

**Committee on Finance and Facilities
Minutes
March 21, 2013**

1. **Call to Order**

After confirming a quorum with all members present, the meeting was called to order by Chair Steven Scott at 2 pm.

Committee Members Present:

Steven Scott (Chair), Susan Cameron, Juliet Roulhac, Chris Corr

Others Present:

David Thomas, Trustee; Win Phillips, Sr. Vice President and Chief Operating Officer; Matt Fajack, Vice President and Chief Financial Officer; Curtis Reynolds, Vice President for Business Affairs; Carol Walker, Assistant Vice President for Facilities Planning and Construction

2. **Review and Approval of Minutes**

The minutes of the December 6, 2012 meeting were reviewed. Trustee Roulhac made a motion to approve and Trustee Cameron seconded the motion. With no further discussion desired, the Committee voted unanimously in favor of the minutes.

3. **Action Items**

FF1. Campus Master Plan Amendment 2013

Curtis Reynolds, Vice President for Business Affairs, requested approval of the plan to make minor amendments to campus building and site maps. Trustee Cameron made a motion to approve and Trustee Roulhac seconded the motion. With no further discussion desired, the Committee voted unanimously in favor of the Campus Master Plan Amendment 2013.

FF2. Revision to UF Investment Policy

Trustee Scott stated that with PECO funding down and the need for financing of building repairs and capital funding growing, the investment policy change to allow the Office of the Chief Financial Officer to make internal loans is a sound policy. Borrowers would have to meet the guidelines set out in the internal loan policy which is included in the Committee's discussion items and includes the internal loan program criteria and operating process. The Committee discussed the policy changes. Trustee Cameron made a motion to approve and Trustee Roulhac seconded the motion. With no further discussion desired, the Committee voted unanimously in favor of the Revision to the UF Investment Policy.

FF3. IFAS Energy Efficiency Performance Contracts for Building 0970

Mr. Reynolds explained that in an effort to achieve energy savings while finding funding for building maintenance, the Institute of Food and Agricultural Sciences and the University hired Siemens to provide an energy audit for the Entomology building. The audit outlined where savings could be achieved and how loans could be repaid through the savings. Siemens is on the pre-approved list procured by the Florida Department of Managerial Services for use by state entities. The proposal is to enter into an agreement to equipment lease finance \$5 million for upgrades, with the money being paid back through guaranteed savings from improved efficiencies. Trustee Cameron made a motion to approve and Trustee Corr seconded the

motion. With no further discussion desired, the Committee voted unanimously in favor of the IFAS Energy Efficiency Performance Contracts for Building 0970.

4. Discussion/Informational Items

4.3 Exploration of non-core asset management

Vice President and Chief Financial Officer Matt Fajack outlined efforts to review non-core assets (non-academic, non-research and non-core service facilities) for potential monetization. The funds could then be used to finance non-recurring capital projects. Parking is being used as a case study with two potential options: *Privatization* -- facilities are turned over to a third party for a set number of years, with agreements in place regarding rate increases, operating standards, reporting, management of special events, etc. *Monetization* – UF maintains management control. Funding is provided by a third party and the loan repaid from future parking revenue. Ohio State University has already opted for the privatization model and received \$483 million up front under the contract for operation of its facilities. UF has been talking to consultants Navigate Research about some of its innovative approaches to utilizing non-core assets. Mr. Fajack expects to have a full analysis of assets that could be looked at by the end of the summer.

4.1 Construction update

Carol Walker, Assistant Vice President, Facilities Planning and Construction, outlined recent activities including:

- The ground breaking for construction of the new Heavener Hall, College of Business School facility should take place within a month.
- Renovation of the Reitz Union is proceeding. Demolition of the colonnade should begin this summer in preparation for new construction and renovation to follow.
- The Institute on Aging/Clinical Translational Research Building is in substantial completion with occupancy set for this summer.
- The East Campus Data Center is now complete.
- Architect and Construction Manager selection is now underway for a new student housing facility

In relation to the problem of lack of funding for critical deferred maintenance, Chairman Scott requested that the Committee be provided a report each quarter on the amounts needed to meet the demand. Curtis Reynolds agreed to provide that.

4.2 Quarterly Financial Reports

A report was provided at the pre-Committee meeting on March 15, 2013.

4.4 State budget update

There was no discussion of this item since there have been no recent budget developments since the March 15 meeting.

4.5 University of Florida Investment Corporation (UFICO) Report

UFICO Chief Executive Officer Doug Wynkoop provided an update of UF investments. Currently UFICO manages \$2 billion in assets in 15 investment portfolios. He says that through this year they remain cautious about investment opportunities but are continuing to find pockets of opportunity. Initiatives for 2013 include upgrading internal systems for portfolio management, investor accounting and relationship management; adding one

investment professional to the staff; restructuring the compensation plan; consolidating three portfolios and revisiting asset allocations.

4.6 Project team recognition

The final item was the recognition of the team that developed myinvestiGator, a tool to help PI's financially manage their research projects. CFO Matt Fajack noted that the initiative was a cross campus effort utilizing administration, research and Information Technology for development and over 50 faculty who provided input and testing. The members of the team were:

- Stephanie Gray, Division of Sponsored Programs
- Brad Staats, Contracts & Grants
- Tiffany Schmidt, Contracts & Grants
- Jim Ferrer, Office of the CFO
- Greg Mc Eachern, UF Information Technology
- Lee Catledge, UF Information Technology
- Haiquan Dai, UF Information Technology UF Information Technology
- Mei-Li Cheng, UF Information Technology
- Gerald Parham, UF Information Technology
- James Martinez, UF Information Technology
- Gary Grossheim, UF Information Technology
- Mark Palmer, UF Information Technology -CNS

5. The meeting was adjourned at 3:05 pm.