

Minutes

Finance, Facilities & Operations Committee Meeting

UWF Board of Trustees

May 24, 2018

Committee Chair Suzanne Lewis called the meeting to order at 11:30 a.m. with the following committee members present: Suzanne Lewis, Dave Cleveland and Lewis Bear, Jr.

Other trustees in attendance: Mort O'Sullivan, Bob Jones, David Ramsey, Bob Sires, Brandon Malone, Alonzie Scott and Jill Singer.

Other trustees participating by phone: Greg Britton and Dick Baker.

President Martha Saunders joined by video conferencing.

Others attending:

Dr. George Ellenberg, Provost and Senior Vice President; Ms. Betsy Bowers, IVP Administrative Services; Dr. Pam Northrup, VP, Innovation and Strategic Research; Dr. Joffery Gaymon, Vice President Enrollment & Student Affairs; Dr. Kimberly McCorkle, Interim Vice Provost; Dr. Kim LeDuff, Vice President, Academic Engagement; Mr. Howard Reddy, Vice President for Advancement; Ms. Pam Langham, General Counsel; Ms. Janice Gilley, AVP External Affairs; Mr. Dave Scott, Athletic Director; Dr. Melinda Bowers, Director, Emerald Coast Campus; Ms. Cynthia Talbert, Internal Auditor III; Mr. Matt Packard, Compliance Officer; Dr. Jenae Burkart, Faculty Technology Support Specialist, ITS; Ms. Sandra Thompson, Director, ITS; Dr. Brandon Frye, Dean of Students, Mr. Ross Dahlstrom, Network Engineer; Mr. Chase Green Technology Engineer, ITS, Mr. Eric Ingerman, Sound Engineer and Production Services; Ms. Becky Luntsford, Assistant Corporate Secretary to the Board of Trustees.

CHAIR'S GREETING

Trustee Cleveland welcomed everyone in attendance.

Chair Lewis stated that the Committee had six action items and three information items on the agenda.

ACTION ITEMS

- 1. Approval of Revisions to UWF/REG 4.008 Tuition and Fees.** Ms. Colleen Asmus, AVP, UWF Controller presented the item.

Updates to UWF/REG 4.008 were proposed to conform to the changes in the third time repeat fee set by the Florida Board of Governors. University regulations which govern tuition and fees are select regulations and cannot go into effect until they are approved by the Board of Governors. The amendments to this regulation will go into effect upon approval of the BOG.

Chair Lewis asked for a motion recommending the full Board, at its June 5, 2018 meeting, Approve the Revisions to UWF Regulation 4.008 Tuition and Fees as presented.

Motion by: Trustee Lewis Bear, Jr.
Seconded by: Trustee Dave Cleveland
Motion passed unanimously.

2. Approval of Revisions to UWF/REG 4.004 Deferral of Tuition and Fees. Ms. Colleen Asmus, AVP, UWF Controller presented the item.

Updates to UWF/REG 4.008 were proposed to conform to the changes in the third time repeat fee set by the Florida Board of Governors. University regulations which govern tuition and fees are select regulations and cannot go into effect until they are approved by the Board of Governors. The amendments to this regulation will go into effect upon approval of the BOG.

Chair Lewis asked for a motion recommending the full Board, at its June 5, 2018 meeting, Approve the Revisions to UWF Regulation 4.004 Tuition and Fees as presented.

Motion by: Trustee Lewis Bear, Jr.
Seconded by: Trustee Dave Cleveland
Motion passed unanimously.

3. Approval of Business Enterprises Inc. Bylaws Revision Sections 3.4 and 5.1. Dr. Steven Cunningham, BEI Chief Executive Officer presented the item.

Section 1004.28 (3), Florida Statutes, was recently amended in relation to Direct Support Organization (DSO) Board appointments as of March 11, 2018. Accordingly, it is necessary to confirm and approve conforming amendments to Business Enterprises, Inc. (BEI) Bylaws Section 3.4, "Appointment of Directors and Tenure" and Section 5.1, "Creation of Committees" as outlined in the proposed Bylaws revision approved and endorsed by the BEI Board of Directors on April 16, 2018.

The Bylaws Revisions will become effective immediately upon approval by the UWF Board of Trustees.

Chair Lewis asked for a motion recommending the full Board, at its June 5, 2018 meeting, Approve the Business Enterprises, Inc. Bylaws Sections 3.4 and 5.1 as presented.

Motion by: Trustee Dave Cleveland

Seconded by: Trustee Lewis Bear, Jr.

Motion passed unanimously.

- 4. Approval of New UWF BOT Regulation 5.060 UWF Beach Reservation.** Dr. Melinda Bowers, AVP Administration, Facilities and Operations provided background information and intent of this regulation.

The University of West Florida Board of Trustees owns approximately 152 acres of land on Santa Rosa Island. It is located just east of the last residential area on Pensacola Beach (Portofino parking lot) for approximately .9 mile on both sides of the road continuing until the Gulf Islands National Seashore boundary. The University mission has been to utilize the property for conservation purposes, education and research. Faculty members frequently conduct research on sand dune formation and conservation. Faculty members also frequently use the property for educational purposes. Research instruments are on the site. The Audubon Society tracks migratory birds for conservation purposes.

Research instruments are frequently disturbed by visitors. There is also evidence of commercial activity and hunting on the property. A solution that saves the natural environment and rich ecosystem while ensuring the University community continues to benefit from the educational and research opportunities associated with the property is essential. This regulation will preserve, protect and conserve the natural fauna and flora on the property.

UWF Policy ES-04.05-02/14 currently permits use of the property and identifies unauthorized activity. However, the proposed regulation revises the language in the policy, specifically restricts activity that is a violation of the law and defines certain activity as a trespass. The regulation is applicable to the University community and the public.

The regulation provides opportunities for hiking, engaging in outdoor recreation, and participation in education and research without disturbing the environment.

Chair Lewis asked for a motion recommending the full Board, at its June 5, 2018 meeting, Approve the new UWF BOT Regulation 5.060 UWF Beach Reservation as set forth in the supporting documentation provided.

Motion by: Trustee Dave Cleveland

There was much discussion among the Committee, other Board members and university staff regarding this new regulation, the definitions, prohibited activities and items listed in the regulation, and the purpose and enforcement of the regulation.

Trustee Dave Cleveland amended his motion to approve the proposed amendment to UWF BOT Policy 10.01-03/13 Real Property SUBJECT TO striking the word “alcohol” in Rules (B) 2 and include the word “illegal” controlled substances in the policy.

Seconded by: Trustee Lewis Bear

There was additional discussion by the Committee, other Board members and university staff regarding law enforcement and other illegal activity on the property.

Chair Lewis asked General Counsel Pam Langham if she could make all the revisions requested by the Committee to the Regulation and bring back to the Committee for review and approval at the June 5, 2018 Finance, Facilities & Operations Committee meeting.

General Counsel Pam Langham agreed.

Trustee Dave Cleveland amended his final motion recommending approval of the proposed amendment to UWF BOT Policy 10.01 -03.13 Real Property to reflect all revisions suggested by the Committee. He added that the revised Policy be presented to the Finance Facilities & Operations Committee at its June 5, 2018 meeting prior to the full Board of Trustees Meeting. Those revisions include adding the word “alcohol” in Rules (B) 2; adding the word “illegal” controlled substances; adding (A) 18 “any and all illegal activity”; and adding (C) 8 & 9. Certified Lifeguard to the policy.

Seconded by: Trustee Lewis Bear

Motion passed unanimously.

No action was taken.

- 5. Approval of Amendment to UWF BOT Policy 10.01-03.13 Real Property.** Mr. Howard Reddy, VP University Advancement presented the item.

UWF BOT Policy 10.01-03/13 *Real Property* governs the acquisition of, transactions for and leasing of material real property transactions by the University. The Policy also

applies to all University DSOs. The BOT reserved the right to review all material real property transactions defined as “space leases for total cumulative rentals over the term of the lease exceeding \$500,000, ground leases with cumulative rentals in excess of \$100,000, or for property upon which improvements will be constructed with an estimated value exceeding \$2,000,000, privatized development projects exceeding \$2,000,000 in construction cost, and the gift, purchase or sale of real property having a value greater than \$1,000,000.”

Section 5.3 of the policy clearly states that the BOT’s review of material real property transactions will be conducted prior to the execution of agreements and follows a review by the University, DSO Board and the University CFO. The prior review conducted by the University CFO includes eleven (11) separate components (under section 7) all of which shall be completed prior to the execution of agreements, review by the UWF BOT and before acquisition.

The recommended change to the policy exempts the UWF Foundation from conducting the full review in Section 7 of the policy before signing or executing any agreements that involve gifts or donations of material real property transactions. The new language does not restrict the UWF BOT’s final authority to approve or reject a material real property transaction involving the UWF Foundation regardless of the type of transaction, i.e. purchase, gift or donation.

The UWF Foundation BOD currently has a robust gift acceptance policy for real estate and real property requiring appraisals, a title search, an environmental study and other checks and balances prior to acquisition or closing on the property.

Practical Considerations: The new language will allow the UWF Foundation to execute and enter into agreements subject to the UWF BOT approval of gifts or donations of material real property transactions without first having to spend significant funds to comply with Section 7 of the policy ahead of execution. The new language also clarifies the process and acknowledges the Foundation policy requirements and contingencies before acceptance of a gift of real property, including BOT final review of all material real property transactions.

Chair Lewis asked for a motion recommending the full Board, at its June 5, 2018 meeting, Approve Amendment to UWF BOT Policy 10.01 – 03/13 Real Property as set forth in the supporting documentation provided.

Motion by: Trustee Dave Cleveland

There was much discussion among the Committee, other Board members and university staff regarding the proposed amendment to this policy, the language of the policy, definition of real property, timing of real property transactions and required levels of approval, and the obligation of the Board of Trustees throughout the process.

Chair Lewis made a revised motion to approve the proposed amendment to UWF BOT Policy 10.01-03/13 Real Property as set forth in the supporting documentation provided subject to the addition of language that clarifies the obligation, not just the right, to review material real property transactions covered by the Policy.

Seconded by: Trustee Dave Cleveland

Motion passed unanimously.

General Counsel Pam Langham agreed to insert language into the Policy specified by Committee and provide at the June 5, 2018 Finance, Facilities & Operations Committee meeting prior to the full Board of Trustees Meeting.

6. Approval of 2019/2020 – 2023/2024 Fixed Capital Outlay. Ms. Betsy Bowers, IVP of the Division of Finance and Administration presented the item.

The Board of Trustees approved the FY2018/2019-2022/2023 Five Year Plan for Educational and General (E&G) buildings during the June 29, 2017 meeting. The Board of Governors obtains a proposed project list from each of the State University System universities and presents it to the Legislature and Governor, along with requests from state colleges and public schools. The Legislature then determines which projects are funded. This process is pursuant to Florida Statutes 1013.64, 216.0158, and 216.043. Project funding is obtained from the Public Education Capital Outlay (PECO) fund, which is a portion of the gross receipts tax on utilities, including electricity, telecommunications, and cable. The updated FY19 - FY23 five-year Fixed Capital Outlay Plan reflects priorities endorsed by President Saunders including an emphasis on UWF as a destination place for our students, faculty, staff, community, and region. Additionally, the 5-year Educational Plant Survey (EPS) process was recently completed for UWF and the proposed capital improvement priorities reflect the outcome of the EPS review. Finally, the Campus Master Plan will be internally updated to reflect the projects and priorities outlined in this updated Fixed Capital Outlay Plan. The PECO eligible project budgets will again be updated prior to the August 1, 2018 submittal date to the Board of Governors. Key points and recommended changes for this PECO Plan, as compared to the most recent Plan approved by the Board of Trustees on June 29, 2017 are summarized below:

Priority

1. Capital Renewal Infrastructure – Moved from Priority 2
2. Campus Roof Critical Replacement – New project, previously included in Capital Renewal Infrastructure

3. Campus HVAC Critical Replacement – New project, previously included in Capital Renewal Infrastructure
4. Building 54, Fire Mitigation – Moved from Priority 8
5. Classroom and ROTC - Buildings 77 & 78 Rehabilitation and Annex – Moved from Priority 7
6. Science Collections Laboratory and Auditorium – Moved from Priority 14
7. Science and Engineering Research Wing – Moved from Priority 5

Removed

Priority 1 - Central Utility Plant Switchgear Replacement (Funded)

Priority 3 - University Center Building 22 Commons Addition/Renovation

Priority 6 - Innovation Campus Network – (moved to Other State Source list)

Priority 9 - College of Health

Priority 10 - Aquatic Center Renovation-HVAC System

Priority 11 - Campus Drive Road Extension and Modifications, Phase I of II

Priority 12 - Campus Drive Road Extension and Modifications, Phase II of II

Chair Lewis asked for a motion recommending the full Board, at its June 5, 2018 meeting, Approve the Revisions to UWF Regulation 4.004 Tuition and Fees as presented.

Motion by: Trustee Dave Cleveland

Seconded by: Trustee Lewis Bear, Jr.

Motion passed unanimously.

INFORMATION ITEMS

1. **University Carryforward Overview.** Ms. Betsy Bowers provided the Board with an in depth explanation and overview of UWF's carryforward fund. She explained that these funds are non-recurring and may be used for all legitimate non-recurring needs of the university that are appropriate.

Chair Suzanne Lewis announced that the Finance, Facilities & Operations Committee and the President's Cabinet will develop a policy on centralization of Carryforward funds. She hopes to bring the policy before the Board of Trustees no later than the December 2019 BOT meeting.

2. **Fiscal Year 2017-18 Operating Budget Summary.** Ms. Colleen Asmus, presented the fiscal year 2017-18 Operating Budget Summary, which provides a report at the end of the 3rd quarter with budget-to-actual results for each fund group.

- 3. Food Services Transition and Argonaut Village Operation Update.** Ms. Betsy Bowers, provided the Board with a report on the status of the May 6, 2018 Food Services transition & Argonaut Village Operation under BEI.

OTHER COMMITTEE BUSINESS

None

ADJOURNMENT

With no further Finance, Facilities & Operations items to discuss, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,
Becky Luntsford, Assistant Corporate Secretary