

FLORIDA UNIVERSITY

Board of Trustees

Budget, Finance, and Facilities Committee Meeting

Trustee Emery Gainey, Committee Chair

Thursday, September 24, 2026

Location: FAMU Grand Ballroom

MINUTES

Committee Members Present: Emery Gainey, Deveron Gibbons, Jamal Brown, and Victor Young

Call to Order/Roll Call

Trustee Gainey called the meeting to order at 10:20 a.m. Mrs. Frison called the roll. A quorum was present.

ACTION ITEMS

Approval of Minutes – June 11, 2026 Committee Meeting.

There were no revisions to the minutes.

Trustee Young moved approval of the June 11, 2026, Committee Meeting minutes, and Trustee Brown seconded. The motion was carried.

Approval of FY 2026-2027 University Carryforward Spending Plan and Fixed Capital Outlay Budget – Capital Improvement Plan (CIP).

Interim Chief Budget Director Herbert Bailey recommended Board approval of the FY 2026-2027 University Carryforward Spending Plan and Fixed Capital Outlay Budget – Capital Improvement Plan (CIP).

Trustee Young moved approval of the FY 2026-2027 University Carryforward Spending Plan and Fixed Capital Outlay Budget – Capital Improvement Plan (CIP), and Trustee Brown seconded.

Approval of the College of Law Management and Maintenance Services Contract Authority

Executive Vice President and Chief Operating Officer Kelvin Lawson requested Board approval and authorization for the University President to execute contracts and agreements between the University and Owens Realty Services for comprehensive facility management and maintenance services at the FAMU College of Law in Orlando, following review by the Office of General Counsel.

Trustee Brown moved approval of the College of Law Management and Maintenance Services Contract Authority, and Trustee Young seconded.

Approval of the Collins Building Renovation Construction Management Contract Authority

Mr. Lawson recommended Board approval and authorization for the University President to execute contracts and agreements with RAM Construction & Development, LLC, for a total sum not to exceed \$3.7 million, following review and comments by the Office of General Counsel.

Questions/Comments re: Approval of the Collins Building Renovation Construction Management Contract Authority

- Trustee Brown thanked Mr. Lawson, the President, and the Administration for their prompt attention to matters raised by faculty. Trustee Brown acknowledged the Administration's efforts to address the identified concerns, including issues related to facilities and other University spaces.

Response: Mr. Lawson acknowledged that Dean Wesson also deserved credit for developing and coordinating the initiative.

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Trustee Brown moved approval of the Collins Building Renovation Construction Management Contract Authority, and Trustee Young seconded.

Approval of the Instructure (Canvas) LMS Contract Renewal and Tier Upgrade

Dr. Sundra Kinsey, Associate Provost for Academic Programs and Institutional Accreditation Liaison, requested approval of the four-year contract renewal and tier upgrade with Instructure, Inc., in the total amount of \$1,116,685.42.

Trustee Gibbons moved approval of the Instructure (Canvas) LMS Contract Renewal and Tier Upgrade, and Trustee Brown seconded.

Action Item VI – Medical Marijuana Education and Research Initiative (Withdrawn)

Chair Gainey announced that Action Item VI, Medical Marijuana Education and Research Initiative, was removed from the agenda.

No motion was made, as the item was withdrawn prior to consideration.

Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

Associate Vice President of Business and Auxiliary Services Donald Pearsall recommended approval of the five-year contract with a renewal option for pouring rights with Refreshment Services Pepsi, Inc., and authorization for the President to execute the agreement, following review and comments by the Office of General Counsel.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee White asked about the financial terms and economic benefits of the contract.

Response: Chief Procurement Officer Stephany Fall replied that the five-year value of the contract is \$3.8 million.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee White asked whether that amount was annual.

Response: Ms. Fall replied that \$3.8 million is the total for the five-year term.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee Young asked whether the contract includes any fixtures, equipment, or other assets that Pepsi would provide, as well as any upgrades or improvements to the University's beverage service operations. President Johnson apologized to Trustee Young for interrupting and asked Ms. Fall to walk through the financial framework of the agreement in more detail.

Response: Ms. Fall provided a brief comparison of the proposed five-year agreement and outlined the financial and non-cash investments associated with the agreement. She stated that the five-year term includes an upfront signing bonus of \$100,000 and \$250,000 in scholarship funding, representing an increase from amounts received in prior years. She further reported that the agreement provides \$475,000 in guaranteed commissions, with an estimated \$87,700 in additional commissions above the guaranteed amount, resulting in a total cash investment of approximately \$1.5 million. In addition, the agreement includes approximately \$620,000 in non-cash investments and \$1.6 million in product contributions, resulting in a total five-year investment of approximately \$3.8 million.

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Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee Young asked for clarification regarding the \$620,000 non-cash investment, specifically requesting information on the items included under that classification.

Response: Ms. Fall responded that she did not have the detailed breakdown of the \$620,000 non-cash investment available at the time and stated that she would provide the information at a later time.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee Young asked whether the proposed agreement had been compared with a competitive product offering, such as Coca-Cola, as part of the evaluation process.

Response: Ms. Fall confirmed that the proposed agreement had been compared with a competitive product offering, including Coca-Cola, as part of the evaluation process.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- President Johnson noted that the Invitation to Negotiate (ITN) had been issued and subsequently re-bid as part of the competitive procurement process. She further noted that, during the most recent round of negotiations, both vendors submitted their Best and Final Offers. The University requested that both vendors further improve their offers. President Johnson stated that Pepsi subsequently improved its offer, while Coca-Cola did not submit an improved offer.

Response: Ms. Fall explained that the University conducted two rounds of negotiations and Best and Final Offers with the vendors. Following the initial Best and Final Offer, the University reviewed and compared the proposals and evaluated the terms to determine what would be most beneficial to the University. The University then conducted a second round of negotiations and requested that the vendors further strengthen their proposals in areas identified for improvement. During the second round of negotiations, Pepsi demonstrated a strong interest in securing the contract and establishing a partnership with the University. She offered to provide additional details regarding Coca-Cola's proposal but noted that, because the discussion was taking place in a public forum, she did not believe it would be appropriate to disclose specific details of the competing proposal.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee Young stated that he did not need to review Coca-Cola's proposal, noting that if its Best and Final Offer was not competitive, there was no need to further consider its proposal. Trustee Young requested a detailed breakdown of the \$620,000 non-cash investment included in the proposed agreement.

Response: Ms. Fall confirmed that the University could provide the Board with a detailed breakdown of the \$620,000 non-cash investment included in the proposed agreement.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- President Johnson emphasized that one of the priorities established for the Procurement Team is to identify business partners that demonstrate a commitment to investing in the University and supporting its excellence. She stated that vendors should provide value beyond the financial terms of a contract and demonstrate a willingness to contribute to the University's success. President Johnson further noted that this commitment was an important consideration in the evaluation process and highlighted the proposed agreement's \$50,000 annual scholarship commitment.

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Response: Ms. Fall clarified that the proposed \$50,000 annual scholarship commitment represented an increase from the \$10,000 annual commitment under the prior agreement.

- President Johnson agreed and noted that the increased commitment was not in the current agreement or in Pepsi's initial proposal. She stated that the scholarship commitment increased during the negotiation process with Pepsi.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee Gibbons asked whether the University's geographic region is serviced by Coca-Cola Florida or by a private entity that serves as a Coca-Cola vendor.

Response: Ms. Fall asked whether Trustee Gibbons was referring to Pepsi.

- Trustee Gibbons clarified that he was referring to Coca-Cola.

Response: Ms. Fall responded that she did not have sufficient information to confirm the details regarding Coca-Cola's regional vendor structure.

- Trustee Gibbons asked whether Coca-Cola Florida would have been eligible to submit a proposal in response to the ITN or whether its regional vendor arrangement would have precluded it from participating.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee White asked whether Pepsi recruits University students and, if not, how the University could engage Pepsi and encourage its participation in the University's career fairs and student recruitment activities.

Response: Ms. Fall responded that providing additional internship and student recruitment opportunities was one of the University's negotiation objectives. She stated that the University specifically requested that Pepsi expand its opportunities to recruit and engage University students.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee White asked whether the University received a firm commitment from Pepsi regarding internships and student recruitment opportunities.

Response: Ms. Fall confirmed that Pepsi provided a firm commitment to offer additional internship and student recruitment opportunities for University students.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee White requested the written documentation outlining Pepsi's commitment.

Response: Ms. Fall responded that she could provide the requested documentation outlining Pepsi's commitment to providing additional internship and student recruitment opportunities for University students.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee Williams echoed Trustee White's comments regarding the importance of securing additional internship opportunities for University students when large corporations provide sponsorship funding to the University. Trustee Williams thanked the Procurement Team for addressing this consideration during the negotiation process.

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Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee White thanked the Procurement Team for their efforts and stated that the approach taken should serve as a standard for future contracts presented to the Board. He emphasized the importance of evaluating scholarship support, internship opportunities, and other meaningful contributions to University students and the FAMU community as part of the consideration of vendor contracts.
Trustee White highlighted the importance of holding vendors accountable for contributing to and engaging with the University community when they conduct business with the University. He stated that vendors receiving significant contracts should demonstrate a commitment to supporting the institution beyond the financial terms of the contract.

Questions/Comments re: Approval of University Pouring Rights Agreement with Refreshment Services Pepsi, Inc.

- Trustee Crossman agreed on the importance of vendor engagement with University students. He emphasized that increased engagement between vendors and the University could provide a mutually beneficial opportunity by connecting University students with organizations and companies while allowing those organizations to become more familiar with the University's students and talent.
- Trustee Crossman further recommended that the University establish a means of tracking and measuring the outcomes of vendor commitments. He stated that, at a future meeting, the Board should receive information regarding the students who participated in internships, graduates who were subsequently employed, and the outcomes of those internship experiences. He also recommended that vendor representatives be invited to participate in guest lectures and other student engagement opportunities. Trustee Crossman emphasized the importance of monitoring these commitments to ensure that the agreed-upon opportunities are implemented and producing meaningful results.

Trustee Young moved approval of the University Pouring Rights Agreement with Refreshment Services Pepsi, Inc., and Trustee Gibbons seconded.

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INFORMATION ITEMS

Vice President for Finance and Administration's Report

a. Quarterly Financial Report Budget to Actuals as of 06/30/2026

Mr. Bailey presented the Quarterly Financial Report for the period ending June 30, 2026, representing the close of the fourth quarter of Fiscal Year 2025–2026. He noted that the report serves as the University's year-end budget report and includes Fiscal Year 2026–2027 rollover encumbrances.

Mr. Bailey explained that the report was not presented in June because the fourth quarter had not yet concluded, with the quarter ending on June 30, 2026. He stated that the amounts reflected in the report include expenditures and encumbrances, including year-end purchases and travel encumbrances that rolled over into the subsequent fiscal year. He further noted that salary expenditures are encumbered for 12 months.

Mr. Bailey reported that the University maintained a steady expenditure rate relative to budget from year to year. He stated that the University ended Fiscal Year 2025–2026 at 91% of the approved budget, compared with 93% in the prior fiscal year. The total approved budget was \$482.1 million, representing an increase of \$17.2 million from the prior year. Total expenditures and encumbrances were \$438.5 million, resulting in \$43.6 million in unspent funds.

Mr. Bailey noted that spending remained generally consistent across the various fund groups. Contracts and Grants were at 97% of budget in both years; Athletics was at 96%; Technology and Fees was at 99%; and Concessions was at 76%. For Education and General (E&G), expenditures and encumbrances totaled \$202.4 million, representing 86% of the \$234.5 million budget, compared with 89% in the prior fiscal year.

Mr. Bailey stated that the report showed the University's spending rates remained generally consistent with prior years, with expenditures at 91% of budget in the current fiscal year, compared with 93% in the prior fiscal year. He concluded the Fiscal Year 2025–2026 Fourth Quarter Financial Report and advised that the First Quarter Financial Report for Fiscal Year 2026–2027 would be presented at the next Board meeting following the September 30, 2026, close of the first quarter.

Questions/Comments re: Quarterly Financial Report-Budget to Actuals

- Trustee White asked about the Concessions line item, noting that revenues were approximately \$400,000, and questioned what strategies could be implemented to increase concessions revenue to \$1 million. Trustee White clarified that his comments were not directed at the Budget Office but were intended to encourage the University to strategically evaluate opportunities to increase revenue that could support Athletics. He noted the ongoing needs associated with Bragg Memorial Stadium, including potential replacement and other improvements, and emphasized the importance of identifying additional revenue-generating opportunities. He referenced the upcoming Homecoming and noted that certain vendors operating during University events do not currently generate revenue for the University.
- Trustee White encouraged the University to develop a strategic approach to increasing concessions revenue, particularly given the number of athletic programs supported by the University. He stated that increasing concessions revenue to approximately \$1 million could provide additional resources to support Athletics and should be further considered in coordination with the Athletics Department and its Direct Support Organization (DSO).

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- Trustee Gibbons commented that the matter should be addressed through campus planning and strategic planning efforts and encouraged the appropriate University leadership to develop strategies to address the revenue opportunities identified by Trustee White.
- Chair Gainey recognized Finance and Administration Consultant Nichole Murry.

Response: Ms. Murry clarified that the Concessions line item reflected in the report does not represent concessions revenue generated through athletic events or athletic vending. She explained that athletic concessions are included within the Athletics fund group and are therefore reflected separately in the financial report.

Ms. Murry stated that the Concessions line item primarily represents vending operations throughout the University campus. She acknowledged that there may be additional opportunities to increase revenue through athletics-related concessions and agreed that the matter warrants further consideration. She further explained that the separate Concessions classification is maintained in accordance with Board of Governors requirements, which require vending activity to be reported separately from the other University funding categories.

Questions/Comments re: Quarterly Financial Report-Budget to Actuals

- Trustee White asked what is included in the Concessions line item.

Response: Ms. Murry explained that the separate classification is related to the University's accounting structure and the designation of different "colors of money" discussed during prior Board budget workshops. She clarified that the Concessions line item reflects campus vending activities and does not include concessions associated with Athletics.

Questions/Comments re: Quarterly Financial Report-Budget to Actuals

- Trustee White asked Mr. Bailey to clarify the budget line item associated with Athletics concessions.

Response: Mr. Bailey clarified that Athletics concessions are associated with concession stands and other concessions operations at athletic events. He explained that the separate Concessions line item referenced in the report is primarily related to contracts with various vendors through which the University receives concession-related revenue.

Questions/Comments re: Quarterly Financial Report-Budget to Actuals

- Trustee Young asked whether the University has a breakdown of revenues associated with Athletics concessions.

Response: Ms. Murry confirmed that the Athletics concessions budget is approximately \$60,000, which is included within the \$12.4 million Athletics budget. She explained that this amount represents concessions revenue across the University's revenue-generating sports. She further noted that Athletics also generates some ancillary vending revenue associated with non-revenue-generating sports.

- Trustee Young requested a breakdown of how much of that revenue is received in cash versus digital deposits and transactions.

Questions/Comments re: Quarterly Financial Report-Budget to Actuals

- Trustee White requested that a breakdown of the contracts included within the Concessions line item be provided at the next Board meeting. He stated that the matter warrants further consideration, noting that the approximately \$400,000 in annual revenue generated through campus vendor partnerships represents an opportunity for the University to explore strategies to increase revenue.

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FOLLOW-UP ITEMS

- A breakdown of the Pepsi non-cash investment.
- Written documentation of Pepsi's internship and recruitment commitment.
- A breakdown of the contracts in the Concessions line item for the next meeting.
- Trustee Young's request for a cash vs. digital breakdown.
- Trustee Crossman's request to track internship and employment outcomes from vendor commitments.

The meeting adjourned at 10:29 a.m.

DRAFT