

**FLORIDA POLYTECHNIC UNIVERSITY
FINANCE AND FACILITIES COMMITTEE MEETING**

Florida Polytechnic University

Admissions Center

4700 Research Way

Lakeland, FL 33805

September 7, 2016 @ 10:00 a.m.

I. Call to Order

Chair Bob Stork called the Finance and Facilities Committee meeting to order at 10:06 a.m.

II. Roll Call

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

Other trustees present: Chair Frank Martin, Trustee Philip Dur, Trustee Richard Hallion, and Trustee Veronica Perez-Herrera were present.

Staff present: President Randy Avent, Kevin Aspegren, Gina DeIulio, Crystal Lauderdale, Maggie Mariucci, Rick Maxey, Dr. Kathryn Miller, Mark Mroczkowski, Dr. Elhami Nasr, Dr. Terry Parker, Scott Rhodes and Dr. Steve Warner 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 and Facilities Committee meeting minutes of June 1, 2016. Trustee Christina Drake seconded the motion; a vote was taken, and the motion passed unanimously.

V. University Financial Results, Budget Comparison and Three-Year Financial Trends – 2014-15 through 2016-17

Mark Mroczkowski, Vice President and CFO, presented a budget overview and comparison for 2014-15 through 2016-17.

Mark stated the figures (Pg. 13 in materials) represent the following:

- Column A – Budget
- Column B – Actual
- Column C – Variance
- Column D – Monthly Usage

Mark reported the University's current net position (equity) is ~\$190M.

Trustee Sandra Featherman asked if Florida Poly will have to dig deeper into its reserves in the future. Mark Mroczkowski indicated this is a possibility, partially dependent upon funds received from the Legislature.

Dr. Avent stated there are some one-time projects that will occur during the current fiscal year which could pull on the reserve. However, the University will attempt to convert some current non-recurring state funds to recurring to offset this.

Dr. Avent reported that each year Florida Poly is getting better at predicting its revenue and expenses.

VI. Carry Forward Update

Mark Mroczkowski presented an update of the University's carry forward funds by year since 2012-13. Mark reported the projected carry forward balance is ~\$5.6M.

VII. Transition From UF Shared Services Update

Mark Mroczkowski reported a 7.5% reduction in administrative allocation by support task activity.

Mark stated the implementation of the Workday ERP system to date is 91% complete. The University has used 90% of the allocated consultant hours and 89% of the implementation budget.

Mark reported 1,271 business processes have been implemented, including the integration of over 30 other systems. Mark stated there has been only one "hiccup" which was rectified in 2-3 days.

Mark stated all changes will have occurred and processes will be frozen by September 9, 2016. The following three weeks will then be used for populating data and validation with a Go Live date of October 3, 2016.

Trustee Bob Stork commented on the University being behind in user acceptance testing. Mark stated changes can still be made after Go-Live and that the consultants are being kept for 30 days following Go-Live to address issues that may arise.

Trustee Henry McCance asked if other SUS universities use Workday. Mark stated Florida Atlantic University uses Workday as well as three other smaller in-state colleges.

Trustee Cliff Otto asked if there will be a redundancy period relative to testing. Mark stated there will not as all testing will have already been completed.

Chair Frank Martin asked if the other state universities using Workday have the same number of modules as Florida Poly (9 modules). Mark stated some have a few more, but all are relatively comparable.

Mark reported the responses related to the competitive solicitation for implementation services for the Student Information System (SIS) portion of Workday are due by September 23, 2016 and the University hopes to begin implementation of the SIS by January 1, 2017.

VIII. English Language School

Gina DeJulio, Vice President and General Counsel, reported Florida Poly issued an ITN for English Language School services. ELS asked the University to consider allowing them to build a school on the main campus. Administration determined that allowing ELS to build on campus is not the route to be taken at this time. Therefore, negotiations will continue with ELS only for the necessary services. It was noted the building of the ELS on campus may be addressed again at a later date.

President Avent stated the University wants to work with the ELS prior to committing to the building of a structure on campus.

IX. Development and University Foundation Update

Vice President of Advancement, Kevin Aspegren, and Foundation Chair, Loretta Sanders, provided a Development and Foundation update.

Kevin Aspegren introduced himself to the Board and stated he looks forward to working with the trustees.

Kevin stated over the last five weeks he has been taking an assessment of the Advancement organization, meeting the members of the Foundation Board, and developing a going-forward strategy. Kevin stated the past four weeks have been spent working on people process technology and finding new resources to help Advancement develop prospects and find opportunities and research, as well as administration relating to technology.

Kevin mentioned that the FTE state mandate required a significant amount of fund raising for scholarships, and the Foundation is very close in achieving the original commitment. Kevin stated in future years the Foundation's projected and actual expenses will be much closer.

To date, the gifts from donors have primarily been cash. However, the Foundation is just beginning the process of accepting securities, real estate, trusts, and estate planning. Kevin commended the Foundation Board for raising the necessary scholarship dollars.

President Avent stated the state mandate of 1244 FTE by December 2016 was extremely tough to accomplish without accreditation. In order to achieve that number, the Foundation had to take on the task of raising scholarships for students. President Avent stated without the Foundation taking on that burden, the state mandate many not have been reached.

President Avent also thanked Cindy Alexander and Loretta Sanders for their hard work in not only raising the necessary scholarship funds, but also putting the right structure around the Foundation.

President Avent mentioned the current year is the most demanding in terms of scholarships due to the number of cohorts. Next year, the scholarship funding demand will begin to decrease.

Kevin Aspegren stated the Foundation will begin to transition away from scholarships and begin to build opportunities for endowments.

Trustee Sandra Featherman asked how scholarships will be awarded in the future because without scholarships the University may not be competitive. President Avent stated Scott Rhodes, Vice

Provost of Enrollment, has several ideas; however, they have not been brought to the Foundation Board for approval to date.

Trustee Bob Stork welcomed Kevin to the Foundation and thanked the Foundation Board for everything they have done to date to raise funds for student scholarships.

Kevin Aspegren stated most of the strategic priorities are on track.

Kevin mentioned work will be done to cultivate and create an Alumni Association. Florida Poly's first graduates will graduate in January 2017 and it is critical to demonstrate a path to future engagement with them. This engagement with graduates not only involves giving money to the University, but also supporting the University by returning to speak at events, etc.

Kevin stated the engagement of parents is also important. The University's first Family Weekend is scheduled for October 14-16, 2016.

Kevin reported most of the funds raised thus far have been largely from Polk County. The new vision is to reach out to the I-4 Corridor; Orlando to Tampa. Much more outreach, development activities, and marketing/communications will be taking place in this area.

Kevin also mentioned a great deal of work needs to be done in the area of naming opportunities.

Kevin stated work has begun to develop a comprehensive campaign. This will include:

- Hiring additional resources
- Expanding technology
- Building naming opportunities
- Expanding fundraising scope (geography)
- Major gifts – new events
- Working toward a capital campaign

Trustee Veronica Perez-Herrera asked if students will be provided sufficient notice when conducting major events on campus in order to have adequate time to find places to study, etc. President Avent stated students will definitely receive advance notification when such events are held.

Kevin stated the following events will take place:

- PIVOT – February 4, 2017
- Women in STEM – March 14, 2017

Discussions are also taking place regarding Founder's Day activities. Also, many activities centering on anniversaries (Founder's Day, 5th year anniversary, 10th year anniversary, etc.) are being discussed.

Chair Frank Martin inquired if an Industry Partnership Day is being planned. Kevin stated an abbreviated Industry Day, focused on entrepreneurship and innovation, will be held September 30, 2016. President Avent mentioned Scott Moody, formerly of Harris Corporation, will be the guest speaker at this event. President Avent also stated the University is looking at modifying the Industry Partnership Day and possibly including opportunities where companies can conduct onsite student interviews. Chair Martin mentioned it appears many of the events are scheduled for the spring of 2017 and that the University might want to space them out. Kevin Aspegren

stated each event will have a different look and feel and therefore, attract different audiences. Kevin also stressed the importance of spreading the University's message to other areas (i.e. Tampa and Orlando).

Kevin reported the Foundation is researching donor software systems in an effort to move away from paper and Excel spreadsheets in order to have all lead, prospect, and donor information in one location. This will also allow for donor tracking. Donor prospect tools are also being evaluated which will allow Foundation the ability to find out more detailed information about potential donors. Such a system does not involve a large implementation, such as Workday, and requires very little setup.

Kevin mentioned the Global recognition received by the Innovation, Science and Technology (IST) building and the many naming opportunities available in the IST building and throughout the campus. Additionally, the University is looking at building an Applied Research Center and a Student Achievement Center which allow for additional naming opportunities both inside and out of the buildings.

Kevin reported the Foundation is also looking at prizes and awards for faculty (i.e. Research Scholar Award, etc.). There are also endowed Chair opportunities. All of these opportunities will be part of the comprehensive giving campaign.

Trustee Philip Dur asked if the Foundation anticipates having named scholarship funds. Kevin stated there are already several named scholarships in place and this type of giving opportunity will continue as much as possible.

Loretta Sanders, Foundation Board Chair, addressed the Board regarding the history of the Foundation. Chair Sanders stated the Foundation was incorporated as a direct support organization in March 2013. At inception, the Foundation consisted of three directors. The initial charge was to raise money for scholarships. At the same time, a governance model was set up to allow the Foundation to function and operate as an organization.

Chair Sanders stated the Foundation was not only covering student scholarships, but also certain designated salaries, advocacy contracts, and food and beverage which go beyond the scope of state funds.

Chair Sanders reported the Foundation's governance model is aligned with that of Florida Poly and the Bylaws are in compliance with IRS regulations.

Chair Sanders stated part of the Foundation's initial policies were triage; however, now an entire policy manual is being developed which includes the mission and vision of the Foundation in alignment with the University. Chair Sanders stated the Foundation has a fiduciary responsibility to protect its' donors. The policies now being developed will provide a full complement of accepting gifts. The most comprehensive policy, to date, is the Investment Policy, which is being vetted through the Governance Committee, Finance and Investment Committee, and General Counsel.

Chair Sanders outlined a few of the upcoming University events of which the Foundation is overseeing: PIVOT, Women in STEM, and STEM Talks.

Chair Sanders invited the Board members to submit recommendations for future Foundation Board of Directors members to herself or Kevin Aspegren.

Chair Sanders stated the current Foundation governance structure consists of the following:

- Executive Committee
- Nominations Committee
- Policy and Governance Committee
- Development Committee
- Finance and Investment Committee
- Audit Committee

A. 2016-2017 Florida Polytechnic University Foundation Budget

Chair Sanders presented the Foundation's 2016-2017 Operating Budget to the Board for review and approval.

Trustee Sandra Featherman made of motion to approve the 2016-2017 Florida Polytechnic University Foundation Budget. Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

B. Naming Opportunity

Gina DeJulio, General Counsel, read Trustee Cliff Otto's Form 8A Disclosure of State Officer's Interest. Trustee Otto is CEO of Saddle Creek Logistics and the committee is voting to approve the naming of the Innovation, Science and Technology Building Commons as the Saddle Creek Logistics Commons in recognition of its substantial contributions (Form 8A is attached to these minutes). Chair Sanders noted all Florida Polytechnic University and Foundation policies related to the naming have been appropriately followed.

Trustee Sandra Featherman made of motion to approve the naming of the Commons in the Innovation, Science, and Technology building as the "Saddle Creek Logistics Commons". Trustee Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously. (Trustee Otto abstained from voting).

Chair Frank Martin thanked Cliff Otto for his very generous gift to the University and to Chair Loretta Sanders, Cindy Alexander and Cliff Otto for their service.

X. Facilities Update

David Calhoun, Director of Campus Development and Facilities, provided a Facilities Update for the Board. The status of projects was reported as follows:

A. Project Updates

- Cooling Tower – Complete
- Parking Lot 5 – Complete

- Wellness Center Expansion – Complete
- Wellness Phase II
 - Proceeding with construction documents
 - Soliciting bids for sub-contractors
 - Design successfully released
 - David Calhoun stated the release of the design for the new Wellness Center was reported by Marketing and Communications to have been “liked”, “wowed” and “loved” on Facebook over 400 times.
 - Wellness Phase II will be brought online summer 2017.
- Recreation Field and Courts – Complete
- Applied Research Center – Developing a RFQ for design services which will go out Fall 2016

Campus Design Standards

David Calhoun stated the draft standards are complete. There are 31 construction divisions, each with design standards. Adoption of these standards is anticipated by spring 2017.

David also reported the Professional Service Guides are complete. These are basically instructions for the construction managers and design professionals on how to operate while on campus. These Guides were adopted and published in September 2016. David also mentioned there was a significant cost savings to the University due to the implementation of these processes and procedures.

B. Campus Maintenance

David Calhoun mentioned in August 2015 the University adopted plans, scopes, schedules and specifications for how vendors are to provide services. David also presented baseline plans, scopes, schedules and specifications for the FY 2016-17.

Trustee Philip Dur asked if prevention for Zika-carrying mosquitos is being considered. David stated the University has a 3-year mosquito control contract and prevention treatments are on a specific schedule with approximately 52 treatments per year. Trustee Sandra Featherman asked if tests for Zika have been conducted. David stated specific tests for Zika have not been done. Trustee Dur suggested considering a process that leaves mosquitos barren. President Avent stated bat houses have also been put up as well as stocking the ponds with fish which have helped decrease the mosquito population greatly.

Trustee Sandra Featherman asked if anything is being done proactively regarding the alligators in the campus ponds. David stated the current campus signage for alligators has been reviewed and enhanced. Additionally, the University has contacted Florida Fish and Wildlife and have learned there are certain size parameters for alligators which would indicate whether an alligator is a nuisance. None of the alligators currently on campus fall within those parameters.

Trustee Sandra Featherman asked if there is communication to incoming students regarding there being alligators in the campus ponds. David Calhoun stated Dr. Steve Warner will be contacted regarding this. Gina DeJulio, General Counsel, stated a statement is included in the Student Handbook. David stated there is signage at each causeway regarding alligators and snakes, etc.

C. Campus Operations

David Calhoun reported the University has begun tracking its energy consumption. There has been a 3% increase in energy consumption from FY 14/15. This is primarily due to student/faculty/staff growth and a warmer winter in FY 2015/16. David reported an increase in consumption is expected for FY 2016/17 which is also due to an increase in the student/faculty/staff population.

David stated building automation system upgrades have been completed to enhance the ability to track energy consumption and provide remote monitoring capabilities.

Trustee Don Wilson asked if the graph provided reflects all the University's energy consumption and costs for one month. David confirmed the information represents one month for all buildings on the entire campus.

With no further business to discuss, the Finance and Facilities Committee meeting adjourned at 11:28 a.m.