



FLORIDA POLYTECHNIC
UNIVERSITY

Board of Trustees Finance & Facilities Committee Meeting

Wednesday, March 13, 2019
12:15 PM – 12:45 PM

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

Dial In Number: 240-454-0887 | Access Code: 644 918 312

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 December 5, 2018 Minutes Frank Martin, Chair
Action Required
- V. 2018-2020 Finance and Facilities Committee Work Plan Review Frank Martin, Chair
- VI. Regulation FPU-1.007 Demonstrations Melaine Schmiz,
Action Required Assistant General Counsel
- VII. Financial Review Mark Mroczkowski
- VIII. Approval of Contracts Over \$500,000 Mark Mroczkowski
- IX. Review of Contracts Over \$200,000 Mark Mroczkowski
- X. Closing Remarks and Adjournment Frank Martin, Chair

Florida Polytechnic University
Board of Trustees

Finance & Facilities Committee Meeting

DRAFT MEETING MINUTES

**Wednesday, December 5, 2018
11:15 AM-12:15 PM**

Florida Polytechnic University, Admissions Building, 4700 Research Way, Lakeland, FL 33805

I. Call to Order

Committee Chair Frank Martin called the Finance & Facilities Committee meeting to order at 11:30 a.m.

II. Roll Call

Kris Wharton called the roll: Committee Chair Frank Martin, Committee Vice-Chair Henry McCance, Trustee Bob Stork, Trustee Jim Dewey, Trustee Philip Dur, and Trustee Gary Wendt were present (Quorum).

Other trustees present: Chair Don Wilson, Vice Chair Cliff Otto, Trustee Adrienne Perry, Trustee Mark Bostick, Trustee Travis Hills, and Trustee Louis Saco.

Staff present: President Randy Avent, Provost Terry Parker, Ms. Gina Delulio, Mr. Mark Mroczkowski, Mr. Kevin Aspegren, Mr. David Blanton, Mr. Derek Horton, Mr. David Calhoun, Mrs. Kris Wharton, and Mr. Rick Maxey were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Henry McCance made a motion to approve the Finance & Facilities Committee meeting minutes of September 5, 2018. Trustee Philip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Strategic Planning Committee Work Plan Review

There was no discussion on the Committee's Work Plan.

VI. Financial Review

Mr. Mark Mroczkowski provided a University financial review, including the 2018-2019 first quarter budget update. Auxiliaries performed well this year as the two dorms are nearly full and two new food

venues opened on campus. Trustee Dur inquired about FIPR Institute's source of revenue to which Mr. Mroczkowski responded they are primarily funded by the mining industry. Mr. Mroczkowski continued his review with the variance analyses on various line items in the financial report.

Mr. Mroczkowski reviewed the Foundation's financial dashboard which shows \$45k in revenue in the first quarter. He stated there are several factors which contribute to the low amount including election year donations, negative press, and the fact that fundraising efforts are primarily event driven. Mr. Kevin Aspegren also stated that he lost 100% of his development officers and back office staff which has affected fundraising efforts.

Trustee Wendt inquired if this revenue amount is listed in pledges or cash. Mr. Mroczkowski responded that his report uses the accrual method. Trustees inquired as to large donations made during the first quarter, however, those donations were pledged in the 2017-2018 financial reports and are not reflected in this current report. Trustee Martin asked if the Foundation is still on track to meeting their year-end goal to which Mr. Aspegren responded in the affirmative. Mr. Aspegren stated the biggest difference between this report and the one at the same time last year is that the University's anonymous donor has not renewed their gift yet. Trustee Martin requested since Mr. Mroczkowski uses the accrual method and Mr. Aspegren uses the cash method of reporting, it causes confusion; he requested Mr. Mroczkowski and Mr. Aspegren discuss their reports prior to the meeting to ensure their numbers match each other's report.

Mr. Mroczkowski reviewed the unaudited annual financial report for FYE June 30, 2018, focusing on the Management's Discussion and Analysis (MD&A) section of the report and the Board of Governor's (BOG) priority list for SUS fixed capital outlay requests. Florida Poly is number five on the BOG's list to fund the remaining \$11M needed to complete the Applied Research Center (ARC), distributed over the next two years. Trustee McCance inquired how to handicap that, to which President Avent stated it involves working with the legislature to press the importance of completing the ARC. Trustee Dur asked if staff can gauge the support, or lack thereof, of the incoming state administration; Kathy Mizereck stated it is too soon to tell as the entire organization is in transition and it is too early to know the incoming Governor's priorities. Trustee McCance asked what the University's plan is if the funding is not provided. President Avent responded that if the funds are not approved this year, the University will still move forward with construction and will need the entire \$11M in the following year. Trustee Saco referenced Alan Levine's editorial in the Tampa Bay Times citing the significant increase in research done at Florida universities and how they are rising in ranks and receiving a great deal of recognition. This would be a perfect time for the Applied Research Center to be showcased by the BOG. Trustee Stork stated at the previous Board meeting, the Trustees showed the Legislature their commitment to building the ARC regardless of their support because the University is in serious need of this facility.

Chair Wilson asked if there will be any additional carry forward funds available to assist going forward. Mr. Mroczkowski replied that some additional carry forward will be available but the amount decreases each year. The 10-year window for Florida Poly to use carryforward funds ends in 2023. Trustee Martin requested a multi-year budget projection to the end of the 10-year carry forward cycle to see exactly how much funding the University will have available.

VII. Capital Projects Report to BOG

Mr. Mroczkowski reviewed the University's Capital Projects Report which the Board of Governors has required of all SUS institutions. Florida Poly staff conducted an internal audit and also utilized an external consulting firm to perform an independent audit to certify that Florida Poly built all campus buildings from legally available funds. This report requires Board of Trustees approval.

Trustee Philip Dur made a motion to recommend approval to the Board of Trustees the certification, signed by the President, Chief Financial Officer and General Counsel, that all capital projects were funded from legally available and authorized sources. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Carry Forward Report to BOG

Mr. Mroczkowski stated that the twelve CFOs from SUS institutions developed a standardized report to be used for reporting carry forward funds to the Board of Governors. Mr. Mroczkowski reviewed Florida Poly's report which shows carry forward funds that have been spent to date, the amount currently encumbered, and what funds are restricted by statutory requirement or by contract. Mr. Mroczkowski stated this report shows the University's carry forward funds are all committed. Trustee Martin inquired if this report format is compatible with the database used in the Governor's office so they can see that all of the funds are obligated and committed. Mr. Mroczkowski answered in the affirmative.

Trustee Gary Wendt made a motion to recommend approval to the Board of Trustees the Carry Forward Report to the Board of Governors that accounts for existing carry forward funds. Trustee Philip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Approval of Contracts Over \$500,000

Mr. Mroczkowski briefly reviewed the custodial contract for WFF. WFF is the same vendor the University currently contracts with and this contract extends their service for an additional five years. Trustee Martin stated he would like to see more written detail on the nature and construct of contracts that are brought to trustees for approval.

Trustee Philip Dur made a motion to recommend approval of the five-year, \$1,489,494 WFF custodial service contract to the Board of Trustees. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

Mr. Mroczkowski reviewed the history of the Global University Systems (GUS) international student recruitment contract. The Board of Trustees previously approved a contract with GUS, however, the contract was never executed due to disagreement on indemnification. Chair Wilson inquired as to the difference between in-state and out-of-state tuition. Out-of-state tuition costs four times the amount of in-state tuition. The benefit to the University of contracting with GUS is that it brings high quality students who will enhance campus culture and generate additional revenue through full-rate tuition and fees.

Trustee Gary Wendt made a motion to recommend approval to the Board of Trustees the five-year, \$3,500,000 Global University Systems (GUS) contract to recruit full-time graduate and undergraduate international students. Trustee Henry McCance seconded the motion. The vote was taken and the motion passed with one dissenting vote.

Trustee Dur voted against the motion as he is of the opinion that until and unless the University is successful in recruiting the numbers of qualified U.S. students, and retaining the number of qualified U.S. students, the money spent recruiting foreign students is misspent and doesn't reflect the priorities the University ought to have. Trustee Wendt stated this contract does not reduce the efforts to recruit students in state; however, Trustee Dur stated it diverts attention from the recruitment of U.S. students and referenced the costs of supporting foreign students. President Avent reminded Trustees that the University will not expend any resources to recruit internationally. Trustee Wendt countered that bringing international students to campus enhances the U.S. student experience by helping prepare them for the global workforce. Trustee McCance requested a report that confirms that international students will be of

higher quality than domestic students. Mr. Mroczkowski also mentioned that the University has final say on whether or not a student is accepted and if GUS does not produce the high quality students we seek, there is no cost to Florida Poly. Trustee Dewey stated that if the University does this properly, it will help the Institution develop the graduate programs to the scale necessary for recruiting domestic students as well as bring in financial resources.

X. Review of Contracts over \$200,000

Mr. Mroczkowski reviewed an Applied Research Center (ARC) pre-construction contract with Skanska in the amount of \$310,000. There was no discussion and no action was required.

XI. Approval of Foundation Board of Directors Nominees

Mr. Aspegren requested the approval and confirmation of the following new Foundation Board members for a two-year term:

- Joshua McCoy
- Ivette O'Doski

Trustee Henry McCance made a motion to recommend approval of the two new Foundation Board of Director candidates to the Board. Trustee Philip Dur seconded the motion; a vote was taken, and the motion passed unanimously.

Trustee Martin noted that in the future, no media releases announcing new Foundation Board Directors will be released until the Board of Trustees approves them. It is this Board's intent that the newly formed Executive Committee approve such items via conference call, held in between regularly scheduled meetings of the Board.

XII. Facilities & Safety Services Update on Applied Research Center (ARC)

Mr. David Calhoun provided an update on the construction schedule for the Applied Research Center (ARC). The total project cost is \$33.7M which is approximately \$387 per square foot. The University is currently receiving schematic design drawings; the current construction plan is to have the skin and roof of the building completed before the second phase of funding is needed. Trustee Dur asked if the University's insurance is adequate to which Mr. Calhoun replied in the affirmative as much of that is mandated by the state. There was discussion among Trustees regarding their desire to not be too cheap in building a quality research facility. Mr. Calhoun confirmed this is why the University must understand now what our research needs will be so the Institution doesn't outgrow the space too soon after occupancy. Trustee Dur inquired if the building will contain fiber optics to which Mr. Calhoun responded in the affirmative. Vice Chair Otto wants to ensure the University builds a building consistent with the school's mission.

XIII. Closing Remarks and Adjournment

With no further comments, the meeting adjourned at 12:34 p.m.

Florida Polytechnic University
Finance & Facilities Committee
Work Plan 2018-2020

September 5 , 2018	December 5. 2018	March 13, 2019	May 21-22, 2019
<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • Educational Plant Survey • University & Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • 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
September 11, 2019	December 11, 2019	February, 2020	May, 2020
<ul style="list-style-type: none"> • University & Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University & Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • 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
September, 2020	December, 2020		
<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 		

AGENDA ITEM: VI.

**Florida Polytechnic University
Board of Trustees
Finance & Facilities Committee**

Subject: FPU-1.007 Demonstrations - Amendment

Proposed Action

Recommend approval of revised regulation FPU-1.007 Demonstrations to the Board of Trustees.

Background Information

The Florida Legislature enacted Section 1004.097, Florida Statutes, titled the “Campus Free Expression Act” (the “Act”). The Act provides guidelines for time, place, and manner restrictions on free speech. Specifically, the Act:

1. Defines expressive activities, outdoor areas of campus, material and substantial disruption, free-speech zones, and commercial speech.
2. Provides that a person may engage in expressive activity in outdoor areas freely, spontaneously, and contemporaneously as long as the person’s conduct is lawful and does not materially and substantially disrupt the functioning of the University or infringe upon the rights of other individuals or organizations to engage in expressive activities.
3. Permits the University to create and enforce restrictions on expressive activities that are reasonable and content-neutral on time, place, and manner of expression and that are narrowly tailored to a significant institutional interest.
4. Requires restrictions to also be clear and published and provide for ample alternative means of expression.
5. Prohibits free speech zones.

This regulation is being substantially revised to reflect the provisions of the Campus Free Expression Act. The regulation is being renamed to “Campus Free Expression”. The regulation defines campus expression and describes the parameters placed on campus expression to maintain the safe and normal operations of the University and the expressive rights of other parties. Specifically, the changes to the regulation are:

1. Defines campus expression, University grounds, and indoor areas;
2. Provides that persons may engage in campus expression on University grounds and indoors areas, however, indoor demonstrations, assemblies, events and other similar functions must follow the procedures in University Regulation FPU 1.003 Use of University Facilities and Property and University Policy FPU-1.0038 Events on Campus;
3. Clarifies that campus expression cannot materially and substantially disrupt or interfere with the operations of the University and rights of others as the Act requires the disruption or interference to be material and substantial; and
4. Removes a provision requiring persons wanting to demonstrate on University grounds to notify the University at least 2 business days in advance if the demonstration will consists of

AGENDA ITEM: VI.

more than 30 participants or will use sound amplification as this provision violates the freely, spontaneously, and contemporaneously provision of the Act.

As the University does not have free speech zones, no revision regarding the prohibition of free speech zones is necessary.

The Notice of Amendment to proposed regulation and the regulation was published on the University's website on February 10, 2019. No comments were received during the review and comment period.

Supporting Documentation:

1. DRAFT redline version revised regulation FPU-1.007
2. Section 1004.097, Florida Statutes, the "Campus Free Expression Act"

Prepared by: Melaine Schmiz, Assistant General Counsel

THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES

FPU-1.007 DemonstrationsCampus Free Expression

(1)

- 1) **Purpose.** It is the intent of the University to encourage a free discourse of ideas while maintaining the safe and normal operations of campus life and education. -To that extent, this regulation provides some time, place, and manner parameters on “campus expression.”

2) (2) StatementDefinitions.

- a) **Campus Expression.** Campus expression is expressive activities protected under the First Amendment to the United States Constitution and Article 1 of the Florida Constitution and includes, but is not limited to, any oral or written communication of ideas, including:
 - i) all forms of peaceful assembly, protests, and speeches;
 - ii) distributing literature;
 - iii) carrying signs;
 - iv) circulating petitions; and
 - v) the recording and publication, including internet publication, of video or audio recorded in outdoor areas of campus.

Campus expression does not include commercial speech. Commercial speech is speech in which the individual is engaged in commerce, the intended audience is commercial or actual or potential consumers, and the content of the message is commercial. See University Regulation: FPU-1.009 Commercial Solicitation on University Property for more information.

- b) **University Grounds.** University grounds are the generally accessible outdoor areas of campus in which members of the campus community are commonly allowed, including grassy areas, walkways, or other similar common areas. The term does not include areas of campus to which access is restricted such as parking facilities, and athletic or recreational facilities.
- c) **Indoor Areas.** Indoor areas are the spaces in or attached to University buildings and facilities, such as classrooms, libraries, labs, terraces, and residence halls.

2)3) **Campus Expression Permitted.** Subject to the limitations of this regulation, University grounds and indoor areas may be used for demonstrations and other exercises of free speech and assembly by the University and University related organizations. However, demonstrations are not permitted inside University buildingscampus expression. Such use must not disrupt or interfere with the normal operations of the University, any academic or other University activities or the rights of other members of the University community. Persons engaging in protected speech on University grounds must follow all applicable University regulations and policies and shall be fully responsible for any violation of federal or state law or University regulation.

4) (3) Parameters on Campus Expression.

Campus Expression in Indoor Areas. Demonstrations, assemblies, events, and other exercises of free speech and assembly may similar functions wanting to be held on in indoor areas must follow the procedures in University grounds, except:

- (a) Grounds immediately adjacent to Regulation FPU 1.003 Use of University residential facilities;
- (b) Buildings, facilities, or areas where such use could impair entrance to or exit from the building, facility or area, or interfere with the activities therein; Facilities and Property
 and
- a) (e) University Libraries Policy FPU-1.0038 Events on Campus.

(4) In no event shall campus buildings, indoor facilities, parking facilities or areas, athletic or recreational facilities, fields~~Interference with University operations and/or stadiums~~ be used for demonstrations unless specifically permitted in writing by the President or designee.

- b) (5) In order rights of others. To ensure that ~~demonstrations and other exercises of free speech and assembly~~campus expression does not interfere with the operation of the University or rights of others, ~~any person or organization organizing, conducting, leading, or participating in a demonstration, assembly, or activity using University grounds or other facilities shall~~campus expression is not permitted to:
 - i) (a) Obstruct vehicular, bicycle, pedestrian, or other traffic;
 - ii) (b) Obstruct entrances or exits to buildings, classrooms, offices, facilities, or areas on campus;
 - iii) (c) Interfere~~Materially and substantially interfere~~ with or disrupt~~any~~
 - (1) Any educational, instructional, research or administrative activities inside or outside any building;
 - (d) ~~Threaten or harass passersby or use fighting words, characterized as those words that by their mere utterance inflict violence or would tend to incite a reasonable person to violence or other breach of the peace;~~
 - (2) (e) Interfere with or preclude a~~A~~ scheduled speaker from being heard;
 - (3) (f) Interfere with scheduled~~Scheduled~~ University ceremonies or events; nor
 - (4) (g) Interfere with or disrupt normal~~Normal~~ University operations or activities;
 - iv) (h) Threaten or harass passersby or engage in activity that is otherwise unprotected by the First Amendment;
 - v) (i) Damage property, including lawns and landscaping;
 - vi) (j) Pose an environmental hazard or health or safety threat to the University, the University community, University organizations, or the general public;

v) vii) (j) Utilize sound amplification, ~~including bullhorns, except as approved in advance in writing by the President or designee and within sound limits~~ that will ~~not materially and substantially~~ disrupt normal University operations.

- c) (6) **Material and Substantial Disruption.** If ~~a demonstration campus expression~~ is, in the opinion of the President or ~~his/her designated representative, designee, materially and substantially~~ disrupting normal University operations or ~~infringing on materially and substantially disrupting exercise of~~ the rights of other members of the University community contrary to the requirements of this and applicable regulations, the President or his/her designee may:
- i) (a) Identify him/herself to the ~~demonstrators~~ persons participating in the campus expression, giving name and official position;
 - ii) (b) Inform the ~~demonstrators~~ persons participating in the campus expression that they are in violation of University policy and/or in violation of the law and specify the nature of the violation;
 - iii) (c) Request that the violation cease (which ~~could~~ ~~may~~ include relocation of the activity to avoid the disruption); and
 - iv) (d) In the event of non-compliance with this request, enlist the assistance of University and/or local police in restoring order and enforcing the law.
- d) (7) **Compliance with Applicable Regulations and Laws.** Persons engaging in campus expression must comply with all applicable University rules, regulations, and policies and state and federal law.

Law Enforcement Authority. In the event of a ~~material and substantial~~ disruption, law enforcement personnel ~~has the authority to:~~

- 3) 5) (a) ~~Declare a demonstration or assembly~~ ~~may declare campus expression~~ to be disruptive, disorderly, or in violation of law and request all participants to cease and desist and to disperse and clear the area or be subject to arrest and/or University disciplinary action:
(b) ~~Arrest any participants observed to be in violation of the law; and~~
(c) ~~Enlist the assistance of other law enforcement agencies, if necessary.~~

(8)

- 4) 6) **Employee Disciplinary Action.** Faculty, staff, and all other personnel who intentionally act to impair, interfere with, or obstruct the orderly conduct, processes, and functions of the University ~~shall bear~~ subject to appropriate disciplinary action by the University, up to and including termination of employment.

- 5) 7) (9) **Student Disciplinary Action.** Students who intentionally act to impair, interfere with, or obstruct the orderly conduct, processes, and functions of the University ~~shall bear~~ subject

to appropriate disciplinary action ~~by~~in accordance with the University, up to and including immediate expulsion from the University for a minimum Student Code of two (2) years ~~Conduct~~.

(10) ~~In order to coordinate University events and other activities taking place on University grounds, with due consideration for the health and safety of all individuals, any person or organization who intends to demonstrate on University grounds must notify the Office of Student Affairs in writing at least two (2) business days in advance if:~~

- ~~(a) Demonstration event shall involve a group consisting of more than 30 participants; or~~
- ~~(b) Sound amplification shall be used.~~

~~(11)~~ **Employees' Protected Right to Engage in Concerted Activities.** This regulation in no way limits or restricts employees' protected rights to self-organization nor employees' rights to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

Authority: BOG regulation 1.001, Sections 1013.10, 1012.80, 1006.61, [1004.097 F.S.](#)

History: New: 7.29.14, [Amended](#)



February 5, 2019

Search Statutes: 2018

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The 2018 Florida Statutes

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K-20 EDUCATION CODE

[Chapter 1004](#)

PUBLIC POSTSECONDARY EDUCATION

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1004.097 Free expression on campus.—

(1) SHORT TITLE.—This section may be cited as the “Campus Free Expression Act.”

(2) DEFINITIONS.—As used in this section, the term:

(a) “Commercial speech” means speech in which the individual is engaged in commerce, the intended audience is commercial or actual or potential consumers, and the content of the message is commercial.

(b) “Free-speech zone” means an area on a campus of a public institution of higher education which is designated for the purpose of engaging in expressive activities.

(c) “Material and substantial disruption” means any conduct that intentionally and significantly hinders another person’s or group’s expressive rights. The term does not include conduct that is protected under the First Amendment to the United States Constitution and Art. I of the State Constitution, including, but not limited to, lawful protests and counter-protests in the outdoor areas of campus or minor, brief, or fleeting nonviolent disruptions that are isolated or brief in duration.

(d) “Outdoor areas of campus” means generally accessible areas of a campus of a public institution of higher education in which members of the campus community are commonly allowed, including grassy areas, walkways, or other similar common areas. The term does not include outdoor areas of campus to which access is restricted.

(e) “Public institution of higher education” means any public technical center, state college, state university, law school, medical school, dental school, or other Florida College System institution as defined in s. [1000.21](#).

(3) RIGHT TO FREE-SPEECH ACTIVITIES.—

(a) Expressive activities protected under the First Amendment to the United States Constitution and Art. I of the State Constitution include, but are not limited to, any lawful oral or written communication of ideas, including all forms of peaceful assembly, protests, and speeches; distributing literature; carrying signs; circulating petitions; and the recording and publication, including the Internet publication, of video or audio recorded in outdoor areas of campus. Expressive activities protected by this section do not include commercial speech.

(b) A person who wishes to engage in an expressive activity in outdoor areas of campus may do so freely, spontaneously, and contemporaneously as long as the person’s conduct is lawful and does not materially and substantially disrupt the functioning of the public institution of higher education or infringe upon the rights of other individuals or organizations to engage in expressive activities.

(c) Outdoor areas of campus are considered traditional public forums for individuals, organizations, and guest speakers. A public institution of higher education may create and enforce restrictions that are reasonable and content-neutral on time, place, and manner of expression and that are narrowly tailored to a significant institutional interest. Restrictions must be clear and

published and must ¹provide for ample alternative means of expression.

(d) A public institution of higher education may not designate any area of campus as a free-speech zone or otherwise create policies restricting expressive activities to a particular outdoor area of campus, except as provided in paragraph (c).

(e) Students, faculty, or staff of a public institution of higher education may not materially disrupt previously scheduled or reserved activities on campus occurring at the same time.

(4) CAUSE OF ACTION.—A person whose expressive rights are violated by an action prohibited under this section may bring an action against a public institution of higher education in a court of competent jurisdiction to obtain declaratory and injunctive relief, reasonable court costs, and attorney fees.

History.—s. 6, ch. 2018-4.

¹Note.—The word “and” preceding the word “provide” was deleted by the editors.

AGENDA ITEM: VII.

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
March 13, 2019**

Subject: Financial Review

Proposed Committee Action

No action required – information only.

Background Information

Mark Mroczkowski, Vice President and Chief Financial Officer will provide the Committee with an update of the following:

- 2018-2019 University Second Quarter Financial Review
-

Supporting Documentation: PowerPoint presentation

Prepared by: Mark Mroczkowski, VP & CFO



**FLORIDA POLYTECHNIC
UNIVERSITY**

**2018-2019
2nd Quarter Financial Review**

Mark Mroczkowski



FLORIDA POLY

University Financial Dashboard

12 Months YOY Summary

Revenue	\$37,909,862	+25.19%
Expenses	\$29,784,373	+17.95%
Investments	\$55,192,013	+20.78%
Carryforward	\$30,798,271	+27.79%
Unrestricted	\$8,900,410	+6.61%
Auxiliaries	\$1,779,288	+34.49%
Net Position	\$204,495,892	2.94%

Financial Ratios

Metric	University	Benchmark*
Primary Reserve Ratio	194.50%	40%
Net Income Ratio	21.43%	2-4%
Return on Net Assets	2.94%	3-4%
Viability Ratio	10,595.71%	125-200%

Florida Poly has enjoyed financial growth and has sustainable financial strength with a composite financial index score of 97.40 compared to the benchmark of 10

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



Outline

- Introduction
- University Q2 Financial Review
- Foundation Q2 Financial Review
- Summary



FLORIDA POLY

University Q2 Budget Update

Summary of Sources	FY 18-19 Budget	6 Months Budget 12/31/18	6 Months Actual 12/31/18	Budget Variance	6 Months Actual Prior Year	YOY Change
Education & General (E&G)	37,180,747	18,590,374	18,713,918	0.66%	18,373,500	1.85%
Florida Industrial & Phosphate Research Institute (FIPR)	1,800,000	900,000	815,085	-9.44%	598,333	36.23%
Public Education Capital Outlay (PECO)	0	0	31,109	0.00%	1,000,000	-96.89%
Educational Enhancement Trust Fund (Lottery)	290,790	145,395	145,395	0.00%	121,574	19.59%
Financial Aid	7,000,000	3,500,000	4,830,583	38.02%	4,977,897	-2.96%
Tuition & Fees (Net of Waivers of \$4.3mm)	3,124,429	1,562,215	1,313,729	-15.91%	1,288,316	1.97%
Activity & Service Fees	305,289	152,645	159,822	4.70%	180,485	-11.45%
Athletic Fees	244,644	122,322	129,075	5.52%	144,633	-10.76%
Health Fees	165,973	82,987	86,898	4.71%	98,280	-11.58%
Auxiliaries (Dining, Bookstore, Parking etc.)	4,664,672	2,332,336	2,714,756	16.40%	2,433,041	11.58%
Other Capital Construction	0	0	8,283,772	100.00%	404,760	1946.59%
Grants & Contracts	1,654,569	827,285	685,722	-17.11%	662,130	3.56%
Total Revenue	56,431,113	28,215,557	37,909,862	34.36%	30,282,949	25.19%
Education & General (E&G) Carryforward	25,802,667	12,901,334	12,901,334	0.00%	2,829,554	355.95%
Florida Industrial & Phosphate Research Institute Trust Fund	1,145,111	572,556	572,556	0.00%	572,556	0.00%
Public Education Capital Outlay (PECO) Carryforward	7,000,000	3,500,000	3,500,000	0.00%	2,500,000	40.00%
Total Other	33,947,778	16,973,889	16,973,889	0.00%	5,902,109	187.59%
Total Sources	90,378,891	45,189,446	54,883,751	21.45%	36,185,058	51.68%
Summary of Uses	FY 18-19 Budget	6 Months Budget 12/31/18	6 Months Actual 12/31/18	Budget Variance	6 Months Actual Prior Year	YOY Change
Salary & Benefits	28,923,465	14,461,733	12,613,371	-12.78%	10,862,104	16.12%
Part-Time Employment (adjunct faculty, student workers etc.)	2,265,033	1,132,517	1,083,560	-4.32%	1,162,631	-6.80%
General Expense (instructional supplies, equipment, utilities etc.)	19,150,492	9,575,246	7,400,645	-22.71%	5,509,322	34.33%
Capital Projects	27,746,000	13,873,000	1,159,839	-91.64%	515,091	125.17%
Scholarships/Federal Aid	7,000,000	3,500,000	4,726,278	35.04%	4,670,887	1.19%
Depreciation/Other	5,293,901	2,646,951	2,752,103	3.97%	2,532,008	8.69%
Total Uses	90,378,891	45,189,446	29,735,796	-34.20%	25,252,043	17.76%



Variance Analysis

- **Significant Budget and YOY Variances**

- FIPR severance tax was estimated at \$1.8mm and receipts are tracking close to expectations which is 36% ahead of last year.
- Financial aid is semester based and does not align quarterly. Collections of \$4.8 million is slightly less than this time last year. Most financial aid is passed through to students as indicated by \$4.7 million in cash outflows.
- Tuition and fees revenue is 16% below budget estimates due to an increase in out-of-state tuition waivers which are disproportionately higher than in-state. Tuition collections are 2% higher than last year.
- Auxiliary revenue grew 12% over the prior year and exceeded budget estimates by 16% due to increased demand created by new food venues and increased housing occupancy.
- Other capital construction includes \$8.2 million of new funds received from the State Department of Financial Services self-insurance fund as reimbursement for damages to IST suffered during Hurricane Irma.
- ARC commitments increased budgeted uses of carryforward over the prior year by \$21 million.
- Increased faculty hiring resulted in a 16.12% YOY increase in salary and benefits but is under budget by 12.78%. Part-time employment is down slightly.
- General expense is under budget for current year, but up 34.33% YOY due to overall growth, increased cost of sales in dining, and consultant expenses for implementation of the student information system.
- Variance for capital projects is driven by the ARC construction timeline.



Outline

- **Introduction**
- **University Q4 Financial Review**
- **Foundation Q4 Financial Review**
- **Summary**



FLORIDA POLY

Foundation Financial Dashboard

12 Months YOY Summary

Revenue	\$617,604	-37.25%
Expenses	\$134,814	-53.62%
University Support	\$587,542	-25.62%
Investments	\$5,350,370	-6.63%
Unrestricted	-\$3,031,809	-3.58%
Restricted	\$1,901,940	+0.16%
Net Position	-\$1,129,869	-9.89%

Financial Ratios

Metric	FPUF	Benchmark*
Current Ratio	0.81%	2.24%
Cash Ratio	0.11%	0.20%
A/R Turnover	0.48%	5.00%
Average Collection	758.86	53.45
Operating Margin	61.82%	71.83%
Return on Assets	-1.42%	7.18%

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.

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



FLORIDA POLY

Foundation Q2 Budget Update

	FY 18-19 Budget	6 Months Budget 12/31/18	6 Months Actual 12/31/18	Budget Variance	6 Months Actual Prior Year	YOY Change	Converted to Cash Basis	
							Revised FY 18-19 Budget	Proposed FY 19-20 Budget
REVENUE								
Donations	2,197,795	1,098,898	351,954	-67.97%	789,595	-55.43%	1,053,981	1,298,449
Interest	0	0	264,479	0.00%	194,678	35.85%	338,958	338,958
Other Revenue	0	0	1,171	0.00%	0	0.00%	1,171	0
Total Revenue	2,197,795	1,098,898	617,604	-43.80%	984,273	-37.25%	1,394,110	1,637,407
EXPENSES								
Salary & Benefits	486,485	243,243	243,243	0.00%	220,528	10.30%	403,637	424,407
General Expense	711,310	355,655	134,814	-62.09%	290,647	-53.62%	500,000	500,000
Scholarships	1,000,000	500,000	344,299	-31.14%	569,346	-39.53%	1,263,000	713,000
Total Expenses	2,197,795	1,098,898	722,356	-34.27%	1,080,521	-33.15%	2,166,637	1,637,407



Variance Analysis

- **Significant Budget Variances**
 - Donations to the Foundation are down significantly compared to prior year.
- **Significant YOY Actual Variances**
 - Operating expenses are lower as a result of lower revenues.
 - The resulting deficit in operations is \$104,000 and is expected to be \$773,000 for the year ending June 30, 2019.
- **Action Plan**
 - We are proposing a budget revision to reflect a transition to reporting on a cash basis. With this transition you will see collections of both current and prior years pledges. The University used its waiver authority to reduce the current year scholarship commitment from the Foundation.
 - The revised \$1.0 million cash budget is composed of current year collections of \$654,000 plus collections of \$400,000 expected between now and fiscal year-end.
 - Salaries and other expenses have been reduced to compensate for revenue reductions.



Outline

- **Introduction**
- **University Q4 Financial Review**
- **Foundation Q4 Financial Review**
- **Summary**



FLORIDA POLY

Summary

- **University carryforward, unrestricted and auxiliary fund balances grew by 25%, 28% and 7%, respectively.**
- **University's composite financial index remains strong at 97%.**
- **Foundation performing poorly on key performance indicators. Foundation revitalization is in process.**

AGENDA ITEM: VIII.

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
March 13, 2019**

Subject: Contracts over \$500,000

Proposed Committee Action

Information only. No action required.

Background Information

- **Vendor:** Skanska
- **Title:** Pergola Repair
- **Start Date:** Pending
- **End Date:** Pending
- **Proposal Amount:** \$9.6 million
- **Insurance Recovery** \$8.2 million
 - 1st Payment - \$264,855 - Received 02/20/2018
 - 2nd Payment - \$8,157,855 - Received 12/20/2018
- **Contract Terms:** Contract Terms 1 year from agreement; Project schedule (construction activities) is currently 8 months.
- **Renewal Terms:** No renewal required.
- **Objective:** Extensive repairs are needed to the IST building pergolas as a result of damage inflicted by Hurricane Irma.
- **Desired Outcome:** Expert repair of the IST Pergolas without voiding any warranty.
- **Selection Process:** The contract will be a Sole Source. As the original contractor for the IST building including the pergolas, only Skanska has the knowledge and expertise needed to serve as the Construction Manager for the repairs to the original structure.
- **Selection Decision:** Skanska was the original contractor for the IST building, including the pergolas. Therefore, Facility and Safety Services believes Skanska is the only contractor that has the specific expertise required to complete repairs of the pergolas without any potential negative impact on the existing building envelope.
- **Recovery:** After more than a year of negotiation, we recovered nearly \$8.2 million from the State's self-insurance fund for the purpose of repairing the IST pergolas. This is up from their initial offer of \$5.2 million. This is in addition to the recovery of \$265,000 for emergency stabilization repairs that have been made. We are working to recover the \$1.4 million difference from other sources.

Supporting Documentation:

1. Skanska Proposal dated 02.15.19
2. Insurance 1st Offer Letter 11.02.18
3. Insurance 1st Addendum to Settlement Offer Letter 11.28.18
4. Insurance 2nd Addendum to Settlement Offer Letter 12.07.18

Prepared by: Mark Mroczkowski, VP & CFO

Florida Polytechnic Pergolas

Lakeland, FL

SKANSKA

Polytechnic Pergola Proposal

Replaced to Current 2015 Florida Building Code

*All Costs are Order-of-Magnitude

February 15, 2019

Pkg	Package Description	Proposal Amount	Cost/ each 84	Notes
A	General Conditions & Requirements	\$401,289	\$4,777	Site, Fencing, & Concrete Pads
B	Pergolas	\$7,832,169	\$93,240	
C	Electrical	\$98,749	\$1,176	
D	Roofing	\$10,000	\$119	Allowance
Total: Cost of Work		\$8,342,207	\$99,312	
Insurances, Bonds, GC's, GR's, & Fee		\$1,229,282	\$14,634	
Total: Construction Costs		\$9,571,489	\$113,946	



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

November 2, 2018

Mr. David Calhoun
Director, Facilities and Safety Services
Florida Polytechnic University
4450 Polytechnic Circle
Lakeland, FL 33805-8531

RE: Risk Claim Number **HUR09173-841**
Insured Florida Polytechnic University
Date of loss 09/11/2017
DRM Location Code 150201/00000001
Building 4450 Polytechnic Circle, Lakeland, FL 33805-8531

Dear Mr. Calhoun:

The Division of Risk Management (DRM) acknowledges the above property damage claim the university reported on September 11, 2017 to the building located at 4450 Polytechnic Circle, Lakeland, Florida. The claim was reported to DRM because the building sustained wind damage.

DRM has completed our investigation with the help of the York adjusters and Charles E. Whitley, PE from EDT, Forensic Engineering & Consulting. York's inspection concluded that the building did appear to have wind damage to 80 of the 84 arched aluminum supports of the exterior pergola. Charles Whitley, PE of EDT provided a scope of damage to the building and his report is enclosed. Mr. Whitley's report indicates that repairs to the building will involve replacement of all the arches; however, the replacement of the shade tubes will not be needed.

Charles E. Whitley's analysis showed that 80 of the 84 arches were in a deflected position. He indicates that due to the movement of the arches, and embedment of the fasteners, it is not reasonable to attempt to repair the arches. All the arches should be removed and replaced. Round tubes, known as shade tubes span between the arches. The inspection of the facility revealed no damage to the shade tubes or their connections.

The comparison of the design length of the shade tubes to the measured length of the tubes showed that, in the areas with the greatest potential for damage to the tubes, there was no buckling of the tubes. With no buckling of the tubes, and only minor differences between the measured lengths and the design lengths, there is no need to replace the tubes. The tubes should be marked to identify their location, removed, stored, and then reinstalled when the arches are replaced. The inspection of the pergola system showed that there was no damage to the lower anchors at the sidewalk level, or to the columns that projected upward at the roof level. The anchors and columns can be reused with no repair required.

DRM reviewed Florida Polytechnic Pergolas construction bid from the university's preferred vendor, MG McGrath, for \$7,871,202.00. Some of the items identified in the bid are not covered in the certificate of coverage between Florida Polytechnic University and DRM.

Please be advised that the State Risk Management Trust Fund Certificate of coverage on this building has exclusions that apply to this claim. Please see the following excerpt from DRM certificate DFS-DO-852:

C. EXCLUSIONS:

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law:

The enforcement of any ordinance or law

- (1) Regulating the construction, use or repair of any property, or
- (2) Requiring the tearing down of any property including the cost of removing the debris.

The Division of Risk Management Certificate of coverage on this building does not provide coverage under the ordinance or law exclusion to pay the increased cost to upgrade the design or any other additional measures that may be needed to meet the current code while repairs are being made on this building. Additionally, other items that may be required by the school to regulate or control the job site and construction or installation of the wind damaged arches are not provided coverage per the ordinance or law exclusion.

DRM pays all property damage claims on any state building at actual cash value. Actual cash value is computed by subtracting depreciation from replacement cost. Depreciation has been calculated based upon the useful life of the damaged items and determining what percentage of that life remains. Please see the line on page 5 of the York adjuster's estimate that shows non-recoverable depreciation of \$327,600.00. This figure was calculated per typical life expectancy tables in current damage estimating software, specifically a 50-year life expectancy and 5 years age.

Please see the following excerpt from page 7 of the Certificate of Property Coverage DFS-DO-852:

3. Loss Payment

- a. In the event of loss or damage covered by this Coverage Certificate, at our option, we will either:
 - (1) Pay the "Actual Cash Value" of damaged property; which has been replaced with property of like kind and quality; or
 - (2) Pay the cost of repairing; whichever is less.
- b. If funds are available we will pay for covered loss or damage within 30 days after we receive the signed proof of loss.

Mr. David Calhoun
November 2, 2018
Page Three

The certificate of coverage includes a deductible on all claims. This is the amount of money Florida Polytechnic University must pay before DRM coverage starts paying. The applicable deductible is \$2,500.00 for this kind of loss. The deductible was applied to this claim.

Please see the following excerpt from page 6 of the Certificate of Property Coverage DFS-DO-852.

E. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence, except flood until the amount of loss or damage exceeds \$2,500.00.

We will then pay the "Actual Cash Value" amount of loss or damage in excess of the Deductible.

Please find a copy of the unsigned proof of loss, a release of all claims, the report from Charles E. Whitley, PE, a copy of a comparable bid from a licensed contractor, a copy of the York adjuster's estimate of repair and a copy of the State Risk Management Trust Fund certificate of coverage. Based upon our investigation, DRM is making the following good faith final settlement offer to Florida Polytechnic University:

Replacement Cost of the loss	\$5,985,804.00
This means the cost to replace the damaged property on the same premises with other property of comparable material and quality used for the same purpose.	
Less non-recoverable depreciation	(\$327,600.00)
This figure was calculated per typical life expectancy tables in current damage estimating software, specifically a 50-year life expectancy and 5-year age.	
Actual Cash Value	\$5,658,204.00
The cost to replace with new property of like kind and quality, less depreciation.	
Less payment for emergency repairs	(\$264,855.00)
Less Salvage to be retained by Insured	(\$215,670.00)
Total net payment to Florida Polytechnic University	\$5,177,679.00

Our investigation revealed that the following parties were involved in the original design/construction of this building. The list is certainly not all inclusive, but includes:
Santiago Calatrava, Architects & Engineers, New York- Design Architect
Thornton Tomasetti Inc., New York- Structural Design
Alfonso Architects, Tampa Florida- Architect of Record
MG McGrath, Inc., Maplewood, MN- Pergola Package and Skanska USA- General Contractor.

Mr. David Calhoun
November 2, 2018
Page Four

Under the Transfer of Rights provisions in the certificate of coverage, the Division reserves the right of recovery against any party to the extent of loss payments made by the Division on this claim. Please see the following excerpt from page 8 of the Certificate of Property Coverage DFS-DO-852.

G. GENERAL CONDITIONS

5. Transfer of Rights of Recovery Against Others to Us

We may require you to transfer all rights of recovery against any party for loss to the extent of our payment. You must do everything necessary to secure our rights and must do nothing after loss to impair them.

Please sign and return the enclosed release and the proof of loss within 30 days. Once these documents are received, DRM will issue a check to Florida Polytechnic University in the amount of \$5,177,679.00. Please use these funds, along with the prior payment of \$264,855.00, to repair the university's building.

DRM will not honor a potential supplement claim for the repairs to this building. This is a final settlement and will conclude this claim.

Should you disagree with these findings, please submit additional documentation for reconsideration. DRM will hold the file open for another 30 days for your response. Thank you for allowing us to assist you with your claim. If you should have any additional questions or concerns, please give me a call or send me a detailed email.

Sincerely,

Margaret Heindl

Enclosures: York's estimates of repair, copy of Charles Whitley's PE engineering report, unsigned proof of loss, release of all claims and a copy of Division of Risk Management Certificate of Property coverage.

cc: Marc Stemle, Division of Risk Management
David Hancock, York Risk Services



York Specialized Loss Adjusting

York Risk Services Group, Inc.
605 Crescent Executive Court, Suite 300
Lake Mary, FL 32399

Insured: Florida Polytechnic University
Property: 4550 Polytechnic University
Lakeland , FL 33805 Business: (863) 874-8660

Claim Rep.: Tom Mrachek
Company: York Field Services Division
Business: 605 Crescent Executive Court, Suite 300
Lake Mary, FL 32747 Business: (954) 303-0565
E-mail: tmrachek@earthlink.net

Estimator: Tom Mrachek
Company: York Field Services Division
Business: 605 Crescent Executive Court, Suite 300
Lake Mary, FL 32747 Business: (954) 303-0565
E-mail: tmrachek@earthlink.net

Reference:
Company: York Specialized Loss Adjusting

Claim Number: HUR09173-841 **Policy Number:** 150201/00000001 **Type of Loss:** Wind Damage

Date Contacted: 9/24/2017
Date of Loss: 9/11/2017 3:00 AM Date Received: 9/24/2017
Date Inspected: 9/25/2017 Date Entered: 2/1/2018 7:37 PM

Price List: FLWH8X_FEB18
Restoration/Service/Remodel
Estimate: HUR09173-841

The detailed listing following is an estimate of damages as documented from the initial visit and inspection of the independent adjuster retained to advise the insurer regarding the loss. It is meant to be useful in coming to a determination and agreement as to the scope of the loss and reasonable cost to be incurred to repair the building items damaged as a result of the event causing the claim. It is not an agreement as to what is to be included in any honored claim; nor is it an agreement as to what is damaged or covered by the insurance policy in place. Any commitment as to coverage applicable and sum to be paid to resolve any claim must be reviewed and authorized by the insurer. The choice of contractor is the sole choice of the policyholder.



York Specialized Loss Adjusting

York Risk Services Group, Inc.
605 Crescent Executive Court, Suite 300
Lake Mary, FL 32399

HUR09173-841

Emergency - temporary repairs

QUANTITY	UNIT	TAX	RCV	AGE/LIFE	COND.	DEP %	DEPREC.	ACV
1.	Temporary repairs to prevent additional movement of pergola - see bid, MG McGrath							
1.00 EA	264,855.00	0.00	264,855.00	0/NA	Avg.	0%	<0.00>	264,855.00
NOTE: This amount has been negotiated prior and payment made.								
Totals:	Emergency - temporary repairs	0.00	264,855.00				0.00	264,855.00

Pergola System

Demolition

QUANTITY	UNIT	TAX	RCV	AGE/LIFE	COND.	DEP %	DEPREC.	ACV
2.	General Demolition - removal of shoring and bracing utilized as temporary safety repairs*							
1.00 EA	67,500.00	0.00	67,500.00	0/NA	Avg.	NA	<0.00>	67,500.00
NOTE: Removal of temporary bracing completed for emergency repairs.								
Totals:	Demolition	0.00	67,500.00				0.00	67,500.00

Crane and pad

QUANTITY	UNIT	TAX	RCV	AGE/LIFE	COND.	DEP %	DEPREC.	ACV
3.	Crane and operator - 50 ton capacity							
5.00 MO	42,250.00	0.00	211,250.00	0/NA	Avg.	0%	<0.00>	211,250.00
NOTE: Crane needed for removal of pergola arches over large reflection pond surrounding the building. Includes crane, operator and mobilization.								
4.	Safety and traffic control as necessary*							
1.00 EA	0.00	0.00	0.00	0/NA	Avg.	0%	<0.00>	0.00
NOTE: Although this might be an additional cost - the policy excludes enforcement of any ordinance or law.								
Totals:	Crane and pad	0.00	211,250.00				0.00	211,250.00

Pergola Rework

QUANTITY	UNIT	TAX	RCV	AGE/LIFE	COND.	DEP %	DEPREC.	ACV
5.	General Demolition - Remove all 84 pergolas from building and disassemble							
84.00 EA	8,740.00	0.00	734,160.00	0/NA	Avg.	NA	<0.00>	734,160.00
NOTE: Includes shoring and bracing as required for removal.								

Mr. David Calhoun
November 2, 2018
Page Four

Under the Transfer of Rights provisions in the certificate of coverage, the Division reserves the right of recovery against any party to the extent of loss payments made by the Division on this claim. Please see the following excerpt from page 8 of the Certificate of Property Coverage DFS-DO-852.

G. GENERAL CONDITIONS

5. Transfer of Rights of Recovery Against Others to Us

We may require you to transfer all rights of recovery against any party for loss to the extent of our payment. You must do everything necessary to secure our rights and must do nothing after loss to impair them.

Please sign and return the enclosed release and the proof of loss within 30 days. Once these documents are received, DRM will issue a check to Florida Polytechnic University in the amount of \$5,177,679.00. Please use these funds, along with the prior payment of \$264,855.00, to repair the university's building.

DRM will not honor a potential supplement claim for the repairs to this building. This is a final settlement and will conclude this claim.

Should you disagree with these findings, please submit additional documentation for reconsideration. DRM will hold the file open for another 30 days for your response. Thank you for allowing us to assist you with your claim. If you should have any additional questions or concerns, please give me a call or send me a detailed email.

Sincerely,

Margaret Heindl

Enclosures: York's estimates of repair, copy of Charles Whitley's PE engineering report, unsigned proof of loss, release of all claims and a copy of Division of Risk Management Certificate of Property coverage.

cc: Marc Stemle, Division of Risk Management
David Hancock, York Risk Services



York Specialized Loss Adjusting

York Risk Services Group, Inc.
605 Crescent Executive Court, Suite 300
Lake Mary, FL 32399

CONTINUED - Pergola Rework

	QUANTITY	UNIT	TAX	RCV	AGE/LIFE	COND.	DEP %	DEPREC.	ACV
6. Remove, lable and reset shade tubes*	3,528.00	EA	195.00	0.00	687,960.00	0/NA	Avg.	0%	<0.00> 687,960.00
7. Fabricate and assemble 84 pergola arches*	84.00	EA	34,550.00	0.00	2,902,200.00	0/NA	Avg.	10% [%] <290,220.00>	2,611,980.00
NOTE: Includes all bolts and fasteners.									
8. Paint pergola - Kynar 500 resin base finish in color to match existing*	84.00	EA	4,450.00	0.00	373,800.00	0/NA	Avg.	10% [%] <37,380.00>	336,420.00
9. Install new pergola arches at site*	84.00	EA	10,250.00	0.00	861,000.00	0/NA	Avg.	0%	<0.00> 861,000.00
NOTE: Includes all bolts and fasteners.									
Totals: Pergola Rework			0.00	5,559,120.00				327,600.00	5,231,520.00

Electrical/Lighting

	QUANTITY	UNIT	TAX	RCV	AGE/LIFE	COND.	DEP %	DEPREC.	ACV
10. Light (Bid Item) - remove and reset existing Pergola lighting*	1.00	EA	98,749.00	0.00	98,749.00	0/NA	Avg.	0%	<0.00> 98,749.00
NOTE: See bid - Borrell Electric Co. Inc.									
Totals: Electrical/Lighting			0.00	98,749.00				0.00	98,749.00
Total: Pergola System			0.00	5,936,619.00				327,600.00	5,609,019.00

Salvage Allowance

	QUANTITY	UNIT	TAX	RCV	AGE/LIFE	COND.	DEP %	DEPREC.	ACV
11. Salvage Value of replaced Pergolas*	331,800.00	LB	-0.65	0.00	-215,670.00	0/NA	Avg.	0%	<0.00> -215,670.00
NOTE: Estimated recoverable aluminum weight per Pergola - 3,940 lb. See salvage bid - FEDCA Scrap Recycling.									
Totals: Salvage Allowance			0.00	-215,670.00				0.00	-215,670.00
Line Item Totals: HUR09173-841			0.00	5,985,804.00				327,600.00	5,658,204.00



York Specialized Loss Adjusting

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605 Crescent Executive Court, Suite 300
Lake Mary, FL 32399

[%] - Indicates that depreciate by percent was used for this item

[M] - Indicates that the depreciation percentage was limited by the maximum allowable depreciation for this item



York Specialized Loss Adjusting

York Risk Services Group, Inc.
605 Crescent Executive Court, Suite 300
Lake Mary, FL 32399

Summary for Building - 00000001

Line Item Total	5,985,804.00
Replacement Cost Value	\$5,985,804.00
Less Non-recoverable Depreciation	<327,600.00>
Actual Cash Value	\$5,658,204.00
Less Prior Payment(s)	(264,855.00)
Net Claim Remaining	\$5,393,349.00

Tom Mrachek



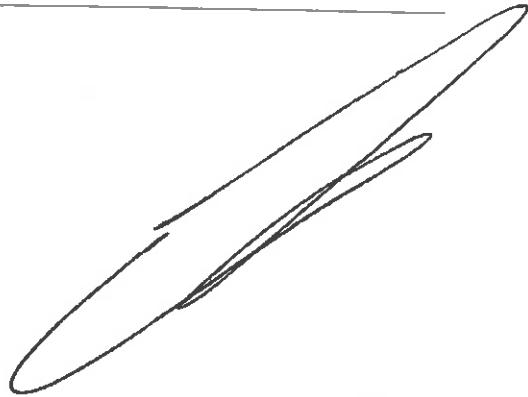
York Specialized Loss Adjusting

York Risk Services Group, Inc.
605 Crescent Executive Court, Suite 300
Lake Mary, FL 32399

Recap by Category with Depreciation

Items	RCV	Deprec.	ACV
GENERAL DEMOLITION	801,660.00		801,660.00
HEAVY EQUIPMENT	211,250.00		211,250.00
LIGHT FIXTURES	98,749.00		98,749.00
SPECIALTY ITEMS	4,609,290.00	327,600.00	4,281,690.00
USER DEFINED ITEMS	264,855.00		264,855.00
Subtotal	5,985,804.00	327,600.00	5,658,204.00

September 10, 2018 (Revised September 14, 2018)



11/14/18

SUMMARY

REPORT TO:

Mr. Tom Mracheck
York Risk Services Group, Inc.
2000 Mallory Lane, Suite 130-316
Franklin, Tennessee 37067-7570
Via mail: tmracheck@earthlink.net

FROM: Charles E. Whitley, P.E.

REFERENCE: Cause of Damage (State of Florida Risk Management Trust Fund)
(Florida Polytechnic University -
Innovation Science & Technology Building)
L.o.l.: Lakeland, Florida
D.o.l.: September 11, 2017
York File Number: SLA-7124
EDT File Number: IRM0026-92182

Engineering Design & Testing Corp. (EDT) has conducted an investigation into the reported damage to the Florida Polytechnic University (USF) pergola system. USF Polytechnic has reported damage to the pergola system as a result of the passage of Hurricane Irma. The purpose of this investigation has been to inspect the property, review available information, and evaluate the cause and scope of the observed damage. A report on the cause of the damage to the system was produced on November 9, 2017. This six page report, with three appendices, provides the scope of storm-related damage to the system as determined by EDT.

As documented in the original report by EDT, the data collected during the 3 dimensional scans of the pergola system was analyzed to determine the number of arches that were in a deflected position, and amount of deflection of each arch. The pergola system

contained a total of 84 Center Channels, or odd-numbered arches. The location of the high point of each odd-numbered arch relative to a plumb position was determined from the scan data. The analysis showed that 80 of the 84 odd-numbered arches were in a deflected position. The measured deflection was as high as 29.89 inches for Arch SP41. Sixteen of the arches had a deflection of between 1 and 6 inches. Twenty-one of the arches had a deflection of between 6 and 12 inches. Nineteen of the arches had a deflection of between 12 and 18 inches. Nine of the arches had a deflection of between 18 and 24 inches, and fifteen of the arches had a deflection of greater than 24 inches. The analysis showed that the even-numbered arches had a similar deflection as the adjacent odd-numbered arches.

The original report also documented that the heads of a portion of the fasteners that attached the arches to the anchors were embedded in the arches. At sidewalk level, embedment of the fasteners was observed on 25 of the Center Channels. At the level of the second floor roof, embedment of the fasteners was observed at 67 of the 88 anchor points. Embedment of up to $\frac{1}{8}$ inch into the $\frac{3}{8}$ inch thick members was observed.

Due to the movement of the arches and the embedment of the fasteners, it is not reasonable to attempt to repair the arches. All of the arches should be removed and replaced. Appendix I to this report contains a drawing showing a representative view of the arches.

Round tubes known as shade tubes span between the arches. The project drawings for the pergola showed that the shade tubes were attached to the arches with a pivoting connection at each end of the tubes. The drawings also showed that the connection plate between the tubes and the arches was slotted "to allow thermal movement." With a

pivoting connection at each end, the connection of the tubes to the arches would be free to rotate about the pivot point. With free rotation of the connections, there could be no bending forces transferred from the arches into the tubes in the plane of the pivot points. With no bending forces in the tubes in the plane of the pivot points, the only possible forms of damage to the tubes would be the elongation of the tubes due to tension forces, the buckling of the tubes due to compression forces, the compression of the tubes due to compression forces, or bending of the tubes in the plane perpendicular to the pivot points. The inspection of the facility revealed no damage to the shade tubes or their connections. After the inspection was completed, a review of the photographs of the shade tubes revealed no damage to the shade tubes or their connections.

The potential for damage to shade tubes is greatest where there has been the greatest amount of relative movement between adjacent arches. The analysis of the movement of the arches showed that there were three locations with significant movement of one of the arches relative to the adjacent arch. The analysis showed that Arch EP25 was vertical. Arch EP27 moved 3 inches in the clockwise direction while Arch EP23 moved 3 inches in the counter-clockwise direction. The movement of Arches EP23 and EP27 away from Arch EP25 would result in tension in the shade tubes in this area.

The data collected during the 3 dimensional scans of the pergola system was analyzed to determine if there had been any elongation, buckling, compression, or bending of the shade tubes resulting from the movement of the arches. Had the tubes elongated due to a tension force, the length of the tube would have increased. Had the tubes buckled or failed in bending, the distance between the ends of the tubes would have decreased. Had the tubes been compressed due to the application of compression forces, the distance

between the ends of the tubes would have decreased. Therefore, had any of the tubes failed due to any of the possible failure modes for the tubes, the length of the tubes would have been affected. The length of each shade tube, as measured in the 3 dimensional model created from the 3 dimensional scans, was compared to the design length of each tube as detailed in the project drawings. For the shade tubes between Arch EP23 and EP24, the maximum variation between the measured length and the design length was 0.160 inches. For part number EW23R-ST-T83T84, the design length was shown to be 136.890 inches. The measured length was 136.730 inches, a difference of 0.11 percent ($(136.890/136.730) \times 100 = 100.11$).

The analysis of the movement of the arches showed that Arch NP29 was vertical. Arch NP27 moved $2\frac{1}{4}$ inches in the counter-clockwise direction while Arch NP31 moved 2 inches in the counter-clockwise direction. The movement of Arches NP27 and NP31 toward Arch NP29 would result in compression in the shade tubes in this area. The length of each shade tube, as measured in the 3 dimensional model created from the 3 dimensional scans, was compared to the design length of each tube as detailed in the project drawings. For the shade tubes between Arch NP27 and NP28, the maximum variation between the measured length and the design length was 0.198 inches. For part number NT27R-ST-T39T40, the design length was shown to be 78.421 inches. The measured length was 78.223 inches, a difference of 0.25 percent ($(78.421/78.223) \times 100 = 100.25$).

The analysis of the movement of the arches showed that Arch NP11 moved $7\frac{3}{4}$ inches in the counter-clockwise direction. Arch NP13 moved $4\frac{1}{2}$ inches in the counter-clockwise direction, a difference of $3\frac{1}{4}$ inches. The length of each shade tube, as measured in the 3 dimensional model created from the 3 dimensional scans, was compared to the design

length of each tube as detailed in the project drawings. For the shade tubes between Arch NP11 and NP13, the maximum variation between the measured length and the design length was 0.096 inches. For part number WP27L-ST-T27T28, the design length was shown to be 83.683 inches. The measured length was 83.587 inches, a difference of 0.11 percent ($(83.683/83.587) \times 100 = 100.11$).

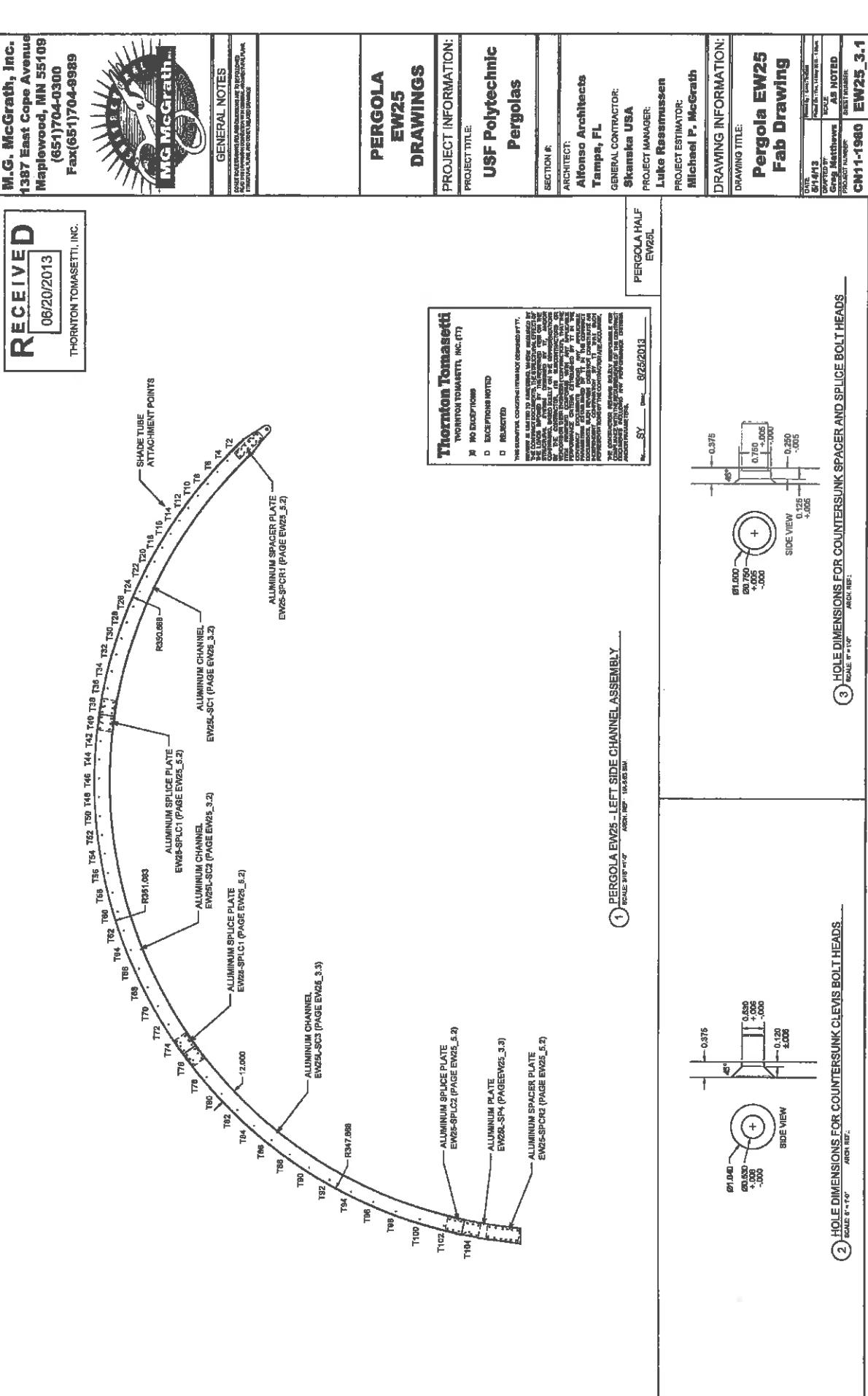
In multiple locations of the pergola system where there was significant movement of one arch relative to the adjacent arch, a portion of the shade tube lengths were extracted from the 3 dimensional model. The measured length from the model was then compared to the design length from the project drawings. For each of the tube lengths checked, the maximum variation between the measured length and the design length was 0.090 inches. For part number NS39R-ST-T21T20, the design length was shown to be 52.432 inches. The measured length was 52.342 inches, a difference of 0.17 percent ($(52.432/52.342) \times 100 = 100.17$).

The comparison of the design length of the shade tubes to the measured length of the tubes showed that, in the areas with the greatest potential for damage to the tubes, there was no buckling of the tubes, and that the greatest change in length of any tube was 0.198. With no buckling of the tubes and only minor differences between the measured lengths and the design lengths, there is no need to replace the tubes. The tubes should be marked to identify their location, removed and stored, and then reinstalled when the arches are replaced.

The inspection of the pergola system showed that there was no damage to the lower anchors at the sidewalk level, or to the columns that projected upward at roof level. The

anchors and columns can be reused with no repair required. Appendix II to this report contains a drawing showing a representative view of the lower anchor, referred to on the drawing as a Lower Foot. Appendix III to this report contains a drawing showing a representative view of the columns at roof level, referred to as a Pergola Upper Connection.

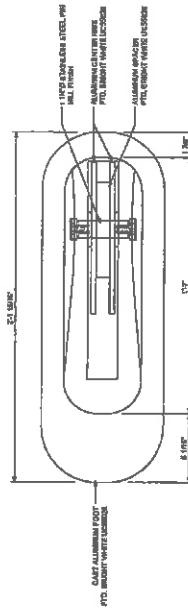
In summary, all of the arches of the pergola system should be removed and replaced. The shade tubes should be marked to identify their location, removed and stored, and then reinstalled when the arches are replaced. The anchors and columns can be reused with no repair required. When the structure is complete, the system should be painted with a Kynar Finish paint product.



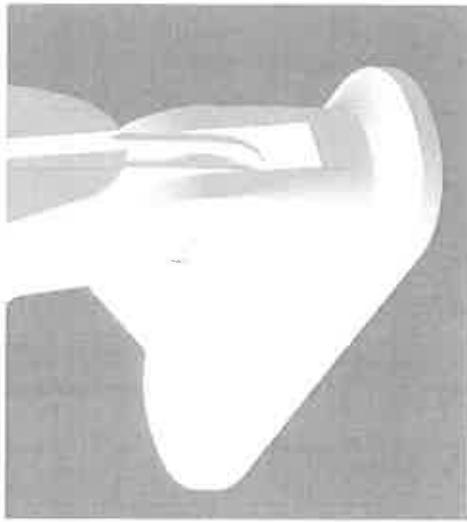


H.J. McGrath, Inc.
397 East Cope Avenue
Maplewood, MN 55109
(651) 704-0300
Fax (651) 704-0300

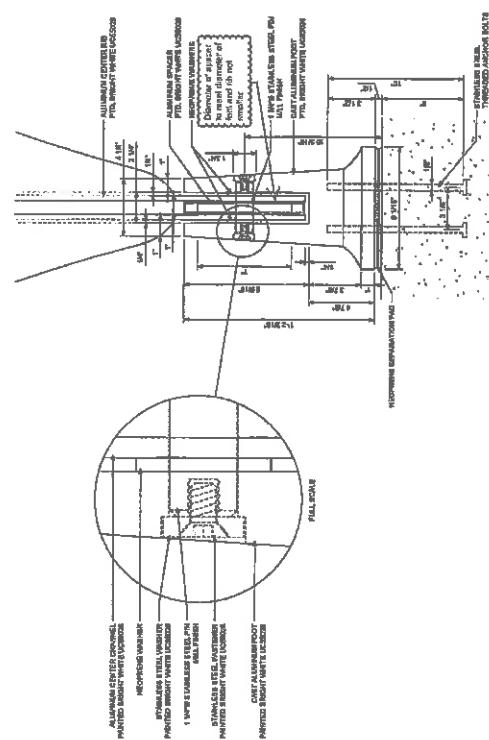
ESTATE PLANNING



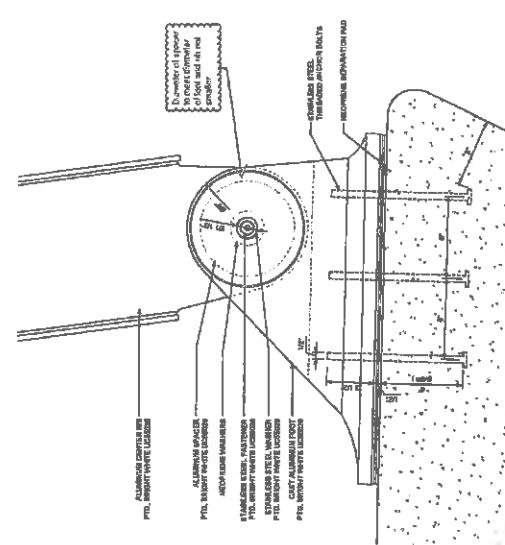
4 LOWER FOOT TOP VIEW ISSUE T = 14F AREA REF: 1A-4B



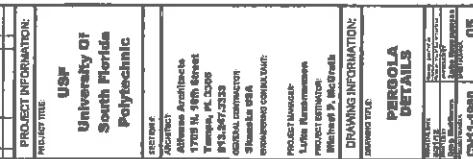
3 LOWER FOOT 3D VIEW



1 LOWER FOOT END VIEW



2 LOWER FOOT SIDE VIEW.
SCALE: 1/4"



DETAILS



DEPARTMENT OF FINANCIAL SERVICES
Division of Risk Management

**STATE RISK MANAGEMENT TRUST FUND
CERTIFICATE OF PROOF OF LOSS**

DRM CLAIM NUMBER:	HUR09173-841	RISK MGT ADJUSTER:	Margaret Heindl
DRM LOCATION CODE:	150201/0000001-Innovation Sceince & Technology Building- Lakeland	COVERAGE TERM:	07/01/17 to 06/30/18
INSURED VALUE/BLDG.:	\$57,341,360.00	INSURED VALUE/CONTENTS:	\$9,458,600

TO THE STATE RISK MANAGEMENT TRUST FUND OF THE DEPARTMENT OF FINANCIAL SERVICES; BY THE ABOVE INDICATED CERTIFICATE OF INSURANCE YOU INSURED THE FOLLOWING AGENCY, DIVISION, OR UNIVERSITY:

Florida Polytechnic University

IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE CURRENT STATE RISK MANAGEMENT TRUST FUND CERTIFICATE AND SECTION 284.01, FLORIDA STATUTES.

DATE OF LOSS:	09/11/2017	CAUSE:	Hurricane Irma- Wind
STREET ADDRESS OF THE STRUCTURE SUSTAINING SAID LOSS:		4450 Polytechnic Circle, Lakeland, FL 33805-8531	

AND THE TITLE AND INTEREST OF WHICH ARE IN THE NAME OF **THE STATE OF FLORIDA**.

THE TOTAL AMOUNT CLAIMED UNDER THE ABOVE NUMBERED CERTIFICATE:	Building: \$5,985,804.00 Less depreciation- (\$327,600.00) Actual cash value \$5,658,204.00 Less prior payment -(\$264,855.00) Less salvage -(\$215,670.00)
	Total net payment \$5,177,679.00

[Notes:] Please sign and return to DRM

The said loss did not originate by any act, design or procurement of the part of your insured. Nothing has been done by or with the privity or consent of your insured to violate the conditions of the policy or render it void. No articles are mentioned herein or in annexed schedules but such as were in the building damaged or destroyed, and belonging to, and in possession of the said insured at the time of said loss. No property saved has in any manner been concealed and no attempt to deceive the said Fund as to the extent of said loss has in any manner been made. Any other information that may be required will be furnished and considered a part of this Proof.

In consideration of and to the extent of said payment, the insured agency hereby subrogates the State Risk Management Trust Fund to all rights, claims and interest which the insured agency may have against any person or corporation liable for the loss mentioned above, and authorizes the State Risk Management Trust Fund to sue, compromise or settle in the insured agency's name.

The furnishing of this blank or the preparation of proofs by a representative of the State Risk Management Trust Fund is not a waiver of any of its rights.

CERTIFICATE OF PROOF OF LOSS

I hereby certify that all statements made on this proof of loss are true, and that I have read, understand and agree with the terms and conditions of coverage on this Proof of Loss. I further certify and/or agree that the agency assumes sole responsibility in the timely repair or replacement of the losses identified in the Claim Summary which is incorporated by reference in this certificate.

State of Florida, County of: _____

Insured Signature: _____ **Date:** _____

Title: _____

Witnessed by: _____ Date: _____

SPECIAL INSTRUCTIONS: In order to receive payment, the following section must be completed in its entirety by all State agencies (i.e., all three codes are required). For assistance in locating the correct FLAIR codes, please contact your agency's accounting department. Colleges and Universities are exempt from this requirement.

21-Digit FLAIR Account Code:



DEPARTMENT OF FINANCIAL SERVICES
Division of Risk Management

**STATE OF FLORIDA
STATE LIABILITY AND PROPERTY CLAIMS
DIVISION OF RISK MANAGEMENT**

RELEASE FOR PROPERTY DAMAGE ONLY

I/We **FLORIDA POLYTECHNIC UNIVERSITY** for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns in consideration of the payment of **\$5,177,679.00** do hereby remise, release, and forever discharge **Division of Risk Management- Property Division** and his/her, their heirs, from any claims, demands, action and causes of action for damages whensoever and howsoever arising on account of damage to property (including loss of use thereof) arising out of an incident which occurred on or about **September 11, of 2017**, at or near 4450 Polytechnic Circle, Lakeland Florida.

The above sum states as a consideration of this Release is to be paid as follows:

TO: **FLORIDA POLYTECHNIC UNIVERSITY**

IT IS UNDERSTOOD AND AGREED that neither this Release nor any payment made pursuant hereto is to be taken as an admission of liability on the part of any person in whose favor this Release is given.

Signed this _____ day of _____, _____

CAUTION: READ BEFORE SIGNING

Witness Signature

FLORIDA POLYTECHNIC UNIVERSITY

Claim Number: HUR09173-841
DRM Location Code: 150201/00000001
Building #4450 Polytechnic Circle, Lakeland Florida



DEPARTMENT OF FINANCIAL SERVICES
Division of Risk Management

State Risk Management Trust Fund

Certificate of Property Coverage

Various provisions in this certificate restrict coverage. Read the entire certificate carefully to determine rights, duties and what is and is not covered.

Coverage for defending and paying claims under this certificate is provided under the authority of Chapter 284, Florida Statutes, wherein the state is authorized to administer a self-insurance program. Provision of this certificate does not constitute the issuance of insurance other than on a self-insurance basis, and payment of any covered claim obligations is contingent upon availability of legislative funding.

Throughout this policy the words "you" and "your" refer to the State Agency, Board, Bureau, or other authorized entity shown in the Declarations. The words "we", "us" and "our" refer to the State Risk Management Trust Fund (the Fund) or any other successor trust fund administered by the Division of Risk Management for the purposes of providing property loss coverage.

Other words and phrases that appear in "quotation marks" have special meaning. Refer to SECTION H - DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery; and
 - (c) Equipment;

(3) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

- (a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(4) If not covered by other insurance:

- (a) Additions, alterations and repairs to the building or structure;
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Furniture and fixtures;

- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your agency;
- (5) Your improvements and betterments as a tenant. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.

2. Property Not Covered

- Covered Property does not include:
- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities; lottery tickets held for sale are not securities;
 - b. Animals;
 - c. Bridges, roadways, walks, patios or other paved surfaces;
 - d. The cost of excavations, grading, backfilling or filling;
 - e. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
 - f. Land (including land on which the property is located), water, growing crops, lawns and plants;
 - g. Business personal property while airborne or waterborne;
 - h. Personal property not owned by the State of Florida;
 - i. Pilings, piers, wharves or docks;
 - j. Property that is covered under another policy, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
 - k. Retaining walls that are not part of the building.
 - l. Underground pipes, flues, drains, or

- electrical and communication wiring;
 - m. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media;
 - n. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises;
 - o. Grain, hay, straw or other crops;
 - p. Fences, including attached devices, unattached radio or television antennas, including their lead-in wiring, masts or towers (except for towers insured separately as a stand alone structure), signs (other than signs attached to buildings), trees, shrubs or plants, stand alone light poles/fixtures all except as provided in the Coverage Extensions.
 - q. Fine arts, manuscripts, nitrocellulose films, museum collections, artifacts, relics, bullion;
 - r. Surplus property
- Business Personal Property declared surplus property but stored on the premises are deemed to have no value for the purpose of making claim under this certificate.
- s. Buildings that have been abandoned or selected for removal from the premises or selected for demolition.

B. COVERED CAUSES OF LOSS

1. **Fire.**
2. **Lightning,**
3. **Explosion**, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - a. Rupture, bursting or operation of pressure relief devices; or
 - b. Rupture or bursting due to expansion or swelling of the contents of any building or

- structure, caused by or resulting from water; or
- c. Any loss which would normally be covered only under a standard boiler and machinery policy.
4. **Windstorm or Hail**, but not including:
 - a. Frost or cold weather;
 - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
 5. **Smoke** causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
 6. **Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft. We will not pay for loss or damage caused by or resulting from owned or non-owned vehicles which are operated by you.
 7. **Riot or Civil Commotion**, including:
 - a. Acts of striking employees while occupying the described premises; and
 - b. Looting occurring at the time and place of a riot or civil commotion.
 8. **Sinkhole Collapse**, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into man-made underground cavities.
 9. **Flood**

As per Section 284.01, Florida Statutes, this section incorporates the same provisions as the **NATIONAL FLOOD INSURANCE PROGRAM**. That program defines "Flood" as:

- a. A general and temporary condition of partial or complete inundation of normally dry land areas from:
 - (1) The overflow of inland or tidal waters.
 - (2) The unusual and rapid accumulation or runoff of surface waters from any source.
 - (3) Mudslides (i.e., mudflows), which are proximately caused by flooding as defined in subparagraph a.(2) above and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- b. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the anticipated cyclical levels which result in flooding as defined in subparagraph a.(1) above.

THIS SECTION DOES NOT CONSTITUTE THE ENTIRE FLOOD POLICY. IT IS MERELY PROVIDED FOR AGENCY GUIDANCE IN THIS AREA ONLY. PLEASE REFER TO THE NATIONAL FLOOD INSURANCE PROGRAM POLICY, WHICH IS ATTACHED TO THIS CERTIFICATE.

10. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. We will pay 25% of the loss or \$5,000, whichever is greater. The expenses will be paid only if they are reported to us in writing within 90 days of the date of direct physical loss or damage.
- (2) This Additional Coverage does not

apply to costs to extract "pollutants".

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay up to \$10,000 for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

11. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

a. Newly Acquired or Constructed Property

- (1) You may extend the insurance that applies to Building to apply to:
 - (a) Buildings you acquire at locations, other than the described premises. The most we will pay for loss or damage under this Extension is \$250,000 per building.
- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire. The most we will pay for loss or damage under this Extension is 10% of the Limit of Insurance for your Business Personal Property shown in the Declarations, but not more than \$10,000 at each building.
- (3) Coverage under this Extension for each newly acquired or constructed property will end when any of the following first occurs:
 - (a) This policy expires.
 - (b) 30 days expire after you acquire the property; or
 - (c) You report values to us.

b. Property Off-Premises

You may extend the insurance provided by the Fund to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. The Extension does not apply to Covered Property:

- (1) In or on a vehicle unless the vehicle is owned or operated by an employee of the State of Florida and the vehicle is being used for State business;
- (2) In the care, custody or control of anyone not employed by the State of Florida.

- (3) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$10,000.

c. Trees, Shrubs and Plants

You may extend the coverage provided by the Fund to apply to trees, shrubs and plants including debris removal expense, caused by or resulting from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant.

Each of these Extensions is additional insurance.

C. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or

(2) Requiring the tearing down of any property including the cost of removing its debris.

b. Earth Movement

(1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

(2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, breakage of glass or volcanic action results, we will pay for that resulting loss or damage.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the property would normally be covered under this certificate.

d. Nuclear Hazard

Nuclear reactors or the use, storage, or processing of nuclear fissionable materials. This exclusion as to nuclear properties or related reactors shall not be construed to eliminate the necessity of coverage on medical facilities, particle accelerators, cyclotrons, Van de Graff machines, or any properties associated therewith. If loss or damage by fire results, we will pay for that resulting loss or damage.

e. Off-Premises Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

f. War and Military Action

(1) War, including undeclared or civil war;
(2) Warlike action by a military force, including action in hindering or

defending against actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Water that backs up from a sewer, drain, or sump

(2) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

(3) Water damage meaning accidental discharge or leaking of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

2. We will not pay for loss or damage caused by or resulting from:

a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, we will pay for that resulting loss or damage.

b. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage.

c. Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

D. LIMITS OF COVERAGE

Coverage is not limited in any one occurrence or to the reported values shown in the Declarations, except for flood.

1. For loss or damage sustained due to **FLOOD** the following special limits apply in accordance with the **NATIONAL FLOOD INSURANCE PROGRAM**:

a. **Building:**

- (1) Residential \$250,000
- (2) Non-Residential \$500,000

b. **Contents:**

- a. Residential \$100,000
- b. Non-Residential \$500,000

2. The limits applicable to the following Coverage Extensions are in addition to the Limits of Coverage.

- a. Newly Acquired or Constructed Property
- b. Property Off-Premises
- c. Trees, Shrubs and Plants

3. Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- a. Preservation of Property; or
- b. Debris Removal.

E. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence, except flood, until the amount of loss or damage exceeds \$2500.00:

For loss or damage due to Flood, the applicable deductible applies per location in accordance with the NFIP.

We will then pay the "Actual Cash Value" amount of loss or damage in excess of the Deductible.

F. LOSS CONDITIONS

The following conditions apply in addition to the Certificate of Coverage General Conditions.

1. **Abandonment**

There can be no abandonment of any property to us.

In the event the building is not replaced nor

alternate space constructed, the Fund will not make a payment on the loss other than to pay for demolition and clean up from the loss. The alternate space to be constructed must house the functions originally housed in the destroyed building and it is to be constructed in the local vicinity of the original structure.

2. **Duties In The Event Of Loss Or Damage**

a. You must see that the following are done in the event of loss or damage to Covered Property.

(1) Immediately notify the State Fire Marshal and the Division of Risk Management, Property Section, in the event of a fire or damage resulting in failure of the fire alarm system.

(2) Give prompt notice, by telephone, of the loss or damage to us so we may inspect the damage prior to commencing with repairs and then follow up with a written Notice of Loss Form.

ANY LOSS NOT REPORTED IN WRITING TO THE DIVISION WITHIN NINETY (90) DAYS FROM THE DATE OF THE LOSS, WILL NOT BE PAID UNLESS:

(a) OUR ABILITY TO ASSESS THE LOSS HAS NOT BEEN IMPAIRED BY THE DELAY AND,

(b) THE DOLLAR (\$) AMOUNT OF THE LOSS HAS NOT INCREASED DUE TO THE DELAY.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the

settlement of the claim. This will not increase the Limit of Coverage.

(5) In the event of a lightning claim, complete the Lightning Statement Form in its entirety. Make sure the description of damage as well as the evidence of a direct strike is detailed.

(6) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, original purchase dates, costs, values, current replacement costs and amount of loss claimed.

(7) As often as may be reasonably required, permit us to inspect the property proving the loss or damage.

(8) Cooperate with us in the investigation or settlement of the claim. This includes providing us with detailed invoices and payment evidence to document claim expenses.

(9) Send us a signed proof of loss within 30 days of receipt. We will supply you with the necessary forms.

3. Loss Payment

a. In the event of loss or damage covered by this Coverage Certificate, at our option, we will either:

(1) Pay the "Actual Cash Value" of damaged property; which has been replaced with property of like kind and quality; or

(2) Pay the cost of repairing; whichever is less.

b. If funds are available we will pay for covered loss or damage within 30 days after we receive the signed proof of loss.

4. Vacancy

Permission is granted for all buildings to be "vacant" or "unoccupied" on the condition that the premises shall be kept locked and secured to prevent trespassing or the entrance of unauthorized persons during the term of vacancy or unoccupancy.

The Division must be notified immediately when a building becomes "vacant" or

"unoccupied." Should the "vacant" or "unoccupied" building later become occupied, the Division must also be notified.

5. Valuation

We will determine the value of Covered Property in the event of loss or damage at "actual cash value" at the time of loss or damage.

G. GENERAL CONDITIONS

1. Other Insurance

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Coverage.

2. Statutory Control

In the event of any conflict between the provisions or coverages in this certificate and the provisions of any Florida Statutes or law including but not limited to the aforesaid, said laws and statutes shall control.

3. Fire Protection

In consideration of the rate at which this certificate is written it is stipulated that you shall exercise due diligence in maintaining in complete working order all equipment and services, installed for the detection, prevention, and extinguishment of fire in the property covered by this certificate and under your control. It is further stipulated that if changes are made to any sprinkler system, its water or chemical supplies, or to any watchman service you must notify us immediately in writing.

4. Natural Disaster

In the event of a natural disaster, whether or not officially declared, of such magnitude that our self retained limit of liability plus the available-excess insurance is exhausted:

a. We shall only be liable to pay the amount of our self retained limit of liability

and any excess insurance applicable to the occurrence; and

b. We shall pay properly documented claims as they are presented for payment.

Unpaid claims shall be classified as uninsured and shall constitute a general unfunded liability to the State. We may assist you in determining the number and amount of individual uninsured "covered claims".

5. Transfer of Rights of Recovery Against Others to Us

We may require you to transfer all rights of recovery against any party for loss to the extent of our payment. You must do everything necessary to secure our rights and must do nothing after loss to impair them.

6. Leased Buildings

We will cover leased buildings only when coverage is required by the terms of a valid written lease agreement when such lease agreement has been accepted in writing by the Division.

H. DEFINITIONS

1. "Actual Cash Value" Replacement cost less depreciation.

2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

3. "Stock" means merchandise held in storage for sale, raw materials and in process or finished goods, including supplies used in their packing or shipping.

4. "Unoccupied" means containing contents pertaining to the occupancy of the building while operations or other customary activities are suspended.

5. "Vacant" means containing no contents pertaining to operations or activities customary to occupancy of the building.



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

November 28, 2018

Mark Mroczkowski
Vice President and CFO
Florida Polytechnic University
4700 Research Way
Lakeland, FL 33805
863.874.8404

RE: Risk Claim Number **HUR09173-841**
Insured Florida Polytechnic University
Date of loss 09/11/2017
DRM Location Code 150201/00000001
Building: 4450 Polytechnic Circle, Lakeland, FL 33805-8531

Addendum to Settlement Offer

Dear Mr. Mroczkowski:

The Division of Risk Management (DRM) acknowledges the above property damage claim that you reported on September 11, 2017 to the building located at 4450 Polytechnic Circle, Lakeland, Florida. You reported the claim to us because the building sustained wind damage.

DRM has reviewed Florida Polytechnic's response to our settlement offer letter we sent to Mr. David Calhoun on November 2, 2018. Our review included analysis of your supplied construction task list to see if the tasks you supplied/listed are covered under the terms of the State Risk Management Trust Fund, Certificate of Property Coverage DFS-DO-852. Please see attached ***Exhibit "A" Analysis of Construction Tasks supplied by Florida Polytechnic University vs Coverage found in the State Risk Management Trust Fund Certificate of Property Coverage***. This exhibit will explain what construction items are not covered under the State of Florida's Certificate of Property Coverage DFS-DO-852 and why they are not covered.

The DRM has received and reviewed your response to the settlement offer letter we sent to Mr. David Calhoun on November 2, 2018. Based upon our review, we have found grounds to increase the DRM's original offer of \$5,177,679.00 to repair this state building as follows:

See Next Page

Replacement Cost of the loss	\$7,168,250.00
This means the cost to replace the damaged property on the same premises with other property of comparable material and quality used for the same purpose.	
Less non-recoverable depreciation	- (\$716,825.00)
This figure was calculated per typical life expectancy tables in current damage estimating software, specifically a 50-year life expectancy and 5-year age.	
Actual Cash Value	\$6,451,425.00
The cost to replace with new property of like kind and quality, less depreciation.	
Less payment for emergency repairs that were not made	- (\$264,855.00)
Less Salvage to be retained by Insured	-(\$215,670.00)
Total net payment to Florida Polytechnic University	\$5,970,900.00

This offer is based upon the following considerations:

- The Terms of the Certificate of Property Coverage
- The York Field Adjuster's reports and estimates
- Estimates/bids from three capable, bonded, Florida licensed contractors, all three of which were approved vendors or bidders when the Pergola was constructed. See below summary of bids and Exhibit "B"

Pergola Repairs/Replacement Cost by Vendor

Vendor	Bid
Stainless Fabricators Inc.	\$7,168,250.00
MG McGrath	\$7,871,202.00
Skanska	\$9,616,120.00

The Division of Risk Management understands that coverage gaps due to necessary code upgrades, site preparations, safety and security considerations, deductible and depreciation (replacement cost consideration) may result in the University coming up dollars short. Therefore, the Division would recommend the University reach out to FEMA, who has various programs that may fill in the coverage gaps.

Our investigation revealed that the following parties were involved in the original design/construction of this building. The list is certainly not all inclusive, but includes,

Santiago Calatrava, Architects & Engineers, New York- Design Architect
Thornton Tomasetti Inc., New York- Structural Design,
Alfonso Architects, Tampa Florida- Architect of Record
MG McGrath, Inc., Maplewood, MN- Pergola Package and Skanska USA- General Contractor.

Please see page 7 of the Certificate of Property Coverage DFS-DO-852.

G. GENERAL CONDITIONS

5. Transfer of Rights of Recovery Against Others to Us

We may require you to transfer all rights of recovery against any party for loss to the extent of our payment. You must do everything necessary to secure our rights and must do nothing after loss to impair them. This means that the DRM retains the rights to subrogate this claim to the extent of losses paid by the Risk Management Trust Fund.

Please sign and return the enclosed release and the proof of loss within 30 days. Once these documents are received, DRM will issue a check to Florida Polytechnic University in the amount of **\$5,970,900.00**. Please use these funds, along with the prior payment of \$264,855.00, to repair the university's building.

Please be aware that upon acceptance this is a final settlement and will conclude this claim. DRM will not honor a potential supplement claim for the repairs to this building/structure.

Should you disagree with these findings, please submit additional documentation for reconsideration. Thank you for allowing us to assist you with your claim. If you should have any additional questions or concerns, please give me a call or send me a detailed email.

Sincerely,

Margaret Heindl

Enclosures: release of all claims, unsigned proof of loss, Exhibit A, *Analysis of Construction Tasks*, Exhibit B, *Vendor Estimates/bids*.

CC: Marc Stemle
David Hancock
David Calhoun



DEPARTMENT OF FINANCIAL SERVICES

Division of Risk Management

STATE RISK MANAGEMENT TRUST FUND CERTIFICATE OF PROOF OF LOSS

DRM CLAIM NUMBER:	HUR09173-841	RISK MGT ADJUSTER:	Margaret Heindl
DRM LOCATION CODE:	150201/00000001 - INNOVATION SCIENCE & TECHNOLOGY BUILDING - LAKELAND	COVERAGE TERM:	07/01/17 to 06/30/18
INSURED VALUE/BLDG.:	\$57,341,360.00	INSURED VALUE/CONTENTS:	N/A \$9,264,051.00

TO THE STATE RISK MANAGEMENT TRUST FUND OF THE DEPARTMENT OF FINANCIAL SERVICES; BY THE ABOVE INDICATED CERTIFICATE OF INSURANCE YOU INSURED THE FOLLOWING AGENCY, DIVISION, OR UNIVERSITY:

Florida Polytechnic University

150201/00000001 - INNOVATION SCIENCE & TECHNOLOGY BUILDING - LAKELAND

IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE CURRENT STATE RISK MANAGEMENT TRUST FUND CERTIFICATE AND SECTION 284.01, FLORIDA STATUTES.

DATE OF LOSS:	9/11/2017	CAUSE:	Wind /Hurricane Irma
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STREET ADDRESS OF THE STRUCTURE SUSTAINING SAID LOSS:	4700 Research Way, Lakeland, FL
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AND THE TITLE AND INTEREST OF WHICH ARE IN THE NAME OF **THE STATE OF FLORIDA**.

THE TOTAL AMOUNT CLAIMED UNDER THE ABOVE NUMBERED CERTIFICATE:	Building: \$ 5,970,900.00 Contents: \$ 00,000.00 Net Final \$ 5,970,900.00
--	--

Depreciation has been applied as appropriate. Deductible applied

The said loss did not originate by any act, design or procurement of the part of your insured. Nothing has been done by or with the privity or consent of your insured to violate the conditions of the policy or render it void. No articles are mentioned herein or in annexed schedules but such as were in the building damaged or destroyed, and belonging to, and in possession of the said insured at the time of said loss. No property saved has in any manner been concealed and no attempt to deceive the said Fund as to the extent of said loss has in any manner been made. Any other information that may be required will be furnished and considered a part of this Proof.

In consideration of and to the extent of said payment, the insured agency hereby subrogates the State Risk Management Trust Fund to all rights, claims and interest which the insured agency may have against any person or corporation liable for the loss mentioned above, and authorizes the State Risk Management Trust Fund to sue, compromise or settle in the insured agency's name.

The furnishing of this blank or the preparation of proofs by a representative of the State Risk Management Trust Fund is not a waiver of any of its rights.

CERTIFICATE OF PROOF OF LOSS

I hereby certify that all statements made on this proof of loss are true, and that I have read, understand and agree with the terms and conditions of coverage on this Proof of Loss. I further certify and/or agree that the agency assumes sole responsibility in the timely repair or replacement of the losses identified in the Claim Summary which is incorporated by reference in this certificate.

State of Florida, County of: _____

Insured Signature: _____ Date: _____

Title: _____

Witnessed by: _____ Date: _____

SPECIAL INSTRUCTIONS: In order to receive payment, the following section must be completed in its entirety by all State agencies (i.e., all three codes are required). For assistance in locating the correct FLAIR codes, please contact your agency's accounting department. Colleges and Universities are exempt from this requirement.

21-Digit FLAIR Account Code:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

6-Digit Benefiting Object Code:

6-Digit Benefiting Category Code:



DEPARTMENT OF FINANCIAL SERVICES
Division of Risk Management

**STATE OF FLORIDA
STATE LIABILITY AND PROPERTY CLAIMS
DIVISION OF RISK MANAGEMENT**

RELEASE FOR PROPERTY DAMAGE ONLY

I/We **Florida Polytechnic University** for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns in consideration of the payment of **\$5,970,900.00** do hereby remise, release, and forever discharge **Division of Risk Management- Property Division** and his/her, their heirs, from any claims, demands, action and causes of action for damages whensover and howsoever arising on account of damage to property (including loss of use thereof) arising out of out of an incident which occurred on or about **September 11, of 2017**, at or near **4700 Research Way, Lakeland** in the State of Florida.

The above sum states as a consideration of this Release is to be paid as follows:

TO: Florida Polytechnic University

IT IS UNDERSTOOD AND AGREED that neither this Release nor any payment made pursuant hereto is to be taken as an admission of liability on the part of any person in whose favor this Release is given.

Signed this _____ day of _____.

CAUTION: READ BEFORE SIGNING

Witness Signature

Florida Polytechnic University

Claim Number: HUR09173-841

DRM Location Code: 150201/00000001 - INNOVATION SCIENCE & TECHNOLOGY BUILDING - LAKELAND

Exhibit A

Task Analysis

Analysis of Construction Tasks Supplied by Florida Polytechnic University

Exhibit A

Task	Explanation of Task vs Coverage found in State Risk Management Trust Fund Certificate of Property Coverage
Fence and Gate Installation	Reference Certificate, Exclusions page 5 a. Ordinance or Law which reads <i>The enforcement of any ordinance or law: (1) Regulating the construction, use or repair of any property...</i> This item, while may be required is not afforded coverage under the terms of the certificate. The Certificate is Actual Cash Value and the claim payment will be based upon the ACV of the damaged items only.
Mobilization and Trailer Barricade Building Work Area Barricade Lift Zone	Not part of the covered loss. This cost, if incurred by the contractor would be one of his overhead items and not an item covered by the policy.
Install Temporary Railing Secure Fly Zone Reinstall Temp Railings Position Scaffolding Complete Punch list *Prepare Rigging Assy.	*Rigging is included under Item 3 in the Xactimate Estimate <i>Crain and Operator</i>
Soil Preparation Lift Zone Construct Crane Roadway Removal of Crane Roadway Restore Roadway Site Demolition of Concrete Slab Restore Disassembly Site	Reference Certificate, Property Not Covered page 2 item d which reads: <i>Covered Property does not include: The cost of excavations, grading, backfilling or filling;...</i> This cost, if incurred by the contractor would be one of his overhead items and not an item covered by the policy.
Soil Preparation Disassembly Areas Embeds for Disassembly Areas Concrete Form and Pour for Disassembly Areas	Reference Certificate, Property Not Covered page 2 item d which reads: <i>Covered Property does not include: The cost of excavations, grading, backfilling or filling;...</i> This cost, if incurred by the contractor would be one of his overhead items and not an item covered by the policy.
Install Temporary Bracing	See Xactimate estimate Item 1. Temporary Bracing is Included under this line item. See Xactimate estimate item 5 Pergola Rework which includes shoring and bracing
Removal of Speakers Install Speakers	Detach and Re-set of speakers is included in item 10 of the Xactimate estimate.
Install Guy Cables and Anchor Point Install Safety Life Line and Remove Temporary Railings	It should be noted that these items are included in the Crane and Operator Xactimate item 3
Pergola Un-install/Removal Crane and Truck Removed Pergola	See item 5 of the Xactimate Estimate See Xactimate item 11.
Inspect All Parts for Re-use	Risk Management has an engineering report based upon a PE investigation which has determined items damaged and not damaged and based upon this engineering work the parts can be Re-used. If parts are damaged in the Detach and Re-set, the cost/liability of the damage would fall on the person or company who damaged the items.

Analysis of Construction Tasks Supplied by Florida Polytechnic University
Exhibit A page 2 (Continued)

Task	Explanation of Task vs Coverage found in State Risk Management Trust Fund Certificate of Property Coverage
Repeat Action 84 times	See Xactimate Item 7 and 9
Soil Preparation Assembly area Embeds for Assembly Area Concrete Form and Pour for Assembly Areas Demolition of Concrete Slab Restore Site/Clean Up	Reference Certificate, Property Not Covered page 2 item d which reads: <i>Covered Property does not include: The cost of excavations, grading, backfilling or filling;...</i> This cost, if incurred by the contractor would be one of his overhead items and not an item covered by the policy.
Furnish A Frames, C Channels, Sx-Bolts, Pins and Clevises	See Xactimate Item 9 Note
Pergola Pre-Assembly Ship all Materials Chain and Truck new Pergola Repeat Action 84 times Install New Pergola	This is part of the remove and replace of the Storm damaged items and included in various line items of the Xactimate Estimate
Paint all Parts Build Scaffolding Install Aerial Platform Removal of Minor Chain	The only paint covered would be for items replaced and or damaged by the covered peril <i>Wind</i> . See Item 8 in the Xactimate Estimate This cost, if incurred by the contractor would be one of his overhead items and not an item covered by the policy. Would fall under Xactimate Line item 3

Exhibit B

Vendor Bids/Estimates

Stainless Fabricators, Inc.

11107 Challenger Ave* Odessa, Florida 33556

November 21, 2018

To whom it may concern,

The cost to replace the pergola system at Florida Polytechnic University is \$7,168,250.00, This cost is per the original spec and drawings from the bidding time frame of 2011/2012. This bid does cover the cost of removal of the damaged frames and the removal of the shade tubes for reuse in the replacement pergola system. This bid does not the cost to re-engineer the system to meet the performance requirements of the project site.

Scott Binney
Vice President



October 1, 2018- Revision 2a

**Florida Polytechnic
4700 Research Way
Lakeland, FL 33805**

Subject: Pergola Replacement Proposal

Dear Mr. Chuck Jablon,

McGrath is pleased to submit our quotation for the Pergola Replacement. Below is a brief description of our scope of work, as well as our fee for the work to be performed.

Scope of Phase 1 Work:

- **Pergola Rework Scope- Replaced to 2007 Florida Building Code**
 - Remove all 84 pergolas from the building, disassemble, and prepare for shipment to scrap yard.
 - Furnish all new A- Frames
 - Furnish all new Top "C" Channels and splices
 - Furnish new sex bolts and pins
 - Furnish new clevises
 - Remove, sort, label, store, and re-install existing shade tubes (included repainting the shade tubes in the field)
 - Assemble 84 Pergolas to check fit up in MN and disassemble prior to shipment to paint applicator
 - Paint all parts in custom kynar white to match existing in WI
 - Ship painted parts to Lakeland holding yard
 - Shipment to site from holding yard as needed
 - Assemble 84 new Pergolas on site using a scaffolding set up with embed channels in concrete slab
 - Trucking from the concrete pad on site to the erection area
 - Pricing includes final touch up painting and cleaning after erection
 - Pricing includes disposal of all existing pergola parts that have been damaged
 - Pricing includes 999 Ton Crane to pick Pergolas from outside of ponds
 - Includes an allowance for damage to site concrete of \$50,000
 - **\$7,871,202**

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mike P McGrath'.

Mike P McGrath
President

Florida Polytechnic Pergolas

Lakeland, FL

SKANSKA

Polytechnic Pergola Proposal

Replaced to 2007 Florida Building Code

*All Costs are Order-of-Magnitude

Rev 1 - October 2, 2018

Pkg	Package Description	Proposal Amount	Cost / each	Notes
A	Site	\$401,289	\$4,777	
B	Pergolas	\$7,871,202	\$93,705	
C	Electrical	\$98,749	\$1,176	
D	Roofing	\$10,000	\$119	
Total: Cost of Work		\$8,381,240	\$99,777	Allowance
Insurances, Bonds, GC's, GR's, & Fee		\$1,234,880	\$14,701	
Total: Construction Costs		\$9,616,120	\$114,478	



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

December 07, 2018

Mark Mroczkowski
Vice President and CFO
Florida Polytechnic University
4700 Research Way
Lakeland, FL 33805

RE: Risk Claim Number	HUR09173-841
Insured	Florida Polytechnic University
Date of loss	09/11/2017
DRM Location Code	150201/00000001
Building:	4450 Polytechnic Circle, Lakeland, FL 33805-8531

Addendum to Settlement Offer

Dear Mr. Mroczkowski:

The Division of Risk Management (DRM) acknowledges the above property damage claim that you reported on September 11, 2017 to the building located at 4450 Polytechnic Circle, Lakeland, Florida. You reported the claim to us because the building sustained wind damage.

DRM has reviewed Florida Polytechnic's response to our settlement offer letter we sent to Mr. David Calhoun on November 2, 2018. Our review included analysis of your supplied construction task list to see if the tasks you supplied/listed are covered under the terms of the State Risk Management Trust Fund, Certificate of Property Coverage DFS-DO-852. Please see attached, *Exhibit "A" Analysis of Construction Tasks supplied by Florida Polytechnic University vs Coverage found in the State Risk Management Trust Fund Certificate of Property Coverage*. This exhibit will explain what construction items are not covered under the State of Florida's Certificate of Property Coverage DFS-DO-852 and why they are not covered.

Based upon our review, we have found grounds to increase the DRM's original offer of \$5,177,679.00 to repair this state building as follows:

Actual Cash Value of the loss	\$8,157,855.00
The cost to repair the property with like kind and quality, no betterment	
Deductible (previously applied)	-0-
Total net payment to Florida Polytechnic University	\$8,157,855.00

This offer is based upon the following considerations:

- The Terms of the Certificate of Property Coverage
- The York Field Adjuster's reports and estimates
- Estimates/bids from three capable, bonded, Florida licensed contractors, all three of which were approved vendors or bidders when the Pergola was constructed.

The Division of Risk Management understands that coverage gaps due to necessary code upgrades, site preparations, safety and security considerations, and deductible may result in the University sustaining an uninsured loss. Therefore, the Division would recommend the University reach out to FEMA, who has various programs that may fill in the coverage gaps.

Our investigation revealed that the following parties were involved in the original design/construction of this building. The list is certainly not all inclusive, but includes,

Santiago Calatrava, Architects & Engineers, New York- Design Architect
Thornton Tomasetti Inc., New York- Structural Design,
Alfonso Architects, Tampa Florida- Architect of Record
MG McGrath, Inc., Maplewood, MN- Pergola Package and Skanska USA- General Contractor.

Please see page 7 of the Certificate of Property Coverage DFS-DO-852.

G. GENERAL CONDITIONS

5. Transfer of Rights of Recovery Against Others to Us

We may require you to transfer all rights of recovery against any party for loss to the extent of our payment. You must do everything necessary to secure our rights and must do nothing after loss to impair them. This means that the DRM retains the rights to subrogate this claim to the extent of losses paid by the Risk Management Trust Fund.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

MARGARET HEINDL • OPERATIONS REVIEW SPECIALIST

DIVISION OF RISK MANAGEMENT • BUREAU OF STATE LIABILITY & PROPERTY CLAIMS

200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0338 • TEL. 850-413-4876 • FAX 850-413-2730

EMAIL • MARGARET.HEINDL@MYFLORIDACFO.COM

AFFIRMATIVE ACTION • EQUAL OPPORTUNITY EMPLOYER

Please sign and return the enclosed release and the proof of loss within 30 days. Once these documents are received, DRM will issue a check to Florida Polytechnic University in the amount of \$8,157,855.00. Please use these funds, along with the prior payment of \$264,855.00, to repair the university's building.

Please be aware that upon acceptance this is a final settlement and will conclude this claim. DRM will not honor a potential supplement claim for the repairs to this building/structure.

Thank you for allowing us to assist you with your claim. If you should have any additional questions or concerns, please give me a call or send me a detailed email.

Sincerely,

Margaret Heindl

Enclosures Release of all claims and unsigned proof of loss,

CC: Marc Stemle
David Hancock
David Calhoun

AGENDA ITEM: IX.

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
March 13, 2019**

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. Waybetter Marketing, Inc.
 - Student Recruitment Services
 - Start Date 12/31/2018
 - End Date 12/31/2021
 - Original Amount \$378,000
 - Spend through 01/31/2019 \$0.00
 - Waybetter Marketing, Inc. provides student recruitment services. The vendor is currently under contract with New College of Florida, ITN 111617SRS. This service will work as an extension of our admissions and marketing team. They collaborate and recruit potential students by assisting in the enrollment services process to ensure prospective students find their way to our doors. Expected spend for this contract is \$378,000 over a three-year term.
2. Report on existing and active procurement contracts in excess of \$200,000 with spend-to-date information.
 - See supporting documentation Active Contracts in Excess of \$200,000

Supporting Documentation:

1. Waybetter Agreement
2. Active Contracts in Excess of \$200,000

Prepared by: Mark Mroczkowski, VP & CFO

**PIGGY BACK AGREEMENT BETWEEN
WAYBETTER MARKETING, INC. &
THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES**

The Piggy Back Agreement (“Agreement”) is entered into on the date fully executed below, by and between Waybetter with a principal place of business at 4001 Chatham Road, Ellicott City, MD 21042 (“CONTRACTOR”) and The Florida Polytechnic University Board of Trustees (“UNIVERSITY”) 4700 Research Way, Lakeland, Florida 33805.

RECITALS

WHEREAS, the Florida Board of Governors’ Regulation 18.001 allows the UNIVERSITY to enter into contracts let by any State of Florida agency or department, the Federal Government, other states, political subdivisions, not-for-profit cooperatives or consortiums, or any independent college or university for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the UNIVERSITY, to make purchases under contracts let by such other entities;

WHEREAS, New College of Florida and Waybetter Marketing, Inc. entered into that certain Agreement dated on or about April 26, 2018 related to the Competitive Solicitation entitled Student Recruitment Services - ITN 111617SRS (“Other Contract”);

WHEREAS, UNIVERSITY and Waybetter Marketing, Inc. desire to enter this Agreement, adopting and incorporating the terms and conditions as outlined in the Other Contract, for Waybetter Marketing, Inc. to provide Student Recruitment (“Services”) to the UNIVERSITY.

NOW THEREFORE, for and in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Recitals.** The above recitals are true and correct and incorporated herein by reference.
2. **Term.** This Agreement shall commence on the effective date and continue for Three (3) years, ending on December 31, 2021.
3. **Agreement Terms and Conditions.**
 - a. Such Services shall be provided pursuant to this document, the Other Contract, revised as follows, is hereby incorporated by reference and attached as Exhibit B. In the event of conflict between or among the terms and conditions contained in the documents with regards to the Services, such documents shall govern in the following order of precedence: first, this Agreement; second, the Other Contract as revised.
 - b. The attached Statement of Work replaces the Statement of Work found on page 25 & 26 of Exhibit A, and page 8 of Exhibit B of the Other Contract.
 - c. “Florida Polytechnic University” being substituted for “New College of Florida”, or “NCF” and “The Florida Polytechnic University Board of Trustees” substituted for the “New College of Florida” as described in the Contract (which incorporates the Pricing Agreement, and Waybetter’s Response to the Student Recruitment Services - ITN 111617SRS) which is attached and incorporated as Exhibit B. The services will be provided at the rates provided in Exhibit C, page 19.

4. **Fee for Services.** UNIVERSITY will pay CONTRACTOR for services rendered in accordance with Exhibit C, and shall not exceed \$378,000 for over the three (3) year period of performance (“Fee”). Payments for search efforts will be made in two installments each year of the contract term, as invoiced and based on services received, not to exceed \$126,000 per year. CONTRACTOR shall submit to UNIVERSITY invoices for the Fee for those Services rendered, in arrears. UNIVERSITY will designate a representative to serve as UNIVERSITY’s point of contact for the CONTRACTOR’s submission of invoices and questions concerning payment status. All requests for payment of out of pocket expenses eligible for reimbursement under the terms of this contract, shall include documentation acceptable to the UNIVERSITY.
5. **Payment.** CONTRACTOR shall submit bills for compensation for services or expenses in sufficient detail for a pre- and post-audit, and in accordance with Payment Schedule which is labeled as Appendix I and incorporated by this reference. CONTRACTOR is responsible for any taxes due under this Agreement. UNIVERSITY will make payment within 30 days of receipt of a proper invoice. If UNIVERSITY does not issue payment within 30 days of receipt of a proper invoice, UNIVERSITY will pay to CONTRACTOR, an interest penalty at the rate established pursuant to section 55.03(1) Florida Statutes if the interest exceeds \$1.00. Contractors experiencing payment problems may contact the Vendor Ombudsman at (863) 874-8412. UNIVERSITY may make payment to CONTRACTOR via the University’s EFT/ACH payment process. Vendor shall provide the necessary information to UNIVERSITY upon request
6. **Confidentiality of Information.** If CONTRACTOR is exposed to UNIVERSITY’s confidential information (such as donor information), CONTRACTOR will keep such information confidential and will act in accordance with any guidelines and applicable laws including the Family Educational Rights and Privacy Act (FERPA) and the Gramm-Leach Bliley Act.
7. **Public Records, Contract for Services: Compliance with section 119.0701, Florida Statutes.**

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: (863) 583-9070, ogc@floridapoly.edu, Florida Polytechnic University at Polk State College, Attention: General Counsel 3433 Winter Lake Road, Lakeland, FL 33805.

To the extent that CONTRACTOR meets the definition of “contractor” under Section 119.0701, Florida Statutes, in addition to other contract requirements provided by law, CONTRACTOR must comply with public records laws, including the following provisions of Section 119.0701, Florida Statutes requiring CONTRACTOR to:

- A. Keep and maintain public records required by UNIVERSITY to perform the service.
- B. Upon request from the UNIVERSITY’s custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to UNIVERSITY.
- D. Upon completion of this Agreement, transfer, at no cost, to UNIVERSITY all public records in possession of CONTRACTOR or keep and maintain public records required by UNIVERSITY to perform the service. If CONTRACTOR transfers all public records to UNIVERSITY upon completion of the contract, CONTRACTOR must destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If CONTRACTOR keeps and maintains public records upon

completion of this Agreement, CONTRACTOR must meet all applicable requirements for retaining public records. All records stored electronically must be provided to UNIVERSITY, upon request from the UNIVERSITY's custodian of public records, in a format that is compatible with the information technology systems of the UNIVERSITY.

A request to inspect or copy public records relating to this Agreement must be made directly to UNIVERSITY. If UNIVERSITY does not possess the requested records, UNIVERSITY must immediately notify CONTRACTOR of the request, and CONTRACTOR must provide the records to the public agency or allow the records to be inspected or copied within a reasonable time.

If CONTRACTOR does not comply with the UNIVERSITY's request for records, UNIVERSITY may enforce the contract provisions in accordance with the contract.

8. **Indemnification/Copyright and Intellectual Property.** If CONTRACTOR uses copyrighted materials or documents not owned by UNIVERSITY ("Copyrighted Materials") in CONTRACTOR's performance of the Agreement, CONTRACTOR represents and warrants that it owns, or is licensed to use and to authorize others to use, the Copyrighted Materials. CONTRACTOR will, at its expense, defend any suit brought against UNIVERSITY and will indemnify UNIVERSITY against an award of damages and costs made against UNIVERSITY by a settlement or final judgment that is based on a claim that UNIVERSITY's use of the Copyrighted Materials infringes a trademark or copyright of a third party. This provision shall survive termination of the Agreement. Any reports or deliverables provided to the UNIVERSITY pursuant to this Agreement shall be considered as works for hire, and the UNIVERSITY may use such reports or deliverables for any purposes.
9. **Indemnification by University.** Nothing in this Agreement shall be construed as an indemnification of the CONTRACTOR by the UNIVERSITY or as a waiver of sovereign immunity beyond that provided in section 768.28, Florida Statutes.
10. **Termination.** In accordance with the Other Contract Exhibit B, section 8 (page 2), except that the notice information is replaced with this Agreement paragraph 19.
11. **Insurance.** CONTRACTOR will have and maintain types and amounts of insurance that at a minimum cover the CONTRACTOR's (or subcontractor's) exposure in performing this Agreement. UNIVERSITY is self-insured, and will provide its Certificate of Insurance upon request; UNIVERSITY is not required to obtain additional insurance for this Agreement.
12. **Force Majeure.** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by an act of war, hostile foreign action, labor strike, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.
13. **Compliance with Laws.** CONTRACTOR shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of Federal, State, and local agencies having jurisdiction and/or authority over it.
14. **Independent Contractor.** CONTRACTOR is retained by UNIVERSITY only for those purposes and to the extent set forth in this Agreement, and CONTRACTOR's relation to UNIVERSITY shall, during the term of this Agreement, be that of independent CONTRACTOR. CONTRACTOR is not and shall not be considered as having an employee status. CONTRACTOR is responsible for the payment of any taxes on any monies received by CONTRACTOR.
15. **Prohibitions.** Unless expressly and specifically authorized in writing by UNIVERSITY in advance, CONTRACTOR is prohibited from engaging in any of the following:
 - A. Incurring any debt or obligation on behalf of UNIVERSITY;
 - B. Entering into any contract, arrangement, or transaction which binds UNIVERSITY to any extent or creates any obligation on UNIVERSITY; and/or
 - C. Utilizing UNIVERSITY's name, credit, reputation, good-will, resources, and/or assets for any purpose without the prior and explicit written approval of UNIVERSITY.

20. **Assignment.** This Agreement may not be assigned by CONTRACTOR without the express written consent of UNIVERSITY. This Agreement shall be binding upon and inure to the benefit of the parties hereto.
21. **Governing Law.** This Agreement and any amendments to it are governed by the laws of the State of Florida and venue of any actions arising out of this Agreement must be in the state courts in Polk County, Florida.
22. **Software.** If CONTRACTOR is providing software, UNIVERSITY may create and retain a copy of the software and related documentation for back up and disaster recovery purposes, and for archival purposes for use after this Agreement is terminated. This provision shall survive Termination of the Agreement.
23. **Survival.** Any provision of this Agreement providing for performance by either party after termination of this Agreement shall survive such termination and continue to be effective and enforceable.

The duly authorized representatives of the parties hereby execute this Piggy Back Agreement.

UNIVERSITY:

The Florida Polytechnic University
Board of Trustees

Mark Mroczkowski
Signature

Mark Mroczkowski
Print Name

1/3/2019
Date

CONTRACTOR:

Waybetter Marketing, Inc.

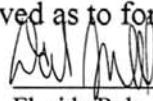
Richard Whipkey
Signature

Richard Whipkey
Print Name

1/2/19
Date

Approved as to form and legality:

BY:



Florida Poly Attorney

DATE: January 2, 2019

APPENDIX I

PAYMENT SCHEDULE

Date Range	Scope	Deliverable	Payment
January 31, 2019	Exhibit C (see below)	As determined by department	\$63,000
June 30, 2019	Exhibit C (see below)	As determined by department	\$63,000
January 31, 2020	Exhibit C (see below)	As determined by department	\$63,000
June 30, 2020	Exhibit C (see below)	As determined by department	\$63,000
January 31, 2021	Exhibit C (see below)	As determined by department	\$63,000
June 30, 2021	Exhibit C (see below)	As determined by department	\$63,000

Note: Digital ads, print, and postage are not included in the above schedule of payments. Contractor shall provide University with written quotes for any additional fees regarding digital ads, print, and postage. Contractor shall secure approval in writing from the University prior to performing outside the scope of work listed in Exhibit C.

Cost For Enrollment Marketing & Consulting Services

We are assuming roughly 300,000 students will be added to our campaigns.

Our price includes all of the following for our year round search.

Strategic development and consulting for all campaigns

Based on our best practices learned from the millions of students currently running in our campaigns. We are available to you 24/7/365 via text, phone, and email.

List purchase and management services

This includes everything: list buys and profile-building services and any other services Florida Poly needs.

Web development/hosting/tracking for all campaigns

This price includes all development and programming of online elements and microsites, programming of all logic, web experience hosting, and personalized URL generation and hosting. It also includes all data preparation, reporting, tracking, and lead delivery. It includes multiple data drops and managing of message flow for each group separately.

Each email delivery for all campaigns

This includes all content generation, email template creation, and delivery of email. Every student from a bought list in the search campaigns will receive personalized emails encouraging them to become an inquiry.

Search campaigns will simultaneously target multiple entry terms and have at least 12 waves of personalized emails per targeted entry term. Emails will be built and managed to optimize delivery.

Copy and design for all campaigns

All copy will be prepared for your final review. Final design is at your discretion as well.

Rules-based, triggered follow-up for all campaigns

This price includes all rules-based follow up. From multiple triggered emails to a prospect to an automated lead report delivered to multiple sources.

Mail design, copy, and logistics management

- One postcard will be sent during Search.
- One 4-page fulfillment booklet will be sent during Search.

Note that the cost per piece will fluctuate based on volume.

Ad Targeting and Retargeting

The price for this includes all production and management of the ads.

A budget will be TBD based on the number of impressions.

This cost also includes all our in-person visits, travel, phone calls, and strategy sessions required to generate all web environments. This is everything—no surprises.

COST FOR SEARCH EFFORTS

(3-YEAR CONTRACT-Invoice Schedule):

1-31-2019	\$63,000
6-30-2019	\$63,000
1-31-2020	\$63,000
6-30-2020	\$63,000
1-31-2021	\$63,000
6-30-2021	\$63,000

FLORIDA POLYTECHNIC
UNIVERSITY

Exhibit C
Florida Poly &
Waybetter

For Florida Polytechnic University
overview & financial proposal
confidential

Prepared by:
Rich Whipkey
President & Founder
Waybetter Marketing

Submitted to:
Ben Corpus
AVP for Enrollment
Florida Polytechnic University

waybetter

“Waybetter Marketing has been a key partner in meeting and exceeding our enrollment goals.

With dynamic and focused search outreach, as well as yield strategy, Waybetter has been with us all the way. Colleges and universities must differentiate themselves to meet enrollment goals in this competitive environment, and nobody does that better than Waybetter.”

Kristen English

*Director of Undergraduate Admissions
Newman University*

In a world where so many colleges have adopted a cookie-cutter approach to enrollment marketing, Waybetter stands out.

Here's what sets us apart:

- **A track record that speaks for itself.** From Harvard to George Washington to Oregon State to Newman University (in Wichita, KS), our personal approach helps schools overcome their enrollment challenges—*regardless of their size, location, reputation, or degree of selectivity*.
- **A commitment to radical personalization.** Talking to individual people about their own unique interests not only makes good marketing sense, but it's also the most generous, most honest way to help prospective students go about making the biggest decision in their lives so far.
- **An expert command of the strategy and technology required to successfully execute (and track) multiple, simultaneous, radically personalized, multichannel marketing campaigns over the course of the entire enrollment cycle.** These days, everyone has powerful tools. But most people don't actually know how to use them to support sound strategy and meticulous process. **We do.** The end result is that we can shepherd more prospective students through the long, complex enrollment cycle—and track and report on their individual journeys, **from the point of sophomore search all the way through the point of deposit.**

Executive Summary

“Waybetter is not your typical consultant.

They became an extension of our team from day one, and we worked together to comfortably exceed our goal in the first year. As we all know, prospective students are overwhelmed with college search material.

Fortunately, Waybetter has a unique way of cutting through the clutter with their personalized, strategic approach. **After one year, our enrollment went up 30%.** Their process is a proven winner.”

John Thompson
*AVP for Marketing
Albion College*

The Waybetter Approach to Growing and Shaping Enrollment

An enrollment marketing effort is most successful when you communicate relevantly to multiple groups simultaneously inside living, adaptable campaigns.

To do this, Waybetter puts the right elements of technology and strategy together. That process involves:

- integration to your CRM tool
- a compatible email marketing engine that we host
- trackable microsites
- the right strategy and integration across platforms

When executed properly, the outcome is the right message to the right person at exactly the right time (and, ultimately, more deposited students).

Describing how all the moving parts work together can get a little abstract, so before we move on, it may help to keep these simple principles in mind...

Waybetter uses marketing automation.

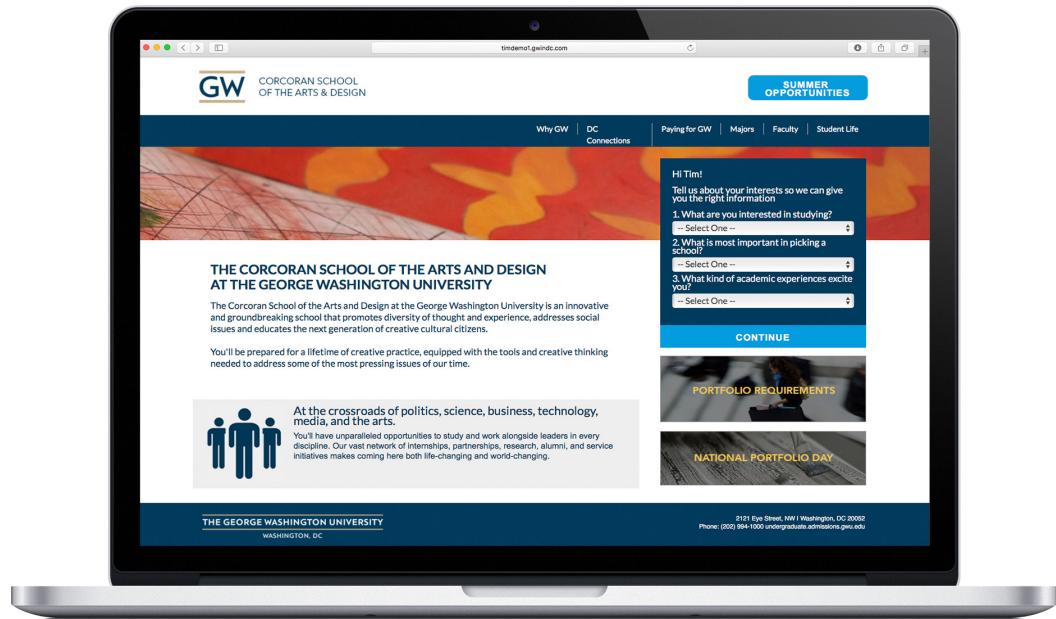
To deploy status-based communication.

In concert with your database of record.

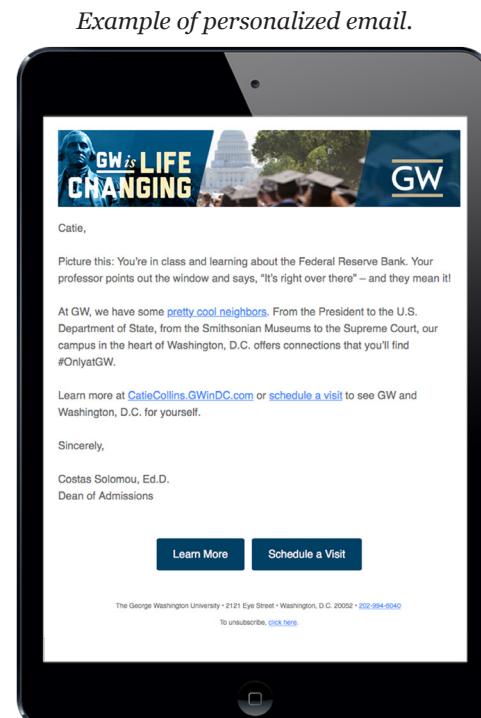
Across multiple ongoing campaigns.

All the way from sophomore search through senior yield.

Across a variety of channels, including microsites, email, text messages, and...



Example of a microsite.



Example of personalized email.

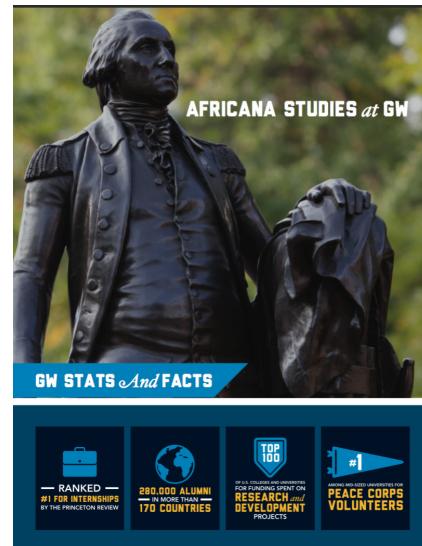


Example of yield campaign text.

Print

In fact, we're firm believers that the right kind of print, at the right time, can be very effective.

We wrote and designed these personalized 4-page print pieces as part of GW's search campaign. Different students see different content, based on their interests.



AFRICANA STUDIES

GW's Africana Studies program promotes an interdepartmental, interdisciplinary course of study that examines the diverse histories, cultures, politics and people of the African diaspora. You can engage with the world-class museums D.C. offers, from the National Museum of Natural History to the African American Civil War Museum to the National Museum of African American History and Culture. Additionally, the Library of Congress is unmatched for investigating black political history.

Columbia College of Arts & Sciences

In the Columbian College of Arts & Sciences at the George Washington University, critical thinking is endemic, collaboration is constant and real-world training goes hand-in-hand with learning. You'll have unparalleled access to distinctive learning environments such as the Folger Shakespeare Library, Smithsonian Institutes, National Archives, Library of Congress and the Mount Vernon Estate and Gardens.

A few GW alumni you might have heard of: Warren Brown, Food Network host and owner of Cake Love; Arnold "Red" Auerbach, former coach, general manager and president of the Boston Celtics; Eric Cantor, U.S. Representative, Virginia; Colin Powell, former U.S. Secretary of State; Chuck Todd, Host of "Meet the Press."

We're A CAMPUS With...

Twenty-seven NCAA athletic sports and 30 intramural and club sports; service opportunities that include designing community traditions; diverse student organizations representing the world; over 450 student-initiated clubs for all interests; and, of course, a namesake and mascot that was the first president of the United States. Raise High the Buff and Blue!

Explore THE WORLD

Over 50 percent of GW students study abroad in over 60 countries. "Go Deep" is our approach to studying the world, both through international research and internship opportunities while abroad. From hosted visits to total immersion in another culture, students can customize their experience as a short-term, semester or year-long opportunity.

A photograph showing students playing basketball in front of the Lincoln Memorial in Washington, D.C.

AMERICAN STUDIES

Internationally recognized for their research, our professors are committed to fostering a dynamic learning environment in which students work together to better understand the culture, politics and history of the United States and its role in the world. GW's close ties with the Smithsonian Institution, the National Park Service and other government agencies and museums allow students the opportunity to intern and put knowledge into action.

Columbia College of Arts & Sciences

In the Columbian College of Arts & Sciences at the George Washington University, critical thinking is endemic, collaboration is constant and real-world training goes hand-in-hand with learning. You'll have unparalleled access to distinctive learning environments such as the Folger Shakespeare Library, Smithsonian Institutes, National Archives, Library of Congress and the Mount Vernon Estate and Gardens.

A few GW alumni you might have heard of: Warren Brown, Food Network host and owner of Cake Love; Arnold "Red" Auerbach, former coach, general manager and president of the Boston Celtics; Eric Cantor, U.S. Representative, Virginia; Colin Powell, former U.S. Secretary of State; Chuck Todd, Host of "Meet the Press."

KNOWLEDGE In Action

Internships enrich a GW education while also opening doors for full-time employment after graduation. Our students have recently interned for 60 Minutes, the American Red Cross, Booz Allen Hamilton, the Discovery Channel, the EPA, FEMA, Invisible Children, the Library of Congress, NASA, the National Institutes of Health, the Daily Show and the White House.

Learn Beyond THE CLASSROOM

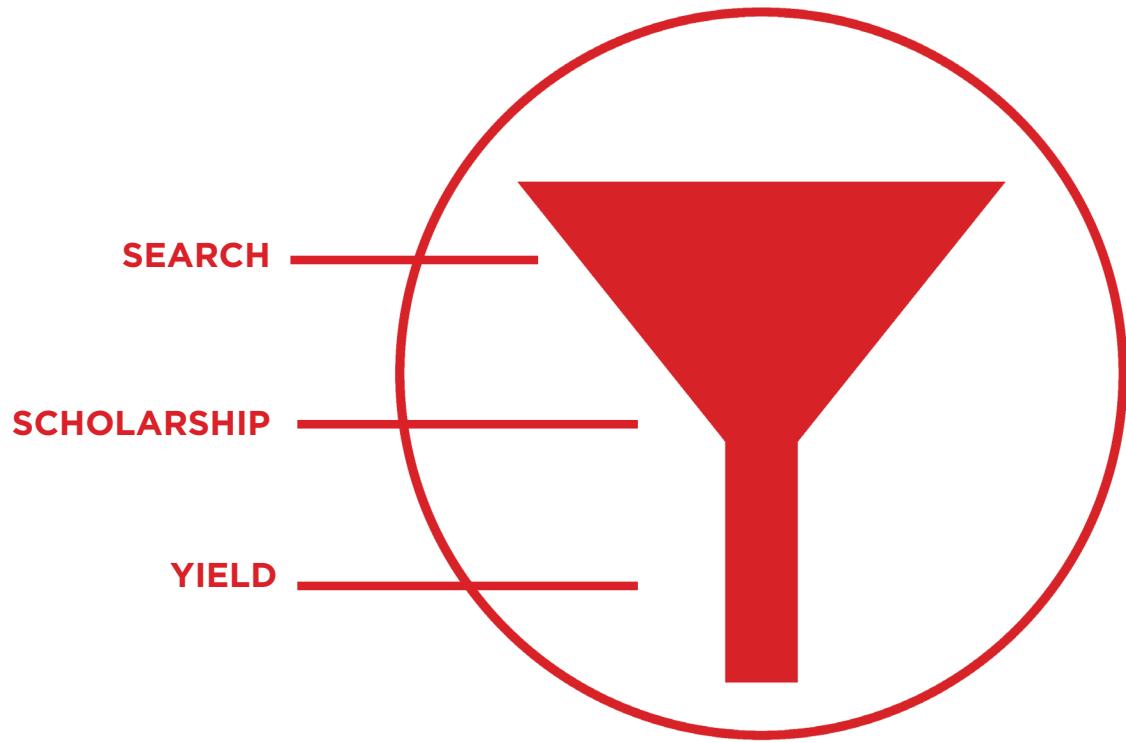
We offer 45 academic service-learning courses that integrate service into GW's teaching and research. These classes are great opportunities for students to give their time and talent while also gaining professional experience and connecting with non-profits and public agencies in the D.C. area.

A photograph showing a group of students walking across a grassy field, likely on a college campus.

Our approach involves marrying the technologies and tactics described in the previous two pages to three different types of campaigns.

As we define it, a “campaign” is simply a concerted, focused effort at a given point in time to drive activity for a specific purpose.

We run three campaigns—Search, Scholarship, and Yield—described in the following pages.

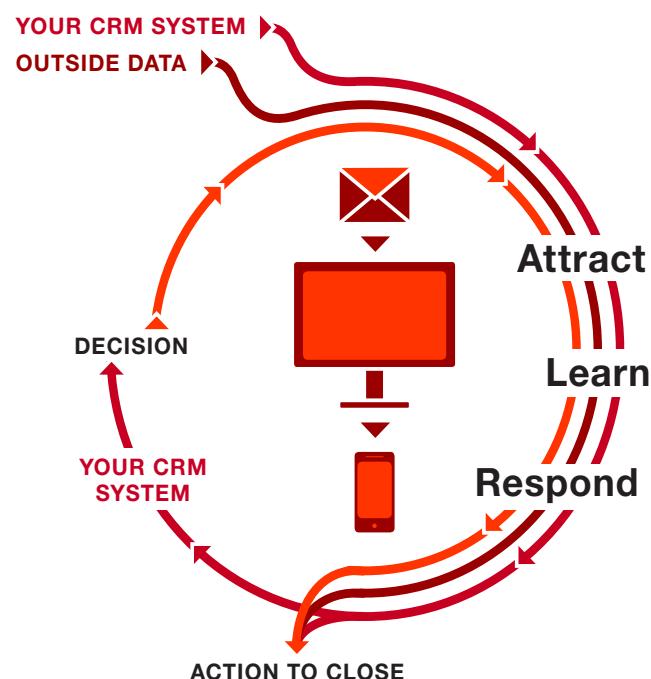


Search Campaign Objective

In a successful search campaign, you must have a process that **attracts, learns, and responds with relevant content to each student in each phase of the cycle**. Achieving higher yield and more deposits begins in search with the first touch.

Through multichannel marketing and personalization, we'll get more students interested in Florida Poly and speak directly to their needs/interests/concerns. Students prefer to respond and research online, so we'll build a personalized microsite that will:

- Provide easy access to pertinent information
- Serve as the landing point for email, mail, and digital ads
- Provide one central point for tracking results and delivering smart, relevant responses to prospective students



Target Audiences

The primary audience will be high school sophomores, juniors, and seniors. **The search campaign for students will run constantly, meaning that when a student with the right profile becomes available, we add them to our campaigns—regardless of whether they are a sophomore, junior, or senior.** We'll continually add new names and be prompt with our outreach. Messaging will vary according to segments and key groups and will change from wave to wave of outreach.

Campaign Infrastructure

We'll use hyper-personalized microsites to operationalize your brand, content, and voice to connect to students and spark a true two-way conversation.

We'll use personalized email, some print, and digital ads to drive students to these microsites. We'll leverage relevant information from the test data we buy, along with our proven direct marketing approach, to get students to respond.

On the microsite, we'll ask direct questions and provide trackable links to learn about each student's interests. When thinking about these direct questions, we ask ourselves, **“What do we wish we knew about this student?”** and then, **“If we knew this, what we would say to the student?”** This newly acquired data will determine the follow-up messaging, beginning with dynamic web pages built in real time that respond to what we just learned.

We provide all the right content, including video, quotations, stories, images, and links for continued exploration.

In addition to web content, we'll trigger follow-up emails and possibly deliver personalized follow-up print.

These data-driven, triggered follow-ups will respond to specific student actions, such as answering a direct question and/or clicking a button or link. So, a student who's interested in biology and the arts will receive very specific messaging around those areas of interests. Or, if a student hits an Apply button, we'll trigger an email two hours later from the counselor assigned to that student asking if they need help. The options are limitless, but the key is understanding the most suitable action. We will guide you.

3. Based on how they answer the questions, students receive the right video, the right outcome story, the right major and other content, and trackable links to more content on your site.

4. We include links to Visit and Apply prominently on the microsite. We also change links dependent on grad year.

5. We time additional email to fit your drip campaign.

6. We deliver a list of responders to you for personal follow up via phone/email/print.

The Microsite Experience For Search

The microsite is the key to providing relevant content. Learning what someone cares about before presenting specific content is superior to guessing what's important to them. We'll modify your existing content to build the microsite and incorporate the look and feel from your brand platform.

Here's a breakdown of how the experience typically goes:

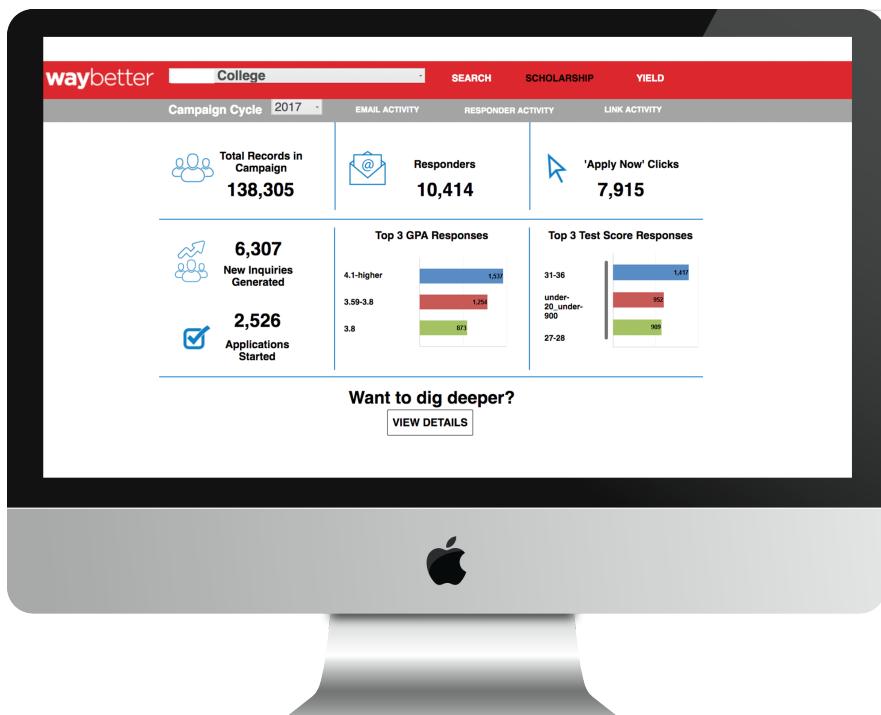
1. Students arrive at the microsite from a lead-generation activity. The microsite landing page is personalized based on what we know about each student—usually we segment students by intended major.

2. We provide an option to answer a few questions. This will help us gather more information on each student, such as:

- Confirm or change major of interest
- Non-academic interests, decision criteria, etc.
- Any other data you wish you knew

Post-Search Campaigns

After search, we also build and implement the following campaigns. The goal with each of these efforts is to drive activity at key points in the funnel: one at the point of application and one at the point of deposit.



The client-facing dashboard for the Scholarship campaign.

Scholarship/Affordability Campaign

We run extremely effective scholarship (merit aid) campaigns that **target students during the fall of their senior year, using merit aid as an offer to get them interested in applying**. We give them a merit aid estimate before they apply and are accepted. We include all non-responders to search and all Florida Poly inquiries who haven't applied.

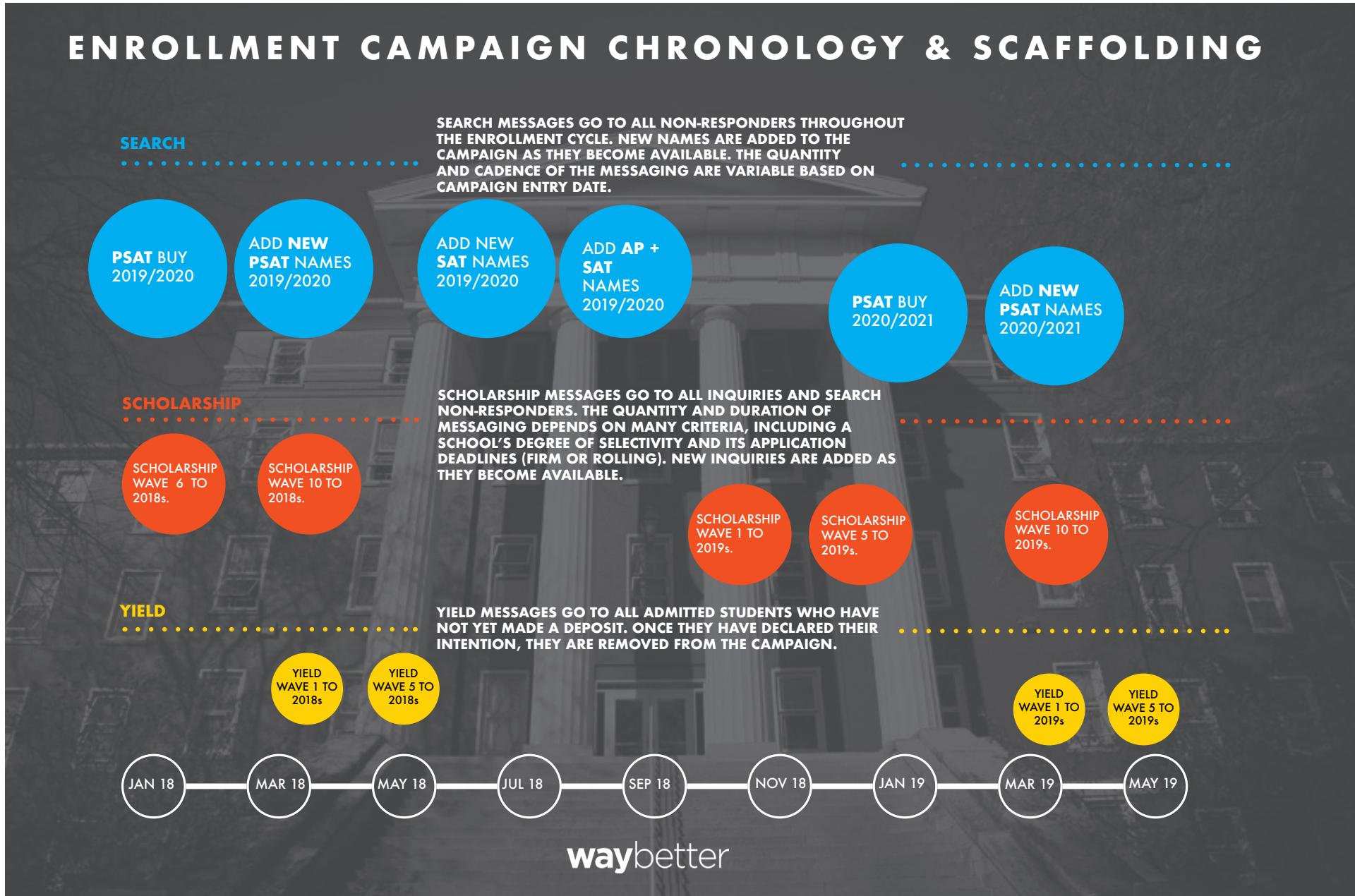
This campaign will give Florida Poly a new way to draw in more responders and applicants.

Inside the campaign we make the connection between assigned counselor and student, and trigger follow-up messages that appear to come from the counselor. We can deliver daily or weekly student activity reports to your counselors for follow-up.

Yield Campaign

Understanding who's coming, who's not coming, and—most importantly—who is still a “maybe” is crucial to aligning your resources late in the enrollment process. To accomplish this goal, we run yield campaigns for our partners. By identifying the “fence sitters,” we can focus our efforts on converting these accepted students to deposit. As with the scholarship campaign, we make the connection between assigned counselor and student and trigger follow-up messages that appear to come directly from the counselor. We can deliver daily or weekly student activity reports to your counselors for follow-up.

That was a mouthful. Here's what it all looks like when all three campaigns are in action...



Efforts Across Channels

While much of our approach is web and email based, we've also learned that reaching students through multiple additional channels enhances our ability to get them to pay attention and take action.

To that end, we incorporate print, digital ads, and text messaging throughout our efforts. We use print as a lead-generating activity in both our search and scholarship campaigns, and as a follow-up during search.



Dynamic, Personalized Lead-generation Print

This is a highly personalized, trackable print piece (postcard) that speaks to an individual student's known interest and drives them to the microsite.

These are sent during search and scholarship campaigns.

Dynamic, Personalized Print Follow Up

The best use of print is a personalized, relevant follow up. When a student pays attention to Florida Poly, we need to respond in an immediate and relevant matter. We like to deliver a self-mailer to search responders using a template with multiple versions of content to respond to an individual.

This four-page piece is filled with content that is specific to what we just learned about that individual.

A student interested in marketing, internships, and student life will see an entirely different printed piece than a student interested in engineering, working with faculty, and athletics.

Digital Ad Targeting & Retargeting

We deliver ads to students across our campaigns.

We can do this proactively (via targeting your purchased lists) or reactively (using our microsites to retarget ads to students who've visited them).

We like to segment these ads based on data we know about the individuals to whom they are being served.

We can use these ads to push for next steps, like visit, apply, and learn more.



A digital advertisement for Lebanon Valley College. It features a photo of four students walking outdoors. Below the photo, the text reads: "Come see for yourself. **DAY AT THE VALLEY.**" followed by a bulleted list: "• Tour campus", "• Meet current students", and "• Sit in on classes". At the bottom, a red button says "April 6 / REGISTER TODAY" and the college name "Lebanon Valley College" is displayed.

HUSSON
UNIVERSITY

"A Top-10 College in the
U.S. for Internships"

—
U.S. News and World Report



Included Services

The following services are integral to the way we structure and execute campaigns. They are never billed separately. They are simply part of the work we do to ensure our clients' success.

Strategic development and consulting

These services are based on our best practices learned from the millions of students currently running in our campaigns, and on the real results we monitor on a daily basis. We bring to the table a vast understanding of best practices for data-driven direct marketing and enrollment management. We live at the intersection where marketing knowledge meets enrollment knowledge—this is our secret sauce. Our consulting is available throughout the life of the contract, and unlimited access is given to our clients. That means if you have a problem or a random question we are a phone call/email/text away.

Data: List Buys

The number one factor in the success of a direct marketing campaign is data. Buying the right lists, at the right times, and only buying what you need to succeed, is something we help our clients accomplish. The truth is, sometimes this process is straightforward, and sometimes it's complicated. It depends on what has been done in the past and who has been managing the process.

Our approach is to guide the process and work closely with our clients to educate them and to use their university knowledge to deliver our best chance for success. After a few years we want our clients to feel empowered and knowledgeable in the process of one of the most important aspects of driving deposits.

Web development/hosting/tracking

This includes development and programming of online elements, programming of all logic, web experience hosting, and personalized URL generation and hosting. It also includes all data preparation, reporting, tracking, and lead delivery. It includes multiple data drops and managing of message flow for each group separately. Finally, it includes all our in-person visits, travel, phone calls, and strategy sessions.

Email delivery

This includes all content generation, email template creation, and delivery of email. Search campaigns will have at least ten waves of email. Emails will be built and managed to optimize delivery.

Copy and Design

We write and design all microsites, emails, and printed pieces. This will be based on our best practices and will use your existing brand platform (look and feel, voice, etc.). All copy will be prepared for your final review. Final design is at your discretion as well.

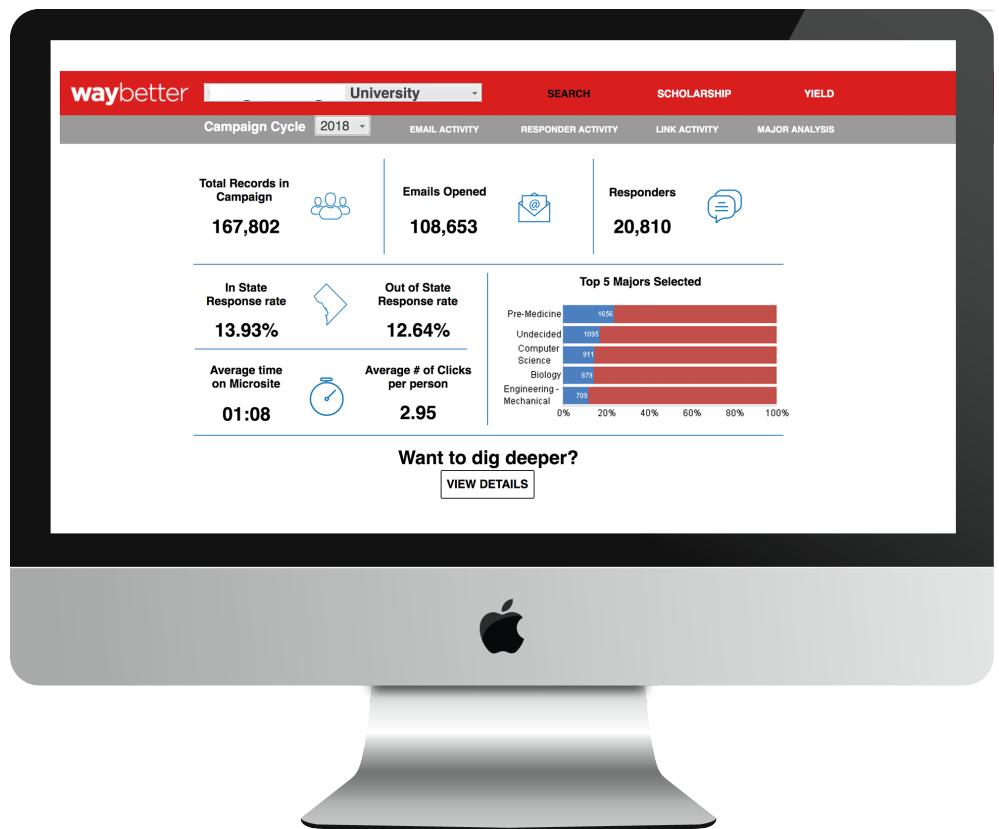
Dashboard and Reporting

All of our campaigns (search, scholarship, and yield) come with an easy-to-use dashboard with 24/7 access to the data that matters most to your enrollment efforts, including comprehensive stats on:

- responder activity, open and clickthrough rates, and drill-down analysis by state, gender, major, etc.
- campaign-driven applicant activity
- up-to-the-minute yield info about who's coming, who isn't, and who's still undecided

While we give this dashboard to our clients, we don't expect you to run your own reports or retrieve your own data. We'll deliver the reporting to you in a format and time frame that makes sense for you. This reporting can range from a full campaign summary sent weekly to individual lead reports sent to pre-assigned counselors every time a student hits the microsite.

We'll review results at every touch point and make adjustments on the fly. This isn't "set it and forget it"—we have valuable opportunities to react in real time to campaign and activity data. This strategy allows us to be nimble and aggressive.



The client-facing dashboard for the Search campaign.

“It can be truly exhausting to manage contractors, so it’s a relief to be able to say that **I feel like Waybetter manages me.** They make sure I do everything I need to do in order to compete in this market.”

Janelle Holmboe
VP of Enrollment
Warren Wilson College

Financial Proposal

Cost For Enrollment Marketing & Consulting Services

We are assuming roughly 300,000 students will be added to our campaigns.

Our price includes all of the following for our year round search.

Strategic development and consulting for all campaigns

Based on our best practices learned from the millions of students currently running in our campaigns. We are available to you 24/7/365 via text, phone, and email.

List purchase and management services

This includes everything: list buys and profile-building services and any other services Florida Poly needs.

Web development/hosting/tracking for all campaigns

This price includes all development and programming of online elements and microsites, programming of all logic, web experience hosting, and personalized URL generation and hosting. It also includes all data preparation, reporting, tracking, and lead delivery. It includes multiple data drops and managing of message flow for each group separately.

Each email delivery for all campaigns

This includes all content generation, email template creation, and delivery of email. Every student from a bought list in the search campaigns will receive personalized emails encouraging them to become an inquiry.

Search campaigns will simultaneously target multiple entry terms and have at least 12 waves of personalized emails per targeted entry term. Emails will be built and managed to optimize delivery.

Copy and design for all campaigns

All copy will be prepared for your final review. Final design is at your discretion as well.

Rules-based, triggered follow-up for all campaigns

This price includes all rules-based follow up. From multiple triggered emails to a prospect to an automated lead report delivered to multiple sources.

Mail design, copy, and logistics management

- One postcard will be sent during Search.
- One 4-page fulfillment booklet will be sent during Search.

Note that the cost per piece will fluctuate based on volume.

Ad Targeting and Retargeting

The price for this includes all production and management of the ads.

A budget will be TBD based on the number of impressions.

This cost also includes all our in-person visits, travel, phone calls, and strategy sessions required to generate all web environments. This is everything—no surprises.

COST FOR SEARCH EFFORTS (3-YEAR CONTRACT-Invoice Schedule):

1-31-2019	\$63,000
6-30-2019	\$63,000
1-31-2020	\$63,000
6-30-2020	\$63,000
1-31-2021	\$63,000
6-30-2021	\$63,000

Thank you for reading.

If you have questions, please let me know:

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“Waybetter took on work we simply couldn’t do in house. Over the last three years, they’ve really become an extension of our team, to the point where our success feels like a big collective high-five with them. **We’ve grown every semester since partnering with Waybetter—our course enrollments are up 17%, and net revenue is up 41%.**”

Kelly Leslie

*Director of Marketing
Harvard University
Division of Continuing Education*

FLORIDA POLYTECHNIC UNIVERSITY

ACTIVE CONTRACTS IN EXCESS OF \$200,000

JANUARY 2019

Vendor	Contract Type	Start Date	End Date	Original Amt	Spend
Ardaman & Associates Inc	Leaching Study - Water - Deep Injection Well	10/25/2016	no cost extension	\$234,839	\$78,000
Boring Business Systems, Inc.	Copier/Printer Service (Services/Lease)	6/19/2018	6/30/2023	\$315,630	\$27,140
Bright House Networks LLC	High Speed Communications Service	10/28/2013	10/27/2023	\$1,444,400	\$475,109
Clark Nikdel Inc.	Creative Services	7/1/2018	6/30/2023	\$1,500,000	\$222,524
Clarke Environmental Mosquito Management Inc.	Mosquito Control Services	7/1/2016	6/30/2021	\$222,915	\$104,027
Creative Enterprise Solutions LLC	University Ticketing System	1/13/2017	1/31/2020	\$237,143	\$178,307
Elliance, Inc.	Creative Services	3/19/2018	3/18/2023	\$375,000	\$0
Global University Systems (GUS)	International Student Recruitment (5 year)	12/6/2018	12/5/2023	\$3,047,682	\$0
Hellmuth Obata and Kassabaum Inc	HOK - Applied Research Center	10/1/2017	5/30/2022	\$2,762,795	\$811,646
Indie Atlantic LLC	Creative Services	7/1/2018	6/30/2023	\$375,000	\$35,000
International Business Machines Corporation	IBM Implementation Services - Workday Student	5/15/2017	12/31/2019	\$2,584,494	\$664,541
Lakeland Regional Medical Center	Student Health Care Services	8/20/2014	8/20/2019	\$275,000	\$248,803
Liberty Lawn Care LLC	Grounds Maintenance	1/28/2016	1/26/2020	\$2,317,965	\$1,376,379
MG McGrath, Inc.	Pergola Repair	4/23/2018	until work completed	\$264,855	\$264,855
Potthast Studios, Inc.	Creative Services	4/24/2018	4/23/2020	\$375,000	\$11,433
Presidio Networked Solutions Inc	Cisco SmartNet; Network equipment repair and maintenance	12/15/2017	6/30/2019	\$274,633	\$274,633
SalesForce	Customer Relationship Management Software	10/1/2016	6/30/2019	\$338,131	\$247,815
Skanska USA Building Inc	Construction Manager for ARC Building/Preconstruction	7/1/2018	until work completed	\$310,000	\$32,000
S3Media Group	Creative Services	3/20/2018	3/19/2020	\$375,000	\$0
Safari Micro	VMWare (Software/Hardware/Implementation)	7/16/2018	7/15/2021	\$376,752	\$0
Super Transportation of Florida LLC	TransDev Services Inc - Student Transportation Services	8/12/2016	7/31/2019	\$418,022	\$329,444
Tinsley Creative	Creative Services	3/15/2018	3/14/2020	\$375,000	\$3,194
Tucker Hall Inc	Creative Services	6/5/2014	6/4/2019	as budget allows	\$234,803
WFF Facility Services	Custodial Services	1/25/2016	1/24/2019	\$839,440	\$665,326
WFF Facility Services	Custodial Services	1/1/2019	2/15/2022	\$920,243	\$0
Workday Inc	Workday Student (Subscription & Delivery Assurance)	7/29/2016	7/28/2021	\$1,371,867	\$566,056
Workday Inc	Workday HCM & Finance (Subscription & Delivery Assurance (Renewal)	4/30/2015	4/29/2021	\$2,132,537	\$1,462,561

NOTES

1. "As budget allows" 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