



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

Pre-Meeting Minutes

Virtual Meeting

August 18, 2021

Time Convened: 10:01 a.m.

Time Adjourned: 11:01 a.m.

Committee and Board members present:

Thomas G. Kuntz (Committee Chair and Board Vice Chair), David C. Bloom, Richard P. Cole, Christopher T. Corr, James W. Heavener, Daniel T. O’Keefe, Rahul Patel, and Marsha D. Powers.

Others present:

W. Kent Fuchs, President; Joseph Glover, Provost and Senior Vice President for Academic Affairs; 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; Bill Reeser, Chief Investment Officer, UFICO; members of the University of Florida community, and 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 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 September Meeting

The following items were addressed by the Committee:

3.1 Review Draft Minutes

- June 10, 2021
- August 18, 2021

Committee Chair Kuntz asked everyone to review the minutes and report back with any changes.

3.2 Review Action Items

There were no action items to be discussed at this meeting; however, Senior Vice President Chris Cowen noted that there are 3 action items needing approval in September likely at a special meeting. Items include FY21-22 Operating Budget, FY21-22 DSO and Affiliate Budget, and FY21-22 Carryforward Spending Plan.

3.3 Review Discussion Items

UFICO Update

Chief Investment Officer of UFICO, Bill Reeser, gave an update on UF's Operating and Endowment pools for FY21. He indicated that both met and exceeded benchmarks set for the fiscal year. He also gave a brief update on the operating pool's asset allocation, stating that by the end of August it will be at 75% liquidity and 25% growth and will continue to shift by 5% per quarter until 50/50 allocation is met. Committee Chair Kuntz questioned the inflow vs. outflow of the endowment pool. He asked that Bill Reeser work with Senior Vice President Chris Cowen to review the payout policy and consider the relationship of inflows to outflows in order to provide greater clarity to the Board. Trustee Dan O'Keefe had a few questions about the asset reallocation and why only 5% each quarter along with whether benchmarks will be adjusted as allocation changed. Bill Reeser indicated that it will take time to fully reallocate since it is not possible or desirable to immediately allocate to private equity and that benchmarks will indeed be adjusted.

CFO Report

SVP Chris Cowen provided highlights of the CFO report during each discussion item. He also noted that there will be no faculty hiring update during this meeting, but Vice President Jodi Gentry will be prepared to discuss at the December Board meeting.

Quarterly Financials

SVP Cowen spoke briefly on quarterly financials, stating that the University weathered the year well given unprecedented times. He indicated that although there were some unanticipated expenses, underlying operations were strong in areas that we could control. There was a conversation about how the budget is presented. Committee Chair Kuntz suggested that commitments be shown so comprehensive numbers are reflected. Trustee O'Keefe questioned what is done with budget surpluses. SVP Cowen stated that he is working on an "all funds" budget along with a better way to present numbers which he will discuss in further detail at the September retreat. He is also working with consultants to improve the budget model and procure a new budget software tool that will provide data to better present the budget to the Board. Committee Chair Kuntz noted that it is vitally important to get a good handle on exactly where the University stands financially as an enterprise.

Update on Budget Process with Huron

SVP Chris Cowen discussed the new budget process briefly with his update on quarterly financials and indicated that more information would be discussed at the retreat.

Update on Travel Software

SVP Chris Cowen spoke briefly on the new travel software stating that a short presentation was included in the committee meeting materials and that the new software will provide enhanced tracking, better compliance, and easier reporting.

Update on Capital Projects Funding

SVP Chris Cowen began this discussion by giving an update on the graduate experience and housing. He stated that conversations with Trustee Rahul Patel, VP D'Andra Mull and Dean Nicole Stedman have allowed us to consider a broad strategic framework for long-term graduate housing needs rather than just replacement beds for Maguire and University Village South. SVP Cowen stated that they have identified a property to convert to graduate family housing that will potentially address the students' needs of good location, sense of community, affordability, and amenities. He noted the importance of being able to create balance for these students and their families. Trustee Patel stated that after a very thorough vetting process, this is the most viable and efficient plan. He indicated that SVP Cowen would give a more detailed presentation at the retreat then it would be brought back to the Board in December for approval. Trustee Bloom thanked everyone for their work on this project and stated that it puts us ahead of the curve with peer institutions.

SVP Cowen mentioned the Central Energy Plant project. He also stated that the CFO/Budget office is working on a capital budget for the University that will help to be proactive and provide a predictable schedule.

DSO and Affiliates State Audit

SVP Cowen gave a quick overview of this item stating that Board of Governors (BOG) is doing a state audit of DSO and Affiliates at all SUS universities that encompasses UF Health. He stated that the University is doing its own internal review now and mentioned that we may find some short comings. He also stated that UF is first on BOG's list due to its size and noted that the auditors will be on campus in mid-September for 3 weeks. Trustee Marsha Powers commented that the purpose of the audit is to ensure that proper controls are in place and that BOG consultants should be able to meet with UF's auditors to review current controls rather than doing a full audit. There was a discussion between the Trustees' about BOG recognizing that Shands/UF Health is different than a DSO. Trustee Patel indicated that demonstrating to BOG what auditing controls the University already has in place will be helpful. Vice President Amy Hass agreed that properly educating the auditors and showing UFs governance standards and audit process will be helpful. Committee Chair Kuntz asked that the FSPPM committee remain informed along with Trustee Patel and the Governance Committee.

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 11:01 a.m.