Minutes
Finance, Facilities & Operations Committee Meeting
UWF Board of Trustees
May 19, 2016

Trustee Dave Cleveland called the meeting to order at 9:36 a.m. with the following committee members present: Dave Cleveland and Suzanne Lewis. Chair Mort O’Sullivan was unable to attend the meeting.

Other trustees in attendance: Greg Britton, Bob Jones, Dick Baker, Lewis Bear, Jr., Jay Patel, Bentina Terry, Ted Fox, Bob Sires and LuTimothy May. Trustee Jake Hebert participated by phone.

Others in attendance: Dr. Judy Bense, President; Dr. Martha Saunders, Provost; Dr. Kevin Bailey, VP Student Affairs; Dr. Steven Cunningham, VP Finance & Administrative Services; Dr. Brendan Kelly, VP Advancement; Pat Lott, General Counsel, Ms. Betsy Bowers, AVP Internal Auditing; Dr. George Ellenberg, Vice Provost; Dr. Jim Hurd, AVP Student Affairs; Ms. Cynthia Talbert, Internal Auditing; Mr. Dan Bevel, Internal Auditing; Ms. Ellen Till, Director, Business Affairs & Auxiliary Services; Dr. Michael Huggins, Dean, CASSH; Dr. Ed Ranelli, College of Business; Dr. Steve Brown, Dean, CEPS; Dr. Steve Crawley, Dean, COPS; Dr. Rick Harper, AVP, OEDE; Dr. Ermalynn Kiehl, Dean, COH; Dr. Ed Ranelli; Dr. Jay Clune, Dean, Graduate School; Dr. Kim LeDuff, AVP, Dean, University College ; Dr. Joffery Gaymon, AVP Enrollment Affairs; Ms. Janice Gilley; Mr. Marc Churchwell; Chief John Warren, University Policy; Dr. Tim O’Keefe, Dean, College of Business; Ms. Mica Hughes-Harrell, Director Wellness Services; Dr. Vanee Cao- Nguyen, Director SDRC; Dr. Bob Dugan, Dean, Library Studies; Dr. Sarah Luczyk, AVP, Student Affairs; Dr. Brandon Frye, AVP, Dean of Students; Dr. James Barnett, Interim CEO, UWF BEI; Ms. Megan Gonzalez, University Communications; Ms. Colleen Asmus, Controller; Mr. Jeff Djerlek, Asst Controller; Ms. Martha Lee Blodgett, University Advancement; Ms. Karen Rentz, Director, Office of EOC; Ms. Robin Zimmern, Assistant Dean of Students; Ms. Sandra Thompson, Director, ITS; Ms. Melanie Haveard, Director, ITS; Dr. Jenae Burhart, ITS; Dr. Michael White, ASPIRE; Mr. William Coleman, ITS; Mr. Pat Crawford, WUWF Public Media; Mr. David Scott, Athletic Director; Ms. Lisa Berneau, Assistant General Counsel; Ms. Lauren Loeffler, Director Career Center; Ms. Jamie Sprague, Assoc Director Human Resources; Ms. Angela Jones, Director, Procurement and Contracts; Dr. Claudia Stanny, Director, CUTLA: Mr. Daniel Lucas, Chief Financial Officer, UWF Foundation; Dr. William Healey, Director, Recreation and Sports Services; Dr. Rebecca Kennedy, AVP Counseling Center; Andrew Romer, Executive Specialist; Eric Ingerman, Sound Specialist; and Becky Luntsford, Executive Specialist.
CHAIR’S GREETING

Trustee Cleveland welcomed everyone and thanked all for being here today. He recognized all the trustees in attendance.

ACTION ITEMS

1. **Approval of Scenic Hills Lease for Purposes of UWF BOT Real Property Policy** was presented by Dr. Steven Cunningham, Vice President and CFO.

   Following the recommendations of a workgroup led by Trustee Suzanne Lewis, UWF Business Enterprises, Inc. (“BEI”) and University staff undertook a competitive selection process to identify a long-term partner for leasing or other long-term management and operations of the Scenic Hills Golf Course, Club and Grille. At its meeting in February, the BEI Board authorized the CEO to proceed with negotiations to complete an agreement and contract under University procedures with Integrity Golf Company, LLC (“Integrity”). Thereafter, the BEI Board authorized the CEO to execute a final lease agreement with a wholly owned subsidiary of Integrity, subject to approval of the leasing of the property by the UWF Board of Trustees for purposes of BOT-10.01-03/13 (the “Real Property Policy”).

   Dr. Cunningham reviewed the transaction for consistency with the requirements of the Real Property Policy and advised the Board on the current status of the lease negotiations.

   Trustee Cleveland asked for a motion to Recommend the full Board Approve the Proposed Lease of Scenic Hills Golf Course and Grill for purposes of UWF Real Property Policy, BOT 10.01 – 03/13 at the June 15th Board of Trustees Meeting.

   Motion by: Trustee Suzanne Lewis  
   Seconded by: Trustee Lewis Bear, Jr.

Discussion:

Chair Bear asked if there is any requirement in the agreement for capital infusion by the university. Dr. Cunningham stated there is not. The maintenance costs are the responsibility of Integrity Golf. There is an agreed-upon capital plan paid for by Integrity Golf. Thereafter the parties must agree upon a capital improvement process that will come out of reserves. Any additional capital investments would only be voluntary by UWF.

Chair Bear asked will the Scenic Hills Country Club become a taxable entity now that a for-profit corporation will be running it. Pat Lott answered, that based on ad lorem taxation, it will be subject to property tax. Integrity has agreed to take the property on as a “net lease” meaning Integrity will be paying all expenses. Chair Bear said the university should have a system in place for ensuring the taxes are paid if they will be applied.
Trustee Dave Cleveland stated that we must remember in the end the university owns the property and it is up to the university to make sure that any improvement needed are made. He stated that there will be a mandated reserve set in place for capital improvement, Dr. Cunningham’s negotiations and the BEI Board monitoring the agreement closely, he feels comfortable with the terms of the agreement. He added that the university should be sure there are sufficient terms included for termination of the lease if required.

Trustee Cleveland commended Trustee Suzanne Lewis for all of her leadership and dedication to this process and for getting the agreement to this point.

Trustee Suzanne Lewis explained that this experience has been a learning opportunity for the university as it moves forward in learning how to manage a lease and form a great and positive partnership. She thanked Dr. Jim Barnett, Dr. Cunningham, Ms. Betsy Bowers, Ms. Pat Lott for their hard work on this good outcome.

President Bense thanked Trustee Lewis for leading the way to ensure Scenic Hills will become revenue-neutral and then revenue-generating for the university.

Motion passed unanimously.

2. Approval of Amendment to UWF REG 4.0008 Tuition and Fees, Fines and Penalties was presented by Colleen Asmus, Associate Vice President for Finance.

No changes in Tuition or Mandatory Fees are proposed this year by the University. The reference to Masters of Accountancy in the Graduate Market Rate Tuition section is being deleted because that program has not been established. In the Other Fees section, language is being omitted to reflect that the 10% collection charge for overdue accounts will begin upon delinquency, rather than after 30 days of delinquency and the Third Time repeat fee, which is set by the Board of Governors, is decreasing from $177.94 to $177.57.

The proposed regulation amendment was posted on the Board of Trustees website on May 2, 2016 and published in @UWF on May 5, 2016.

Trustee Cleveland asked for a motion to Recommend the full Board Approve of Changes to UWF REG 4.008 Tuition and Fees, Fines and Penalties as set forth in the supporting documentation at the June 15th Board of Trustees meeting.

Motion by: Trustee Suzanne Lewis
Seconded by: Trustee Lewis Bear, Jr.
Discussion:
Trustee Cleveland started out by saying that everyone can share in the good news that the university is not going up on student fees.

Regarding the excess hour fee, Trustee Cleveland stated that if it is hurting our four-year and six-year graduation rates when a student gets into this situation. We need to keep an eye on this particular fee as it relates to affordability for students versus the consequences of the metrics.

Pat Lott explained that the Board of Trustees did not choose to excise the excess hour fee, it was put in place by the Board of Governors and by the metrics rule. She added, House Bill 7029 also specifies the local boards are no longer delegated the authority to set graduate or out-of-state tuition.

Motion passed unanimously.

3. Approval of Amendment to UWF REG 5.001 Parking and Registration was presented by Dr. Steve Cunningham, Mr. Chip Chism, Director of Parking and Transportation Services and Ms. Ellen Till, Director of Business and Auxiliary Services.

In 2012, an increase was requested in the price of parking permits by 20% per year for five consecutive years. This request was approved by the UWF Board of Trustees and went into effect in Fall 2012/13. The justification for the increase included funding for construction of future parking garages, building new surface lots, and increased parking improvements such as lot maintenance, crosswalk improvements, and better signage. The increased need for parking expansion was related to, among other things, the then anticipated expansion of Housing--both on campus and affiliated, the construction of University Park which was to include a parking garage.

Four of the five years of increases have been implemented. The needs expressed in 2012 for additional Parking and Transportation funds have not all come to fruition and a university analysis has concluded that the need for the final 20% increase is not deemed to be essential in meeting the University's current and future parking needs. The current rate for parking permits is adequate to meet normal and expected expenses as well as add funds to a reserve account for future capital parking projects. The BEI Board of Directors endorsed the proposed amendment on April 25, 2016. Accordingly, it is recommended that the UWF Board of Trustees consider this suggested amendment to UWF Regulation 5.001 to eliminate the final year (2016-17) of annual increases to the parking permit rates.
The Regulation has also been edited to update the information and to correct typos. Notice of consideration of the proposed amendment was posted on the BOT website on April 28, 2016 and in @UWF on May 2, 2016. Substantive comments will be shared with the Board prior to scheduled adoption.

Trustee Cleveland asked for a motion to recommend the full Board of Trustees, at the June 15th meeting, Approve the Changes to UWF REG 5.001 Parking and Registration, including the elimination of the final year of parking permit fee increases described and set forth in the supporting documentation.

Motion by: Trustee Suzanne Lewis
Seconded by: Trustee Lewis Bear, Jr.

Discussion:
Trustee Bob Jones commended the staff on this recommendation. He went on to explain that the fee with the most recent increase is now 73% more than it was in 2012/2013. He said he wondered what the fiscal implications would be if we rolled it back to last year’s fee – a 44% increase over the year before. He added that since UWF does not currently have any capital improvement projects that would demand that type of increase. He said in a time when costs for everything goes up, it would be wonderful for our students to provide this cost savings. This would be one area that we could show we are interested in reducing costs as well as holding the line.

Ms. Ellen Till replied that the concern with reducing the rate comes the uncertainty of knowing when the university will need a parking garage which could cost upwards of $30 million. There is about $4 million in reserves now. It was decided to keep building the reserves and if at a future date the reserves were built up enough, reduced rates could be a possibility.

Pat Lott explained that the BEI Board asks staff to look at the possibility of reductions. Staff is still working on that and this is an open agenda item for an upcoming BEI Board.

Trustee Suzanne Lewis added that as a committee member, she has learned so much about Parking fees and what they can and cannot be spent on. The fees associated with parking can only be used with issues regarding parking at the university and cannot be diverted to other university programs. We need to make sure the trustees and others understand these parameters.

Motion passed unanimously.
4. **Approval of FY 2017/2018 – 2012/2022 Fixed Capital Outlay Plan** was presented by Dr. Steve Cunningham.

The Board of Trustees approved the FY2016/2017-2020/2021 Amended Five Year Plan for Educational and General (E&G) buildings during the December 10, 2015 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. These PECO eligible projects are commensurate with the most recent Campus Master Plan, adopted by the Board June 14, 2012.

Dr. Cunningham went over the spreadsheets provided to the Committee. He noted one change regarding the University Commons. This project has been taken off the current list. He added that some reordering of the list has occurred based on academic priorities.

The PECO eligible project budgets will be updated prior to the August 1, 2016, submittal date. Key points and recommended changes for this PECO Plan, as compared to the December 12, 2015 Board of Trustees Amended Plan are summarized below:

- **Capital Renewal Infrastructure**, Priority No. 1 – the Legislature has not funded capital renewal requests during the last four (4) of five (5) fiscal years. ISES, an external building condition assessment consultant, estimated UWF E&G capital renewal and deferred maintenance deficiencies as $130 Million in 2014. Recent major capital renovations has reduced that estimated backlog renewal needs value to $124 Million.
- **Laboratory Sciences Annex Ph. II of III, Priority No. 2** – Legislature authorized $10.8 Million in lieu of $8.6 Million.
- **Laboratory Sciences Annex Ph. III of III, Priority No. 3** – modified to $4.46 Million resulting with the continuance of a $26.26 Million project budget total.
- **Laboratory Sciences Renovation, Priority 4** – Requested over two fiscal years.
- **University Commons Renovation, Priority No. 5** – this project was deleted as of December 2015.
- **Educational Development Center Renovation** moved to Priority No. 5.
- **Science Collections Laboratory and Auditorium** moved to Priority 6.
- **Physical Education Building Renovation** scope of work is revised and proposed as Priority No. 7.

- **Science and Engineering Addition**, a new project, is proposed as Priority No. 8.
The Capital Improvement Trust Fund (CITF) project list was approved by the Student Life and Services Committee March 21, 2016. This Committee approved specification of the University Park Building to be the highest priority and partially funded from the FY2016/2017 appropriation. Projects from Other State Sources note for the University Park building was updated.

Trustee Cleveland asked for a motion to Recommend the full Board of Trustees Approve the FY2017/2018 – 2012/2022 Fixed Capital Outlay Plan at the June 15th Board of Trustees meeting.

Motion by: Trustee Suzanne Lewis
Seconded by: Trustee Lewis Bear, Jr.

Discussion:

Chair Bear asked if improvements to the Southside Residences will that come as an amendment to this capital project.

Dr. Kevin Bailey explained the Southside Residences is an emerging project and is not included in this capital outlay plan. Any improvements made to Southside will come from Housing reserves.

Motion passed unanimously.

5. **Rescind Online Material and Supply Fee for Biology** was presented by Dr. George Ellenberg, Vice Provost.

Section 1009.24(14)(i) Florida Statutes provides that a Board of Trustees may establish materials and supplies fees “to offset the cost of materials or supplies that are consumed in the course of the student’s instructional activities.” Materials and supplies fees for the University of West Florida are established pursuant to a program request under the University’s Material
and Supplies Fees Procedures, which generally require that requests for new or increased materials and supplies fees must be approved by the Board.

It meeting on March 24, 2016, the Board approved a recommendation from the Finance and Facilities Committee permitting a material and supply fee in excess of the presently allowed materials and supply fee cap of $48 to facilitate the expansion of a face-to-face course in Anatomy and Physiology I. However, following receipt of additional information and concerns from the Board of Governors, the Executive Committee met on March 28, 2016, and directed staff not to implement the higher materials and supply fee. The online lab was not offered.

Trustee Cleveland asked for a motion to recommend the full Board of Trustees Rescind the Online Material and Supply Fee for Biology at the June 15th Board of Trustees Meeting.

Motion by: Trustee Lewis Bear, Jr.
Seconded by: Trustee Suzanne Lewis

Motion passed unanimously.

6. Approval of Acceptance of Historic Building Housing the Pensacola Museum of Art was presented by Dr. Brendan Kelly, Vice President for University Advancement and President, UWF Foundation.

During the course of FY16, the university has engaged the Pensacola Museum of Art (PMA) Board of Directors in a conversation about the museum becoming part of UWF. The result of this collaborative conversation was a Plan of Donation that gifted all the assets of the PMA to UWF in order to make it a unit of the university in the context of the UWF Historic Trust. The addition of the PMA as an element of the museum campus of UWF will be a true enhancement to the art related educational outcomes for UWF and enliven the curation of cultural assets in Pensacola in ways that are unique to UWF.

The gifting process includes three classes of assets (cash and securities, permanent art collection, and real estate [specifically the building that houses the PMA located at 407 South Jefferson Street, Pensacola, FL 32502]). The UWF Foundation, Inc., Gift Acceptance Policy for Real Estate and/or Real property states, “UWF Board of Trustee approval is required for a gift, purchase or sale of real property having a value greater than $1,000,000.” As a result of this policy, the component of the gift relating to the real estate asset is being presented to the Board of Trustees for approval.

Ownership and official operation as a unit of the University of West Florida will be effective July 1, 2016. An operational transition has been taking place since the beginning of May to prepare
for the museum to be integrated into the operations of UWF. Additionally, following UWF taking ownership of the assets and operation of the PMA, action will be taken to fold it into the UWF Historic Trust as its own division of that direct support organization.

Dr. Kelly explained that there are no existing debts or known liabilities of the building. UWF will adopt the museum and make the museum revenue-positive as a successful asset. There are no known major repairs required for the historic building. Overall the building is in good shape and an assessment is being conducted now.

Dr. Kelly asked the trustees for any questions they may have.

Trustee Suzanne Lewis asked about the collection that is currently in the museum collection.

Dr. Kelly explained the collection is 19th and 20th century art. There are a few hundred pieces in the collection. There are also some three dimensional pieces of donated items outside the collection. There are some notable and some less notable works in the museum. The collection has been appraised and the university is awaiting the final appraisal. The appraiser was very impressed with the collection.

Trustee Lewis asked what type of insurance is currently in place for the building and its contents. If the acquisition happens, will the university be acquiring new insurance?

Dr. Kelly said there is insurance on everything. PMA, Inc. currently holds the insurance. The university will take over the insurance upon adoption of the building and museum. Dr. Kelly said they are exploring all the options and expenditures forthcoming.

Pat Lott explained that the UWF Historic Trust will be the operator of the art museum as a division of that direct support association to the university. The building “real property” is being donated to UWF. She explained the Board’s approval will approval the $1M gift to the Foundation and meet the real property policy requirement,

Trustee Bentina Terry stated this benefits the university and expands assets downtown. Her only concern is that Gulf Power did an assessment at one point and it had lots of energy issues and air circulation issues related to it. She offered Gulf Power’s services to UWF to help in those areas.

Trustee Suzanne Lewis said that the addition of the art museum will give UWF the opportunity to integrate art into our educational system and by joining the university with the historic trust in this manner will only raise the profile of the museum. She added that particular piece of property is in a prime location in downtown Pensacola and has high historical value.
Trustee Cleveland gave kudos to Dan Lucas and Dr. Kelly who both worked arm in arm with the Pensacola Museum of Art Board of Directors. He added that the Foundation Executive Committee has thoroughly vetted this process and this gift.

Trustee Lewis Bear, Jr. explained that the museum collection includes restricted gifts and non-restricted gifts. He said the fact that UWF is one of the few state universities that does not own an art museum has troubled people for quite some time. This affords UWF the opportunity to be in the art collection and art education business. He explained the Pensacola Museum of Art is a AMA accredited museum, which is a great thing. He reminded Dr. Kelly that the museum’s accreditation is coming due. He congratulated Dr. Kelly for accomplishing this task. He added that although he didn’t believe he has a conflict in interest, his parents started the museum, he has served on the board, is currently an honorary board member and he wanted to declare this in case anyone has a concern.

Trustee Greg Britton asked if a contingency has been put forth in the budget for the condition of the building and parking lot.

Dr. Kelly explained that reserves are always kept in reserves for those purposes, especially in historic properties.

Trustee Cleveland asked for a motion to recommend at the June 15th Board of Trustees meeting, the Board Approve the Acceptance of the Historic Building Housing the Pensacola Museum of Art as a Real Estate Gift.

Motion by: Trustee Suzanne Lewis
Seconded by: Trustee Dave Cleveland

Motion passed unanimously.

INFORMATION ITEMS

1. **FY2015-2016 Operating Budget Summary** was presented by Ms. Colleen Asmus, Associate Vice President for Finance.

Ms. Asmus presented the FY 2015-16 Operating Budget Summary which provided the trustees with a report at the end of the third quarter with budget-to-actual results for each fund group including a Life-to-Date Capital Budget.
Trustee Cleveland thanked Colleen and the Financial Services Department for the progress made toward providing excellent commentary and the year-to-date budgets which allow the trustees to understand where the university is on a quarterly basis.

2. **University Park Facility Update** was presented by Dr. Steven Cunningham.

Dr. Cunningham’s update provided the Board with a brief summary of strategic and financial planning related to the University Park Facility. He explained as UWF has moved through the planning process, the building has been broken down into different components and allocating the first floor to be the basic needs of the football program to include a weight training facility, offices and a locker room.

Dr. Cunningham went on to explain that Provost Saunders and Dean Ermalynn Kiehl are in negotiations with Florida State University Medical School to locate their PA program on the UWF campus in this facility. The plan incorporates placing the FSU medical school and the UWF College of Health offices and shared classrooms in the facility. He explained that he hopes to have precise cost assessments from the negotiations to present to the Board at the June 15 meeting.

3. **House Bills 7019 and 7029** PowerPoint presentation was made by Dr. George Ellenberg. The presentation explained that on April 14, 2016, Governor Rick Scott signed into law House Bill 7019 and House Bill 7029.

**House Bill 7019:**
- Requires university boards of trustees to examine cost of textbooks and instructional materials;
- Authorizes university boards of trustees to adopt policies which allow for use of innovative pricing techniques and payment options for textbooks and instructional materials;
- Requires each university board of trustees to report to the chancellor by September 30 of each year, starting in 2016, on matters related to textbooks and instructional materials;
- Precludes the BOG from delegating tuition-setting authority to university board of trustees for graduate and professional programs and out-of-state fees for all programs;
- Requires university boards of trustees to publicly notice and notify all enrolled students of any proposal to increase tuition or fees at least 28 days before the consideration of such an increase at a board of trustees meeting.
House Bill 7029:

- Requires university boards of trustees to select their chair and vice chair from the appointed members;
- Requires the chair of each university board of trustees to notify the Governor or the BOG, as applicable, whenever a board member has three consecutive unexcused absences from regular board meetings in any fiscal year;
- Requires university boards of trustees to keep and, within two weeks after board meetings, to post prominently on the university’s website detailed meeting minutes for all meetings, including the vote history and attendance of each trustee.

Trustee Cleveland said he would hope that Board of Governors will see UWF’s Library Textbook Loan Program as a best practice. He applauded the efforts of all involved.

OTHER COMMITTEE BUSINESS

None

ADJOURNMENT

With no further Finance, Facilities & Operations items to discuss, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,
Becky Luntsford, recording secretary