



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

May 31, 2013

Pre-Meeting/Telephone Conference Call Meeting

Campus Location: 1 Tigert Hall

Time Convened: 9:00 a.m. EDT

Time Adjourned: 9:45 a.m. EDT

Chair, Steven M. Scott called the meeting to order at 9:00 a.m. EDT.

Committee Members present were:

Steven M. Scott (Chair) and Susan M. Cameron; Christopher T. Corr and Juliet M. Roulhac were absent.

Others present were:

Matthew Fajack, Vice President and Chief Financial Officer; Curtis Reynolds, Vice President for Business Affairs; Elias Eldayrie, Vice President and Chief Information Officer; Jamie Lewis Keith, Vice President and General Counsel; David Kratzer, Vice President for Student Affairs; Robert Miller, Associate Vice President for Business Affairs; Carol Walker, Assistant Vice President for Facilities Planning and Construction; Janine Sikes, Assistant Vice President for Media Relations and Public Affairs; Stuart Hoskins, Senior Associate Controller; Michael Ford, Senior University Counsel for Tax, Corporations and Athletics; William Li, Senior University Counsel for Real Estate, Finance, Business Ventures and Contracts; Jamal Sowell, Special Assistant to the President; Sheri Austin, Budget Director and Kathleen Tillett, Senior Controller

After a roll call, a quorum was not confirmed, as Trustee Corr and Trustee Roulhac were absent. However, no action was to be taken so the Committee materials were reviewed.

The following action items were reviewed and will be considered at the Board meeting on June 7, 2013:

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

Curtis Reynolds, Vice President for Business Affairs, outlined a proposal to request approval for financing of an energy efficiency performance contract for the Reitz Union renovation and Bookstore

and Welcome Center. In an effort to reduce energy use in the facility, an Investment Grade Audit was performed by Trane U.S. Inc. and significant potential savings were identified. The University would now like to enter into a tax-exempt lease purchase agreement with Trane to finance facilities improvements recommended in the audit. The cost of financing would not exceed \$7 million and the 15 year term would not exceed the expected life of the equipment. Chair Scott questioned whether the equipment lifespan could go beyond that period and Vice President Reynolds noted that it is not uncommon for systems to last 20-25 years or more. In addition, the project is expected to generate savings which will then be used for other Reitz construction activities. Total savings over the life of the contract are expected to exceed \$10 million.

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

Vice President Reynolds and Carol Walker, Assistant Vice President for Facilities Planning and Construction, reviewed the spending plan of appropriated money from the State 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. The CITF funds for the Reitz Union were allocated when bonding for the Reitz Union and Newell Hall renovations was not pursued. The cost of the Reitz Union project is now covered by the \$11.6 million in CITF funds, \$2.4 million in student activity fee revenues already collected, \$1 million from energy efficiency savings, a \$5 million internal loan and \$50 million in bonds.

After some discussion, it was agreed that two attachments currently in FF5 (a letter from the Student Body President and the 2013/2014 capital project list), would be better placed as support documents in FF2. Those documents will be moved to FF2 for the full committee meeting.

Action Item FF3: Auxiliary Facilities with Outstanding Bonds

The document fulfills the Board of Governors requirement for operating budget details for auxiliary facilities with bond covenants, and reports the amount anticipated to be deposited into the auxiliary maintenance and equipment reserve fund.

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

Sheri Austin, Budget Director will put forward the FY14 preliminary budget at the full committee meeting. At the meeting Ms. Austin noted that the FY14 preliminary operating budget revenue is expected to increase by approximately \$105 million over last year.

The final FY13 budget increased by \$4.5 million from the prior approved budget. The primary reason for the budget increase was that Engineering and Digital Worlds have been given IT performance funding of \$3.7 million (\$3.2 m. to Engineering and \$500,000 to Digital Worlds).

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

This item was moved up for discussion. The document outlines the plan for funding of the construction projects to be presented in the next legislative session. These requests include a renewal of a request for the Newell Hall renovation and funds to continue construction of the new Chemistry building.

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

The pond behind the Reitz Union has long been referred to as “Green Pond.” The pond is in an area dedicated as a veteran memorial. Student Government and the Collegiate Veterans Society have requested a name change to “Liberty Pond” to better reflect the purpose of the area.

Chair Scott said the only issue he could see would be to ensure that Green Pond was not named that way in honor of someone with that name. Vice President Kratzer said it was not, but agreed to confirm this at the June meeting.

Discussion/Informational Items

Garrison LLC group has requested a development agreement with UF to use Hull Road as an ingress/egress for a development it plans near the Orthopedic Center. Vice President Reynolds said that in return, Garrison would widen Hull Road and build a parking lot for university use.

Construction/maintenance report: some adjustments to the form have been made to highlight areas in construction and deferred maintenance, as requested by the Committee at its March 2013 meeting.

Parking concession: UF is close to issuing an Invitation to Negotiate for a financial advisor to help run models and advise as the University explores the possibility of leasing parking to a private vendor.

For the first time, the Committee will get an IT update from Elias Eldayrie, Vice President and Chief Information Officer in addition to the investment update from Doug Wynkoop, Chief Information Officer, University of Florida Investment Corporation.

The meeting was adjourned at 9:45 a.m. EDT.