



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

Budget, Finance, and Facilities Committee Minutes

Trustee Kimberly Moore, Committee Chair
Friday, August 14, 2020
Location: Zoom Conference Call

MINUTES

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

Call to Order/Roll Call

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

Prior to the committee proceeding with its agenda, Dr. Larry Robinson, University President, provided a brief status report on the student housing move-in. Dr. Robinson indicated that today was the first day of students moving into select university housing facilities. Approximately 270 students were expected to move into the Villages and Paddyfoote. Overall, the university expects 1,700 students to move into the housing facilities. A total of 76 resident assistants (RAs) were tested for COVID-19 last week and zero were found positive. The university has an outstanding reopening plan in place to keep students safe throughout this semester.

ACTION ITEMS

Approval of Minutes – June 3, 2020.

There were no revisions to the minutes.

The motion to approve this agenda item was carried.

Amendment to BOT Policy #2005-A:

Increasing Continuing Services Construction Approvals and Increasing Continuing Services Approvals for Design Services

AVP Chris Hessel presented the amendment to BOT Policy #2005-A by stating that the intention of the policy is to increase the maximum dollar amount of the continuing service contracts for construction services and design services. The revision is consistent with the amended sections 255.103(4) and 287.005, Florida Statutes. The maximum amount of continuing contracts for



construction has increased from \$2 million to \$4 million. For design services, the increase is from \$200,000 to \$500,000.

Questions/Comments re: Amendment to BOT Policy on Continuing Services Contracts

- Trustee Moore reiterated that the BOT policy amendment would ensure alignment with the Florida State statutes and that the other SUS institutions are making a similar adjustment to their policies.

The motion to approve this agenda item was carried.

Continuing Services Vendors

AVP Chris Hessel indicated that the university had solicited companies in the architectural, mechanical, civil engineering, construction management, environmental health and safety, landscaping, and structural engineering services. The vetting criteria is rigorous. The competitive bid went through the RFQ process, which was posted on April 10, 2020, and submissions by the firms due on May 5, 2020. The scoring criteria is based on past performance, experience and ability, design ability, minority business enterprise (MBE) credits, their work in progress and their experience working with Florida A&M University or other SUS institutions. The list of recommended vendors is in the committee materials.

The recommendation to the Board of Trustees was to approve the selection of proposed continuing services vendors and to authorize the President to execute the necessary contracts and agreements. These contracts would be executed after the Board approval and review and comments by the General Counsel's office.

Questions/Comments re: Continuing Services Vendors

- Trustee Moore stated that this process is one that has been followed in previous years. What it points to is the rigor that we have underway in the selection process. It includes a second phase of which, not only the BOT reviews, but also General Counsel reviews.
- Trustee Woody asked if the companies on the list are there for one year and have the opportunity for an additional year or is it a two-year period?
Response: Asst. VP Hessel indicated that there are two one-year renewal options for each company for the specified services.
- Trustee Lawson asked if this changes the dollar value of the contracts that need to come before the Board? He also wanted to make sure that it does not change certain items that have to go through the full procurement process as discussed in the past. He wants to make sure that minority and women-owned businesses had an opportunity to do business with the university and to make sure that what is being approved does not preclude our willingness to work with MWBE firms.
Response: Trustee Moore offered a general response of no it does not preclude but actually encourages it by way of our minority vendor diversity program. It does not change the fact that contracts would still move forward through the board-approved



process based on a given amount. In terms of the process, VP Robertson agreed that any contracts with construction firms, architects and engineering firms are reviewed by the Director of Facilities, the Vice President of Finance and Administration and the President. Finally, the contracts are reviewed by our internal legal counsel. Contracts up to \$1 million are signed by the President, over \$1 million require Board approval.

Response: Trustee Moore stated that this is consistent with other SUS partners, as they have already updated that amendment. Thus, the reason for inclusion with this board meeting is so that they would align with one another and would not have to go back for corrections.

- Trustee Reid requested an update on our minority business enterprise participation and rates.

Response: VP Robertson will provide a report during the September BOT meeting.

- Trustee Lawson asked that, given the previous challenges with construction in the system, a provision be put in place for items to be reviewed by the board so that they would have a line of sight as to what is being agreed upon.

Response: President Robinson clarified by reading the actual recommendation that "these contracts will be executed after the board approves, reviews and comments by the Office of General Counsel." This is in the official motion being considered.

The motion to approve this action item was carried.

Final FY 2020-2021 University Budget

Budget Director Nichole Murry thanked the committee for having the special meeting to allow completion of the year-end processes. For the upcoming year, FAMU will receive \$13.3 million of non-recurring funds of the State's Performance Based Funding. The university did not receive any PECO allocation to support minor repair and renovation projects. Funding for Contracts and Grants is projected to be higher due to CARES Act funding. Due to the pandemic there will be a decline in student enrollment. Subsequently, there is a projected reduction in housing and auxiliary revenues, student financial aid, technology fees, and concessions.

BOT approval of the budget is required prior to the August 21, 2020 submission of the final operating budget to the Board of Governors.

Questions/Comments re: Final FY 2020-2021 University Budget

- Trustee Harper asked how the \$13 million reserve would be used?

Response: Director Murry informed the committee that the \$13 million reserve is the performance-based funding that the university budget council has allocated to achieve University performance metrics. Trustee Moore and President Robinson also stated that the funds are being utilized to address the university's strategic priorities.



- Trustee Lawson commented that he would like to capture the true costs that the university is incurring to manage through the pandemic. VP Robertson indicated that this would be addressed by the presentation to follow.
- Trustee Cavazos asked if raises for eligible faculty are included as this year's budget?
Response: President Robinson stated that the university submitted a request to secure legislative funds to be used for faculty increases on last year, but it was denied. The university will continue to work hard to secure legislative funds for faculty salaries.

The motion to approve this action item was carried.

INFORMATION ITEMS

Pandemic Financial Planning Scenarios

VP Robertson shared the results and strategies of a 12-week project concluded with McKinsey Consulting Group on navigating through the COVID-19 Crisis. In Mid-May, FAMU embarked on the project initiated by Dr. Robinson with McKinsey Consulting, sponsored and funded by the Thurgood Scholarship Fund. We sought to build a comprehensive cash flow model, including three specific COVID scenarios to understand the financial implications and the magnitude of potential cash impacts. It was a great opportunity to gain an outside perspective on cost saving opportunities across personnel and non-personnel expenditures.

VP Robertson stated, "At the beginning of the engagement our opening strategy was the same as Scenario 1, hybrid for the entire academic year. By the end of the engagement in early August, we had shifted to Scenario 2, hybrid in the Fall and remote for the balance of the academic year. We also forecast in Scenario 3, beginning the fall in hybrid mode and have to pivot to remote learning similar to the experience we had the last spring semester."

Finally, VP Robertson reviewed enrollment-related receipts, external receipts, and disbursements as well as the cash flow implications of each scenario. He concluded the presentation by sharing cost saving ideas, as well as revenue-generating ideas and innovation strategies with the committee.

Questions/Comments re: Pandemic Financial Planning Scenarios

- Trustee Washington asked if the 6% hold back was accounted for in the scenarios presented.
Response: VP Robertson indicated that the 6% hold back assumption was included in all three of the scenarios.



Other

- Trustee Dortch stated that it is critical for the university to monitor and report how well it is doing with regard MWBE firms. We need to make sure we are creating economic opportunities. Trustee Moore indicated that going forward we will regularly report on MWBE engagement and expenditures.

NOTE: In the interest of time, Trustee Moore requested that the committee forego the university construction project updates. These updates had been recently presented and will be presented at the September meeting.

The meeting was adjourned at 1:48 p.m.

DRAFT