



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Finance and Facilities Committee Meeting
FAIRWINDS Alumni Center
May 24, 2018

MINUTES

CALL TO ORDER

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 10:35 a.m. Committee members Joshua Bolona, Robert Garvy, John Lord, David Walsh, and Bill Yeargin were present. Committee member John Sprouls attended by teleconference. Trustees Ken Bradley, Joseph Conte, Beverly Seay, and William Self were present.

NEW BUSINESS

Repeat Course Fee for 2018-19 (INFO-1)

William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, and Christina Tant, Assistant Vice President and University Controller, informed the committee that the Board of Governors has adjusted the Repeat Course Fee from \$181.12 to \$190.84 for 2018-19. The fee is pursuant to Florida Statute 1009.85 "Fees for repeated enrollment in college credit courses," which states each student enrolled in the same undergraduate college-credit course more than twice shall pay tuition at 100 percent of the full cost of instruction.

University Operating Budget Report Ended March 31, 2018 (INFO-2)

Tant presented the University Operating Budget Report for the quarter that ended March 31, 2018.

2018-19 University Operating Budget (FFC-1)

Merck and Tant presented the operating budgets for the Educational & General, Medical School, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, Technology Fee, and Concessions areas. Performance-based funding is subject to final approval by the Florida Board of Governors in June. The committee unanimously approved the 2018-19 University Operating Budget as presented.

2018-19 Capital Outlay Budget (FFC-3)

Merck and Lee Kernek, Associate Vice President for Administration and Finance, requested approval of the university's 2018-19 capital outlay budget and authorization for the president to make necessary adjustments to the 2018-19 capital outlay budget based on the final bill from the state. As per the Finance and Facilities Committee charter, all new construction and renovation projects exceeding \$2 million in construction costs, and all changes to projects that exceed \$2

million in construction costs or that increase project costs by more than 10 percent of the original estimate presented to the committee will be brought before the committee for review.

The committee unanimously approved the 2018-19 capital outlay budget and authorization for the president to make necessary adjustments to the 2018-19 capital outlay budget once final numbers are received from the state.

UCF Convocation Corporation Unrestricted Funds Transfer (FFC-3)

Merck and John C. Pittman, Associate Vice President for Administration and Finance, Debt Management, requested approval for the UCF Convocation Corporation to transfer an amount not to exceed \$312,000 as an unrestricted gift to the UCF Athletics Association. These funds represent excess sponsorship dollars received by the corporation. The committee unanimously approved the request.

Use of Spectrum Stadium for Professional Football Games (FFC-4)

Merck and David Hansen, Chief Operating Officer for the UCF Athletics Association, requested approval to rent Spectrum Stadium to Legendary Field Exhibitions, LLC, (LFE) to conduct professional football games beginning in February 2019.

The committee requested that this item be tabled pending further financial details of the use agreement being made available. Scott Cole, Vice President and General Counsel, will meet with each trustee individually to answer questions and discuss the agreement. The use agreement will then be brought back to the committee for approval at a future meeting.

Chair Martins also requested that the minutes from the public comment meetings held every six months in compliance with the campus master plan also be provided to the committee after each of those meetings.

Use of Spectrum Stadium for International Soccer Match (FFC-5)

Merck and Hansen requested approval to rent Spectrum Stadium to SPD Sports to conduct a one-time international soccer match on July 12, 2018.

SPD Sports is a promotion company that coordinates approximately eight international soccer matches in the United States per year. It is anticipated that 20,000 spectators will attend. The committee unanimously approved the use of Spectrum Stadium for the international soccer match.

PEO-STRI Leases of Partnership IV and V (FFC-6)

Dan Holsenbeck, Senior Vice President for University Relations, and Kernek requested the approval of the 50-year lease terms for the leases of Partnership IV and V to the Department of Defense. PEO-STRI has requested 50-year lease terms because of the substantial cost of constructing a Sensitive Compartmental Information Facility on the fourth floor of Partnership V and costly renovation of the third floor of Partnership IV. The committee unanimously approved the 50-year terms for the leases.

Refinancing of UCF Convocation Corporation Series 2014A and B Certificates of Participation (FFC-7)

Merck and Pittman requested approval for the UCF Convocation Corporation to refinance the outstanding Series 2014A and B certificates of participation and replace the certificates with revenue bonds.

In 2014, the UCFCC refinanced the Series 2004A and 2005A housing certificates of participation with 20-year fixed-rate loans through TD Bank and SunTrust Bank, respectfully. As a result of the lowering of the corporate tax rate that went into effect January 1, 2018, both banks have the right to increase the interest rate on the loans to maintain their effective yields per the contracts.

It was recommended that TD Bank refinance the Series 2014A and B certificates of participation. The TD Bank proposal eliminates the need for a forward contract and allows for the immediate refunding of both series. The length term is the same as with the certificates of participation. After the refinancing, the following UCFCC assets will transfer and become property of the university: the Towers residence halls, the parking garages associated with the Towers, and the retail attached to Tower III.

The committee unanimously approved the refinancing with TD Bank of the certificates of participation and replacing them with revenue bonds.

Equipment Fees for 2018-19 (INFO-3)

Elizabeth Klonoff, Vice President for Research and Dean of the College of Graduate Studies, and Keisha Hoerrner, Interim Assistant Vice Provost for Teaching and Learning and Associate Dean of the College of Undergraduate Studies, provided as an information item equipment fees updates for 2018-19. There were no changes or modifications for graduate programs, and the only change in undergraduate programs was a fee reduction from \$90 to \$72 for the Bachelor of Design in Architecture.

Chair Martins adjourned the Finance and Facilities Committee meeting at 11:45 p.m.

Respectfully submitted:_____

William F. Merck II
Vice President for Administration and Finance
and Chief Financial Officer

Date