



**COMMITTEE ON FINANCE, STRATEGIC PLANNING
AND PERFORMANCE METRICS**

Pre-Meeting Minutes

Virtual Meeting

Friday, November 20, 2020

Time Convened: 1:01 p.m.

Time Adjourned: 2:00 p.m.

Committee and Board members present:

Thomas G. Kuntz (Committee Chair and Board Vice Chair), Richard P. Cole, Sylvain Doré, James W. Heavener, Daniel T. O’Keefe, Rahul Patel, Trevor J. Pope, Marsha D. Powers

Others present:

W. Kent Fuchs, President; Chris Cowen, Senior Vice President and Chief Financial Officer; Jodi Gentry, Vice President for Human Resources; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; Curtis Reynolds, Vice President for Business Affairs; George Kolb, Assistant Vice President, Financial Analysis and Budget; William Reeser, Chief Investment Officer; Melissa Stuckey, Associate Athletics Director; Alan West, Assistant Vice President and University Controller; members of the University of Florida community, and other members of the public.

1.0 Call to Order and Welcome

Committee Chair Thomas G. Kuntz welcomed everyone in attendance and called the meeting to order at 1:01 p.m.

2.0 Roll Call

Board Staff conducted a roll call of all Committee and Board members present.

3.0 Review Agenda for TBD Meeting

The following items were addressed by the Committee:

3.1 Review Minutes

November 20, 2020

3.2 Action Items

FSPPM1

Committee Chair Kuntz asked Senior Vice President Chris Cowen to provide an overview of the action items. SVP Cowen explained that the first action item relates to an increase in housing fees up to 4 ½ percent over the next 5 years beginning Fall 2021. He indicated

that no increase has been made since 2005 and that by increasing fees the university will be able to renovate dorms where needed and potentially build new housing. Additionally, he mentioned that even with the proposed increase, on-campus housing rates will remain low compared to the surrounding market. Committee Chair Kuntz expressed the need for rates to remain lower than off-campus housing. SVP Cowen confirmed that rates will be affordable and remain lower than off-campus options. He also proposed that the committee provide the Board with an annual update including comparative rates. Committee Chair Kuntz agreed and stated that the action item will be presented at the December meeting.

FSPPM2

Senior Vice President Cowen provided a brief overview of the second action item explaining that it relates to a \$50 million bond issuance for a football training center and improvements to the soccer and lacrosse facility. Committee Chair Kuntz asked Associate Athletics Director Melissa Stuckey for feedback on conversations with Board of Governors and Division of Bond Finance, and for a quick recap of the projects included in the bond request. Melissa indicated that this has been presented 3 times, but the timeline has been impacted each time due to COVID. She stated that BOG and DBF have the package, but she is still waiting on feedback and hopes to be able to say it's been signed off on at the December BOT meeting. Stuckey also explained that the lacrosse and soccer plans are part of the master plan that will provide the soccer team with support space/offices and needed improvements to the lacrosse facility. She mentioned that the football training center will be completed first, then they will move on to lacrosse and soccer. Committee Chair Kuntz questioned whether everyone fully understood that lacrosse and soccer were included in the bond and if they were on-board with the plan. Stuckey stated that she will ensure understanding. With no questions from the committee, Committee Chair Kuntz ended the item discussion and stated that it will be presented at the December BOT meeting.

3.3 Discussion Items

UFICO Update

Committee Chair Kuntz asked Chief Investment Officer Bill Reeser to provide the committee with a snapshot of his presentation for the December BOT meeting. Mr. Reeser began by providing an overview of UF's Endowment Portfolio, noting that despite market volatility, the university ended the year up 3.7%. In regard to UF's Operating Portfolio, the university ended the year at net 2.8%. He indicated that over 75% of the allocations are highly liquid. Committee Chair Kuntz encouraged committee feedback on how to maximize earnings from the operating pool without taking excessive risk. He also questioned the Endowment Quarterly Return Ranking and suggested the slide be adjusted to show rankings based on performance vs. benchmark rather than return alone. There was a short discussion about whether the figures presented were net and how peer groups were defined. Mr. Reeser indicated that the numbers are indeed net and that peer groups are sorted by all endowments and all billion+ endowments. Committee Chair Kuntz asked that the report include additional

information and Mr. Reeser agreed to make the changes. There was no further discussion.

Furlough Process Update

Vice President Jodi Gentry began the discussion on the furlough process by emphasizing that there were no plans for a university-wide furlough. She explained that the furlough plan was created in a way that allows each college to decide whether they want to use it. She expressed that it is a tool that is available for use if needed, and if used, must be done so in a targeted manner i.e. work stoppage or funding issues. Further, she stated that the plan excludes Graduate Assistants and was not created to reduce faculty. Additionally, if used, any furlough decisions will have to be approved by the college Dean or Vice President and HR. Committee Chair Kuntz questioned whether this item is present on any other committee agenda and whether it will require approval. VP Gentry confirmed that it is only on this committee agenda and will not require approval. It is being presented for discussion purposes only following the regulation change/approval at the last BOT meeting in September. Trustee Sylvain Dore' asked whether there is an early retirement option in place as alternative to furlough. VP Gentry explained that there is something in place, and that a plan has been approved by the Board Chair and Vice Chair, but the university is still consulting with the Union. Additionally, she stated that the early retirement incentive is positioned as an expanded sick leave cash-out option. Committee Chair Kuntz asked whether this option will be voluntary and at the choice of the faculty member. VP Gentry confirmed that it is voluntary for both the college and faculty.

Faculty 500 Update

Vice President Jodi Gentry gave a brief overview of the most recent faculty hiring report highlighting that the university has added over 500 new positions with net new hires totaling 457. She stated that at this point, the challenge is managing normal attrition; however, recruitment efforts continue. Committee Chair Kuntz noted the great improvements since 2009 along with the huge efforts that have been made towards achieving the Faculty 500 goal. Trustee Dore' noted that despite the increase in faculty, resources have remained the same. There was then a brief discussion around this topic in which Trustee O'Keefe and Cole, and Committee Chair Kuntz each made statements about increased efficiency and the effort made to allocate resources and funding and plans to build new space.

CFO Report

Senior Vice President Chris Cowen began the discussion by explaining that the CFO Report is a narrative he created to provide context around the number's that are historically presented. He spoke briefly about each section beginning with Procurement, noting their ongoing effort to procure PPE during recent times. SVP Cowen then mentioned that he is working with UFICO in regard to UF's investment funds and is also working to combine the quarterly financial reports to make the information more seamless and easier to read. In regard to financials, he noted that non-compensation spending is 18% over budget but actually 6% below last years spend – likely due to this

year's budget being made and approved conservatively due to COVID and the uncertainty surrounding it. Committee Chair Kuntz suggested that it may be helpful for SVP Cowen to have 1:1 conversation with the committee members to gather a good understanding of what the Board would like to see. SVP Cowen agreed to reach out and gather input. He also mentioned that he is working on a multi-year budget forecast.

Housing and Central Energy Plant Information

Senior Vice President Cowen indicated that there is no financing plan in place, but the goal is to build new student housing with 1400 beds – potentially in phases. He will solidify a plan before submitting to the Board of Governors for approval. Additionally, Cowen explained that there are some legal issues to work through in regard to financing the central energy plant; however, once ironed out a proposal will be submitted.

Following the last discussion item, Committee Chair Kuntz asked each committee member and trustee on the call to express what they'd like to see the new SVP and CFO accomplish. Each provided their thoughts to SVP Cowen.

President Fuchs provided some closing remarks and there was a short discussion about the increase in applications compared to this time last year.

4.0 New Business

There was no new business to come before the committee.

5.0 Adjourn

There being no further discussion, Committee Chair Kuntz adjourned the meeting at 2:00 p.m.