



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

**Pre-Meeting Minutes**

**Virtual Meeting**

**Monday, February 22, 2021**

**Time Convened: 10:01 a.m.**

**Time Adjourned: 11:03 a.m.**

**Committee and Board members present:**

Thomas G. Kuntz (Committee Chair and Board Vice Chair), David L. Brandon, Richard P. Cole, Christopher T. Corr, Sylvain Doré, James W. Heavener, Daniel T. O’Keefe, Rahul Patel, Marsha D. Powers, and Fred S. Ridley.

**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; William Reeser, Chief Investment Officer, members of the UF community, and public.

**1.0 Call to Order and Welcome**

Committee Chair Thomas G. Kuntz welcomed everyone in attendance and called the meeting to order at 10:01 a.m.

**2.0 Roll Call**

Senior Vice President Chris Cowen conducted a roll call of all Committee and Board members present.

**3.0 Review Draft Agenda for March Meeting**

The following items were addressed by the Committee:

**3.1 Review Draft Minutes**

- December 4, 2020
- February 22, 2021

Committee Chair Kuntz noted that we will have minutes from the December 4, 2020 and February 22, 2021 meetings to approve at the March meeting.

**3.2 Review Action Item**

- FSPPM1 Residence Hall Bond

Senior Vice President Chris Cowen gave a high-level overview of the action item. He indicated that the overall cost of the bond request has been reduced to about \$175 million but the final number is still being determined. SVP Cowen explained that plans for the building have been adjusted to keep costs low; including removal of administrative offices and reevaluating needs to make the building a living-learning space that reflects the true diversity of campus. He also expressed that this would be the last new housing building and future projects would be geared towards renovating existing campus housing. Committee Chair Kuntz questioned whether the final request would be greater than \$175 million; and if so, at what point the committee would request BOT approval. He also indicated his goal of adhering to the final budget approved by the Board. SVP Cowen explained that he expects to submit the request to the Board of Governors at their May meeting, and upon approval issue the bond and close prior to the end of UF's fiscal year in June 2021.

Trustee Bill Heavener asked about the bond rate and terms, and what percent of the total project will be debt funded. He also asked if the building will be developed and owned by UF. SVP Cowen confirmed that it will be developed and owned by the University, that the entire project will be fully debt funded at a projected 3% interest. There was discussion around the building occupancy, the percent that would be honors, occupancy forecasts, rates compared to off-campus housing, and the reserve percentage. Trustee O'Keefe indicated his concern of non-revenue generating space. He added our funding priorities should be taken into account to deliver this important student experience. SVP Cowen indicated that costs will be comparable to surrounding off-campus options and remain competitive and affordable. Chair Kuntz requested a cover sheet (term sheet) be presented at the March meeting that includes a summary of the project, occupancy forecasts, and terms of the bond. Trustee Heavener noted the importance of the construction contract and requested a summary of those terms also be included. SVP Cowen agreed. Trustee Kuntz added the action items will include in the approval and Trustee Patel added he will work with Vice President and General Counsel Amy Hass to ensure governance protocols are in place. Trustee Kuntz reemphasized the need for FSPPM and FCI committees to work together. There will be a follow up discussion to this at the March meeting.

### 3.3 Review Discussion Item

- Faculty Hiring Update

Vice President for Human Resources Jodi Gentry will provide a Faculty 500 and AI 100 update in March.

- UFICO Update

SVP Chris Cowen began the discussion by explaining that he and UFICO have been working to develop a forward strategy for UF operating assets. He stated that Chief Investment Officer Bill Reeser (UFICO) will present the plan to the committee prior to bringing it to the full Board in March and welcomed any feedback. Mr. Reeser gave a high-level overview of the plan, explaining that over the next 5 years allocations will change from a primarily liquid short-term portfolio to one with 50% allocation in long-term growth. He indicated that such changes will result in an increase annual payout of

approximately \$24million. Committee Chair Kuntz questioned whether these changes will impact the risk profile and, with such an increase, whether this is a plan to start using the money. SVP Cowen stated that these funds will go into a centrally located pool in the CFO's Office that will be an available source of funding for the University's operating and capital budget. Committee Chair Kuntz stated that he was supportive of the plan but suggested some sort of Board oversight of how the funds are used. Trustee Patel agreed that some oversight would be beneficial and would work with VP Amy Hass to determine appropriate oversight. Kuntz agreed. Committee Chair Kuntz asked Mr. Reeser to include information on risks with the new strategy along with a plan for Board oversight in his presentation at the March meeting. President Kent Fuchs expressed that the University would spend any funds on the same basis as other items in the budget. Committee Chair Kuntz clarified that the Board would be informed about how the money is spent to give them some visibility. Trustee Patel agreed that a system is needed that will hold the University accountable. VP Hass to determine proper oversight. VP Hass indicated that the Investment Policy and Provost Funds Protocol can be used to help determine the right balance. She will share the documents with the committee. SVP Cowen added his team is reviewing the operating and capital budget models and the allocation of these funds will be within that process and provide transparency.

Committee Chair Kuntz indicated the remaining discussion items will be discussed in detail at the March meeting. He encouraged the committee members to review all related materials.

#### **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 11:03 a.m.