion for STEM education.
Michael B. Lawley

Michael is currently the Senior Vice President of Information Technology at HealthPlan Services, Inc. of Tampa, Florida, which is the largest independent provider of sales, service, retention and technology solutions to the insurance and managed card industry.

Lawley has held the position of Chief Operating Officer, Airnet Group, Inc.; Senior Vice President and Chief Information Officer, Ultimate Medical Academy; Vice President of Information Technology and Security, BlueCross BlueShield of Tennessee, Inc.; as well as executive positions with WebMD Corporation and Air Traffic Controller with the United States Army.

Michael has served on the Regional Board of Directors of the American Lung Association as well as Board member of Healthcare Information and Management Systems Society, Helmick Inc., and Chattanooga State Community College.

Lawley holds an Executive MBA Degree in International Finance and Entrepreneurship from University of Tennessee at Chattanooga, Bachelor’s Degree in Technologies Management from Troy University, and is a Master’s candidate in Liberal Arts and Sciences at Harvard University.

Michael has demonstrated supporting of Florida Poly, our mission, and our students. His strong IT background and entrepreneurial spirit would serve the University well. He has a vast global, national, state and Tampa network that would extend our brand.
Marlene was born in Somerville, Massachusetts and began working for IBM in 1967 where she eventually become the company’s Regional Manager for the South, overseeing 800 employees. She then moved to Florida in 1992. In 1997, after retiring from IBM, she became the Director of Take Stock in Children which is an organization based in Lake and Sumter Counties that provides scholarships to at-risk children.

In 2008, when incumbent State Representative Hugh Gibson, III did not seek re-election due to term limits, O’Toole ran to succeed him as a Republican in the 42rd District. She campaigned on improving the economy and helping seniors understand government legislation. She won the primary comfortably by receiving 59% of the vote and went on to win the general election by facing only write-in opposition and receiving nearly 100% of the vote.

Marlene ran for re-election in 2010 and was re-elected with 76% of the vote.

Following the reconfiguration of legislative districts in 2012, she was moved into the 33rd District. She was re-elected to her third term uncontested. In 2014, O’Toole was re-elected unopposed to her fourth and final term in the House of Representatives.

During her terms in the House, Marlene served as the Chairwoman to the Education Committee among other appointments.

Marlene O’Toole has a long and distinguished career in the technology industry and a record of service to her community. She will provide valuable knowledge, insights and contacts to the Foundation, our staff and our students.