



Finance & Facilities Committee Meeting

BOT approved 05.23.2022

MEETING MINUTES

**Wednesday, February 9, 2022
10:30 AM – 12:00 Noon**

Florida Polytechnic University WEBEX TELECONFERENCE MEETING

I. Call to Order

Committee Chair Beth Kigel called the Finance and Facilities Committee meeting to order at 10:30 a.m.

II. Roll Call

Kristen Wharton called the roll: Committee Chair Beth Kigel, Committee Vice Chair Gary Wendt, Trustee Samantha Ashby, and Board Chair Cliff Otto were present (Quorum).

Other Board Members present: Trustee Bob Stork, Trustee Mark Bostick

Staff present: President Randy Avent, Kathy Bowman, Gina DeIulio, Dr. Kathryn Miller, Dr. Tom Dvorske, Penney Farley, Andrea Cashell, David Blanton, David Calhoun, Mike Dieckmann, Larry Locke, Melaine Schmitz, Alex Landback, Andrew Konapelsky, Lydia Guzman, Laura Marrone, Maggie Mariucci, John Causey, Kimberly Abels, Michele Rush, and Kristen Wharton.

Other Guests present: Kevin Mara, Brailsford & Dunlavey, Inc.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Cliff Otto made a motion to approve the Finance and Facilities Committee meeting minutes of November 10, 2021. Trustee Samantha Ashby seconded the motion; a vote was taken, and the motion passed unanimously.

V. Finance and Facilities Committee Work Plan Review

Penney Farley, AVP and University Controller, reviewed the Finance and Facilities Committee Work Plan. There was no discussion on this item.

VI. University FY22 Q2 Financial Update

Farley presented the second quarter financials. According to the FY22 Net Position chart, cash and investment assets are primarily being used for Property, Plant and Equipment (PP&E) for the Applied Research Center (ARC). Receivables and current liabilities are affected by the construction draws. Noncurrent liabilities include an increase in pension and a decrease in OPEB.

Farley presented the same FY22 Net Position chart without the ARC financials included, although the ARC construction affects the University's balance sheet. The \$14M in PECO funds awarded to the University for the ARC this year has not yet been drawn down; however, Farley did receive notice in late December 2021 that \$12M could now be encumbered. Therefore, the University has been funding the ongoing ARC construction until the PECO funds are available. Committee Chair Beth Kigel thanked Trustee Gary Wendt for the suggestion of viewing the University's net position without the ARC construction funds.

Farley also reviewed year-over-year variances and budget to actual figures. Board Chair Cliff Otto inquired about supply chain issues in reference to CARES funds. Farley stated the majority of PP&E is spent on technology purchases, many of which are backlogged until July or August 2022. The University cannot spend the funds because the equipment is not available to be shipped.

Farley reviewed the University's carryforward balances. Two million dollars in Education and General (E&G) carryforward will be moved over to Capital to construct the new Engineering (FIPR Institute) building. Funds in Capital will then be sufficient to complete the Engineering building as well as finish the reclaimed water infrastructure.

Finally, Farley reviewed balances of the HEERF (CARES) funding, both for institutional funding and financial aid funding. She intends to request up to a 12-month extension beyond May 17, 2022, for spending the remaining funds.

VII. Contracts Over \$2,000,000 (Liberty Lawn Care, LLC)

Farley reviewed the details of the contract with Liberty Lawn Care. The contract includes the option to renew for two one-year periods beyond the initial contract period of three years. Committee Chair Kigel inquired if there is any significant increase in their fees. David Calhoun replied there is actually a cost savings due to refining the scope of the contract.

Trustee Samantha Ashby made a motion to recommend approval to the Board of Trustees of a five-year agreement with Liberty Lawn Care, LLC, with total contract value not exceeding \$2,509,370.00 over the course of five years. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Campus Construction Update

David Calhoun, AVP Facilities and Safety Services, reported the ARC remains in budget and furniture move-in is scheduled to occur in the next seven weeks. March 23, 2022 is substantial completion with final completion on May 22, 2022.

The Engineering Building 1 (FIPR Institute) will be 20k gross square feet in size with a project cost of \$9.8M. Currently, the design criteria package is in progress. Site work should begin late summer or early fall 2022. An Invitation to Negotiate (ITN) for both design and construction will be posted on the University's website.

The design for the P3 building progresses and to date meets the University's standards. Several renderings of the building were shared with trustees. August 22, 2022 is the scheduled start date for construction.

Calhoun stated the full Board of Trustees will be asked to approve and adopt the final Campus Master Plan for 2021-2031. Agency responses have been incorporated in the final plan where applicable. Additionally, the Educational Plant Survey (EPS) was conducted in December and Calhoun will meet with BOG staff in March for the needs assessment review where they validate the space surveyed in December. From there, future space needs will

be determined.

Trustee Samantha Ashby inquired if there are any plans for additional parking with two additional buildings slated for construction. Calhoun replied there is a parking garage listed on the CMP, however, parking studies will be conducted in the future to determine the need.

IX. Ground Lease Agreement with Ryan Companies USA, Inc.

Andrea Cashell, Director of Procurement, presented the fully negotiated ground lease agreement for approval. She provided a brief historical background of the earlier approvals by the BOT and the BOG of the draft version of the agreement. The agreement will be between Florida Poly and HS Poly Research, LLC, a subsidiary of Ryan Companies, and International Flavors & Fragrances (IFF) will be the sub-tenant. Ryan and the University have only revised the exhibits attached to the previously approved draft ground lease agreement; no other substantive changes to the ground lease were made.

Trustee Cliff Otto made a motion to recommend to the Board of Trustees the approval of the ground lease agreement with Ryan Companies USA, Inc., for the development of a previously approved P3 research facility on the campus of Florida Polytechnic University which will be subleased by International Flavors and Fragrances, Inc. Trustee Samantha Ashby seconded the motion; a vote was taken, and the motion passed unanimously.

X. Advancement and Foundation Update

Kathy Bowman, VP Advancement, presented her quarterly update. Included were reviews of the holiday reception for donors, alumni engagement, and the Corporate Impact Network. She also announced the first Florida Polytechnic University Giving Day on Pi Day, March 14.

Bowman then gave an update on the activities of the University Foundation and fundraising efforts. Donations are projected to be greater in 2022 than in 2021. With the implementation of fundraising software "Raiser's Edge" a little over a year ago, Bowman is better able to analyze data and forecast future fundraising goals. Currently, there is \$34.3M in the Foundation's giving pipeline and \$1.5M in revenue has been received year-to-date, with an additional \$2.5M in pledges.

Committee Chair Kigel inquired if there is any kind of formula or accepted targets related to the total pipeline in terms of a good percentage to close. Bowman said it is harder to set benchmarks as a younger university with just ten years of history. Next year when fiscal year 2023 begins, Bowman could make a projection based on the past three years of history.

XI. Approval of Foundation Board Appointment

Bowman requested the Committee recommend approval to the Board of Trustees the confirmation of Ana Wood for a two-year Foundation Board of Directors term. Her term was approved by the University Foundation Board of Directors on February 4, 2022.

Trustee Samantha Ashby made a motion to recommend approval to the Board of Trustees of the appointment of Ana Wood to the Florida Polytechnic University Foundation Board. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.

XII. Foundation FY22 Q2 Financial Update

Larry Locke reviewed the University Foundation's FY22 second quarter financials, including budget to actuals and a statement of activities year-over-year (YOY). The Foundation's

revenue was above \$1M at the end of the second quarter. Operation expenses are up 68% due to consultant fees for the upcoming fundraising campaign and expenses for a spring named scholarship. Additionally, as a Direct Support Organization (DSO), the Foundation is under audit as are all state universities. This involves an expense of just under \$10k.

Regarding the Statement of Activities YOY, it appears the Foundation is behind at the end of December 2021. However, giving was weaker in December 2021 compared to December 2020, but January 2022 was stronger than January 2021.

The Statement of Financial Position YOY shows assets are up 9.23% due to increased giving, and the ending fund balance is up 13.72%.

XII. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 11:30 a.m.