



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES  
COMMITTEE ON FINANCE AND FACILITIES  
COMMITTEE MINUTES**

**June 7, 2018**

**President's Room 215B, Emerson Alumni Hall**

**University of Florida, Gainesville, FL**

**Time Convened: 3:05 p.m. EDT**

**Time Adjourned: 4:20 p.m. EDT**

**1.0 Verification of Quorum**

Vice President and General Counsel Amy Hass verified a quorum with all Trustees present.

**Members present were:**

Rahul Patel (Chair), David L. Brandon, Mori Hosseini, Leonard H. Johnson, Jason J. Rosenberg, Anita G. Zucker,

**Others present were:**

W. Kent Fuchs, President; Charles Lane, Senior Vice President and Chief Operating Officer; Michael McKee, Vice President and Chief Financial Officer; Curtis Reynolds, Vice President for Business Affairs; Amy Hass, Vice President and General Counsel; other members of the President's Cabinet; and members of the University community, public and the media.

**2.0 Call to Order and Welcome**

Committee Chair Rahul Patel called the meeting to order at 3:05 p.m. EDT.

**3.0 Review and Approval of Minutes**

Committee Chair Patel asked for a motion to approve the minutes from the March 15 and 22, 2018 meetings, which was made by Trustee Brandon and a second, which was made by Trustee Zucker. The Committee Chair asked for further discussion, and then for all in favor of the motion and any opposed, and the motion was approved unanimously.

**4.0 Action Items**

**FF1. Final Operating Budget of Revenues and Expenses for Fiscal Year Ending June 30, 2018 and Preliminary Operating Budget of Revenues and Expenses for Fiscal Year Ending June 30, 2019.**

The Committee was asked to approve the University's final budget of revenues and expenses for the fiscal year ending June 30, 2018 and to approve the University's preliminary budget of revenues and expenses for the fiscal year ending June 30, 2019.

Chief Financial Officer Michael McKee explained a change in the procedure for developing the preliminary budget for 2018-19, which involves a historical review aimed at more accurately reflecting the final budget.

CFO McKee noted that the Operating Budget of Revenues and Expenses does not include Shands or any DSOs other than UAA. He noted that the Trustees have requested an enterprise-wide budget including all DSOs and affiliates.

Committee Chair Patel asked for a motion to approve Committee Action Item FF1 for recommendation to the full Board for its approval on the Consent Agenda, which was made by Trustee Hosseini, and a second, which was made by Trustee Brandon. The Committee Chair asked for any further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

#### **FF2. Depository Payment Signatory Authority**

CFO McKee presented FF2, which removes one signatory from and adds another to the list of employees authorized to sign checks on behalf of the University.

Committee Chair Patel asked for a motion to approve Committee Action Item FF2 for recommendation to the full Board for its approval on the Consent Agenda, which was made by Trustee Rosenberg, and a second, which was made by Trustee Johnson. The Committee Chair asked for any further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

#### **FF3. Fixed Capital Outlay Legislative Budget Request for Fiscal Year Ending June 30, 2020**

Vice President for Business Affairs Curtis Reynolds noted that the University is required to submit its Fixed Capital Outlay priority requests to the Board of Governors each year.

After discussion, the Trustees requested that the CIP3 summary sheets for certain projects be updated to reflect that funding is being requested for design and assessment.

Committee Chair Patel asked for a motion to approve Committee Action Item FF3 for recommendation to the full Board for its approval on the Consent Agenda, which was made by Trustee Johnson, and a second, which was made by Trustee Brandon. The Committee Chair asked for any further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

#### **FF4. Facilities Spending Plan for Fiscal Year Ending June 30, 2019**

Vice President for Business Affairs Reynolds presented the Facilities Spending Plan, which the Board of Governors requires the University to submit. The plan confirms that the University intends to use state appropriated funds for the requested purpose.

Committee Chair Patel asked for a motion to approve Committee Action Item FF4 for recommendation to the full Board for its approval on the Consent Agenda, which was made by Trustee Hosseini, and a second, which was made by Trustee Zucker. The Committee Chair asked for any further discussion, after which he asked for all in favor of the motion and any opposed, and the motion was approved unanimously.

#### **FF5: Lease of Space**

Senior Vice President for Health Affairs David Guzick and representatives from Shands and the College of Medicine presented plans to lease space at the former Sears store location at the Oaks Mall for a new Ophthalmology and Otolaryngology facility. This proposal would consolidate two quickly growing departments into one space with modern technology, clinics, a surgery center and retail outlets.

The Trustees agreed with the proposal contingent on receiving an appraisal to confirm the market value of the lease terms.

Vice Chair Hosseini submitted a motion to approve FF5 for recommendation to the full Board for its approval on the Consent Agenda contingent on an appraisal that confirms the terms of the lease. Committee Chair Patel asked for a second, which was made by Trustee Brandon.

The Committee Chair asked for any further discussion, after which he asked for all in favor of the motion and any opposed, and the motion contingent on the above conditions was approved unanimously.

### **5.0 Discussion/Informational Items**

#### **5.1 Construction Update**

Vice President for Business Affairs Curtis Reynolds reviewed the major projects underway on campus including the Wertheim Laboratory for Engineering Excellence, Norman Hall renovations and the Career Connections Center.

He noted that the projects are proceeding as planned but cautioned that given pricing uncertainty and worker shortages in the current construction market some unexpected impacts to schedules and/or budgets are possible.

#### **5.2 Quarterly Financial Statement**

Vice President and Chief Financial Officer Michael McKee and University Controller Alan West, reviewed the quarterly financial statement.

Highlights included:

- Higher revenue over 2017 due to increased performance and pre-eminence funding, higher investment returns and funding for the new World Class Faculty and Scholar Program and Professional Graduate Degree Excellence Program
- Higher compensation costs due to salary increases and hiring of additional faculty and staff

### **5.3 UFICO Update**

William Reeser, Chief Investment Officer of UFICO, reviewed what has so far been a good year for investments. Among the highlights:

- Return on investments to-date in FY18 is 8.1 percent.
- UFICO is working to bring the natural resources allocation gradually down in order to reach its broad allocation targets.

### **6.0 New Business**

There was no new business to come before the Committee.

### **7.0 Adjourn**

After asking for further discussion and hearing none, Committee Chair Patel adjourned the University of Florida Committee on Finance and Facilities at 4:20 p.m. EDT.