



**University of Florida Board of Trustees
Committee on Finance and Facilities
MINUTES**

June 6, 2013

Emerson Alumni Hall, University of Florida, Gainesville, Florida

Time Convened: 4:00 p.m. EDT

Time Adjourned: 5:25 p.m. EDT

Chair, Steven M. Scott called the meeting to order at 4:00 p.m. EDT

Committee Members present were:

Steven M. Scott (Chair), Susan M. Cameron, and Christopher T. Corr, with Juliet M. Roulhac participating by phone

Others present were:

Win Phillips, Senior Vice President and Chief Operating Officer; Matthew Fajack, Vice President and Chief Financial Officer; Curtis Reynolds, Vice President for Business Affairs; David Kratzer, Vice President for Student Affairs; Elias Eldayrie, Vice President and Chief Information Officer; Robert Miller, Associate Vice President for Business Affairs; Carol Walker, Assistant Vice President for Facilities Planning and Construction; and Kathleen Tillett, Senior Controller

After a roll call, a quorum was confirmed, with all members present.

The Committee Chair asked for a motion to approve the March 15, 2013 and March 21, 2013 minutes which was made by Trustee Cameron and Seconded by Trustee Corr. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

The Committee considered the following action items:

Action Item FF1: J. Wayne Reitz Union Energy Efficiency Performance Contracts for Buildings 0686/0886

Curtis Reynolds, Vice President for Business Affairs, reviewed the rationale for entering into an Energy Efficiency Performance contract with Trane Inc. The tax-exempt lease purchase agreement will finance facilities improvements at the Reitz Union and Bookstore and Welcome Center, and will not exceed \$7 million. The 15 year term will not exceed the expected life of the equipment being

installed. Payments will not begin before the work is completed and significant savings are expected, with Trane guaranteeing savings equal to the principle and interest of the contract.

The Committee Chair asked for a motion to approve Action Item FF1 which was made by Trustee Roulhac and Seconded by Trustee Cameron. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

Action Item FF2: Facilities Spending Plan for FY 14 PECO/CITF/Other Appropriated Funds

Vice President Reynolds outlined the annual spending plan of appropriated money from the State for Fiscal Year 2014 including \$15 million for the new Chemistry building, \$16.5 million for maintenance, repair, renovation and remodeling, and \$11.6 million in CITF funds for the Reitz Union expansion. In response to a question, Carol Walker Assistant Vice President for Facilities Planning and Construction, noted that the money allocated for the Chemistry building is not the full amount needed to complete the facility, and more funds will be requested in subsequent years.

The Committee Chair asked for a motion to approve Action Item FF2 which was made by Trustee Cameron and Seconded by Trustee Roulhac. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

Action Item FF3: Auxiliary Facilities with Outstanding Bonds

Robert Miller, Associate Vice President for Business Affairs discussed the revenue and expense budget for bonded auxiliaries, which sets forth the amount to be deposited in facility maintenance and repair reserve accounts to fulfill bond covenants and the related annual requirement for the Board of Governors to have such a budget.

The Committee Chair asked for a motion to approve Action Item FF3 which was made by Trustee Cameron and Seconded by Trustee Roulhac. After a brief discussion, the Chair asked for all in favor of the motion and any opposed and the motion was approved unanimously.

Action Item FF4: FY 2012-13 Operating Budget of Revenues and Expenses and Preliminary FY 2013-14 Operating Budget

Matthew Fajack, Vice President and Chief Financial Officer, provided an update on the current fiscal year budget, noting that the final Fiscal Year 2013 budget increased by \$4.5 million from the prior approved budget, primarily due to Information Technology performance funding granted to Engineering and Digital Worlds, and funds to meet increased health care costs.

Looking at the preliminary budget for Fiscal Year 2014, UF will receive approximately \$105 million more in general revenues. Decisions on allocations to colleges will be made over the summer and a detailed budget will be brought to the Committee in September for final approval.

The Committee Chair asked for a motion to approve Action Item FF4 which was made by Trustee Roulhac and seconded by Trustee Cameron. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

Action Item FF5: 2014-15 Fixed Capital Outlay Legislative Budget

Carol Walker, Assistant Vice President for Facilities Planning and Construction outlined the Board of Governors requirements for an annual submission from each university by August 1st, setting forth its Fixed Capital Outlay Legislative Budget Request.

The Committee Chair asked for a motion to approve Action Item FF5 which was made by Trustee Cameron and Seconded by Trustee Roulhac. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

Action Item FF6: Naming of “Green Pond” to “Liberty Pond”

The pond behind the Reitz Union has long been referred to as “Green Pond” and is in an area dedicated as a Veterans Memorial. David Kratzer, Vice President for Student Affairs, researched the history of the name at the request of Chair Scott to ensure that the name had not been in honor of a person or family. Assured by a University historian and the University of Florida Foundation that the name is a reflection of the green algae in the pond, he requested the Committee’s approval to change the name to “Liberty Pond.” which the Collegiate Veterans Society and Student Senate support as more appropriate for the veterans memorial. This item will be separately voted by the full Board, as required by Board of Governors regulations for naming of facilities including landscaped areas.

The Committee Chair asked for a motion to approve Action Item FF6 which was made by Trustee Cameron and Seconded by Trustee Corr. The Chair asked for further discussion, after which he asked for all in favor of the motion and any opposed and the motion was approved unanimously.

Discussion/Informational Items

4.7 Employee Recognition

Joseph Joyce, Executive Associate Vice President for Agriculture and Natural Resources, presented the Employee Recognition to JoAnn Davis, Administrative Coordinator 3 who manages two IFAS Shared Service Centers. Ms. Davis played a key leadership role in the establishment and organization of the centers and her units recently received a Superior Accomplishment Award. On a personal note, Trustee Roulhac thanked Ms. Davis for her work and service, noting that it is the dedication of people like Ms. Davis who help push UF to preeminent status.

4.1 NPI Development Information

Garrison LLC group has requested a development agreement with UF to use Hull Road for a development’s ingress/egress near the UF Orthopedic Center. In return, Garrison would widen Hull Road and build a parking lot for university use. Vice President Reynolds noted the request has been vetted by UF Legal Counsel and both Vice President Reynolds and Chief Financial Officer Fajack favor the idea.

4.2 Construction /Maintenance Report/update

Vice President Reynolds noted some recent changes to the project update to better reflect key projects. Three projects were highlighted: the new Heavener Hall, the Reitz Union expansion and new student housing, which are in design. In addition, deferred maintenance on campus was discussed. Currently, over 95 deferred maintenance projects are underway across campus, and UF has only \$16.5 million of Fiscal Year 2014 appropriations from general revenue to be utilized to continue addressing deferred maintenance issues. Vice President Reynolds noted that planned

appropriations only address a minimal portion of the demand for deferred maintenance, which totals some \$45 million per year. Chair Scott urged Vice President Reynolds to update the Committee on the total deferred maintenance obligation on a regular basis.

4.3 Quarterly Financial Reports

Kathleen Tillett, Senior Controller, highlighted several aspects of the quarterly financial report including revenue increases due to tuition and fees and funds received from Florida Virtual Campus.

4.4 Parking Plan update

Chief Financial Officer Matt Fajack reiterated that the University continues to review the potential to enter into a contract with a private entity to operate the University of Florida parking facilities.

4.5 IT Update

Elias Eldayrie, Vice President and Chief Information Officer, provided the Committee with an overview of the technology initiatives taking place at the University, highlighting the increase in support for research with improved computing resources, and the installation of HiPerGator, the fastest supercomputer in Florida and among the fastest in the nation. Chair Scott requested that at the next meeting, Chief Information Officer Eldayrie highlight the work being done in support of electronic teaching and learning.

4.6 UFICO update

UFICO Chief Executive Officer Doug Wynkoop provided an update of the University of Florida investments. Currently UFICO manages \$2.3 billion in assets in 16 investment portfolios. Overall he expects domestic and world markets to grow although at rates still below pre-crisis levels. US equity markets remain strong, despite mixed economic data. Mr. Wynkoop reported that the investment portfolio is currently positioned with a preference to equities relative to bonds and credit. Mr. Wynkoop reviewed the recent performance of the Endowment portfolio through March 31. For the trailing twelve months ending March 31, the Endowment returned 7.7% as compared to its policy benchmark return of 10.5% over the same period. Mr. Wynkoop commented that the underperformance relative to the benchmark was primarily attributable to the poor relative performance of the hedge fund portfolio which UFICO is currently in the process of restructuring.

The meeting was adjourned at 5:25 p.m. EDT.