

**Committee on Finance and Facilities Pre BOT meeting
Friday, March 15, 2013, 1:30 p.m. Meeting and Teleconference
CFO Conference Room, Tigert Hall
University of Florida, Gainesville, Florida**

1. After confirming a quorum, the meeting was called to order at 1:30 p.m. with all Committee members present.

Committee Members Present: Steven Scott (Chair), Susan Cameron, Chris Corr, Juliet Roulhac

Others Attending: Trustee Michael Heekin, Trustee David Thomas, Matthew Fajack, Michael McKee, Jamie Lewis Keith, Robert Miller, Mike McKee, Curtis Reynolds, Kevin Heinicka, Carol Walker, Cheri Brodeur, Sheri Austin, William Li, Janine Sikes, Jamal Sowell, Sheela Moudgill, Stuart Hoskins (phone)

2. **Review of Minutes**
The Minutes will be reviewed and approved at the regular Committee meeting on June 6, 2013.

3. **Action Items**

FF1. Campus Master Plan Minor Amendment

Curtis Reynolds, VP Business Affairs, outlined the planned amendments to represent some changes that have taken place over the last few months. The changes include amending the footprint for Heavener Hall, accommodations for the east side data center and renovations and upgrades to IFAS facilities, the O'Connell Center, and Austin Cary Conference Center replacement. The Committee will review and approve the items as a group at the regular meeting.

FF2. Revisions to UF Investment Policy

Matt Fajack, CFO outlined the proposed changes to the policy, which make explicit that the university and CFO division may act as a central bank to make loans to colleges and auxiliary units to temporarily bridge timing gaps in project funding where a reliable source of funds is available. Until now, some minor loans have been made, and the policy is proposed to be amended to codify the criteria and good practices for approval of loans to fund capital buildings with donations. Under an internal loan protocol that is a discussion item, the term of any loan will be no longer than 10 years and funds to repay a loan will need to be identified as a condition.

Contracts for Building 970

Curtis Reynolds noted that in looking for operational efficiencies across campus, IFAS has been in discussions with Siemens, one of the companies identified by the Florida Department of Managerial Services as qualified to provide energy upgrades. The initiative is expected to help IFAS lease-finance energy improvements and achieve a

positive cash flow through savings. He noted this is likely the first of a number of similar initiatives across campus.

Chair Steven Scott raised the issue of dwindling PECO funding and how to address the cost of addressing critical deferred maintenance repairs, which is now \$16 million. In total, \$90 million in deferred maintenance has been identified. Matt Fajack discussed several bills that may come up in the State Legislature, one of which would allow facilities to borrow from one source of revenue, such as parking, to pay for other facilities, such as capital improvements.

4. **Discussion/Informational Items**

4.1 Construction Update

Carol Walker will give an update at the regular Committee meeting.

4.2 Quarterly Financial Reports

Mike McKee noted he will give a full report to the Committee at its regular meeting. In preparation for that, Mr. McKee noted several items that trustees should recognize:

- Florida Virtual Campus is not part of the UF ledgers
- Liability costs have gone down significantly due to a change in the sick leave cash out policy

4.3 Exploration of non-core asset management

Matt Fajack updated the Committee on preliminary explorations underway to determine the possibility of monetizing or otherwise differently managing noncore assets that are not directly related to research, teaching or service. The first asset being looked at is parking.

4.4 State Budget update

Matt Fajack reported that the next legislative estimating conference will be held Friday, March 22 but he does not expect much change from the last conference which projected a \$1.2-1.4 billion dollar increase in state revenues. At the regular Committee meeting he intends to present a report on how the Governor's budget will affect UF. Currently it appears there will be \$180 million in performance funding for universities, although it is not clear when the measurement would take place and the money be paid out. It also appears that there will be \$15 million per year for five years to help UF achieve pre-eminence status, and that there will be \$100 million proposed for building improvements throughout the State University System, to be spent on a matching basis.

4.5 Capital Internal Loan Guidelines

Matt Fajack discussed the situation with PECO funding continually shrinking and the need to find creative ways to raise money for capital projects. One funding method is donor contributions, and currently there are three large projects with substantial donor backing - the medical building, Heavener Hall, College of Business building and the O'Connell Center improvements. To assist in the

construction of facilities, UF proposes to set up a system where the University can internally loan money to undertake projects where a reliable source of funding is available but there is a timing gap in receipt of funds. The loans would be for an up to 10 year duration and there must be at least 33 percent funding already on hand. Borrowers would have to show how the loan would be repaid and would have to pledge a cash-flow from another source of funds if donor pledges fall through.

4.6 Project Team Recognition

The team that developed the myinvestiGator tool will be formally recognized.

- 5. The meeting adjourned at 2:05 p.m. The regular Committee meeting will take place Thursday, March 21, 2-3:15 p.m., Emerson Alumni Hall Warrington Conference room, University of Florida**