

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



Budget, Finance and Facilities Committee

**Meeting Materials
December 4, 2019**

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



Budget, Finance and Facilities Committee Meeting

Date: Wednesday, December 4, 2019

Time: 2:30 p.m.

Location: Florida A&M University, Grand Ballroom

Committee Members: Kimberly Moore, Chair
Thomas Dortch, Kelvin Lawson, Belvin Perry, Craig Reed

AGENDA

- | | | |
|-----|---------------|---------------|
| I. | Call to Order | Trustee Moore |
| II. | Roll Call | Mrs. Turner |

CONSENT ITEM

- | | | |
|------|---|---------------|
| III. | Approval of Minutes: September 18, 2019 | Trustee Moore |
|------|---|---------------|

ACTION ITEMS

- | | | |
|-------|--|-------------------------|
| IV. | Approval of SGA Carry Forward Funds | Interim VP Schweigert |
| V. | Approval of Amphitheater Funding | Interim VP Schweigert |
| VI. | Approval of Additional Capital to Complete 700- Bed Residence Hall | Interim VP Schweigert |
| VII. | Approval of Resolution Updating the University's Signatories | General Counsel Wallace |
| VIII. | Approval of Oracle Contract | VP Hudson |
| IX. | Approval of Student Fee Committee Recommendations | VP Hudson |

INFORMATION ITEMS

- | | | |
|------|---|-----------------------|
| X. | Vice President for Finance and Administration's Report <ul style="list-style-type: none"> a. Review of BOG Senate Bill 190 Presentation b. Quarterly Budget Review Update c. FAMU Service Excellence - Staff and Student Surveys d. Succession Planning Update e. Policy Review f. Project Updates – University Construction / Operations <ul style="list-style-type: none"> 1. CASS Project Update 2. 700-Bed Housing Project g. Budget Process Update and New Process | Interim VP Schweigert |
| XI. | Housing Facilities Update and Tour | Director Wilder |
| XII. | Adjournment | Trustee Moore |

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



III.

Minutes

September 18, 2019

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



Budget, Finance and Facilities Committee Minutes

Trustee Kimberly Moore, Committee Chair

Wednesday, September 18, 2019

Location: Florida A&M University, Grand Ballroom

MINUTES

Committee Members Present: Kimberly Moore, Kelvin Lawson, Harold Mills, and Belvin Perry

Call to Order/Roll Call

Chair Moore called the meeting to order. Mrs. Turner called the roll. A quorum was present.

CONSENT ITEMS

Approval of Minutes - March 6, 2019, June 5, 2019 and August 16, 2019.

There were no revisions to the minutes.

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

ACTION ITEMS

Approval of University's Carryforward Spending Plan (FY 2019/20)

VP Schweigert gave a brief history of the legislation that changed the reserve fund requirements. VP Schweigert shared additional changes in the spending plan legislation, SB190. He also was seeking approval of the plan. Trustee Moore moved to approve the plan and was seconded by Trustee Perry.

Questions/Comments re: Approval of University's Carryforward Spending Plan (FY 2019/20):

- Trustee Moore requested that a workshop be held regarding the changes that have been implemented because of SB190.
- Trustee Mills asked for clarification on whether the staff would like to revisit the financial aid numbers relative to the overall budget.
- Trustee Perry asked if carryforward funds may be used for scholarships for law school students.

Response: Trustee Moore indicated that this information will be included in the workshop.

A motion was made to accept the University's carryforward spending plan pending additional updates by staff on the financial aid dollar amount. The motion to approve this agenda item with the stated contingencies was carried.

Florida Agricultural and Mechanical University Board of Trustees



Budget, Finance and Facilities Committee Minutes

VP Schweigert stated that Honeywell has indicated that they will adhere to Florida law by offering energy savings that exceed the cost of the contract.

Alfred Guerrero, a Honeywell representative, spoke on the issues that initiated its relationship with the University. The issues were regarding capital energy improvements, paying for the improvements, identifying deferred maintenance (lighting, plumbing, etc...) and looking at ways to reduce energy consumption on campus.

Honeywell had seven key energy savings areas that could be implemented at the University which would contribute to a savings to the University over the next 15 years. Honeywell pays for any shortfalls.

Approval of Honeywell Performance Contract

Questions/Comments re: Approval of Honeywell Performance Contract:

- Trustee Moore asked if there are other universities within the SUS that are participating in this program. *Response: The Honeywell representative indicated that FAMU would be the only university in a contract with Honeywell, however there are universities in similar programs with different companies.*
- Trustee Mills inquired about the University's debt capacity and debt service if we should enter into this contract. He requested a modification in the motion to at additional information be provided about the University's debt capacity.

A motion was made to approve the Honeywell Performance Contract pending BOT review and approval of the University's overall debt capacity and debt service. The motion to approve this agenda item with the stated contingencies was carried.

Approval of Additional Budget Authority and Authorization of Additional Services – HUB Dining Facility

VP Schweigert requested the use of auxiliary reserve funding for the new dining facility that is currently under construction. VP Schweigert also indicated that additional funding would be needed for the chiller, however everything is on time with the construction. The proposed timeline was given by VP Schweigert; September 2020 was the given finish.

Questions/Comments re: Approval of Additional Budget Authority and Authorization of Additional Services – HUB Dining Facility:

- Trustee Mills requested a scorecard regarding spending on Projects. *Response: Trustee Moore requested distribution of the September projects update report to the BOT.*

The motion to approve this agenda item was carried.

Florida Agricultural and Mechanical University Board of Trustees



Budget, Finance and Facilities Committee Minutes INFORMATION ITEMS

Financial Status

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VP Schweigert presented the overview of the financial status of the University using an amended financial report. VP Schweigert indicated that the report was amended to give further clarity. Discussion included requested changes to the report format.

FAMU Service Excellence

AVP Ingram presented information regarding the customer service initiatives for the University. She discussed the mission statement that was created for the University regarding these efforts. Discussion also included training employees, performance assessment tools and collaboration with human resources to develop service excellence tools such as surveys for staff, faculty and students. AVP Ingram indicated that a coordinator has also been hired to continue this process beyond the consultant's work.

Questions/Comments re: FAMU Service Excellence:

- Trustee Washington requested clarification on the customer service plan that was a part of President Robinson's evaluation. *Response: President Robinson indicated that the customer service plan would be a continuous effort for the University. This was a multi-year plan with phases.*
- There was a question on whether or not the training will be completed before the end of the year. *Response: AVP Ingram responded by stating that everything except the performance tools would be completed by the end of the year. Measurement data has already started being collected through the data that was collected from the spring and summer 2018 graduating seniors.*

Succession Planning Update

AVP Ingram stated that a website has been developed. Academic personnel would not be participating in succession planning at this time. Due to some changes in senior leadership in one division, only thirty percent of succession planning training has been completed. New timelines had to be developed and completion would occur in December. The tools are being used in the areas where training has occurred.

Diversity and Inclusion Update

AVP Ingram indicated that FAMU is fully committed to diversity and inclusion.

Project Updates – University Construction

VP Schweigert indicated that we were on time on all projects, with the exception of the HUB Dining Facility.

Florida Agricultural and Mechanical University Board of Trustees



Project Updates – Housing Facilities

Budget, Finance and Facilities Committee Minutes

Dr. Wilder presented an update on the University's housing. She also provided an occupancy status report.

University of Distinction Proposal

Provost Edington presented information regarding a new funding stream, University of Distinction. Universities not designated as preeminent can request funding for current or a cluster of academic programs at or near the level of excellence. Institutions had only two weeks to submit proposals. FAMU's proposal focused on improvement of health and wellness for the state. The three academic programs identified were Public Health, Health Administration and Pharmaceutical Sciences. Provost Edington assured that as the process moved forward he would provide the BOT with updates.

The meeting was adjourned.

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



IV.

Action Item:

Approval of SGA Carry Forward Funds

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



V.

Action Item:

Approval of Amphitheater Funding



Florida Agricultural and Mechanical University
Board of Trustees Action Item
Budget, Finance and Facilities Committee

Meeting Date December 4, 2019

Agenda Item: V

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other _____	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject: Approval of Amphitheater Funding
(Amendment to the FY 2019-2020 Operating Budget)

Rationale:

The FY 2019-2020 operating budget approved by the Board of Trustees on August 16, 2019 is amended as follows:

Fund 601 Housing Repair and Renovation- After reviewing the current renovation of the amphitheater, we are requesting additional budget authority in the amount of \$910,000. These funds will be used for the additional work required to complete the project and storm-water and drainage issues.

Fund 603 Auxiliary Parking Services Repair and Renovation- After reviewing the current renovation of the amphitheater, we are requesting additional budget authority in an amount not to exceed \$810,000. These funds will be used for the additional work required to complete the project and storm water and drainage issues.

Total: \$1,720,000

Attachments: Demolition of Pentaplex and Amphitheater Project.

Recommendation:

It is recommended that the Board of Trustees approve the Amphitheater funding which is an amendment to the FY 2019-20 Operating Budget.

Florida Agricultural and Mechanical University
Board of Trustees



VI.

Action Item:

Approval of Additional Capital to Complete
700- Bed Residence Hall



Florida Agricultural and Mechanical University
Board of Trustees Action Item
Budget, Finance and Facilities Committee

Meeting Date December 4, 2019

Agenda Item: VII

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other _____	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject: Approval of Use of Additional Capital to Complete 700- Bed Residence Hall

Rationale: Authorizes the University President, working with the CFO, to provide funding from Auxiliary reserves and Title III reserves to fund a deficit in project costs of the 700-bed Residence Hall and related facilities.

Fund 116 Housing Reserves, Fund 110 Auxiliary Parking and Dining Reserves, and Title III Reserves. - After reviewing the last of the final bid packages for the 700-bed residence hall, a deficit of \$7.0m has been identified. This Action item will authorize the President, in consultation with the CFO, to identify a mix of funds from Auxiliary reserves and Title III of up to \$ 7.0M to complete the project.

Attachments: Review PowerPoint presentation associated with this Action Item in the Budget, Finance, and Facilities presentation.

Recommendation: Hard bids have come in to complete the Dining Hub and Chiller plant. The Dining Hub bids are \$5.0M more than anticipated. Various reasons exist for this but it appears initial planning for the project underestimated the cost to build such a facility.

In addition, the Chiller Energy Plant was initially to be funded from savings elsewhere in the project. As construction is now well underway, those hoped for savings have not materialized. The CEP will need \$1.0M to complete. There is also a shortage for IT costs of \$1.0M. In total, the 700 – bed residence hall project will need approximately \$7.0M more to finish all internal projects.

Staff recommendation is that these additional costs be covered by reducing overall Auxiliary and Title III reserve accounts by up to \$7.0M as deemed appropriate by the President.

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



VII.

Action Item:

Approval of Resolution
Updating the University's Signatories



Florida Agricultural and Mechanical University
Board of Trustees Action Item
Budget, Finance and Facilities Committee

Meeting Date December 4, 2019

Agenda Item: VII

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment _____ Change Order _____
Resolution X Contract _____ Grant _____ Other _____

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: Approval of Resolution Updating the University's Signatories

Resolution designating the University President, its Interim Chief Financial Officer, newly appointed Chief Financial Officer, and its Assistant Vice President and Controller as authorized signatories on checks issued to pay the just obligations of the University.

Rationale:

Section 1011.42(7), Florida Statutes and University Regulation 1.021 require the Board of Trustees to designate on its records the legal names and position titles of any employees authorized to sign checks to pay the legal obligations of the University. It is in the best interest of the University that the University President, its interim and permanent Chief Financial Officer, and its Assistant Vice President and Controller be authorized signatories on checks issued to pay the just obligations of the University and that such checks be signed by the University President and at least one other of the authorized signatories.

Recommendation:

Resolve that the University President, Larry Robinson; its Interim Chief Financial Officer, Richard Schweigert whose term shall expire January 1, 2020; its Chief Financial Officer, Alan Robertson whose term shall begin January 2, 2020, and its Assistant Vice President and Controller, Tonya Jackson be authorized signatories on checks issued to pay the just obligations of the University and that such checks be signed by the University President and at least one other of the authorized signatories.

Attachments: Resolution

RESOLUTION NO. 03-19

A RESOLUTION OF THE BOARD OF TRUSTEES OF FLORIDA A&M UNIVERSITY (THE “UNIVERSITY”) DESIGNATING BY NAME AND TITLE THE PRESIDENT, THE CHIEF FINANCIAL OFFICER AND/OR THE INTERIM ASSISTANT VICE PRESIDENT/CHIEF ACCOUNTANT AS PERSONS HAVING AUTHORITY TO SIGN CHECKS TO PAY LEGAL OBLIGATIONS OF THE UNIVERSITY (“AUTHORIZED SIGNATORIES”) AND TO OPEN ANY ACCOUNTS AS NECESSARY TO HOUSE AND MANAGE FUNDS OF THE UNIVERSITY; REQUIRING THAT ALL CHECKS ISSUED BY THE UNIVERSITY BE SIGNED BY THE PRESIDENT AND AT LEAST ONE OF THE OTHER AUTHORIZED SIGNATORIES; AUTHORIZING THE USE OF MECHANICALLY GENERATED SIGNATURES OF SAID AUTHORIZED SIGNATORIES; RESCINDING ANY PRIOR AUTHORIZATIONS AND DESIGNATIONS; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, Section 1011.42(7), Florida Statutes and University Regulation 1.021 require the Board of Trustees to designate on its records the legal names and position titles of any employees authorized to sign checks to pay the legal obligations of the University; and

WHEREAS, it is in the best interest of the University to provide for the names of the President, the Chief Financial Officer, whose term begins January 2, 2020, the Interim Chief Financial Officer whose term expires January 1, 2020, or the Interim Assistant Vice President/Chief Accountant (“Authorized Signatories”) to sign checks to pay legal obligations of the University and to open accounts as necessary to house and manage funds of the University; and

WHEREAS, it is in the best interest of the University that all checks issued by the University be signed by the President and at least one of the other Authorized Signatories; and

WHEREAS, it is in the best interest of the University that mechanically generated signatures of the Authorized Signatories be authorized for the use on any checks issued by the University.

NOW THEREFORE, BE IT DULY RESOLVED BY THE FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY BOARD OF TRUSTEES that:

SECTION 1: The Board of Trustees hereby approves and designates the following persons to sign checks to pay legal obligations of the University and to open any accounts necessary to house and manage funds of the University:

- A. President – Larry Robinson

- B. Interim Chief Financial Officer – Richard Schweigert through January 1, 2020
- C. Chief Financial Officer – Alan Robertson beginning January 2, 2020
- D. Associate Vice President/Chief Accountant – Tonya Jackson

(the “Authorized Signatories”).

SECTION 2: All checks issued by the University are required to be signed by the President and at least one of the other Authorized Signatories.

SECTION 3: Any check issued by the University may bear the mechanically generated signature(s) of any two Authorized Signatories.

SECTION 4: Any authorizations or designations provided to persons prior to the effective date of this resolution are rescinded.

SECTION 5: For all accounts opened to house and manage funds of the University, the President shall provide a report to the Board of Trustees at its regularly scheduled meeting after the opening of any such accounts.

SECTION 6: The Corporate Secretary shall insure that a copy of this resolution and minutes of the Board of Trustees are provided to any financial institution serving as a depository of University funds.

SECTION 7: This resolution shall take effect immediately upon passage.

PASSED AND ADOPTED THIS 5th DAY OF DECEMBER, 2019.

**FLORIDA AGRICULTURAL AND
MECHANICAL UNIVERSITY
BOARD OF TRUSTEES**

ATTEST:

Kelvin Lawson, Chair

Corporate Secretary

Approved as to form and legal sufficiency:

D. Denise Wallace, General Counsel

December 5, 2019

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



VIII.

Action Item:

Approval of Oracle Contract



Florida Agricultural and Mechanical University Board of Trustees Action Item

Meeting Date December 5, 2019

Agenda Item:

Item Origination and Authorization				
Policy <u> </u>	Award of Bid <u> </u>	Budget Amendment <u> </u>	Change Order <u> </u>	Other <u> </u>
Resolution <u> </u>	Contract <u>X</u>	Grant <u> </u>		

Action of Board				
Approved <u> </u>	Approved w/ Conditions <u> </u>	Disapproved <u> </u>	Continued <u> </u>	Withdrawn <u> </u>

Subject: Authorization for the University President to enter into an agreement with Oracle.

Rationale: Oracle’s Vocado Student Financial Planning (SFP) application is the only solution in the market with delivered integration to Campus Solutions (FAMU’s current Student Information System). SFP modernizes the Financial Aid office and provides tremendous value to both the university and our students. Some examples are:

- Extreme automation speeds the aid eligibility determination cycle allowing FAMU to more quickly present aid award packages to prospective students more quickly impacting enrollment conversion
- Encourages responsible borrowing through real time presentation of student specific cost and aid information, “nudging” the student to borrow only what is absolutely necessary
- Frees up time for financial aid workers to have more strategic roles (counseling)
- Provides the ability to project aid over the entire student’s academic program allowing the Financial Aid office to proactively address potential/future funding shortfalls

The application is cloud based and the delivered integration is supported, maintained, and warranted by Oracle which eliminates the risk and cost associated with developing and maintaining a custom integration between Campus Solutions and any other standalone Financial Aid solution.

The contract with Oracle for the SFP application is subscription based and is a 36-month subscription. The annual subscription is \$340,013.06 (billed quarterly in arrears). The 36-month contract value is \$1,020,039.17.

Recommendation: Authorize the President to enter into the agreement with Oracle substantially in the form attached as Exhibit A subject to review and approval by the Vice President of Legal Affairs and Office of the General Counsel.

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



IX.

Action Item:

**Approval of Student Fee Committee
Recommendations**



Florida Agricultural and Mechanical University

Board of Trustees

ACTION ITEM

Student Affairs Committee/Budget, Finance and Facilities
Committee

Date: December 4, 2019

Agenda Item: IX

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other _____	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject: Approval of Student Fee Committee Recommendation

Rationale: The University Student Fee Committee held a meeting on October 22, 2019 to discuss the student fee allocations. It was determined that there would not be any fee increases for the 2019/2020 academic year. However, the committee did discuss reallocating the current mix of fees to have more go towards the Athletics fee.

The next meeting occurred on November 1, 2019, the University's Fee Committee unanimously voted to reallocate \$3.00 per credit hour of the current Technology Fee to the Athletic Fee. This reallocation will not result in an increase of fees to students and is compliant with statutory requirements. The committee consists of students, faculty, and staff.

Recommendation: It is recommended that the Florida A&M University Board of Trustees approve the reallocation of \$3.00 per credit hour of the current Technology Fee to the Athletic Fee for notice and adoption after the expiration of the thirty (30) day notice period, provided there are no public comments, in accordance with the Florida Board of Governors Regulation Development Procedure. The reallocation will be evaluated semi-annually to assess financial need and impact. Further, the reallocation of these fees shall be limited to the end of Fiscal Year 2021/2022.