



Board of Trustees
Finance and Facilities Committee Meeting
Fairwinds Alumni Center
June 15, 2015

MINUTES

CALL TO ORDER

Trustee Marcos Marchena, chair of the Finance and Facilities Committee, called the meeting to order at 8:30 a.m. Committee members Alex Martins, Keith Koons, and Cait Zona were present. Committee member Robert Garvy attended by teleconference.

MINUTES APPROVAL

The minutes of the April 22, 2014, Finance and Facilities Committee meeting were approved as submitted.

NEW BUSINESS

Direct Support Organizations' 2014-15 Third-Quarter Financial Reports (INFO-1)

William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, and John C. Pittman, Associate Vice President for Administration and Finance, Debt Management, reported that the Direct Support Organizations' 2014-15 third-quarter financial reports ended March 31, 2015, were provided as information items.

Release of Unrestricted UCF Stadium Corporation Revenues (FFC-1)

Merck and Pittman presented a request for the release of unrestricted UCF Stadium Corporation revenues. The 2015-16 budget, which was approved by the UCF Stadium Corporation's board, reflects projected unrestricted excess revenues of \$4,286,620 to be available for transfer to the UCFAA. In addition, the UCF Stadium Corporation anticipated refunding the Series 2006 Certificates of Participation and will be seeking the release of funds held in the Restricted Surplus account, approximately \$4,100,000. Of the \$4.1 million released from the Restricted Surplus to the UCFAA, approximately \$3 million is earmarked to pay outstanding loans from the university. The committee unanimously approved the release of unrestricted UCF Stadium Corporation revenues as presented.

Amend Payment Schedule for UCFAA Loan to the University (FFC-2)

Merck, Pittman, and Brad Stricklin, Senior Associate Athletic Director and Chief Financial Officer, presented an amended payment schedule for the UCFAA loan to the university. The UCF Athletics Association received several loans from the university between 2004 and 2007. In 2009, those loans were consolidated into one. The current payment schedule, approved by the board in June 2012, took into consideration UCF's move to the Big East Conference planned for 2013-14. The Big East Conference became the American Athletic Conference with significantly

lower conference distribution revenue than expected. The amended payment schedule reduces the payments for the 2015 through 2020 fiscal years with accelerated payments thereafter. The term also has been extended from the 2022 to the 2025 fiscal year. The committee unanimously approved the amended payment schedule as presented.

2015-16 Direct Support Organizations' Budgets (FFC-3)

Merck introduced the DSO's budget for 2015-16. Each budget was presented and accepted individually. The committee unanimously approved the budgets as presented.

Five-year Capital Improvement Plan (FFC-4)

Merck and Lee Kernek, Associate Vice President for Administration and Finance, requested approval of the capital improvement plan options for 2016-17 through 2020-21. Each year, the university must submit an updated capital improvement plan to the Board of Governors. This plan identifies projects that will be included in the three-year Public Education Capital Outlay list and provides information to the State Board of Education for its request for capital project funding for 2016-17.

The Board of Governors' staff originally requested that the capital improvement plan be submitted to them by July 1, 2015. However, because 2015-16 appropriations were not completed, the state universities have been given a choice of submitting plans or waiting for budget decisions. After conferring with Board of Governors' staff, the university proposes to submit two capital improvement plan versions, with a request for flexibility to adjust after 2015-16 allocations are determined. Plan A assumes that 2015-16 funding is provided for Engineering Building I renovation, other than furnishings and equipment; Interdisciplinary Research and Incubation Facility Planning and Design; Partnership IV, other than furnishings and equipment; and Downtown Campus Building I in total. Plan B assumes no funding is allocated for 2015-16. The attached schedules include the following for each plan option:

- projects that are proposed for inclusion in the five-year capital improvement plan, and
- items to be included in the 2016-17 Appropriations Authorization Bill, including projects funded by bonds, DSO projects, and projects requiring general revenue to operate.

The committee unanimously approved the submission of the two versions of the 2016-17 Capital Improvement Plan with the projects listed in the attached schedules, with flexibility for the president to modify the final plan upon receipt of the 2015-16 budget allocation as presented.

UCF Investments Quarterly Report Ended March 31, 2014 (INFO-2)

Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance, with assistance from Troy Brown and Dave West from Bogdahn Group reviewed the investments quarterly update as of March 31, 2015.

Fixed Income Investment Concentration Review (INFO-3)

Merck, Clark, Brown, and West presented the Fixed Income Investment Concentration review. The review was provided by the committee's request to see the changes that were made to the portfolio as a result of changes made to the Investment Policy at the October 2014 meeting.

Chair Marchena adjourned the Finance and Facilities Committee meeting at 9:40 a.m.

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

7-1-15
Date