



FLORIDA POLYTECHNIC
UNIVERSITY

Executive Committee Meeting

Wednesday, June 26, 2019

4:00 pm – 4:30 pm

TELE-CONFERENCE MEETING

Dial In Number: 415-655-0001 | Access Code: 647 876 053#

Don Wilson, Chair
Gary C. Wendt
Frank Martin

Cliff Otto, Vice Chair
Rear Admiral Philip Dur
Randy K. Avent, President (*ex officio, non-voting*)

Mark Bostick
Dr. Richard Hallion

- | | |
|---|--------------------------|
| I. Call to Order | Don Wilson, Chair |
| II. Roll Call | Kris Wharton |
| III. Public Comment | Don Wilson, Chair |
| IV. Approval of May 1, 2019 Minutes
Action Required | Don Wilson, Chair |
| V. President's Remarks | President Randy K. Avent |
| VI. Foundation Scholarship Program
Action Required | Mark Mroczkowski |
| VII. Amendment to the 2019-2020 Operating Budget
Action Required | Mark Mroczkowski |
| VIII. Closing Remarks and Adjournment | Don Wilson, Chair |

Florida Polytechnic University
Board of Trustees

Executive Committee Meeting

DRAFT MEETING MINUTES

**Wednesday, May 1, 2019
3:00 pm – 3:10 pm**

TELE-CONFERENCE MEETING

I. Call to Order

Chair Don Wilson called the Executive Committee meeting to order at 3:00 p.m.

II. Roll Call

Kris Wharton called the roll: Chair Don Wilson (in person), Vice Chair Cliff Otto, Trustee Philip Dur, Trustee Frank Martin, Trustee Dick Hallion, and Trustee Gary Wendt attended by conference call (Quorum).

Other trustees present: Trustee Bob Stork, Trustee Henry McCance by conference call.

Staff present: President Randy Avent, Mr. Mark Mroczkowski, Ms. Gina Delulio, Mr. Rick Maxey, Mrs. Kris Wharton, Mr. David Calhoun, and Mr. David O'Brien were present.

III. Public Comment

There were no requests for public comment.

IV. Approval of Skanska Building, USA Contract

Mr. Mark Mroczkowski stated the University has finished negotiating the contract with Skanska Building, USA, who will repair/replace the pergolas on the IST building that were damaged during Hurricane Irma. The total cost for this project is \$9.6M with \$8.2M covered by the state insurance fund. The University is attempting to recoup the remaining \$1.4M from FEMA.

David O'Brien, Director of Procurement, stated the contract is based on a sole source given the unique design and fabrication of the pergolas. Skanska was the construction manager for the IST building and the University does not want to compromise quality for this repair. David Calhoun stated the project will run concurrently with the construction of the Applied Research Center (ARC), with a target start date this fall. Running these two projects concurrently reduces the footprint of construction activity and has less of an impact on day to day operations.

Vice Chair Cliff Otto inquired when an answer from FEMA is expected. Mr. Mroczkowski stated he is unsure but it could be a long time.

Trustee Phil Dur and Trustee Dick Hallion agreed the Board should be mindful of the architectural details of buildings brought to them for approval so this kind of damage to buildings is minimized in a weather event. Mr. Calhoun stated the new pergolas' wind capacity will be increased to withstand up to 145mph winds. He further confirmed the Skanska contract is for one year with a projected seven month schedule for completion.

Trustee Frank Martin made a motion to approve the Skanska Building, USA contract to repair/replace the pergolas on the IST building. Trustee Dick Hallion seconded the motion; a vote was taken, and the motion passed unanimously.

President Randy Avent provided a legislative budget update. The SUS will sustain a \$37M cut to the budget, with an approximate \$800k cut to Florida Poly's base budget of recurring funds. Non-recurring funds of \$500k for the Advanced Mobility Institute (AMI) and \$500k for improvement of the graduate program were approved. The \$7M in PECO funds previously given to Florida Poly for the building of the ARC remains intact, however no new PECO funds were allotted to the University. Trustee Henry McCance inquired as to which universities received PECO funding. President Avent stated only the university at the top of the Board of Governors' list received funding and three or four other projects not on the list received significant funding. Chair Wilson stated the Board needs to discuss a contingency plan in the event the University does not receive PECO funds next year to complete the ARC.

V. Closing Remarks and Adjournment

With no further comments, the meeting adjourned at 3:25 p.m.

**Florida Polytechnic University
Executive Committee
Board of Trustees
June 26, 2019**

Subject: Foundation Scholarship Program

Proposed Committee Action

Recommend approval of the use of unrestricted University resources to forgive Foundation scholarship pledges.

Background Information

Refer to President's memo to the Board of Governors.

Supporting Documentation: President's Memo to the Board of Governors

Prepared by: Mark Mroczkowski, Vice President and CFO



June 25, 2019

Marshall M. Criser III, Chancellor
State University System of Florida
325 W. Gaines Street
Tallahassee, FL 32399

Dear Chancellor Criser,

Pursuant to our discussion last week, Florida Polytechnic University (University) is considering the forgiveness of outstanding pledges made by the Florida Polytechnic University Foundation (Foundation). The primary reasons for this proposal is to better position the Foundation for fundraising going forward and to rectify certain matters that were construed as a “pledge” by the Foundation but were not formally acted upon as a “hard” commitment by the Foundation Board.

As you are aware, in the absence of accreditation and therefore not being able to offer Federal financial aid, the University was at a disadvantage in attracting students for the first few years of operations. As a result, the University relied heavily on waivers and scholarships in recruiting students during this period. The following information outlines the history, amounts involved, and impact to the University with respect to current Foundation pledges outstanding and the proposed solution:

- In the spring of 2015, the Foundation committed to fund scholarships for the upcoming 2015-16 fiscal year in the amount of \$2,383,991. Of that amount the Foundation paid for the fall semester in full and agreed to pay the balance for spring over a ten year period. The amount for Spring totaled \$1,300,000 and the Foundation has made the first two annual payments of \$130,000 each, which brings the remaining balance to \$1,040,000.
- In the spring of 2016, the Foundation committed to fund scholarships for the upcoming 2016-17 fiscal year in the amount of \$4,572,567. The Foundation loosely agreed to pay the balance for both fall and spring over a ten year period; however, the amount was recorded as a liability in the Foundation’s audited financial statements. The Foundation has made the first annual payment of \$457,256, which brings the balance to \$4,115,310.
- Collectively the two commitments above have an outstanding balance of \$5,155,310 as of May 31, 2019. No payments have been made this fiscal year. In addition, the Foundation loosely agreed to fund general scholarships totaling \$585,126 for fiscal year 2018-19; however, no payments have been made to date.
- As of June 30, 2018, the University had \$41,535,633 in unrestricted resources available as per our audited statements. As of May 31, 2019, the University had \$46,029,088 in unrestricted resources available per our unaudited statements. Therefore, it is being proposed that we leverage those unrestricted resources as allowed by law and accounting standards to offset the forgiveness of both pledges as well as the current year scholarship needs totaling \$5,740,436.

The Florida Polytechnic University Board of Trustees, Executive Committee, is holding a public meeting on June 26, 2019 to take formal action with respect to this proposal. Please do not hesitate to contact me should you have any questions.

Best,



Randy K. Avent, Ph.D.
President

cc:

Mark Mroczkowski, CFO - Florida Polytechnic University

Tim Jones, CFO - Florida Board of Governors

Don Wilson, Florida Polytechnic Board Chair

Alice Hunt, Florida Polytechnic Foundation Board Chair

Derek Horton, Controller – Florida Polytechnic University

David Blanton, Florida Polytechnic Chief Audit Executive

Julie Leftheris, Inspector General – Florida Board of Governors

**Florida Polytechnic University
Executive Committee
Board of Trustees
June 26, 2019**

Subject: Amendment to the 2019-2020 Operating Budget

Proposed Committee Action

Recommend approval of the amendment to the 2019-20 Operating Budget.

Background Information

The Governor signed SB 2500, which is the 2019-2020 fiscal year budget. The total amount is \$90.98 Billion after \$131 Million in vetoes. Included in the list of vetoes was \$500,000 for Florida Polytechnic University Graduate Program Growth (Senate Form 1172) (HB 2671).

Supporting Documentation: Amended 2019-2020 Operating Budget

Prepared by: Mark Mroczkowski, Vice President and CFO

Florida Polytechnic University				
		Operating Budget		
		BOT APPROVED	PROPOSED	REVISED
		2018-19	2019-20	2019-20
Receipts/Revenues				
Education & General				
	General Revenue (Vetoed \$500k)	37,180,747	37,347,306	36,847,306
	Lottery	290,790	363,360	363,360
	Student Tuition	2,659,113	2,054,602	2,054,602
	Phosphate Research	2,744,690	2,945,111	2,945,111
Contracts & Grants				
	Other US Grants	1,626,919	472,500	472,500
Auxiliaries				
	Sales of Goods/Services	4,643,672	5,019,143	5,019,143
	Concessions	21,000	35,000	35,000
Local Funds				
	Fees	1,181,222	952,803	952,803
Transfers				
	FIPR to General Revenue	200,421	200,421	200,421
	Financial Aid	7,000,000	10,000,000	10,000,000
	Other Unrestricted	27,650	250,000	250,000
Total Receipts/Revenues		57,576,224	59,640,246	59,140,246
Operating Expenditures				
Education & General				
	Salaries & Benefits (Vetoed \$500k)	26,475,028	29,488,731	28,988,731
	Other Personal Services	1,884,741	1,772,565	1,772,565
	Expenses	11,921,302	8,654,393	8,654,393
	Financial Aid	50,000	50,000	50,000
	Phosphate Research	2,945,111	2,945,111	2,945,111
Contracts & Grants				
	Expenses	1,654,569	472,500	472,500
Auxiliaries				
	Salaries & Benefits	836,982	998,752	998,752
	Other Personal Services	26,520	40,800	40,800
	Expenses	2,981,555	3,953,945	3,953,945
Local Funds				
	Salaries & Benefits	146,107	211,119	211,119
	Other Personal Services	149,760	100,000	100,000
	Expenses	1,083,000	702,330	702,330
Transfers				
	Financial Aid	7,000,000	10,000,000	10,000,000
	Other Unrestricted	27,650	250,000	250,000
Total Operating Expenditures		57,182,325	59,640,246	59,140,246
Non-Operating Expenditures				
	Fixed Capital Outlay	7,000,000	22,500,141	22,500,141
	Carry Forward (from Prior Period)	26,196,567	8,010,778	8,010,778
Total Non-Operating Expenditures		33,196,567	30,510,919	30,510,919
GRAND-TOTAL		90,378,892	90,151,165	89,651,165