



**Florida Agricultural and Mechanical University
Board of Trustees**

Budget, Finance, and Facilities Committee Minutes

Trustee Kimberly Moore, Committee Chair
Wednesday, December 2, 2020
Location: Zoom Conference Call

MINUTES

Committee Members Present: Kimberly Moore, Thomas Dortch, Kelvin Lawson, Belvin Perry, Craig Reid, and Trustee Stone

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 – September 2, 2020.

There were no revisions to the minutes.

The motion to approve this action item was carried.

Honeywell Performance Contract

VP Robertson introduced the topic by stating that Honeywell conducted an investment-grade audit back in 2018, which began the university's collaboration with the company. Significant progress has been made since the initial encounter. This contract will eliminate approximately \$12 million of campus-wide deferred maintenance needs; provide \$9.4 million in energy efficiency and capital improvements at 62 university facilities; reduce utility expenditures by \$644,592; and provide over \$107,151 in operational expenditure cost avoidance. The contract is part of our strategic priorities related to world class faculty and providing a first-class business infrastructure. Overall, the project payback has improved from 13.36 to 12.50. Over the last year, the university has been able to cut approximately \$2 million in cost out of the project, improve the cash flow and maintain 95% of the savings.

Mr. Alfred Guerrero, Honeywell Senior Business Consultant, restated the overall scope of the performance contract and spoke on the student component of the contract, which includes creating a partnership with the university on its education mission by implementing a connected lab for students to use to learn about cutting edge and emerging trends in technology. In addition to that, they have formulated a university relations team that has



already engaged the staff in ongoing recruitment and internship efforts. It is Honeywell's desire to cultivate a long-term relationship that will span many years.

Questions/Comments re: Honeywell Performance Contract

- Trustee Dortch asked if the savings were guaranteed.
Response: VP Robertson responded that the savings are guaranteed.
- Trustee Dortch asked if a check could be cut in advance of the savings.
- *Response: VP Robertson answered No. Honeywell would reimburse the university if, after the yearly energy audit, the university do not achieve the savings.*
- Trustee Dortch asked if Honeywell has a similar program with other universities of our size.
Response: Mr. Guerrero responded that they do have multiple projects of this size with universities throughout the country.
- Trustee Dortch asked if research had been completed on the program from the 90's.
Response: VP Robertson stated that the research was completed and the program performed well.
- He would also like for Honeywell to be a good relationship and partner with the University.
- Trustee Lawson asked how the \$12 million in deferred maintenance works.
Response: VP Robertson answered that the \$12million is part of the campus maintenance assessment and are projects that were built into that assessment. Therefore, the university is borrowing through a performance contract to do those projects. The information on the projects being eliminated from our deferred maintenance is included the materials packet.

The motion to approve this action item was carried.

Management and Maintenance Contract for the College of Law

VP Robertson requested approval to enter in a full-service contract with Owens, Renz and Lee, Co., the existing vendor who won the \$2 million bid. The current contract for these services expires on January 31, 2021.

The motion to approve this action item was carried.

Brooksville International Goat Facility

VP Robertson stated that the Brooksville International Goat Facility is part of a 5-year grant awarded by the U. S. Department of Agriculture to build an 8-acre facility for laboratory space, offices, demonstration spaces and fencing to teach farmers how to raise sheep and goats. The project is scheduled to begin on December 7, 2020 with a completion date of August 2022. The bidding process has begun. The vendors are included in the information packet provided.

The motion to approve this action item was carried.



Gibbs Hall Essential Structural Repairs

VP Robertson indicated that Gibbs Hall is important to the housing cash flow. Quotes and bids have been finalized. The \$2.7M of structural issues with the restroom floors will be repaired/replaced with funds from the repair and renovations reserves in our bonds from the HBCU loan. The project is scheduled to be completed in spring 2021.

The motion to approve this action item was carried.

Bragg Memorial Stadium Phases I and II

VP Robertson stated that the university received a \$10 million grant from Blueprint. The contract is scheduled to be approved during their board meeting on December 10, 2020. Blueprint has allowed the university to begin engaging with the architects and engineering to begin the project, which will be completed in two phases. \$4 million has been allocated for **Phase I** to address the serious infrastructural issues involving steel beams and seating. If additional dollars remain, repairs to the restrooms will begin. These repairs will allow the stadium to be operational for the upcoming fall season. **Phase II** will begin at the conclusion of fall 2021 football season with completion by September 2022. The procurement process for this phase will be by competitive solicitations. Removal and replacement of the press box, concession stands, lighting and sound system upgrades as well as completing the restroom upgrades are included in this phase.

The motion to approve this action item was carried.

Revised Athletic Re-payment Plan

VP Robertson recognized additional transfers of approximately \$2 million of from concessions, the business office, bookstore, and parking services that occurred between fiscal year 2016, 2017 and 2018. The findings were results of a forensic audit and by our external auditors, the transfers are recorded on our books and records. A formal approval request to extend the athletics repayment plan to relieves athletic of unrealistic increasing annual payments was presented.

The motion to approve this action item was carried.

Additional Paid Days Off for Eligible University Employees

AVP Ingram recommended that the board approve three additional paid days off on December 21, 22, 23 to enable the university to recognize individual, academic and operational performance during this past year. It will also support the university's efforts to protect the health, safety and welfare of its staff and faculty as they continue to manage through the COVID-19 pandemic and prepare the campus for spring semester reopening.



Questions/Comments re: Additional Paid Days Off for Eligible University Employees

- President Robinson thanked Trustee Moore for her compassion and personal interest in ensuring this opportunity is extended to every possible eligible employee and looking at creative, appropriate ways to include ineligible employees as well.

The motion to approve this action item was carried.

INFORMATION ITEMS

Vice President for Finance and Administration's Report

a. Financial Status Report / Quarterly Budget Review

VP Robertson presented the board-approved operating budget of \$374 million for FY 20-21 compared to FY 19-20 budget of \$382 million. The university is operating with a \$8 million smaller budget compared to last year. We are currently operating at 82% of the total budget compared to 70% last year. The reduction to the budget is due to lower auxiliary enterprise revenue, decline due to students and employees operating remotely. Overall, the university is operating closely to its normal budget spend rates.

b. COVID-19 Expenditures Report to Date

VP Robertson stated that, of the initial \$13 million COVID-19 dollars awarded, \$12.9 million has been spent. The breakdown of expenditures includes \$6.5 million that went directly to students to assist with their return home during the onset of the virus during the spring semester; \$3.8 million for students' dining and housing fees refunds; approximately \$570,000 used by the university to go remote by purchasing hardware, software and services for remote access; \$2.1 million for cleaning, sanitation and equipment and PPE. The Office of Financial Aid is in the process of awarding the remaining \$100,000 to students whose families were extremely financially distressed by the virus.

c. Supplier Diversity (MWBE) Report and Policy

VP Robertson stated that during the first quarter, through October 31, 2020, approximately 3% of the commodities and service contract spend went to MWBE firms. He also stated that Ms. Hood and himself are committed to increasing and improving the numbers by focusing on the revised diversity policy and procedures and increasing the outreach to MWBE firms. Year to date, MWBE represent 50% of the continuing service contract spend on construction projects, 2% of the CASS building expenditures, 11% of the Towers (700-bed residence hall) and 36% of the Dining HUB budget.

Ms. Hood, Director of Procurement, presented an overview of the FAMU Supplier Diversity Program. The objectives of the program are to identify and engage State of



Florida certified MWBE firms that provide goods and services to the university, educate university departments and division of the availability of minority vendors and develop a comprehensive database of diverse suppliers and contractors interested in doing business with the university. The Director is responsible for program development, promotion, implementation, compliance, monitoring and reporting and will work closely with university, governmental and community stakeholders. The university will identify and engage diverse suppliers by attending networking events, developing internal advocacy and supplier referrals, sponsoring outreach events, etc. The Office of Procurement has already added a link on the application for the vendor to self-identify the category they wish to be added. The first outreach event/expo is scheduled for the end of February/beginning of March 2021. The Office of Procurement will develop a comprehensive communication strategy that will include internal and external activities to acknowledge and reinforce executive support and supports building a culture of inclusion across the university. Finally, Director Hood presented the state's goals for minority business enterprise as well as the ambitiously recommended goals of the university.

Questions/Comments re: Supplier Diversity (MWBE) Report and Policy

- Trustee Dortch offered his insight and assistance in working with the Office of Procurement to achieving the university's goals.

d. Project Updates – University Construction / Operations

i. Center for Access and Student Success (CASS)

CASS building almost complete. Furniture is being installed and occupants have begun moving in. The giant rattler statue has been installed. The project is on time according to the revised timeline and under budget.

ii. Student Service Center Dining Hub

Due to inclement weather, the project will probably be delayed until late January 2021. The university has applied for a 60-day extension to close out the HBCU Loan of \$70 million. The extension is necessary due to material and labor impacted by COVID 19.

iii. Student Amphitheater

The main canopy has been installed and the wings are next. The project is proceeding very well.

Organizational Assessment Update

VP Robertson and Provost Edington worked jointly to redesign the budgeting process and began holding hearings with departments in March 2020 prior to the onset of the COVID-19 pandemic, which derailed the process. This derailment dictated a top-down rather than a bottom-up approach to the budget. The team was able to balance this year's fiscal budget



by using carry forward dollars, performance -based funding, CARES Act monies and vacancy savings. With the uncertainties faced by the university for the upcoming year, the team worked with McKinsey for over three months to build a financial and forecasting model, which allows us to quickly look at the impact of different scenarios on the university and our budget.

The priority of the President and institution during this pandemic has been to preserve jobs and keep people employed. This is a short-term solution. If we get into a situation where we need to contract, it can be administered quickly but this is not strategic and could impair our ability to implement the university's strategic plan in the long term. Therefore, VP Robertson suggests that the administration begin to look at a rationalized workforce plan by looking at a combination of talents and technology. The process would start with an assessment and benchmarked against our peer institutions and others we aspire to become like.

Provost Edington's annual goal is to complete an assessment and evaluation of the university's academic programs by evaluating degree productivity and efficiency, curricula and degree offerings, as well as resource allocation trends and needs. The timeline for completing this goal is by the end of the 2020-21 academic year (June 30, 2021). The Office of Academic Affairs, along with Ms. Barrington, worked with McKinsey, over an 8-week period to evaluate the curricula and degree offerings. Additional work will be completed on the framework for future use.

Questions/Comments re: Organizational Assessment Update

- Trustee Lawson asked if it is possible to complete the reviews prior to June 2021.
Response: President Robinson stated that the university does not have all of the data and we do not have a contract with McKinsey. He reminded the board that the initial work was completed under The Thurgood Marshall Fund. In order to proceed further, the university must formally engage McKinsey.
- Trustee Washington reiterated President Robinson's comments. She also stated that she feels that the board need to meet and have a conversation on their strategic our strengths and see how they are aligned with current plans.
Response: President Robinson concurred.

Housing Facilities Update

A housing facilities update was provided by Dr. Wilder.

The meeting adjourned.