



BOARD OF TRUSTEES
**Finance & Facilities
Committee Meeting**

BOT approved 11.15.2022

**Wednesday September 21, 2022
8:00 AM – 10:30 AM**

**Florida Polytechnic University
WEBEX TELECONFERENCE MEETING**

I. Call to Order

Committee Chair Beth Kigel called the Finance and Facilities Committee meeting to order at 8:00 AM.

II. Roll Call

Kim Abels called the roll: Committee Chair Beth Kigel, Committee Vice-Chair Bob Stork, Trustee Melia Rodriguez, Trustee Gary Wendt, and Trustee Mark Bostick were present.

Other Board Members present: Board Chair Cliff Otto

Staff present: President Randy Avent, Provost Terry Parker, Dr. Allen Bottorff, Kathy Bowman, Mike Dieckmann, Penney Farley, Andrea Cashell, David Blanton, David Calhoun, Larry Locke, Melaine Schmiz, Alex Landback, Maggie Mariucci, Gloria Nelson, Michelle Disson, Lydia Guzman, and Kristen Wharton.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Mark Bostick made a motion to approve the Finance and Facilities Committee meeting minutes of May 23, 2022. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

V. Finance and Facilities Committee Charter: 2022-2024

Committee Chair Kigel reviewed the new Finance and Facilities Committee Charter for 2022-2024. There was no discussion on this item.

Trustee Mark Bostick made a motion to recommend approval of the Finance and Facilities Committee Charter 2022-2024 to the Board of Trustees. Trustee Gary Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

VI. Finance & Facilities Committee Work Plan: 2022-2024

Committee Chair Kigel reviewed the new Finance and Facilities Committee Work Plan for 2022-2024. There was no discussion on this item.

Trustee Melia Rodriguez made a motion to approve the Finance and Facilities Committee Work Plan 2022-2024. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

VII. University Finance and Budget

A. University Annual Financial Report FY22 (unaudited)

Dr. Allen Bottorff, Vice President and Chief Financial Officer, presented the University's annual financial report for FYE22. He noted strong financial ratios (without the Applied Research Center) and that the total assets of \$190 million exceeded total liabilities of \$34 million resulting in a net position of \$156 million. This net gain is due to state appropriations and HEERF funding. Changes in the net position reflects rising energy costs, a decline in meal plans, and newly recognized leases under GASB 87.

B. FY23 University Carryforward Spending Plan and Fixed Capital Outlay Budget

Dr. Bottorff reminded trustees that carryforward funds are those education and general (E&G) funds appropriated by the Legislature each year that are not expended during the year received. For FYE22, the University projects a \$13.3M carryforward balance. The University has committed those funds for non-recurring University operations and construction. As a young campus, Florida Poly has been exempted from the BOG requirement for a deferred maintenance fund, but monies have now been allocated to start reserving funds for future expenses.

The Fixed Capital Outlay Budget identifies the sources and uses of all funds expended or to be expended on construction projects. Projects funded with the carryforward funds will include the Gary C. Wendt engineering building (\$14.7M); the Central Chiller Plant expansion (\$2.05M); and the Public Safety and Campus Operations Center (\$3.2M of state appropriated deferred maintenance funding and a University contribution of \$1.3 million from carryforward).

Trustee Mark Bostick made a motion to recommend to the Board of Trustees approval of the fiscal year 2023 University Carryforward Spending Plan and Fixed Capital Outlay Budget. Trustee Melia Rodriguez seconded the motion; a vote was taken, and the motion passed unanimously.

C. Annual Review of Contracts over \$1,000,000

Dr. Bottorff reviewed nine contracts with a contract amount more than \$1,000,000. Of the nine contracts, four are information technology contracts, two are auxiliary enterprise contracts related to dining and housing, two are a part of the construction of the Applied Research Center, and one contract is for campus wide lawncare. This review is done annually and provides the Board oversight of significantly large contracts.

VIII. Campus Facilities

A. Campus Construction Update

David Calhoun, AVP Facilities and Safety Services, presented an update on campus construction projects:

- The Applied Research Center (ARC) is fully funded and operational. Additional furniture for the building will be arriving this fall
- The Gary C. Wendt Engineering building is fully funded with carryforward funds and will include 20,080 gsf of space with an additional shell of 20,000 gsf on the second floor for future expansion
- The Central Chiller Plant expansion will maintain compliance with the Campus Master Plan and is scheduled for completion this fall
- The International Flavors and Fragrances (IFF) P3 building is scheduled to begin construction this fall

- The Residence Hall III building is scheduled to break ground in March 2023 with a completion date by fall 2024
- The Public Safety and Campus Operations Center will be funded through carryforward funds and a deferred maintenance allocation. This space will eliminate the need for leased trailers saving a substantial amount on annual operational expense

B. Utility Easement with Duke Energy Florida, LLC

Alex Landback, Associate General Counsel presented a proposal from Duke Energy Florida, LLC. Duke Energy is seeking a 4,582-foot long by 65-foot wide (6.84 acres) permanent facilities and access easement ("Easement") to accommodate the construction and maintenance of a high voltage transmission line across the southern boundary of an undeveloped/vacant parcel solely owned by the Florida Polytechnic University Board of Trustees. The parcel is 360.32 acres of reclaimed phosphate land, located less than a mile southwest of Florida Poly's main campus.

Duke Energy's appraisal for the proposed Easement estimated a market value of \$65,550. Florida Poly's independent appraiser concluded the market value of the Easement to be \$123,300. After settlement negotiations, Duke Energy has agreed to pay \$99,500 for the Easement contingent upon the formal approval of the Board of Trustees. If approved, the amount of \$99,500 will be paid to the University and deposited into the University's Auxiliary Funds after closing.

The most important benefit to the University in this settlement is the decision by Duke Energy to move the transmission line away from main campus. The original planned route of the transmission line cut across the northern edge of campus between IST and I-4, which would have had a significant and negative impact to the University. Instead, the new route for the transmission line will have no impact to the University's main campus.

Trustee Wendt inquired if the wires are above ground or below ground. Landback responded they are above ground. President Avent stated it could be because the terrain is reclaimed phosphate land and unsuitable for below-ground placement.

Trustee Melia Rodriguez made a motion to recommend to the Board of Trustees approval of the Utility Easement with Duke Energy Florida, LLC. Trustee Mark Bostick seconded the motion; a vote was taken, and the motion passed unanimously.

C. Student Housing Development Update

Dr. Bottorff stated the University initially engaged the consulting firm of Brailsford and Dunlavey as primary advisor for the demand study, planning, and implementation of the next phase of on-campus housing. Since then, an invitation to negotiate (ITN) was released in March 2022, from which the University selected Capstone Development Partners as the development partner. Florida Poly entered into a Predevelopment Agreement with Board of Trustee's approval in July 2022, utilizing a national 501(c)3 to provide for tax-exempt bonding and financing of the project.

The financing will now be secured through the state of Florida by the division of Bond Financing. The ownership is retained by the University and establishes the university housing system as a key piece in the maturity of the University.

A special Board meeting will be held in October 2022 for approval of materials and documents for the public financing of the purchase of the existing Residence Hall II and

the construction of Residence Hall III. The plans will then be presented for approval at the scheduled BOG meeting in January 2023. President Avent and Dr. Bottorff have been meeting with members of the Board of Governors to keep them apprised of the plans.

Committee Chair Kigel inquired as to the BOG's response. President Avent replied BOG Chair Brian Lamb believes a university needs a mixture of diverse types of housing, such as 30% in P3 buildings with the rest owned by the university. With Florida Poly purchasing Residence Hall II and owning Residence Hall III, that would average out to the 30%.

Trustee Wendt asked if there is a level of interest rate that would discourage the University from moving forward with the project. Dr. Bottorff stated because housing is a choke point to enrollment, he and the Division of Bond Financing are prepared for an increase.

D. Campus Master Plan Amendment: Student Housing-Residence Hall III

David Calhoun requested a change in the Campus Master Plan (CMP) for Residence Hall III. The new proposed location will be directly across from Residence Halls I & II and will preserve the pond edge parcels for future expansion. The selection of these parcels maintains a centralized on-campus housing presence.

Trustee Gary Wendt made a motion to recommend to the Board of Trustees approval to amend the Campus Master Plan to include student housing to be sited on University property located immediately west of Residence Halls I & II, east of the parcels located on the pond edge. Trustee Melia Rodriguez seconded the motion; a vote was taken, and the motion passed unanimously.

IX. 2022 Florida Polytechnic University Equity Report

Dr. Bottorff presented Florida Poly's 2022 Equity Report. The Report was prepared by Michelle Disson, Title IX and ADA Coordinator; Gloria Nelson, Compensation, Equity, and Inclusion Manager; and Kevin Calkins, Director of Institutional Research. The Report summarizes the diversity of Florida Poly's student body, faculty, and staff as well as discusses efforts the University is taking to make education accessible to persons of all groups. Acceptable efforts include conducting targeted outreach and recruitment aimed at inclusion, creating training programs to increase capacity of diverse cohorts, and taking lawful action to remedy underutilization.

Bottorff reviewed key highlights in student, faculty, and staff demographics, including percentage increases and decreases from the prior year.

Trustee Mark Bostick made a motion to recommend approval to the Board of Trustees the 2022 Florida Polytechnic Equity Report. Trustee Bob Stork seconded the motion, a vote was taken, and the motion passed unanimously.

X. Advancement and Foundation Update

A. Foundation Report

Kathy Bowman presented updates on new hires in Advancement, the FY23 Advancement organizational chart, and the Corporate Impact Network which is a philanthropic network of companies who support the University financially. Bowman reported a donor acquisition rate of 7.62% and a retention rate of 58% for FY22. Her goal is to attain a 10% acquisition rate each year. She also reviewed net production data.

Bowman presented information on the campaign for Florida Poly. This included information on three strategic campaign priorities: the Florida Poly Innovation Fund,

Student Success, and Academic Advancement. The campaign goal is \$20M; to date, the Advancement team has raised 25% of that goal. Finally, Bowman reviewed the various strategies for increasing unrestricted funding and the campaign timetable.

B. Foundation Board Appointments/Reappointments

Kathy Bowman presented two new Foundation board members for appointments and six foundation board members for reappointments to the Florida Polytechnic University Foundation Board of Directors.

Trustee Melia Rodriguez made a motion to recommend approval to the Board of Trustees the appointment of Kristen Lowers and Madison Yonash and the re-appointment of Phillipa Greenberg, Jack Harrell III, Joshua McCoy, Ivette O'Doski, Blake Paul, and Donna Slyster to the Florida Polytechnic University Foundation Board of Directors. Trustee Bob Stork seconded the motion, a vote was taken, and the motion passed unanimously.

C. Foundation Year-End Financial Report FY22

Larry Locke presented the Foundation Year-End Financial Report for FY22. Locke presented the Foundation's Q3 financials, including FY22 Budget to Actuals, FY22 Statement of Activities year-over-year (YOY), and the FY22 Statement of Financial Position YOY. FY22 total assets increased 7.39% over FY21, and the ending fund balance for FY22 increased 10.91% over FY21.

XI. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 9:29 AM.