MINUTES

Committee Members Present: Kimberly Moore, Kelvin Lawson, Belvin Perry and Craig Reed

Call to Order/Roll Call
Chair Moore called the meeting to order. Dr. Turner called the roll. A quorum was present.

ACTION ITEMS

Approval of Minutes – December 4, 2019.
There were no revisions to the minutes.

The motion to approve the consent item was made. The motion carried.

INFORMATION ITEMS

IV. Vice President for Finance and Administration’s Report

a. Financial Status Report
VP Robertson indicated that according to budget to actuals and encumbrance reports as of January 30, 2020, 81% of the budget is committed, including salaries. At the end of January 2020, 19%, or $70.6 million, was unspent.

b. University Student Accounts Write-Off
VP Robertson stated that at the end of FY 2019 there were approximately $2.2 million of uncollectible accounts receivable that represent students who have left the university and still owe a balance. Those accounts are with collection agencies and “HOLDS” have been placed on the students’ accounts until the bills have been paid in full. We have approximately 704 accounts that are being written off with an average balance of $3,150 per student. Therefore, the total write-off is approximately $2.2 million.
Questions/Comments re: University Student Accounts Write-Off:

- Trustee Moore asked if there is a plan or process in place moving forward. 
  **Response:** VP Robertson indicated that he has been working with Dr. Hudson, VP for Student Affairs, and Dr. Edington, VP/Provost for Academic Affairs, to analyze how we package students to get them ready for entrance into the university. Currently, we do not have a payment plan in place but that is being considered. The payment plan gives families the option of paying the funding gap over time and improves the likelihood of collection. This may also increase graduation and retention rates if students are dropping out due to financial reasons.

c. Project Updates – University Construction / Operations

i. **Center for Access and Student Success (CASS)**
   VP Robertson reported that the Center for Access and Student Success is currently 50% complete. There are no existing threats at this point that need to be mitigated. The project is on track and under budget.

ii. **700-Bed Residence Hall**
   VP Robertson reported that the completion rate of the 700-bed residence hall is above 68%. One risk was mitigated by bringing in HVAC Units as a temporary solution until the Central Energy Plant is up and running. No other risks have been identified. The project is on track and on budget (revised). The project is to be completed by July 27, 2020 with expected occupancy by August 11, 2020 (fall semester).

iii. **Central Energy Plant (CEP)**
   VP Robertson stated that the Central Energy Plant is complete. We are currently installing a fence around the unit. It should be operational by the end of the month. The project is on time and on track.

iv. **Student Service Center Dining Hub**
   VP Robertson stated that the underground utilities and retaining walls are currently being completed. He expects the completion of the construction to be on time and on budget according to the revised budget.

v. **Student Amphitheater**
   VP Robertson informed the committee that the student amphitheater is 98% complete. A canopy for the construction, which is funded by a $70,000 donation, is currently being designed and is the final phase of the project. The Foundation Office is also working to identify gifts to fund a lighting and sound system.
d. **Carryforward Spending Plan Update**

VP Robertson indicated that the carryforward spending plan approved last year was $16.9 million. As of February 1, 2020, we have spent or encumbered $5.6 million and we have projected to spend or encumber the balance by the end of the fiscal year. Most of the remaining funds will be spent on scholarships and deferred maintenance projects.

**Questions/Comments re: Carryforward Spending Plan Update:**

- Trustee Moore stated that a number of requests that had come before the committee that day and carryforward dollars will not be an option to support many of the request, as those dollars will be expended.

  **Response:** VP Robertson stated that some reallocations can be done if there are any unused funds.

e. **Educational Plant Survey**

VP Robertson stated that the university added a number of projects this year, including the SBI Building renovation, various demolition projects and the Chemical and Biological Research Lab Center. The infrastructure of the Central Plant is a critical improvement required to maintain the campus functionality. This would be a project to repair or replace chillers and boilers in the Plant. Also included on the list of projects are renovations of Navy ROTC – Perry Paige, Army ROTC – Howard Hall and facility enhancements to transform existing structures and spaces to multipurpose environments. Next week the BOG and the peer assessment group will be on campus to conduct their assessment and determine which projects they will recommend to move forward based on the point-scoring system.

f. **Duke Energy / Brooksville**

VP Robertson stated that he has conferred with Dr. Gainous on the status of the project with Duke Energy. The contract rent is $850 per acre with a 2.5% escalator to be applied the second year of production and thereafter. According to Dr. Gainous, no other solar generation facilities will generate revenue at the rate that the university negotiated through a competitive bid process. Duke Energy is in its second year of doing their due diligence and has advised us that due diligence will cost over $10 million.

**Questions/Comments re: Duke Energy / Brooksville:**

- Trustee Moore asked VP Robertson to ensure that the Duke Energy/Brooksville project remain as an item on the agenda because it is a long-term commitment. The thought at the time was that we would use the residual to build sustainability at the Brooksville site in terms of dollars going forward. They are also currently working on a value-added component where our students would receive internships, exposure to big data and
employment opportunities. VP Robertson is working closely with VP Friday-Stroud to bring this into fruition.

Additional Questions/Comments re: VP’s Report:
Trustee Moore commended VP Robertson and his team for “jumping in head-first” on the construction projects. The BOT received notification from the BOG partners, who have been working closely with the university’s team on these construction items, that they had a heightened level of confidence that the team is committed to getting the projects done.

V. Housing Facilities Update
Dr. Wilder, Housing Director, reported that things are going well in housing. They are continuing to track repairs by building on a monthly basis. They have added the 700-bed residence hall to the contract with StarRez. At this time, students have an option to sign up for the 700-bed residence hall by way of a waiting list. Gibbs Hall renovation and project is moving forward. All information has been submitted to the Foundation regarding the housing fundraising strategy.

Questions/Comments re: Housing Facilities Update:
- Trustee Moore asked Dr. Wilder to share planned occupancy rates going into the summer and any indications for anticipated fall projections.
  Response: Dr. Wilder indicated that they currently have 644 students signed up for Fall 2020. 270 on the waitlist for FAMU Towers. As of April 18, 2019, we had 914 students signed up for Fall 2019, and we are on track. FAMU Village for non-LLC spaces is full. LLCs have a May 1, 2020 deadline to apply. After May 15, spaces will be released for persons on the waitlist. They are projected to be on track. Upperclassmen have been slow to sign up for FAMU Towers because they prefer to have single rooms. Marketing efforts for the FAMU Towers are focused on students who live in Gibbs, Young and Truth Halls. These students currently live in traditional halls with community baths. FAMU Towers will be comparable to living in a hotel room. The students will have a roommate, but each room has its own bathroom. This past week they launched the FAMU Rise Program, which is a residence-based developmental program focused on second-year and transfer experiences. Since Monday, we have received 12 applications. With both projects, the targeted marketing and the FAMU Rise Program, FAMU Towers is projected to be filled.

- Trustee Moore asked Dr. Wilder and Dr. Robertson to speak on the Deferred Maintenance Plan and funding, and how we are moving down the priority checklist.
  Response: Dr. Wilder stated that they are working closely with POM. Gibbs Hall is the first building on the list for deferred maintenance. They are in the process of securing contracts to look at the HVAC systems. Purchase orders are in place to redo the elevator. The work is scheduled to begin May 4, 2020, as they did not want to inconvenience students during the end-of-semester move out.
Response: VP Robertson stated that two sets of projections were presented when the HBCU Loan was taken out. These projections were about $1 million apart, but the FAMU projection was more conservative. The savings from the refinancing and lower interest rates is being offset by $70 million of additional debt, which increases debt services by approximately $3 million. Based on projections, we will have between $1.5 – $2 million in residual funds to address deferred maintenance.

- Trustee Woody asked about the rate of minority business participation in the current construction projects.
  Response: VP Robertson stated 43% overall.

- Trustee Lawson stated that the monthly construction oversight reviews have been very thorough and informative. It appears that everything is moving forward, on plan, on target and on budget. The Chairman thanked the team and also stated that this is the most construction at any one point in time on campus in our history and it’s really good news.
  Response: VP Robertson thanked the Chairman and acknowledged the staff in Facilities and Construction.

- Trustee Harper expressed appreciation for the group’s focus on accountability as well as the scorecard that was presented in the report.

- Trustee Cavazos thanked Dr. Wilder and asked what progress has been made on a particular isolated housing investigation.
  Response: Dr. Wilder stated that once the investigation was completed, she would provide the results to VP Robertson.

The meeting was adjourned.