



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Finance and Facilities Committee Meeting
President's Boardroom, Third Floor, Millican Hall
August 14, 2019

MINUTES

CALL TO ORDER

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 8:30 a.m. Committee member Kyler Gray was present. Committee members Danny Gaekwad and David Walsh attended by teleconference. BOT Chair Beverly Seay attended by teleconference. Committee members Robert Garvy and Bill Yeargin did not attend.

MEETING MINUTES

The minutes of the July 18, 2019 Finance and Facilities Committee meeting were approved as submitted.

NEW BUSINESS

Update Signature Authority for Checks (FFC-1)

Dennis Crudele, Interim Vice President for Financial Affairs and Chief Financial Officer, presented for approval the request to remove one individual and add two individuals to the list of designated personnel with signature authority for checks.

Phillip Henson is no longer with UCF and needs to be removed. Kristie Harris and Kathy Mitchell are associate vice presidents in the Division of Finance and need to be added.

The committee unanimously approved the request to remove Phillip Henson and to add Kristie Harris and Kathy Mitchell to the list of designated personnel with signature authority for checks.

ICAMR, Inc. d/b/a BRIDG and the Florida Advanced Manufacturing Research Center Update (INFO-1)

Elizabeth Klonoff, Vice President for Research and Dean of the College of Graduate Studies, and Sandra Sovinski, Deputy General Counsel for Research, presented as an information item an update on ICAMR, Inc., which does business as BRIDG and the Florida Advanced Manufacturing Research Center. This presentation stems from the trustees' request at the May 16, 2019 BOT meeting.

As background, in August 2014, UCF and Osceola County entered into a development agreement, with support from limited third-party Florida High Tech Corridor Council, to build the Florida Advanced Manufacturing Research Center (R&D Center). UCF entered into a Master Services Agreement with ICAMR, Inc. (BRIDG) on October 24, 2017, with a first amendment

executed April 20, 2018 that added performance milestones. Following the completion of the R&D Center, on February 15, 2018, UCF executed a lease with Osceola County for the R&D Center. An amendment to the lease was approved by the UCF Board of Trustees on May 16, 2019, to transfer ownership of certain tools from Osceola County to BRIDG to use for credit collateral on a loan. That loan is still in process.

Klonoff provided the latest BRIDG news, a business development and partnership update, a state legislative session recap, challenges to overcome, ways in which BRIDG is engaging with UCF, and a NeoCity update. She will return to the board in the future with a clearly articulated plan on UCF's obligations with BRIDG moving forward.

Martins asked if BRIDG needs ownership of the tools (approved at the May 16, 2019 BOT meeting) to receive the projected near-term funding as outlined on the "Business Development/Partnership Update" slide. Chester Kennedy, BRIDG Chief Executive Officer, confirmed that it does.

Martins stated that BRIDG has enormous potential but needs visibility. He toured the facility and recommended that all trustees do the same. A communication plan should be developed to bring people (particularly legislators and the governor) to the facility so they can see its capabilities. He thinks the lack of understanding on exactly what BRIDG does caused the funding vetoes by the state.

Interim UCF President Thad Seymour said that his office and Janet Owen, Vice President for Government Relations, will work with Klonoff and her team to facilitate this.

Don Fisher, Osceola County Manager, thanked UCF for its support of the facility.

BOT Chair Seay added that potential customers also need to be made aware of BRIDG.

Arctic Research Science Logistics Support – UCF Research Foundation Proposal (INFO-2)

Klonoff and Sovinski presented as an information item the UCF Research Foundation's proposal for arctic research science logistics support. In early June, UCF, acting via the UCF Research Foundation and with two collaborating parties, Yang Enterprises and SRI International, submitted a proposal to the National Science Foundation (NSF) to replace the current contractor providing arctic research support and logistics services, whose contract expires on May 31, 2020, unless extended.

NSF required all proposals to agree in advance to the terms of the solicitation, such that upon acceptance by NSF, the proposal and solicitation would form a contract. However, the UCF proposal included exceptions to those terms, and conditioned contract acceptance on necessary approvals, including of this board and the UCF Research Foundation Board of Directors.

This informational overview is being provided in advance because NSF originally expected to accept the selected offer in August 2019, and the resulting contract will require expedited handling, given the limited four-month transition-in period that was to begin October 1, 2019, before the four-year base period begins.

Klonoff stated that it will now be December or January 2020 before the grant recipient is announced. Three entities applied, including UCF.

Klonoff added that receiving this grant will give UCF the large-project management experience it needs to run a NASA mission (a university goal). She also said that UCF must receive large grants, such as this one, to reach the university's \$250 million research funding goal.

The NSF terms and the major obligations were provided on the contract summary form (Attachment B). The contract is to be cost plus fixed-fee, with NSF's total estimated cost plus a fixed fee of \$280.2 million.

Martins asked for the transition time if UCF receives the award. Sovinski said three months, which is similar timing to the Arecibo Observatory in Puerto Rico. Klonoff stated NSF has a history of being flexible.

Campus Master Plan Public Comment Meeting Minutes (INFO-3)

Misty Shepherd, Interim Vice President for Administrative Affairs and Operations, and Bill Martin, Director of Facilities Planning, presented as an information item the minutes from the May 15, 2019 Campus Master Plan Public Comment meetings.

Shepherd said that meeting served as the first public hearing announcing the draft 2020-30 Campus Master Plan Update. That draft is now in its 90-day review period and is available for public comment. It will be presented to the board at its November meeting.

Post Investigation Action Plan for Items with Finance and Facilities Committee Oversight (INFO-4)

Shepherd and Crudele updated the committee on the implementation of recommendations under the purview of the Finance and Facilities Committee following the inappropriate transfer of E&G funds to construction.

Shepherd said that because of an extension from the Board of Governors, the capital outlay budget was moved from the July BOT meeting to September. Also, the moratorium on all capital projects remains in effect.

Crudele said that almost all the items under his purview are procedural changes, and that new policies and procedures are being implemented. He will provide detailed information at future meetings as these items are finalized.

Martins said that this will be a standing item on all committee agendas until all tasks have been completed. Seymour stated that a standardized process must be in place to update the list, and he recommended assigning the appropriate committee to facilitate and mark items as complete as that occurs. Seay confirmed.

Trustee Walsh inquired about the separation of Administration and Finance as recommended by Accenture and also was one of the tasks of Robert Caslen during his time at UCF. Seymour said that Shepherd and Crudele each have their own set departments, and that the separation of Administration units from Finance units has been maintained.

Martins said that organizational charts will be provided to the trustees.

Trustee Gaekwad asked about the cost to the university following the Orlando Apollos football team (which was playing home games at Spectrum Stadium) filing for bankruptcy. Scott Cole, Vice President and General Counsel, said that the university has filed a proof of claim in the bankruptcy for \$400,000 of lost revenue.

OTHER BUSINESS

New BOT Meeting Format

Martins said that the Executive Committee decided committees will no longer meet the day of full BOT meetings, but will now meet off-cycle only. Seay added that BOT meetings will begin at 8:30 a.m. and will include a working lunch, with the meeting ending at 1:30 p.m.

UCF Downtown Update

Seymour gave an update on UCF Downtown. Faculty are moving into offices this week, and have expressed their pleasure at the new campus. The parking garage is not finished, but UCF is working with the city to provide parking alternatives, and an alternate site has been determined for students to pick up textbooks. A few classrooms will not be finished until after the opening, but that will not impact class schedules.

Solar Farm Update

Shepherd provided an update on the solar farm proposal that has been brought to the board previously, most recently at the July 20, 2017 Finance and Facilities Committee meeting. The engineering report was revised in March 2019 to include trustee-requested information. Providing a long-term land lease to Duke Energy to develop a solar farm was determined to not be economically viable for UCF. The current status of the project is that a 50-acre site has been identified, and most logistics have been resolved. Preliminary plans to interconnect with Duke Energy have been developed. Estimated project construction costs are \$14.2 million. A 12.9-megawatt solar farm will generate electricity valued at \$2.1 million annually, and the average net cash flow, including operating expenses, would be \$1.3 million annually. The 25-year electricity cost savings is estimated to be \$34.8 million. The project is envisioned to be funded by a traditional bank loan.

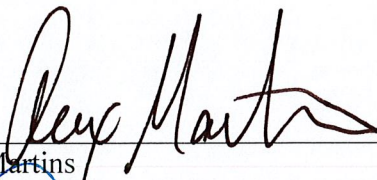
An internal UCF committee comprised of stakeholders across campus is being formed to evaluate the project moving forward.

Walsh said investments in energy and electricity do not stand up to core mission priorities such as classrooms and labs.

Martins said once the internal UCF committee makes its recommendation, the potential solar farm will be brought back to the Finance and Facilities Committee for discussion.

Martins adjourned the Finance and Facilities Committee meeting at 9:45 a.m.

Reviewed by:



Alex Martins
Chair, Finance and Facilities Committee

9.18.19

Date

Respectfully submitted :



Janet Owen
Associate Corporate Secretary

9/23/2019

Date