



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees  
Finance and Facilities Committee Meeting  
June 14, 2017  
8:30 a.m.  
President's Boardroom, Millican Hall, 3<sup>rd</sup> floor  
Conference call in phone number 800-442-5794, passcode 463796**

**AGENDA**

- |   |   |
|---|---|
| <b>I. CALL TO ORDER</b>   | Alex Martins<br><i>Chair, Finance and Facilities Committee</i>  |
| <b>II. ROLL CALL</b>  | Tracy D. Slavik<br><i>Coordinator for Administration Services for<br/>Administration and Finance Division</i>   |
| <b>III. MEETING MINUTES</b>   |   |
| <ul style="list-style-type: none"><li>• <a href="#">Approval of the April 19, 2017; May 16, 2017; and May 18, 2017; Finance and Facilities Committee meetings minutes</a></li></ul>   | Chair Martins   |
| <b>IV. NEW BUSINESS</b>   | Chair Martins   |
| <ul style="list-style-type: none"><li>• Facilities Operations Discussion</li></ul>  | William F. Merck II<br><i>Vice President for Administration and<br/>Finance and Chief Financial Officer</i><br>Duane Siemen<br><i>Director of Facilities Operations</i> |
| <ul style="list-style-type: none"><li>• Direct Support Organizations' 2016-17 Third-Quarter Financial Reports (<a href="#">INFO-1</a>)<ul style="list-style-type: none"><li>– UCF Athletic Association and UCF Stadium Corporation</li><li>– UCF Convocation Corporation</li><li>– UCF Finance Corporation</li><li>– UCF Foundation</li><li>– UCF Research Foundation</li></ul></li></ul> | William F. Merck II<br>John C. Pittman<br><i>Associate Vice President<br/>for Administration and Finance,<br/>Debt Management</i>                                       |

- Release of Unrestricted UCF Stadium Corporation Revenues (FFC-1)
  - William F. Merck II  
Danny White  
*Vice President and Director of Athletics*  
Brad Stricklin  
*Senior Associate Athletics Director and Chief Financial Officer*
- 2017-18 Direct Support Organizations' Budgets (FFC-2)
  - UCF Convocation Corporation
    - Grant Heston  
*Vice President for Communications and Marketing*
  - UCF Finance Corporation
    - Deborah C. German  
*Vice President for Medical Affairs and Dean of the UCF College of Medicine*
  - UCF Foundation
    - Michael J. Morsberger  
*Vice President for Alumni Relations and Development and CEO for UCF Foundation*
  - UCF Limbitless Solutions
    - Deborah C. German
  - UCF Research Foundation
    - Elizabeth Klonoff  
*Vice President for Research and Dean of the College of Graduate Studies*
  - UCF Stadium Corporation
    - Rick Schell  
*Vice President and Executive Chief of Staff*
- Five-year Capital Improvement Plan (FFC-3)
  - William F. Merck II  
Lee Kernek  
*Associate Vice President for Administration and Finance*

- 2017-18 College of Medicine Faculty Practice Plan Budget ([FFC-4](#))  
Deborah C. German  
David Noel  
*Vice President for Administration and Finance for the College of Medicine*  
Steve Omli  
*Director of Finance and Accounting for the College of Medicine*
- 2017-18 College of Medicine Self-insurance Program Budget ([FFC-5](#))  
Deborah C. German  
David Noel  
Steve Omli
- Amendments to University Regulation UCF-4.0293 Use of University Facilities ([FFC-6](#))  
William F. Merck II  
W. Scott Cole  
*Vice President and General Counsel*  
Youndy C. Cook  
*Deputy General Counsel*
- FFC Charter Review ([FFC-7](#))  
Chair Martins  
William F. Merck II
- UCF Investments Quarterly Report Ended March 31, 2017, Including Annual Review ([INFO-2](#))  
William F. Merck II  
Tracy Clark  
*Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance*
- Proposed Solar Farm Discussion  
William F. Merck II  
John C. Pittman  
Curtis Wade  
*Director of Utilities and Energy Services*
- Bookstore ITN Discussion  
William F. Merck II  
Curt Sawyer  
*Associate Vice President for University Services*
- Hotel Update Discussion  
William F. Merck II  
Scott Cole

**V. OTHER BUSINESS**

Chair Martins

**VI. CLOSING COMMENTS**

Chair Martins



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees  
Finance and Facilities Committee Meeting  
President's Boardroom, Millican Hall, 3<sup>rd</sup> floor  
April 19, 2017

**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 members Christopher Clemente, Keith Koons, and David Walsh were present. Committee members Robert Garvy, John Sprouls, and Bill Yeargin attended by teleconference. Chairman Marcos Marchena was present. Trustee Ray Gilley attended by teleconference.

**MINUTES APPROVAL**

The minutes of the February 22, 2017, and March 16, 2017, Finance and Facilities Committee meetings were approved as submitted.

**NEW BUSINESS**

Revision to University Regulation UCF-6.007 Traffic/Parking Regulation and Enforcement, and University Regulation UCF-6.008 Vehicle Registration Fees; Parking Violation Fines (FFC-1)

Youndy Cook, Deputy General Counsel, presented for approval revisions to existing university regulations UCF-6.007 Traffic/Parking Regulation and Enforcement and UCF-6.008 Vehicle Registration Fees; Parking Violation Fines. UCF-6.007 is amended to add employee classifications to those eligible to purchase "A" permits, and it gives all employees with salaries less than \$50,000 the choice to purchase either a "B" or "C" permit. Additional language regarding "G" permits has been added, and the requirement to file a police report for a stolen tag has been removed. Additional minor changes have been incorporated into the regulation. The only change in UCF-6.008 is to replace the term "working days" with "business days" to be consistent with other university regulations.

The committee approved the revisions, with Chair Martins, Vice Chair Garvy, Trustee Clemente, Trustee Koons, Trustee Sprouls, and Trustee Yeargin voting to approve. Trustee Walsh opposed.

Minor Amendment to the University of Central Florida 2015-25 Campus Master Plan (FFC-2)

William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, and David Hansen, Executive Associate Athletics Director and Chief Operating Officer, requested approval of a minor amendment to the University of Central Florida 2015-25 Campus Master Plan to set aside three acres of currently undeveloped land in the northeast sector of

campus south of the softball field for a temporary grassed parking lot called "Temporary Grass Parking Lot and a 12-acre future Golf Range and Short Game Facility." The committee unanimously approved the amendment as presented.

FFC Charter Review (FFC-3)

Merck and Chair Martins presented for review to the committee the current FFC charter. Regulations implemented by the Board of Trustees in January 2011 direct the Finance and Facilities Committee to review its charter every three years. Several changes were recommended by Trustee Garvy and Chairman Marchena. An updated draft charter that includes those recommendations will be presented to the committee for approval at the next FFC meeting on May 16.

Direct Support Organizations' 2016-17 Second-Quarter Financial Reports (INFO-1)

Merck and John Pittman, Associate Vice President for Administration and Finance, Debt Management, reported that the 2016-17 second-quarter financial reports ended December 31, 2016, for the UCF DSOs were provided as information items.

University and DSO Debt Report (INFO-2)

Pittman reported that the University and DSO Debt Report was provided as an information item.

University Final Audited Financial Report 2015-16 (INFO-3)

Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance, reviewed the University Final Audited Financial Report for 2015-16.

UCF Facilities Planning and Construction Department Assessment (INFO-4)

Rhonda L. Bishop, Chief Compliance and Ethics Officer, and Peter J. Wallace, Senior Vice President for Hill International, reviewed the assessment that was completed on the UCF Facilities Planning and Construction Department. Chairman Marchena requested a follow-up report on the progress made by the department from Hill International within six to nine months.

Downtown Parking Garage Update Discussion

Merck provided an update on the Downtown UCF parking garage and how the original plan and scope of the building might be no longer viable. He suggested the possibility of withdrawing the current RFP and going back out to bid with a new RFP that includes the updated space and facility needs.

Chairman Marchena requested more information about the redesign of the garage and an evaluation of the current RFP before any further action or decisions are made. This will be discussed at the next FFC meeting on May 16.

Chair Martins adjourned the Finance and Facilities Committee meeting at 10:10 a.m.

Respectfully submitted: William F. Merck II 5-25-17  
William F. Merck II Date  
Vice President for Administration and Finance  
and Chief Financial Officer



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees  
Finance and Facilities Committee Meeting  
President's Boardroom, Millican Hall, 3<sup>rd</sup> floor  
May 16, 2017

**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 members William Self and David Walsh were present. Committee members Robert Garvy and Bill Yeargin attended by teleconference. Chairman Marcos Marchena was present.

**NEW BUSINESS**

UCF Downtown Garage Discussion

William F. Merck II, Vice President for Administration and Finance, Allen Bottorff, Director, Downtown Campus Facilities, and Mike Kilbride, Associate Director and Project Manager, UCF Downtown, provided an update on the UCF Downtown parking garage and the reasoning behind the changes to the original size and scope of the project.

FFC Charter Review (FFC-1)

Merck and Chair Martins presented to the committee for review the draft updated FFC charter resulting from changes proposed at the April 19, 2017, FFC meeting. Regulations implemented by the Board of Trustees in January 2011 direct the Finance and Facilities Committee to review its charter every three years. Several additional changes were recommended by Chairman Marchena. An updated draft charter that includes those recommendations will be presented to the committee for approval at the next FFC meeting on June 14.

**OTHER BUSINESS**

UCF Convocation Corporation Excess Revenue

Chair Martins informed the committee he had approved the excess revenue from the UCF Convocation Corporation being applied to the UCF Athletics Association.

Chair Martins adjourned the Finance and Facilities Committee meeting at 9:01 a.m.

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

5-25-17  
Date



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees  
Finance and Facilities Committee Meeting  
*FAIRWINDS* Alumni Center  
May 18, 2017

**MINUTES**

**CALL TO ORDER**

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 11:05 a.m. Committee members Robert Garvy, Nick Larkins, William Self, David Walsh, and Bill Yeargin were present. Committee member John Sprouls attended by teleconference.

Trustees Joseph Conte and Beverly Seay were present. Chairman Marcos Marchena was present.

**NEW BUSINESS**

Amendments to University Tuition and Fee Regulation UCF-9.001 (FFC-1)

William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, and Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance, discussed the proposed amendments to University Tuition and Fee Regulation UCF-9.001, which reflects the tuition and fees for the 2017-18 academic year. No changes to tuition and fees are being proposed for 2017-18 except for a reduction in the UCF Online graduate out-of-state fee and graduate non-resident financial aid fee to be consistent with the lower out-of-state fee and non-resident financial aid fee currently charged to UCF Online undergraduate students.

The committee unanimously approved the amendments as presented.

University Operating Budget Report Ended March 31, 2017 (INFO-1)

Clark presented the University Operating Budget Report for the quarter that ended March 31, 2017.

2017-18 University Operating Budget (FFC-2)

Merck and Clark presented the operating budgets for the Educational & General, Medical School, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, Technology Fee, and Concessions areas. The allocation of new state investments in Performance Funding and Emerging Preeminent University Funding will be determined by the Florida Board of Governors in June. An update will be provided to the Board of Trustees in a future meeting. The committee unanimously approved the 2017-18 University Operating Budget as presented.

2017-18 Capital Outlay Budget (FFC-3)

Merck and Lee Kernek, Associate Vice President for Administration and Finance, requested approval of the university's 2017-18 capital outlay budget and authorization for the president to make necessary adjustments to the 2017-18 capital outlay budget. The committee unanimously approved the 2017-18 capital outlay budget. However, to be consistent with the 2016-17 approval of this item, they modified the president's approving authority to only line items below \$2 million. Any budget change to a line-item greater than \$2 million must be brought to the Board of Trustees for approval if the adjustment is more than 10 percent.

Equipment Fees for 2017-18 (INFO-2)

Elizabeth Klonoff, Vice President for Research and Dean of the College of Graduate Studies, announced there were no changes to undergraduate or graduate equipment fees for 2017-18.

University Depositories (FFC-4)

Clark requested approval of the depositories into which university funds may be deposited, authorization of the president or his designee to transfer funds between depositories, and the designation of the university employees who can sign checks for payment of university obligations. The committee unanimously approved the depositories, presidential authorization, and the employees to serve as signatories. Chairman Marchena, however, recommended for next year to consider removing Valley National Bank as a depository in favor of a local bank.

UCFAA Line of Credit Increase (FFC-5)

John C. Pittman, Associate Vice President for Administration and Finance, Debt Management, Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer, and Danny White, Vice President and Director of Athletics, presented for approval a request for the UCF Athletics Association to increase the existing operating line of credit with Fifth Third Bank from \$2 million to \$5 million to assist with cash-flow timing issues. The increase to \$5 million would allow the UCFAA to stay current on all bills and meet all financial obligations in a timely manner. The committee unanimously approved the increase, but Chairman Marchena emphasized the need to still retain the line of credit's rest period of 14 days every year.

Proposed Building Name Changes (FFC-6)

Maribeth Ehasz, Vice President for Student Development and Enrollment Services, requested approval to change the names of two buildings. The first request is to change "Theta Chi" to "Alpha Epsilon Phi." The fraternity Theta Chi has moved out of the Greek house, and the sorority Alpha Epsilon Phi moved into the house. The second request is to change "Early Childhood Center" to "Creative School II." The Early Childhood Center has moved out of this facility, and it was reassigned to the Creative School for Children. The committee unanimously approved both name changes.

Acquisition of Property for Partnership IV, Part II (FFC-7)

Merck and Jennifer Cerasa, Associate General Counsel, requested the approval of the Purchase and Sale Agreement and acquisition of the property located at 12000 Research Parkway for the Partnership IV, Part II, to further enhance the government modeling and simulation technology presence in central Florida. Under the proposed transaction, UCF would serve as the acquiring agency to facilitate the acquisition of the property from Banyan Street/Gap Resource Square Two Owner, LLC, in the name of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. The total purchase price is estimated to be \$19.1 million, subject to an appraisal. The Purchase and Sale Agreement will require approval from the State of Florida. There will be a

subsequent 90-day due-diligence period for investigation of the property. The committee unanimously approved the Purchase and Sale Agreement and property acquisition as presented.

Amendment to Agreement Between UCF and ICAMR (FFC-8)

Klonoff and Sandra Sovinski, Senior Associate General Counsel, requested approval of an amendment to the agreement between UCF and ICAMR, Inc. to confirm escrow of appropriated funds for potential application to expenses arising from specialized water needs of a research and development center managed by ICAMR. The Tohopekaliga Water Authority (TWA) has advanced \$3,200,000 for construction of advanced treatment facilities for the center and, pursuant to the lease, UCF is responsible for annual payments for a period of 10 years until TWA is repaid in full. Also, UCF is obligated to TWA pursuant to the lease for certain water, wastewater, and reuse capacity impact fees arising from operation of the center. This amendment to the agreement allows UCF to escrow certain funds for the above-noted TWA obligations. The committee unanimously approved the amendment as presented.

Amendment to Florida Advanced Manufacturing Research Center Agreement and Lease (FFC-9)

Klonoff and Sovinski requested approval of the amended and restated development agreement and lease for the advanced manufacturing industry center in Osceola County. The research and development center built by Osceola County for lease by UCF under the August 25, 2014, development agreement is nearing substantial completion. During the project, changes to certain aspects of the development have taken place, such as the commitment by Osceola County of additional funds and the negotiation of related agreements for delivery of utility infrastructure. Accordingly, the development agreement is being revised to reflect these changes.

By the terms of the development agreement, UCF is to execute the lease upon substantial completion of the research and development center. Accordingly, the lease is also to be revised to reflect the aforementioned changes. The committee unanimously approved the development agreement and lease as presented.

Chair Martins adjourned the Finance and Facilities Committee meeting at 12:25 p.m.

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

5.25.17  
Date

**ITEM: INFO-1**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Direct Support Organizations' 2016-17 Third-quarter Financial Reports

**DATE:** June 14, 2017

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For information only.

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**Supporting documentation:** Attachment A: UCF Athletic Association and Stadium Corporation  
Attachment B: UCF Convocation Corporation  
Attachment C: UCF Finance Corporation  
Attachment D: UCF Foundation  
Attachment E: UCF Research Foundation

**Prepared by:** John C. Pittman, Associate Vice President for Administration and Finance, Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Finance and Facilities Committee Meeting - Items

Attachment A  
UCF Athletic Association and UCF Stadium Corporation  
Consolidated Statement of Operations  
For the quarter ended March 31, 2017

	UCF Athletic Association	UCF Stadium Corporation	Combined	UCF Athletic Association	UCF Stadium Corporation	Combined	Variance to Budget		UCF Athletic Association	UCF Stadium Corporation	Combined	Variance to Prior Year	
	Actual 2016-17	Actual 2016-17	Actual 2016-17	Budget 2016-17	Budget 2016-17	Budget 2016-17	Favorable (Unfavorable)		Actual 2015-16	Actual 2015-16	Actual 2015-16	Favorable (Unfavorable)	
<b>Operating revenues</b>													
Athletic events, including premium seating	\$ 6,131,831	\$ 2,083,668	\$ 8,215,499	\$ 6,143,062	\$ 2,084,067	\$ 8,227,129	(11,630)	(0.14)%	\$ 4,532,741	\$ 2,141,965	\$ 6,674,706	\$ 1,540,793	23.08 %
University allocations	23,056,950	-	23,056,950	23,101,575	-	23,101,575	(44,625)	(0.19)%	22,322,117	-	22,322,117	734,833	3.29 %
Sponsorship	1,842,597	750,000	2,592,597	1,847,050	850,000	2,697,050	(104,453)	(3.87)%	2,166,669	800,000	2,966,669	(374,072)	(12.61)%
Contributions	1,336,720	67,400	1,404,120	1,325,490	100,000	1,425,490	(21,370)	(1.50)%	922,031	297,718	1,219,749	184,371	15.12 %
Other	669,294	137,597	806,891	667,523	195,000	862,523	(55,632)	(6.45)%	863,219	524,113	1,387,332	(580,441)	(41.84)%
<b>Total operating revenues</b>	<b>33,037,392</b>	<b>3,038,665</b>	<b>36,076,057</b>	<b>33,084,700</b>	<b>3,229,067</b>	<b>36,313,767</b>	<b>(237,710)</b>	<b>(0.65)%</b>	<b>30,806,777</b>	<b>3,763,796</b>	<b>34,570,573</b>	<b>1,505,484</b>	<b>4.35 %</b>
<b>Operating expenses</b>													
Scholarships	8,370,234	-	8,370,234	8,328,195	-	8,328,195	(42,039)	(0.50)%	7,552,877	-	7,552,877	(817,357)	(10.82)%
Employee compensation	14,313,770	-	14,313,770	14,317,029	-	14,317,029	3,259	0.02 %	12,114,080	-	12,114,080	(2,199,690)	(18.16)%
Sport operations	5,405,110	-	5,405,110	5,387,091	-	5,387,091	(18,019)	(0.33)%	5,395,640	-	5,395,640	(9,470)	(0.18)%
Support operations	6,316,413	-	6,316,413	6,283,774	-	6,283,774	(32,639)	(0.52)%	5,833,041	-	5,833,041	(483,372)	(8.29)%
Other	1,630,066	38,391	1,668,457	1,627,519	70,000	1,697,519	29,062	1.71 %	1,675,215	678,877	2,354,093	685,636	29.13 %
<b>Total operating expenses</b>	<b>36,035,593</b>	<b>38,391</b>	<b>36,073,984</b>	<b>35,943,608</b>	<b>70,000</b>	<b>36,013,608</b>	<b>(60,375)</b>	<b>(0.17)%</b>	<b>32,570,853</b>	<b>678,877</b>	<b>33,249,730</b>	<b>(2,824,253)</b>	<b>(8.49)%</b>
<b>Net operating income</b>	<b>(2,998,201)</b>	<b>3,000,274</b>	<b>2,073</b>	<b>(2,858,908)</b>	<b>3,159,067</b>	<b>300,159</b>	<b>(298,086)</b>	<b>(99.31)%</b>	<b>(1,764,076)</b>	<b>3,084,918</b>	<b>1,320,842</b>	<b>(1,318,769)</b>	<b>(99.84)%</b>
<b>Nonoperating revenues (expenses)</b>													
Net transfers to Stadium Corporation from UCFAA	(601,888)	601,888	-	(601,000)	601,888	-	-	-	4,384,348	(4,384,348)	-	-	-
Interest income	-	30,307	30,307	-	11,250	11,250	19,057	169.40 %	-	107,474	107,474	(77,167)	(71.80)%
Interest (expense)	(122,133)	(1,306,026)	(1,428,159)	(123,000)	(1,306,026)	(1,429,026)	867	0.06 %	(99,665)	(1,362,448)	(1,462,113)	33,955	2.32 %
<b>Total nonoperating expenses</b>	<b>(724,021)</b>	<b>(673,830)</b>	<b>(1,397,851)</b>	<b>(724,000)</b>	<b>(692,888)</b>	<b>(1,417,776)</b>	<b>19,925</b>	<b>1.41 %</b>	<b>4,284,683</b>	<b>(5,639,322)</b>	<b>(1,354,639)</b>	<b>(43,212)</b>	<b>(3.19)%</b>
<b>Net increase (decrease) from operations</b>	<b>\$ (3,722,222)</b>	<b>\$ 2,326,444</b>	<b>\$ (1,395,778)</b>	<b>\$ (3,582,908)</b>	<b>\$ 2,466,179</b>	<b>\$ (1,117,617)</b>	<b>\$ (278,161)</b>		<b>\$ 2,520,607</b>	<b>\$ (2,554,404)</b>	<b>\$ (33,797)</b>	<b>\$ (1,361,981)</b>	
<b>Debt service:</b>													
Principal	\$ 26,456	\$ 1,674,000	\$ 1,700,456	\$ 26,000	\$ 1,674,000	\$ 1,700,000	\$ (456)	0.03 %	\$ 3,063,981	\$ 1,308,000	\$ 4,371,981	\$ 2,671,525	61.11 %
Interest	122,133	1,306,026	1,428,159	123,000	1,306,026	1,429,026	867	(0.06)%	99,665	1,362,448	1,462,113	33,954	2.32 %
<b>Total Debt Service</b>	<b>\$ 148,589</b>	<b>\$ 2,980,026</b>	<b>\$ 3,128,615</b>	<b>\$ 149,000</b>	<b>\$ 2,980,026</b>	<b>\$ 3,129,026</b>	<b>\$ 411</b>	<b>(0.03)%</b>	<b>\$ 3,163,646</b>	<b>\$ 2,670,448</b>	<b>\$ 5,834,094</b>	<b>\$ 2,705,479</b>	<b>63.43 %</b>

Attachment B  
**UCF Convocation Corporation**  
**Statement of Operations**  
**For the quarter ended March 31, 2017**

	2016 -17				2015 -16			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Housing Operations								
Revenues								
Apartment rentals	\$ 15,819,664	\$ 15,625,000	\$ 194,664	1.2 %	\$ 15,749,857	\$ 15,525,000	\$ 224,857	1.4 %
Parking	777,291	777,291	-	0.0 %	777,291	777,291	-	0.0 %
Other	64,532	7,500	57,032	760.4 %	67,811	34,050	33,761	99.2 %
Total revenues	16,661,487	16,409,791	251,696	1.5 %	16,594,959	16,336,341	258,618	1.6 %
Total expenses	4,683,457	5,186,286	502,829	9.7 %	4,384,943	4,553,888	168,945	3.7 %
Net increase from housing operations	11,978,030	11,223,505	754,525	6.7 %	12,210,016	11,782,453	427,563	3.6 %
Retail Operations								
Total revenues	1,436,922	1,436,851	71	0.0 %	1,413,576	1,380,998	32,578	2.4 %
Total expenses	363,808	462,486	98,678	21.3 %	391,240	453,507	62,267	13.7 %
Net increase from retail operations	1,073,114	974,365	98,749	10.1 %	1,022,336	927,491	94,845	10.2 %
Arena Operations								
Revenues								
Event related	4,316,697	4,967,639	(650,942)	(13.1)%	5,168,038	4,898,626	269,412	5.5 %
Premium seating and sponsorship	957,362	1,100,000	(142,638)	(13.0)%	1,139,787	1,183,306	(43,519)	(3.7)%
Rental income	2,601,250	2,601,250	-	0.0 %	2,601,250	2,601,250	-	0.0 %
Other	138,255	148,164	(9,909)	(6.7)%	196,510	144,133	52,377	36.3 %
Total revenues	8,013,564	8,817,053	(803,489)	(9.1)%	9,105,585	8,827,315	278,270	3.2 %
Expenses								
Direct event	3,411,675	3,913,144	501,469	12.8 %	4,093,017	3,876,076	(216,941)	(5.6)%
Operating and indirect event	2,617,656	2,805,449	187,793	6.7 %	2,502,053	2,545,786	43,733	1.7 %
Direct premium seating	220,063	227,520	7,457	3.3 %	216,274	220,000	3,726	1.7 %
Other <sup>2</sup>	-	-	-	-	1,621,995	1,150,000	(471,995)	(41.0)%
Total expenses	6,249,394	6,946,113	696,719	10.0 %	8,433,339	7,791,862	(641,477)	(8.2)%
Net increase (decrease) from arena operations	1,764,170	1,870,940	(106,770)	(5.7)%	672,246	1,035,453	(363,207)	(35.1)%
Net increase from total operations	\$ 14,815,313	\$ 14,068,810	\$ 746,503	5.3 %	\$ 13,904,598	\$ 13,745,397	\$ 159,201	1.2 %
Debt Service								
Principal	\$ 7,045,000				\$ 13,305,000			
Interest	1,801,621				2,025,234			
Total Debt Service <sup>1</sup>	\$ 8,846,621				\$ 15,330,234			

[1] Principal payments in 2015-16 include additional principal prepayments made at the time of the CFE Arena debt refunding.

[2] Other expenses for the CFE Arena primarily consist of cost of issuance fees related to the CFE Arena debt refunding and transfers to the University for the plaza enhancement project and Arena HVAC system replacement .

Attachment C  
**UCF Finance Corporation**  
**Statement of Operations**  
**For the quarter ended March 31, 2017**

	2016-17				2015-16			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
University transfers	\$ 1,903,734	\$ 1,898,825	\$ 4,909	0.3 %	\$ 1,831,118	\$ 1,989,855	\$ (158,737)	(8.0)%
Interest	4,755	-	4,755	100.0 %	112,540	-	112,540	100.0 %
<b>Total revenues</b>	<u>1,908,489</u>	<u>1,898,825</u>	<u>9,664</u>	<u>0.5 %</u>	<u>1,943,658</u>	<u>1,989,855</u>	<u>(46,197)</u>	<u>(2.3)%</u>
<b>Expenses</b>								
Operating	17,100	15,550	(1,550)	(10.0)%	18,792	15,050	(3,742)	(24.9)%
Interest	1,732,376	1,716,609	(15,767)	(0.9)%	1,772,467	1,789,221	16,754	0.9 %
Debt related	159,012	166,666	7,654	4.6 %	152,399	185,584	33,185	17.9 %
<b>Total expenses</b>	<u>1,908,488</u>	<u>1,898,825</u>	<u>(9,664)</u>	<u>(0.5)%</u>	<u>1,943,658</u>	<u>1,989,855</u>	<u>46,197</u>	<u>2.3 %</u>
<b>Net change from operations</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Debt Service</b>								
Principal	\$ 1,415,000				\$ 1,355,000			
Interest	1,732,376				1,772,466			
<b>Total Debt Service</b>	<u>\$ 3,147,376</u>				<u>\$ 3,127,466</u>			

Attachment D  
**UCF Foundation**  
**Unrestricted Operations**  
**For the quarter ended March 31, 2017**

	2016 - 17				2015 - 16			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Unrestricted revenues</b>								
University and other related support	\$ 10,854,809	\$ 10,540,860	\$ 313,949	3.0 %	\$ 7,997,100	\$ 8,768,000	\$ (770,900)	(8.8)%
Gifts, fees, and investment earnings	4,607,663	3,754,625	853,038	22.7 %	3,924,897	3,736,998	187,899	5.0%
Real estate operations	1,633,500	1,633,500	-	0.0 %	1,035,862	1,034,500	1,362	0.1%
<b>Total unrestricted revenue</b>	<u>17,095,972</u>	<u>15,928,985</u>	<u>1,166,987</u>	<u>7.3 %</u>	<u>12,957,859</u>	<u>13,539,498</u>	<u>(581,639)</u>	<u>(4.3)%</u>
<b>Unrestricted expenses</b>								
Academic and university support	2,267,985	2,022,888	(245,097)	(12.1)%	2,130,100	2,143,331	13,231	0.6%
Development, alumni relations, and operations	13,892,071	14,898,514	1,006,443	6.8 %	10,565,875	11,641,000	1,075,125	9.2%
<b>Total unrestricted expenses</b>	<u>16,160,056</u>	<u>16,921,402</u>	<u>761,346</u>	<u>4.5 %</u>	<u>12,695,975</u>	<u>13,784,331</u>	<u>1,088,356</u>	<u>7.9%</u>
<b>Net increase (decrease) from unrestricted operations</b>	<u>\$ 935,916</u>	<u>\$ (992,417)</u>	<u>\$ 1,928,333</u>	<u>194.3 %</u>	<u>\$ 261,884</u>	<u>\$ (244,833)</u>	<u>\$ 506,717</u>	<u>207.0%</u>
<b>Debt Service</b>								
Principal	\$1,160,000				\$1,763,588			
Interest	629,886				672,847			
<b>Total Debt Service</b>	<u>\$ 1,789,886</u>				<u>\$ 2,436,435</u>			

Attachment E  
**UCF Research Foundation**  
**Statement of Operations**  
**For the quarter ended March 31, 2017**

	2016-17				2015-16			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>								
Operating revenue <sup>1</sup>	\$ 7,329,325	\$ 5,665,000	\$ 1,664,325	29.4 %	\$ 5,191,312	\$ 5,817,500	\$ (626,188)	(10.8)%
Management fees and other	461,825	325,000	136,825	42.1 %	259,043	242,500	16,543	6.8 %
<b>Total revenues</b>	<u>7,791,150</u>	<u>5,990,000</u>	<u>1,801,150</u>	<u>30.1 %</u>	<u>5,450,355</u>	<u>6,060,000</u>	<u>50,094</u>	<u>2.5 %</u>
<b>Expenses</b>								
<b>Total operating expenses</b>	<u>7,464,619</u>	<u>5,912,500</u>	<u>(1,552,119)</u>	<u>(26.3)%</u>	<u>5,310,891</u>	<u>5,791,662</u>	<u>480,771</u>	<u>8.3 %</u>
<b>Net increase from operations</b>	<u>\$ 326,531</u>	<u>\$ 77,500</u>	<u>\$ 249,031</u>	<u>321.3 %</u>	<u>\$ 139,464</u>	<u>\$ 268,337</u>	<u>\$ (128,873)</u>	<u>(48.0)%</u>

<sup>1</sup> Operating includes royalties, contributions, rents, conferences, unit residuals, and consortiums.

**ITEM: FFC-1**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Release of Unrestricted UCF Stadium Corporation Revenues

**DATE:** June 14, 2017

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**PROPOSED COMMITTEE ACTION**

Approve the release of revenues above budgeted obligations from the UCF Stadium Corporation to the UCF Athletics Association for 2017-18.

**BACKGROUND INFORMATION**

The attached 2017-18 budget, approved by the UCF Stadium Corporation's board, reflects projected unrestricted excess revenues of \$4,305,978 to be available for transfer to the UCFAA.

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**Supporting documentation:** Attachment A: UCF Stadium Corporation 2017-18 Budget

**Prepared by:** John C. Pittman, Associate Vice President for Administration and Finance,  
Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

## Attachment A

UCF Stadium Corporation Football Stadium Pro Forma	Budgeted 2016-17	Projected Actuals 2016-17	Budget 2017-18
<b>Operating Revenues</b>			
Ticket sales	\$ 3,755,869	\$ 2,882,901	\$ 4,037,559
Sponsorships	229,000	229,000	234,000
Concessions	210,000	100,000	150,000
Catering	50,000	50,000	50,000
Revenues from beverage agreement	180,000	180,000	180,000
Merchandise sales	250,000	250,000	250,000
Other revenues	15,000	35,000	30,000
Premium seating - West side	1,600,000	1,627,273	1,842,007
Premium seating - East side	484,067	456,395	-
Naming rights	850,000	850,000	850,000
<b>Total Operating Revenues</b>	<b>7,623,936</b>	<b>6,660,569</b>	<b>7,623,566</b>
<b>Non-Operating Revenue</b>			
<b>Additional funds pledged from UCFAA revenues</b>			
UCFAA Rent	1,671,000	1,671,000	2,121,000
<b>Total additional funds pledged from UCFAA revenues</b>	<b>1,671,000</b>	<b>1,671,000</b>	<b>2,121,000</b>
<b>Additional funds to be used to pay debt</b>			
Fundraising	125,000	125,000	125,000
Signed pledges for leadership center	375,000	375,000	375,000
<b>Total additional funds to be used to pay debt</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Total Non-Operating Revenue</b>	<b>2,171,000</b>	<b>2,171,000</b>	<b>2,621,000</b>
<b>Total Sources of Funds</b>	<b>9,794,936</b>	<b>8,831,569</b>	<b>10,244,566</b>
<b>Debt Service</b>			
Tax-exempt bond interest	1,438,319	1,438,319	1,405,919
Tax-exempt bond principal	1,080,000	1,080,000	1,110,000
Taxable bond interest	433,397	433,397	426,669
Taxable bond principal	345,000	345,000	350,000
Leadership center (principal and interest)	342,798	336,324	336,124
Additional principal payment on leadership center	-	280,000	38,876
<b>Total Debt Service</b>	<b>3,639,514</b>	<b>3,913,039</b>	<b>3,667,588</b>
<b>Net Income Available for Operations and Maintenance</b>	<b>6,155,422</b>	<b>4,918,530</b>	<b>6,576,978</b>
<b>Less: Operating Expenses</b>			
Other	70,000	100,000	50,000
<b>Total Operating Expenses</b>	<b>70,000</b>	<b>100,000</b>	<b>50,000</b>
<b>Net Operating Surplus</b>	<b>6,085,422</b>	<b>4,818,530</b>	<b>6,526,978</b>
<b>Less: Deposit to Reserve Accounts</b>	<b>(250,000)</b>	<b>(250,000)</b>	<b>(100,000)</b>
<b>Less: Return of UCFAA Rent Revenue</b>	<b>(1,671,000)</b>	<b>(1,671,000)</b>	<b>(2,121,000)</b>
<b>Unrestricted Net Cash Flow Available to Transfer to UCFAA</b>	<b>\$ 4,164,422</b>	<b>\$ 2,897,530</b>	<b>\$ 4,305,978</b>
<b>Repair and Replace Expenditures</b>			
Non-recurring maintenance	(37,500)	-	(248,666)
Rust remediation	(250,000)	(140,000)	(110,000)
<b>Total Repair and Replace Expenditures</b>	<b>(287,500)</b>	<b>(140,000)</b>	<b>(358,666)</b>

**ITEM: FFC-2**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** 2017-18 Direct Support Organizations' Budgets

**DATE:** June 14, 2017

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**PROPOSED COMMITTEE ACTION**

Approval of the 2017-18 operating budgets for the following DSOs: UCF Convocation Corporation, UCF Finance Corporation, UCF Foundation, UCF Limitless Solutions, UCF Research Foundation, and UCF Stadium Corporation.

**BACKGROUND INFORMATION**

The Florida Board of Governors requires the local boards of trustees for the state universities to approve the operating budgets of the universities' DSOs.

Each DSO has approved the attached budget.

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**Supporting documentation:** Attachment A: UCF Convocation Corporation  
Attachment B: UCF Finance Corporation  
Attachment C: UCF Foundation  
Attachment D: UCF Limitless Solutions  
Attachment E: UCF Research Foundation  
Attachment F: UCF Stadium Corporation

**Prepared by:** John C. Pittman, Associate Vice President for Administration and Finance, Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Finance and Facilities Committee Meeting - Items

Attachment A  
**UCF Convocation Corporation**  
**Annual Budget**  
**2017-18**

	2017-18 Proposed Budget	2016-17 Approved Budget	Variance Favorable (Unfavorable)		2016-17 Projected Actual	2016-17 Approved Budget	Variance Favorable (Unfavorable)	
Housing Operations								
Revenues								
Apartment rentals	\$ 17,871,199	\$ 17,756,085	\$ 115,114	0.6 %	\$ 17,870,000	\$ 17,756,085	\$ 113,915	0.6 %
Parking	1,036,388	1,036,388	-	0.0 %	1,036,388	1,036,388	-	0.0 %
Other	75,000	7,500	67,500	900.0 %	75,000	7,500	67,500	900.0 %
Total revenues	18,982,587	18,799,973	182,614	1.0 %	18,981,388	18,799,973	181,415	1.0 %
Total expenses	6,974,000	6,785,356	(188,644)	(2.8)%	6,541,642	6,785,356	243,714	3.6 %
Net increase from housing operations	12,008,587	12,014,617	(6,030)	(0.1)%	12,439,746	12,014,617	425,129	3.5 %
Retail Operations								
Total revenues	1,878,003	1,910,755	(32,752)	(1.7)%	1,913,257	1,910,755	2,502	0.1 %
Total expenses	631,667	596,947	(34,720)	(5.8)%	488,742	596,947	108,205	18.1 %
Net increase from retail operations	1,246,336	1,313,808	(67,472)	(5.1)%	1,424,515	1,313,808	110,707	8.4 %
Arena Operations								
Revenues								
Event related	6,565,221	6,448,946	116,275	1.8 %	5,500,697	6,448,946	(948,249)	(14.7)%
Premium seating and sponsorship	1,276,900	1,231,800	45,100	3.7 %	1,121,800	1,231,800	(110,000)	(8.9)%
Rental income	2,735,000	2,735,000	-	0.0 %	2,735,000	2,735,000	-	0.0 %
Other	188,558	194,564	(6,006)	(3.1)%	189,619	194,564	(4,945)	(2.5)%
Total revenues	10,765,679	10,610,310	155,369	1.5 %	9,547,116	10,610,310	(1,063,194)	(10.0)%
Expenses								
Direct event	5,116,319	5,010,530	(105,789)	(2.1)%	4,286,675	5,010,530	723,855	14.4 %
Operating and indirect event	5,049,973	4,845,279	(204,694)	(4.2)%	4,589,337	4,845,279	255,942	5.3 %
Direct premium seating	309,860	283,360	(26,500)	(9.4)%	245,000	283,360	38,360	13.5 %
Other <sup>1</sup>	500,000	500,000	-	0.0 %	3,692,027	500,000	(3,192,027)	(638.4)%
Total expenses	10,976,152	10,639,169	(336,983)	(3.2)%	12,813,039	10,639,169	(2,173,870)	(20.4)%
Net decrease from arena operations	(210,473)	(28,859)	(181,614)		(3,265,923)	(28,859)	(3,237,064)	
Net increase from total operations	\$ 13,044,450	\$ 13,299,566	\$ (255,116)	(1.9)%	\$ 10,598,338	\$ 13,299,566	\$ (2,701,228)	(20.3)%
Debt Service								
Principal payments	7,245,000				7,045,000			
Interest payments	6,921,597				7,114,359			
Total Debt Service	\$ 14,166,597				\$ 14,159,359			

<sup>1</sup> Other expenses include transfers to UCF of \$2.5 million for the plaza enhancement project and \$.5 million for the CFE Arena scoreboard project, as well as a transfer of \$.65 million to the UCF Athletics Association.

Attachment B  
**UCF Finance Corporation**  
**Annual Budget**  
**2017-18**

	<b>2017-18 Proposed Budget</b>	<b>2016-17 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2016-17 Projected Actual</b>	<b>2016-17 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>Revenues</b>								
Operating	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
University transfers	3,251,818	2,484,612	767,206	30.9 %	2,507,033	2,484,612	22,421	0.9 %
Interest	6,500	-	6,500	-	6,500	-	6,500	-
<b>Total revenues</b>	<u>3,258,318</u>	<u>2,484,612</u>	<u>773,706</u>	<u>31.1 %</u>	<u>2,513,533</u>	<u>2,484,612</u>	<u>28,921</u>	<u>1.2 %</u>
<b>Expenses</b>								
Operating	20,665	15,800	(4,865)	(30.8)%	20,100	15,800	(4,300)	(27.2)%
Interest	2,290,915	2,288,812	(2,103)	(0.1)%	2,296,859	2,288,812	(8,047)	(0.4)%
Debt related <sup>1</sup>	946,738	180,000	(766,738)	(426.0)%	196,574	180,000	(16,574)	(9.2)%
<b>Total expenses</b>	<u>3,258,317</u>	<u>2,484,612</u>	<u>(773,706)</u>	<u>(31.1)%</u>	<u>2,513,533</u>	<u>2,484,612</u>	<u>(28,921)</u>	<u>(1.2)%</u>
<b>Net increase from operations</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<b>Debt Service</b>								
Principal	\$ 1,490,000				\$ 1,415,000			
Interest	<u>2,290,915</u>				<u>2,296,859</u>			
<b>Total Debt Service</b>	<u>\$ 3,780,915</u>				<u>\$ 3,711,859</u>			

<sup>1</sup> Debt related expenses are projected to increase due to the interest rate swap letter of credit fee rate increasing from .24% to 1.75% effective June 14, 2017.

Attachment C  
**UCF Foundation**  
**Annual Budget**  
**2017-18**

	2017-18	2016-17			2016-17	2016-17		
	Proposed Budget	Approved Budget	Variance		Projected Actual	Approved Budget	Variance	
Revenues								
Unrestricted gifts, fees, and investment earnings	\$ 5,175,000	\$5,006,167	\$ 168,833	3.4%	\$ 5,641,618	\$ 5,006,167	\$ 635,451	12.7%
Real estate	2,945,000	2,328,000	617,000	26.5%	2,328,000	\$ 2,328,000	-	(0.0%)%
University and other related support	11,785,878	14,054,479	(2,268,601)	-16.1%	13,957,410	\$ 14,054,479	(97,069)	(0.7)%
Total revenue	19,905,878	21,388,646	(1,482,768)	-6.9%	21,927,028	21,388,646	538,382	(251.7)%%
Expenses								
Academic and university support	2,796,433	2,756,433	(40,000)	-1.5%	3,290,578	2,756,433	(534,145)	-19.4%
Development, alumni relations, and operations	17,109,445	18,632,213	1,522,768	8.2%	18,636,450	18,632,213	(4,237)	0.0%
Total expenses	19,905,878	21,388,646	1,482,768	6.9%	21,927,028	21,388,646	(538,382)	-2.5%
Net increase (decrease) from total operations	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
Debt Service								
Principal payments	\$ 3,643,020				\$ 2,157,862			
Interest payments	1,098,988				1,291,960			
Total principal and interest payments	\$ 3,449,822				\$ 3,449,822			

Attachment D  
**UCF Limitless Solutions**  
**Annual Budget**  
**2017-18**

	<b>2017-18 Proposed Budget</b>	<b>2017 Projected Actual <sup>1</sup></b>
<b>Revenues</b>		
Donations	\$ 75,000	\$ 40,000
Sponsorships	75,000	-
Naming rights	200,000	-
<b>Total revenues<sup>2</sup></b>	<u>350,000</u>	<u>40,000</u>
<b>Expenses</b>		
Materials	55,000	25,000
Medical research study	40,000	
Other	52,800	12,250
<b>Total expenses</b>	<u>147,800</u>	<u>37,250</u>
<b>Net increase from operations</b>	<u><u>\$ 202,200</u></u>	<u><u>\$ 2,750</u></u>

<sup>1</sup> Limitless Solutions was founded as a UCF DSO as of January 1, 2017.

<sup>2</sup> Knights Partnership Alliance program and the UCF Foundation contributed to the naming rights and sponsorship projections.

Attachment E  
**UCF Research Foundation**  
**Annual Budget**  
**2017-18**

	<b>2017-18 Proposed Budget</b>	<b>2016-17 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>		<b>2016-17 Projected Actual</b>	<b>2016-17 Approved Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b>Revenues</b>								
Operating revenue <sup>1</sup>	\$ 9,185,000	\$ 7,340,000	\$ 1,845,000	25.1%	\$ 9,004,325	\$ 7,340,000	\$ 1,664,325	22.7%
Management fees and other	545,000	380,000	165,000	43.4%	516,825	380,000	136,825	36.0%
<b>Total revenues</b>	<u>9,730,000</u>	<u>7,720,000</u>	<u>2,010,000</u>	<u>26.0%</u>	<u>9,521,150</u>	<u>7,720,000</u>	<u>1,801,150</u>	<u>23.3%</u>
<b>Expenses</b>								
<b>Total operating expenses<sup>1</sup></b>	<u>9,523,500</u>	<u>7,682,500</u>	<u>(1,841,000)</u>	<u>(24.0)%</u>	<u>9,091,619</u>	<u>7,682,500</u>	<u>(1,409,119)</u>	<u>(18.3)%</u>
<b>Net increase from operations</b>	<u>\$ 206,500</u>	<u>\$ 37,500</u>	<u>\$ 169,000</u>	<u>450.7%</u>	<u>\$ 429,531</u>	<u>\$ 37,500</u>	<u>\$ 392,031</u>	<u>1045.4 %</u>

<sup>1</sup> Operating revenue includes royalties, contributions, rents, conferences, unit residuals, and consortiums.

Attachment F  
**UCF Stadium Corporation**  
**Annual Budget**  
**2017-18**

	2017-18 Proposed Budget	2016-17 Approved Budget	Variance Favorable (Unfavorable)		2016-17 Projected	2016-17 Actual	2016-17 Approved Budget	Variance Favorable (Unfavorable)	
<b>Revenues</b>									
Premium seating	\$ 1,842,007	\$ 2,084,067	\$ (242,060)	(11.6)%	\$ 2,083,668	\$ 2,084,067	\$ (399)	(0.0)%	
Naming rights	850,000	850,000	-	0.0 %	850,000	850,000	-	0.0 %	
Athletic transfers	6,158,559	5,426,869	731,690	13.5 %	4,553,901	5,426,869	(872,968)	(16.1)%	
Other	1,394,000	1,434,000	(40,000)	(2.8)%	1,344,000	1,434,000	(90,000)	(6.3)%	
<b>Total revenues</b>	<u>10,244,566</u>	<u>9,794,936</u>	<u>449,630</u>	<u>4.6 %</u>	<u>8,831,569</u>	<u>9,794,936</u>	<u>(963,367)</u>	<u>(9.8)%</u>	
<b>Expenses</b>									
<b>Total expenses</b>	<u>548,666</u>	<u>357,500</u>	<u>(191,166)</u>	<u>(53.5)%</u>	<u>240,000</u>	<u>357,500</u>	<u>117,500</u>	<u>32.9 %</u>	
<b>Net Increase from total operations</b>	<u>\$ 9,695,900</u>	<u>\$ 9,437,436</u>	<u>\$ 258,464</u>	<u>2.7 %</u>	<u>\$ 8,591,569</u>	<u>\$ 9,437,436</u>	<u>\$ (845,867)</u>	<u>(9.0)%</u>	
<b>Debt Service</b>									
Principal	1,715,000				1,674,000				
Interest	1,913,712				1,965,514				
<b>Total Debt Service</b>	<u>3,628,712</u>				<u>3,639,514</u>				

**ITEM: FFC- 3**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Five-year Capital Improvement Plan

**DATE:** June 14, 2017

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**PROPOSED COMMITTEE ACTION**

Approve the capital improvement plan for 2018-19 through 2022-23.

**BACKGROUND INFORMATION**

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 it provides information to the State Board of Education for its request for capital project funding for 2018-19.

The capital improvement plan must be submitted to the Board of Governors' staff by August 1, 2017. The attached schedules include the following:

- projects that are proposed for inclusion in the five-year capital improvement plan
- items to be included in the 2018-19 Appropriations Authorization Bill, including projects funded by bonds, direct support organization projects, and projects requiring general revenue to operate.

We request approval to submit the 2018-19 Capital Improvement Plan with the projects listed in the attached schedules.

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**Supporting documentation:** Attachment A: 2018-19 Five-year Plan List  
Attachment B: 2018-19 Fixed Capital Outlay Projects  
Requiring Board of Governors Approval to  
be Constructed, Acquired, and Financed by  
a University or a University Direct Support  
Organization with Approved Debt  
Attachment C: 2018-19 Fixed Capital Outlay Projects  
That May Require Legislative  
Authorization and General Revenue Funds  
to Operate and Maintain

**Prepared by:** Lee Kernek, Associate Vice President for Administration and Finance

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

# Finance and Facilities Committee Meeting - Items

Attachment A

UNIVERSITY OF CENTRAL FLORIDA FUTURE PROJECT PROJECTIONS FOR 2018-23 2018 FIVE-YEAR FIXED CAPITAL IMPROVEMENTS PLAN								
PECO PROJECTS	REVISED 05/01/2017	2018-19 YR #1	2019-20 YR #2	2020-21 YR #3	2021-22 YR #4	2022-23 YR #5	TOTALS	RANK
UTILITIES, INFRASTRUCTURE, CAPITAL RENEWAL, AND ROOFS (P.C.)		\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$70,000,000	1
INTERDISCIPLINARY RESEARCH AND INCUBATOR FACILITY (P.C.E) RESEARCH BUILDING I		\$6,707,360	\$34,529,519	\$6,042,667			\$47,279,546	2
ENGINEERING BUILDING I RENOVATION (P.C.E)		\$17,745,473	\$1,176,311				\$18,921,784	3
COLLEGE OF NURSING AND ALLIED HEALTH (P.C.E) HEALTH SCIENCES CAMPUS		\$8,321,670	\$66,573,360	\$8,321,670			\$83,216,700	4
MATHEMATICAL SCIENCES BUILDING REMODELING AND RENOVATION (C.E)		\$11,970,963	\$890,181				\$12,861,144	5
TRIVOR COLLOQUIRY HALL AND COLLOQUIRY DEMOLITION (P.C.E)		\$38,000,000					\$38,000,000	6
JOHN C. HITT LIBRARY RENOVATION PHASE II (P.C.E)		\$2,411,142	\$34,735,896	\$4,121,200			\$41,268,246	7
ARTS COMPLEX PHASE I (PERFORMANCE) (P.C.E)		\$3,060,000	\$27,172,800	\$3,060,000			\$33,292,800	8
CHEMISTRY RENOVATION (P.C.E)			\$700,241	\$12,731,680	\$700,241		\$14,132,162	9
FLORIDA SOLAR ENERGY CENTER RENOVATION (P.C.E)			\$11,322,000				\$11,322,000	10
INFRASTRUCTURE CHILLED WATER REPLACEMENT (P.C.)		\$5,100,000		\$10,200,000	\$7,401,120		\$22,701,120	11
RESEARCH BUILDING II (P.C.E)				\$6,891,771	\$8,495,107	\$6,891,771	\$22,278,649	12
VISUAL ARTS RENOVATION AND EXPANSION (P.C.E)				\$3,891,362	\$31,130,899	\$3,891,362	\$38,913,623	13
WASTEWATER, WATER, NATURAL GAS REPLACEMENT (P.C.)				\$7,140,000	\$10,200,000	\$12,780,600	\$30,120,600	14
MILICAN HALL RENOVATION (P.C.E)				\$1,472,991	\$11,783,935	\$1,472,991	\$14,729,917	15
BUSINESS ADMINISTRATION RENOVATION (P.C.E)				\$640,779	\$12,291,313	\$640,779	\$13,572,871	16
FACILITIES & SAFETY COMPLEX RENOVATION (P.C.E)				\$6,287,805			\$6,287,805	17
RESEARCH BUILDING III (P.C.E)				\$7,481,300	\$19,867,113	\$7,481,300	\$34,829,713	18
MULTI-PURPOSE RESEARCH AND EDUCATION BUILDING (P.C.E)				\$3,604,940	\$28,839,551	\$3,604,940	\$36,049,431	19
UCF DOWNTOWN CAMPUS BUILDING II (P.C.E)				\$87,991,555			\$87,991,555	20
<b>TOTAL</b>		<b>\$102,216,608</b>	<b>\$196,200,308</b>	<b>\$183,849,819</b>	<b>\$231,092,359</b>	<b>\$50,733,834</b>	<b>\$764,092,928</b>	
<b>CITF PROJECT REQUESTS</b>								
		2018-19 YR #1	2019-20 YR #2	2020-21 YR #3	2021-22 YR #4	2022-23 YR #5	TOTALS	RANK
JOHN C. HITT LIBRARY RENOVATION PHASE I (P.C.E)		\$6,854,560					\$6,854,560	1
JOHN C. HITT LIBRARY RENOVATION PHASE II (P.C.E)		\$41,268,246					\$41,268,246	1
CREATIVE SCHOOL FOR CHILDREN			\$6,000,000				\$6,000,000	2
<b>TOTAL</b>		<b>\$41,268,246</b>	<b>\$6,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$47,268,246</b>	
<b>REQUESTS FROM OTHER STATE SOURCES</b>								
		2018-19 YR #1	2019-20 YR #2	2020-21 YR #3	2021-22 YR #4	2022-23 YR #5	TOTALS	RANK
INTERDISCIPLINARY RESEARCH AND INCUBATOR FACILITY PHASE II (P.C.E)		\$16,614,883					\$16,614,883	1
CHORUS EXPANSION PHASE II (P.C.E)		\$6,794,280					\$6,794,280	2
STADIUM VIDEO AND SOUND (P.C.E)		\$5,000,000					\$5,000,000	3
UCF DOWNTOWN CAMPUS COMBINED HEAT AND POWER PLANT (P.C.E)		\$15,116,758					\$15,116,758	4
ARA RESEARCH BUILDING		\$27,540,000					\$27,540,000	1
CAMPUS ENTRYWAYS PHASE I (P.C.E)		\$2,153,996					\$2,153,996	2
CAMPUS ENTRYWAYS PHASE II (P.C.E)			\$5,015,978				\$5,015,978	3
WELCOME CENTER EXPANSION (P.C.E)			\$8,768,771				\$8,768,771	4
CIVIL AND ENVIRONMENTAL ENGINEERING (P.C.E)			\$1,535,637	\$22,937,137	\$1,535,637		\$26,008,411	5
HOWARD PHILLIPS HALL RENOVATION (P.C.E)			\$9,165,322				\$9,165,322	6
BIOLOGICAL SCIENCES RENOVATION (P.C.E)			\$10,189,800				\$10,189,800	7
FERRELL COMMONS (E AND G SPACE) RENOVATION (P.C.E)			\$7,253,771				\$7,253,771	8
FRANGICENT ANIMAL FACILITY (P.C.)			\$2,010,000				\$2,010,000	9
CAMERA ACCESS CONTROL (P.C.)			\$13,219,200				\$13,219,200	10
ARTS COMPLEX PHASE II (PERFORMANCE) (P.C.E)				\$3,695,522	\$30,444,176	\$3,695,522	\$38,235,220	11
CLASSROOM BUILDING III (P.C.E)				\$3,052,049	\$23,290,675	\$3,052,049	\$29,394,773	12
FACILITIES AND SAFETY BUILDING AT HEALTH SCIENCES CAMPUS (P.C.E)				\$7,630,122			\$7,630,122	13
RECYCLING CENTER (P.C.)				\$2,924,880	\$23,399,042	\$2,924,880	\$29,248,802	14
HUMANITIES AND FINE ARTS II (P.C.E)				\$3,525,566	\$23,695,783	\$3,525,566	\$28,746,915	15
SOCIAL SCIENCES FACILITY (P.C.E)				\$3,052,049	\$24,416,391	\$3,052,049	\$30,520,489	16
UCF HEALTH EXPANSION AND WELLNESS CENTER (P.C.E)				\$1,271,687	\$10,173,496	\$1,271,687	\$12,716,870	17
COASTAL BIOLOGY STATION (P.C.E)				\$6,358,435			\$6,358,435	18
UCF DOWNTOWN CAMPUS BUILDING II (P.C.E)				\$87,991,555			\$87,991,555	19
TECHNOLOGY COMMONS II RENOVATION (P.C.E)					\$3,781,674		\$3,781,674	20
COLLEGE OF SCIENCES BUILDING RENOVATION (P.C.E)					\$4,091,598		\$4,091,598	21
SIMULATION AND TRAINING BUILDING (P.C.E)					\$3,014,325	\$23,412,234	\$26,426,559	22
BUSINESS ADMINISTRATION III BUILDING (P.C.E)					\$2,015,023	\$15,650,667	\$17,665,690	23
EDUCATION BUILDING II (P.C.E)					\$2,428,390	\$18,361,845	\$20,790,235	24
BAND BUILDING II INFRASTRUCTURE (P.C.)					\$578,675	\$3,561,078	\$4,139,753	25
ARTS COMPLEX III (P.C.E)					\$1,889,327	\$13,995,013	\$15,884,340	26
INTERDISCIPLINARY RESEARCH AND INCUBATOR FACILITY PHASE II (P.C.E) RESEARCH BUILDING IV					\$2,927,200	\$25,291,037	\$28,218,237	27
THEATER BUILDING RENOVATION (P.C.E)					\$4,338,335		\$4,338,335	28
SUSTAINABILITY CENTER (P.C.E)					\$6,358,435		\$6,358,435	29
WET TEACHING LAB AND EXPANDED STEM FACILITY (P.C.E)					\$16,143,188		\$16,143,188	30
UTILITY INFRASTRUCTURE AND SITE WORK CLINICAL FACILITIES HEALTH SCIENCES CAMPUS (P.C.)					\$13,230,632		\$13,230,632	31
<b>TOTAL</b>		<b>\$29,693,996</b>	<b>\$57,158,479</b>	<b>\$142,599,002</b>	<b>\$156,081,415</b>	<b>\$158,024,217</b>	<b>\$543,557,109</b>	
<b>REQUESTS FROM NON-STATE SOURCES, INCLUDING DEBT</b>								
		2018-19 YR #1	2019-20 YR #2	2020-21 YR #3	2021-22 YR #4	2022-23 YR #5	TOTALS	RANK
STUDENT UNION EXPANSION (P.C.E)		\$14,000,000					\$14,000,000	
UCF DOWNTOWN CAMPUS COMBINED HEAT AND POWER PLANT (P.C.E)		\$15,116,758					\$15,116,758	
TEACHING HOSPITAL AT LAKE NONA (P.C.E)		\$12,112,600					\$12,112,600	40
GARAGE EXPANSION (P.C.E)		\$12,112,600					\$12,112,600	
WAVE DENSCH SPORTS CENTER EXPANSION (P.C.E)		\$5,100,000					\$5,100,000	
ROSEN STORAGE SHED (P.C.E)			\$225,000				\$225,000	
REFINANCE UCF FOUNDATION PROPERTIES		\$37,416,000					\$37,416,000	
REGIONAL CAMPUSES MULTI-PURPOSE BUILDINGS (P.C.E)		\$34,297,728					\$34,297,728	
SOFTBALL STADIUM EXPANSION AND ENHANCEMENTS (P.C.E)		\$1,132,200					\$1,132,200	
FIELDHOUSE CHILLED WATER HVAC UPGRADES (P.C.E)		\$7,551,725					\$7,551,725	
DOWNTOWN WELCOME CENTER (P.C.E)		\$3,060,000					\$3,060,000	
UCF SOLAR FARM (P.C.E)		\$15,300,000					\$15,300,000	
INSTITUTE FOR HOSPITALITY IN HEALTHCARE (P.C.E) HEALTH SCIENCES CAMPUS		\$15,300,000					\$15,300,000	
UCF DOWNTOWN CAMPUS GARAGE II (P.C.E)		\$16,983,000					\$16,983,000	
SPECIAL PURPOSE HOUSING AND PARKING GARAGE (P.C.E)		\$30,569,400					\$30,569,400	
SPECIAL PURPOSE HOUSING II (P.C.E)		\$9,782,208					\$9,782,208	
PARKING DECKS (P.C.E)		\$20,787,192					\$20,787,192	
GRADUATE HOUSING (P.C.E)		\$61,138,800					\$61,138,800	
STUDENT HOUSING (P.C.E)		\$61,138,800					\$61,138,800	
PARTNERSHIP GARAGE (P.C.E)		\$8,559,432					\$8,559,432	
BASERBALL STADIUM EXPANSION PHASE II (P.C.E)		\$3,396,600					\$3,396,600	
GARVY CENTER FOR STUDENT-ATHLETE NUTRITION		\$1,850,000					\$1,850,000	
BASERBALL CLUBHOUSE EXPANSION AND RENOVATION (P.C.E)		\$1,132,200					\$1,132,200	
FOOTBALL BUILDING (P.C.E)		\$16,685,798					\$16,685,798	
GOLF TRAINING FACILITY (P.C.E)		\$2,000,000					\$2,000,000	
BRIGHT HOUSE NETWORKS STADIUM RUST REMEDIATION (P.C.E)		\$8,825,000					\$8,825,000	
VENUE HVAC (P.C.)		\$2,800,000					\$2,800,000	
VENUE EXPANSION AND RENOVATION (P.C.)		\$6,000,000					\$6,000,000	
PARKING DECK (P.C.E)		\$5,661,000					\$5,661,000	
MULTI-PURPOSE MEDICAL RESEARCH AND INCUBATOR FACILITY (P.C.E)		\$139,635,343					\$139,635,343	
OUTPATIENT CENTER (P.C.E) LAKE NONA		\$91,708,200					\$91,708,200	
CAMPUS ENTRYWAYS PHASE I (P.C.E)		\$2,153,996					\$2,153,996	
CREATIVE SCHOOL FOR CHILDREN			\$6,000,000				\$6,000,000	
CAMPUS ENTRYWAYS PHASE II (P.C.E)			\$5,015,978				\$5,015,978	
ROSEN EDUCATIONAL FACILITY (P.C.E)			\$17,225,000				\$17,225,000	
CIVIL AND ENVIRONMENTAL ENGINEERING (P.C.E)			\$1,356,330	\$20,258,909	\$1,356,330		\$22,971,569	
HEALTH SCIENCES CAMPUS PARKING GARAGE I (P.C.E)			\$16,983,000				\$16,983,000	
BIO-MEDICAL ANNEX RENOVATION AND EXPANSION (P.C.E)				\$14,492,160			\$14,492,160	
FACILITIES AND SAFETY BUILDING AT HEALTH SCIENCES CAMPUS (P.C.E)				\$7,630,122			\$7,630,122	
PARKING GARAGE VII (P.C.E)				\$25,433,741			\$25,433,741	
COASTAL BIOLOGY STATION (P.C.E)				\$6,358,435			\$6,358,435	
UCF DOWNTOWN CAMPUS BUILDING II (P.C.E)				\$87,991,555			\$87,991,555	
UCF HEALTH EXPANSION AND WELLNESS CENTER (P.C.E)				\$1,271,687	\$10,173,496	\$1,271,687	\$12,716,870	
EDUCATION BUILDING II (P.C.E) HEALTH SCIENCES CAMPUS					\$13,230,632		\$13,230,632	
SUSTAINABILITY CENTER (P.C.E)					\$6,358,435		\$6,358,435	
WET TEACHING LAB AND EXPANDED STEM FACILITY (P.C.E)					\$16,143,188		\$16,143,188	
UTILITY INFRASTRUCTURE AND SITE WORK CLINICAL FACILITIES (P.C.) HEALTH SCIENCES CAMPUS					\$13,230,632		\$13,230,632	
BRIGHT HOUSE NETWORKS STADIUM EXPANSION AND IMPROVEMENTS PHASE I (P.C.E)					\$16,416,900		\$16,416,900	
BRIGHT HOUSE NETWORKS STADIUM EXPANSION AND IMPROVEMENTS PHASE II (P.C.E)					\$44,905,316		\$44,905,316	
<b>TOTAL</b>		<b>\$526,464,969</b>	<b>\$46,580,308</b>	<b>\$163,436,609</b>	<b>\$84,529,826</b>	<b>\$98,326,158</b>	<b>\$919,337,870</b>	
<b>GRAND TOTAL</b>		<b>\$699,643,819</b>	<b>\$305,939,095</b>	<b>\$489,885,430</b>	<b>\$471,703,600</b>	<b>\$307,084,209</b>	<b>\$2,274,256,153</b>	

Projects added or changed for FY 2018-19

Projects to be programmed

Projects with approved building programs

Project may be a Joint Use Facility with Valencia College, which would result in shared funding

Remodeling denotes change in space usage.

Renovation denotes no change in space usage.

Projects removed from the list

## Attachment B

**STATE UNIVERSITY SYSTEM**  
**Fixed Capital Outlay Projects Requiring Board of Governors Approval**  
**to be Constructed, Acquired, and Financed by a University or**  
**a University Direct Support Organization with Approved Debt**  
**BOB-1**

Univ.	Project Title	GSF	Brief Description of Project	Project Location	Project Amount	Funding Source	Estimated Month Of Board Approval Request	Estimated Annual Amount For Operational and Maintenance Costs Amount	Source
UCF	Special Purpose Housing and Parking Garage	160,000	425 beds and 500 parking spaces	UCF, Orlando	\$ 27,540,000	Rental income	July	\$2,400,000	Auxiliary
UCF	Special Purpose Housing II	32,000	Fraternity, sorority, and organization housing	UCF, Orlando	\$ 8,812,800	Rental income	July	\$480,000	Auxiliary
UCF	Parking Garage VII	447,000	1,600 spaces	UCF, Orlando	\$ 22,913,280	Decal fees, traffic fines, and Transportation Access Fee	July	\$6,705,000	Auxiliary
UCF	Parking Decks	168,000	1,800 spaces	UCF, Orlando	\$ 18,727,200	Decal fees, traffic fines, and Transportation Access Fee	July	\$2,520,000	Auxiliary
UCF	Graduate Housing	150,000	Land and 600 beds	UCF, Orlando	\$ 55,080,000	Rental and retail income	July	\$2,250,000	Auxiliary
UCF	Refinance UCF Foundation properties	432,250	Consolidation and refinancing of existing UCF Foundation properties	UCF, Orlando	\$ 37,410,000	Rental and retail income	July	\$0	N/A
UCF	Student Housing	224,000	800 beds	UCF, Orlando	\$ 55,080,000	Rental income	July	\$3,360,000	Auxiliary
UCF	Garage Expansion	50,837	400 additional spaces	UCF, Orlando	\$ 12,117,600	Decal fees, traffic fines, and Transportation Access Fee	July	\$762,555	Auxiliary
UCF	Wet Teaching Lab and Expanded Stem Facility	249,450	Classrooms, labs, and offices	UCF, Orlando	\$ 142,582,482	Donations and partnerships	July	\$3,741,750	General Revenue
UCF	Facilities and Safety Building, Lake Nona	34,586	Offices, storage, and support space	UCF, Orlando	\$ 6,873,984	Donations and partnerships	July	\$518,790	General Revenue
UCF	Regional Campuses Multi-Purpose Buildings	60,000	Classrooms, labs, and offices	UCF, Orlando	\$ 30,844,800	Donations and partnerships	July	\$900,000	General Revenue
UCF	Partnership Garage	60,000	600 spaces	UCF, Orlando	\$ 7,741,200	Decal fees and revenue income	July	\$0	Auxiliary
UCF	UCF Downtown Campus Garage II	200,000	600 spaces	UCF, Orlando	\$ 15,300,000	Decal fees, traffic fines, and Transportation Access Fee	July	\$3,000,000	Auxiliary
UCF	Wayne Densch Sports Center Expansion	36,000		UCF, Orlando	\$ 5,100,000		July	\$540,000	DSO
UCF	Baseball Stadium Expansion Phase II		300 seat club, enhancements	UCF, Orlando	\$ 3,060,000	Donations	July	\$0	DSO
UCF	Softball Stadium Expansion and Renovation		400 to 600 additional seats, shade structure over grandstand, new press box	UCF, Orlando	\$ 1,020,000	Donations	July	\$0	DSO
UCF	Bright House Networks Stadium Expansion and Improvements Phase I	21,337	Additional club seating, suites, and operational booths	UCF, Orlando	\$ 14,790,000	Donations	July	\$320,055	DSO
UCF	Baseball Clubhouse Expansion and Renovation		New playing field, chair backs, audio, and lighting upgrade	UCF, Orlando	\$ 1,020,000	Donations	July	\$0	DSO
UCF	Bright House Networks Stadium Expansion and Improvements Phase II	80,000	Additional seating up to 20,000	UCF, Orlando	\$ 39,662,000	Donations	July	\$1,200,000	DSO
UCF	Football Building	45,000	Offices, storage, and support space	UCF, Orlando	\$ 14,737,500	Donations	July	\$675,000	Auxiliary
UCF	Golf Training Facility (move from Twin Rivers Golf Course)			UCF, Orlando	\$ 2,000,000	Donations	July	\$0	DSO
UCF	Garvy Center for Student-Athlete Nutrition			UCF, Orlando	\$ 1,850,000	Donations	July	\$0	DSO
UCF	Venue Expansion and Renovation		Offices, storage, and support space	UCF, Orlando	\$ 8,000,000	Donations	July	\$0	Auxiliary
UCF	Bio-Medical Annex Renovation and Expansion	32,000	Classrooms, labs, and offices	UCF, Orlando	\$ 13,956,000	Donations and partnerships	July	\$480,000	General Revenue
UCF	Outpatient Center	237,520	Health care facilities, offices, 38 beds	UCF, Orlando	\$ 82,620,000	Donations and partnerships	July	\$3,562,800	General Revenue
UCF	Dental School	166,750	Classrooms, labs, auditorium, health care facilities, offices	UCF, Orlando	\$ 73,000,000	Donations and partnerships	July	\$2,501,250	Revenue
UCF	Utility Infrastructure and Site Work, Lake Nona Clinical Facilities		3,080 spaces	UCF, Orlando	\$ 11,685,773	Income and energy savings	July		General Revenue
UCF	UCF Health Expansion and Wellness Center	254,150	Labs, offices	UCF, Orlando	\$ 11,456,640	Donations and partnerships	July	\$3,812,250	General Revenue

Attachment C

**STATE UNIVERSITY SYSTEM**  
**Fixed Capital Outlay Projects That May Require Legislative Authorization**  
**and General Revenue Funds to Operate and Maintain**  
**BOB-2**

Univ.	Project Title	GSF	Brief Description of Project	Project Location	Project Amount	Funding Source	Estimated Annual Amount For Operational and Maintenance Costs	
							Amount	Source
UCF	Florida Advanced Manufacturing Research Facility	81,750	Research Labs, Wet Labs, Collaboration Rooms, Offices	UCF-Osceola	\$75,000,000	PECO	\$1,339,850	General Revenue
UCF	Optical Materials Lab Addition	5,530	Research Labs	UCF-Orlando	\$1,640,000	E&G	\$90,634	General Revenue
UCF	John C. Hitt Library Expansion Phase I (ARC)	8,800	Automatic Retrieval Center	UCF-Orlando	\$10,771,963	CITF	\$144,228	General Revenue
UCF	John C. Hitt Library Expansion Phase I (Connector)	12,609	Automatic Retrieval Center	UCF-Orlando	\$21,366,592	CITF	\$122,007	General Revenue
UCF	CREOL	2,756	Research Labs	UCF-Orlando	\$1,406,000	E&G	\$45,170	General Revenue
UCF	Arts Complex II Performance	2,728	Teaching Lab, Offices	UCF-Orlando	\$964,411	PECO	\$31,353	General Revenue
UCF	BPW Building	4,038	Teaching Labs, Offices	UCF - Orlando	\$275,000	E&G	\$66,181	General Revenue
UCF	District Energy IV Plant	13,000	Offices	UCF - Orlando	\$13,000,000	Auxiliary	\$94,231	General Revenue
UCF	Trevor Colbourn Hall and Colbourn Demolition	136,500	Offices, Classrooms	UCF-Orlando	\$38,000,000	E&G	\$2,237,180	General Revenue
UCF	Coastal Biology	3,000	Research	UCF-Melbourne Beach	\$2,500,000	E&G	\$49,169	General Revenue
UCF	Partnership IV Phase I and II	92,529	Office, Research Labs	UCF-Orlando	\$42,000,000	PECO	\$1,516,513	General Revenue
UCF	Florida Solar Energy Center Renovation	42,986	Offices, Research Labs	UCF-Orlando	\$10,000,000	PECO	\$704,523	General Revenue
UCF	Interdisciplinary Research and Incubator Facility	97,482	Offices, Labs	UCF-Orlando	\$46,614,853	E&G	\$1,597,691	General Revenue
UCF	Arboretum Green House	800	Teaching Lab	UCF-Orlando	\$400,000	E&G	\$13,112	General Revenue
UCF	Band Building	6,000	Teaching Labs, Offices	UCF-Orlando	\$5,000,000	E&G	\$98,338	General Revenue
UCF	CREOL Expansion Phase II	13,900	Research Labs, Offices	UCF-Orlando	\$6,784,228	E&G	\$227,815	General Revenue
UCF	Visual Arts Building Addition	699	Teaching Lab	UCF-Orlando		E&G	\$11,456	General Revenue
UCF	Arecibo National Astronomy Ionosphere Center	62,918	Research Labs, Offices	UCF-Puerto Rico		E&G	\$1,031,201	General Revenue
UCF	Medically Directed Wellness and Sports Center	2,000	Teaching Labs, Classroom	UCF Lake Nona		E&G	\$32,779	General Revenue
UCF	UCF Downtown Tri-generation Facility	15,000	Teaching Labs, Offices	UCF-Orlando	\$15,118,000	E&G	\$245,844	General Revenue
UCF	College of Nursing and Allied Health - Health Sciences Campus	145,000	Teaching Labs, Offices	UCF-HSC	\$83,216,700	E&G	\$2,376,492	General Revenue
UCF	UCF Downtown Garage (E and G Spaces)	32,000	Offices, Support	UCF-Orlando	\$150,000,000	E&G	\$524,467	General Revenue
UCF	Energy Lab	20,000	Research Labs, Offices	UCF-Orlando		E&G	\$327,792	General Revenue

**ITEM: FFC-4**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** 2017-18 College of Medicine Faculty Practice Plan Budget

**DATE:** June 14, 2017

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**PROPOSED COMMITTEE ACTION**

Recommend approval of the 2017-18 College of Medicine Faculty Practice Plan budget presented by the College of Medicine.

**BACKGROUND INFORMATION**

With approval and support from the Finance Committee and Board of Trustees, the College of Medicine's Faculty Practice Plan, UCF-Health, opened in November 2011.

The College of Medicine presents for approval the attached budget for 2017-18 showing revenues and expenses for the sixth year of operation of the Faculty Practice Plan.

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**Supporting documentation:** Attachment A: 2017-18 Faculty Practice Plan Operating Budget  
Attachment B: Faculty Practice Plan Five-year Operating Budget

**Prepared by:** Deborah C. German, Vice President for Medical Affairs and Dean of the College of Medicine  
David Noel, Associate Vice President for Administration and Finance for the College of Medicine  
Steven Omli, Director of Finance and Accounting for the College of Medicine

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

## Attachment A



## One-year Budget Summary

	<u>2018</u>
<b>Revenue</b>	<b>\$ 7,975,281</b>
<b>Expense</b>	
Non-Faculty Salary and Benefits	\$ 5,309,642
Operating Expenses	3,377,644
<b>Total Expense</b>	<b>8,687,286</b>
<b>Operating Loss</b>	<b>(712,005)</b>
Transfer From/(To)	712,005
<b>Net Cash Flow</b>	<b>\$0</b>

**Assumptions**

This budget supports and demonstrates the continuation of start-up, operating, and growth expenses for UCF-Health at the Quadrangle and Gateway buildings. The Quadrangle is a 22,000 square-foot facility located on University Boulevard, and Gateway is a 75,000 square-foot facility at Lake Nona. UCF will eventually occupy 25,000 square feet of the Gateway building, and Florida Hospital will occupy the remaining 50,000 square feet. The Gateway building is operating as a partnership with Florida Hospital to provide seamless and quality patient care to the community.

Clinical faculty salaries and benefits are funded in the college's operating budget. Excess revenues generated from practice operations will be returned to the college to support clinical faculty salaries as they become available.

Attachment B



Five-year Budget Summary

Accounts	Approved Budget 2017	Projected Actual *	Budget			
			2018	2019	2020	2021
Total Revenue	\$ 5,915,910	\$ 3,848,605	\$ 7,975,281	\$ 14,205,443	\$ 18,913,554	\$ 22,156,855
Expense						
Non-Faculty Salary and Benefits	\$ 5,218,967	\$ 4,170,810	\$ 5,309,642	\$ 6,464,476	\$ 6,797,009	\$ 7,000,919
Operating Expenses	2,846,918	2,542,961	3,377,644	3,967,997	4,375,783	4,358,392
Total Expense	8,065,885	6,713,771	8,687,286	10,432,473	11,172,792	11,359,311
Operating Income (Loss)	(2,149,975)	(2,865,166)	(712,005)	3,772,970	7,740,762	10,797,544
Faculty Salaries and Benefits	4,663,129	2,980,974	5,614,619	9,014,925	9,543,655	9,785,200
COM Support	6,813,103	5,846,140	6,326,625	5,241,956	1,802,892	
Net Cash Flow	\$0	\$0	\$0	\$0	\$0	\$1,012,344
						\$1,074,062

\* Based on ten months Actual. The projected 2016-17 expenses **do not** include approximately \$2 million of start-up costs for the expansion of the Gateway location.

**ITEM: FFC-5**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** 2017-18 College of Medicine Self-insurance Program Budget

**DATE:** June 14, 2017

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**PROPOSED COMMITTEE ACTION**

Recommend approval of the 2017-18 Self-insurance Program budget presented by the College of Medicine.

**BACKGROUND INFORMATION**

With approval of the Finance Committee and Board of Trustees, the UCF College of Medicine Self-insurance Program was established July 1, 2009, to provide comprehensive professional and general liability protection in connection with delivery of health care services. The Self-insurance Program is operated by the UCF College of Medicine Self-insurance Program Council in accordance with section 10.001(1)(c)(4) of the Florida Board of Governors Regulations. To enhance economies of scale and expertise, the program is administered by the University of Florida Self-insurance Program.

Since 2009, the UCF Self-insurance Program has provided liability protection for clinical activities of the College of Medicine's faculty, students, and residents. In 2010, the Council approved the inclusion of health care providers from the Colleges of Nursing, College of Health and Public Affairs, and UCF Student Health. July 2014 saw the addition of Counseling and Psychology Services included in the program.

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**Supporting documentation:** Attachment A: 2017-18 Operating Budget  
Attachment B: Three-year Historical Trend

**Prepared by:** Deborah C. German, Vice President for Medical Affairs and  
Dean of the College of Medicine  
David Noel, Associate Vice President for Administration and  
Finance for the College of Medicine  
Steven Omli, Director of Finance and Accounting for the College of  
Medicine

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

## Attachment A

<b>University of Central Florida College of Medicine</b>	
<b>Self-insurance Program</b>	
<b><u>Proposed</u> Operating Budget</b>	
	<b><u>2017-18</u></b>
<b>OPERATING REVENUE</b>	
Assessments	\$ 773,959
<b>Total operating revenue</b>	<b>773,959</b>
<b>OPERATING EXPENSES</b>	
Annual premium contribution expense	\$ 494,516
Excess coverage premium expense	37,415
Clarity claims reporting system	5,833
<b>Total premium and loss expenses</b>	<b>537,764</b>
<b>Contracted services expense (UF Self-insurance Program)</b>	236,195
<b>Total operating expenses</b>	<b>773,959</b>
<b>Net Income (Loss) from Operations</b>	<b>\$0</b>

Note: The Self-insurance Program was capitalized in the amount of \$1,000,000 in 2010-11, 2011-12, and 2012-13 for a total of \$3,000,000.

### Terms Used

Assessments represents liability premiums funded from the respective covered colleges and health care providers out of their annual operating budgets. These assessments fund contributions for allocated liability risk, expense for excess coverage premiums, and contracted services expenses for management services provided by the University of Florida's Self-insurance Program.

Annual premium contribution expense represents the liability premiums paid into the UCF Self-insurance Program.

Excess coverage premium expense represents the additional coverage provided through the University of Florida's captive insurance company.

Contracted services expense represents services provided by the University of Florida's Self-insurance Program, including administration, training, risk management, and claims review and management.

## Attachment B

	Actual		Estimated
	2015-16	2016-17	2017-18
<b>Total Covered FTE:</b>	<b>218.45</b>	<b>346.00</b>	<b>365.00</b>
<b>Contributions</b>			
Annual Premium	\$ 108,113	\$ 492,525	\$ 494,516
Excess Coverage Premium	8,282	37,000	37,415
Clarity Claims Reporting System	5,000	5,833	5,833
Contracted Services (SIP Administration)	108,000	235,245	236,195
<b>Total Contributions:</b>	<b>\$ 229,395</b>	<b>\$ 770,603</b>	<b>\$ 773,959</b>
Contribution per Covered FTE	\$ 1,050	\$ 2,227	\$ 2,120

**ITEM: FFC-6**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Amendments to University Regulation UCF-4.0293 Use of University Facilities

**DATE:** June 14, 2017

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**PROPOSED COMMITTEE ACTION**

Approve the attached amendments to existing university regulation UCF-4.0293 Use of University Facilities.

**BACKGROUND INFORMATION**

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

Regulation UCF-4.0293 is being amended to update the procedures for using university facilities and to articulate more clearly limitations on outside individuals and entities who wish to use university facilities. New language concerning the use of amplified sound has been added. Descriptions of designated free assembly areas have been updated. Other provisions in the regulation are clarified and updated.

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**Supporting documentation:** Attachment A: Proposed University Regulation UCF-4.0293 (redline)

**Prepared by:** Youndy C. Cook, Deputy General Counsel

**Submitted by:** W. Scott Cole, Vice President and General Counsel

## Attachment A

**UCF-4.0293 Use of University Facilities by the Campus Community; Campus Demonstrations and Other Outdoor Events; Limitations on Use of University Facilities by Non-University Organizations and Persons.**

(1) ~~Subject to the limitations of this and related regulations~~Except as limited by this or related regulations or as limited by applicable laws or University policies, University grounds may be used for demonstrations and other exercises of free speech and assembly by University and University-related organizations and persons. Such use must ~~be on a noninterference basis~~not interfere with the conduct of classes or other ~~University-normal~~ activities ~~of the University~~ and must not infringe on the rights of others ~~members of the University community~~. No person or organization may use University facilities or grounds for unlawful purposes or in a manner that violates the law. All general requirements for use of University buildings and grounds set forth in University Regulations UCF-4.029, UCF-4.0292, and UCF-4.0294 apply to uses of University grounds under this Regulation.

(2) It is the policy and practice of the University to limit use of University facilities by non-University organizations and persons. Provisions in this Regulation outline the limited use that non-University organizations and persons may make of University facilities. The rationale for this policy and practice is that the University, while it supports and encourages the exposure of its students and employees to a diverse and varied marketplace of ideas, ~~however~~ is dedicated first and foremost to the State of Florida's directive to educate its students and engage in research and other scholarly activities. The University is a responsible steward of its public funding – as such, the University must limit the use of University facilities when those uses do not support the mission of the University.

(23) No campus buildings, other indoor facilities, or athletic or recreational facilities may be used by anyone for demonstrations, ~~or assemblies, events, or other functions~~ unless specifically permitted in writing by the campus authority specifically responsible for the building or facility sought to be used. Certain University facilities may be available for rent, in which case the user will be required to enter

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into a facility use agreement or other formal arrangements with the University. The University reserves the right to charge fees on a differential basis depending on a number of factors, including but not limited to: nature of the use, size of expected crowd, presence of potentially hazardous items or activities, whether the user is directly associated with the University, whether the user is also an educational or governmental entity, and whether additional security or utilities will be required. See also University Regulation UCF-4.0294 for guidelines and restrictions on use of University facilities.

(43) University ~~organizations~~ and University-related organizations and persons may organize, conduct, or participate in demonstrations and other exercises of free speech and assembly on University grounds, except:

- (a) Grounds immediately adjacent to University residential facilities;
- (b) Grounds associated with the Burnett House;
- (c) Athletic and recreational fields, including any facilities operated by the Recreation and Wellness Center;
- (d) Grounds immediately adjacent to University buildings where such use could impair entrance to or exit from the building or interfere with activities within the buildings;
- (e) Grounds within 200 feet of the Creative School for Children;
- (f) Walkways and sidewalks on the Orlando campus within the boundaries of Gemini Boulevard (except to the extent approved for use as part of a parade or march reviewed through the SAFE process – see Regulation UCF-4.0292).

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(45) Non-university organizations and persons may organize or conduct demonstrations and other exercises of free speech and assembly only as specifically permitted in this regulation and related regulations and policies. Non-university organizations and persons are limited to the locations identified in section (129) below for purposes of organizing and conducting demonstrations and other exercises of free speech and assembly on campus. Non-university organizations and persons may use

~~other~~ University facilities (other than those identified in section (12) below, if specifically sponsored by a University ~~organization~~ or University-related organization. Such sponsorship requires the University ~~organization~~ or University-related organization ~~serving to serve~~ as a sponsor and to be a participant in the activity of the non-University organization or persons, including being physically present throughout the activity or event.

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(~~§6~~) All organizations and persons that organize or conduct demonstrations and other exercises of free speech and assembly on University grounds, or otherwise conduct activities or events in University facilities, must abide by the general requirement that no such uses may interfere with, disrupt, or impede the normal operations of the University or otherwise interfere with or infringe on the rights of others. In order that demonstrations and other exercises of free speech and assembly not interfere with the operation of the University or the rights of others, any person or organization organizing, conducting, leading, or participating in a demonstration, assembly, or activity using University grounds or other facilities shall not:

- (a) obstruct vehicular, bicycle, pedestrian, or other traffic;
- (b) obstruct entrances or exits to buildings or driveways or impede entry to or exit from any building or parking lot or vehicular path;
- (c) interfere with educational or administrative activities inside or outside any building;
- (d) violate a law, rule, regulation, or ordinance;
- (e) ~~threaten passersby make threatening utterances or gestures directed to a person or persons, which an objectively reasonable person would interpret as a serious expression of an intent to cause a present or future harm or to intimidate with the intent of placing the victim in fear of bodily harm; or~~
- (f) use fighting words, which are those words that by their mere utterance inflict violence or would tend to incite a reasonable person to violence or other breach of the peace;

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(g) obstruct, disrupt, or attempt to physically force the cancellation or continuance of a speaker;

(h) create an objectively hostile environment for students or employees based on a protected category (race, color, national origin, sex, religion (including non-religion), age, disability, gender identity or expression, or sexual orientation) through speech or conduct that is so severe and pervasive that it objectively interferes with a student's or employee's abilities to benefit from or participate in educational or employment activities, benefits, or privileges;

(i) interfere with or disrupt scheduled University ceremonies or events;

(j) interfere with or disrupt ~~normal~~ University operations;

(k) damage property, including grass, shrubs, trees, or other landscaping; or

(l) utilize sound amplification, including bullhorns, except as set forth in paragraph (7) below.

~~(7) approved in advance and within sound limits that will not disrupt normal University operations.~~  
Amplified sound, including use of bullhorns, as part of demonstrations and other exercises of free speech and assembly on University grounds or in University facilities is not permitted, except as approved in advance by the official responsible for the particular grounds or facility being used or as set forth in this paragraph. Where amplified sound is permitted, it is permitted at limits specified in this paragraph or as specified by the official. Absent specific restrictions provided by University officials, the use of amplified sound may not exceed a limit of 70 decibels. Even where use of amplified sound is pre-approved, the University reserves the right to impose specific volume restrictions on the use after consideration of the potential impact of the use on the operations of the University. With regard to the free assembly areas identified in paragraph (12) below:

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(a) the University does not permit amplified sound in the areas identified in (12)(b) and (12)(i); and

(b) the University permits amplified sound in the areas identified in (12)(a), (12)(c)-(h) as explained and limited in paragraph (7).

(68) If an event, demonstration, assembly, or other activity is disrupting, interfering with, or impeding normal ("disruptive action") University operations or infringing on the rights of other members of the University community ~~other individuals~~ contrary to the requirements of this and related regulations, the President or one of his/her representative(s) may:

- (a) identify him/herself to the ~~demonstrators~~ disrupters, giving name and official position;
- (b) inform the ~~demonstrators-disrupters~~ that they are in violation of the University policy and/or in violation of the law and specify the nature of the violation;
- (c) request that the violation cease (which could include relocation of the activity to avoid the ~~disruption~~ disruptive action); and
- (d) in the event of non-compliance with this request, enlist the assistance of the University Police in restoring order and enforcing the law.

(79) In the event of disruptive actions ~~disruption~~, the University Police have a responsibility to:

- (a) declare the activity, a event, demonstration, or assembly to be disruptive, disorderly, or in violation of law and request all participants to cease and desist and to disperse and clear the area or be subject to arrest and/or University disciplinary action;
- (b) arrest any participants observed to be in violation of the law; and
- (c) enlist the assistance of outside law enforcement agencies, if necessary.

(810) In the event of disruptive action, University employees and students involved in the demonstration, event, assembly or activity shall identify themselves by presenting appropriate documents such as ID cards when requested to do so by the police or by the President or his/her

designated representative. When requesting that persons identify themselves, the University representative making the request will identify him/herself verbally. ~~Demonstrators-Disrupters~~ not officially related to the University will be directed to leave the campus immediately or be subject to arrest for a violation of the law forbidding the disruption or interference with the administration or functions of an educational institution.

(~~911~~) The areas designated in paragraph (~~129~~) below may be used by University students and employees, University organizations, University-related organizations, or non-university organizations and persons on a space-available basis.

(~~129~~) Subject to requirements otherwise outlined in this regulation and in Regulations UCF-4.029, 4.0292, and 4.0294; and subject to requirements of the University regarding the assembly of large numbers of people, the use of sound amplification equipment, and maintenance of access to University facilities, the eight-nine areas listed below shall be deemed "Free Assembly Areas" for the conduct of political activity and other exercises of free speech. Sidewalks and paved walkways are not included as part of any "Free assembly area" and users may not extend their use of a free assembly area to sidewalks or paved walkways that form the border of a free assembly area. The Office of Student Involvement will maintain a map which highlights each of the free assembly areas on the main campus. Additional information regarding the Office of Student Involvement and the free assembly areas can be found through the "Use Your Voice" online resource at <http://osi.ucf.edu/useyourvoice/>.

- (a) The open grass area between the kiosk near Millican Hall and the ~~Math and Physics~~Mathematical Sciences Building as bounded by Apollo Circle and the ~~sidewalks-paved walkways~~ leading to the southwest entrance of the Mathematical Sciences ~~Math and Physics~~ Building.

- (b) The northwest portion of the grass area between the Student Union brick mall and the John T. Washington Center as to the west of the covered patio, bounded by Pegasus Circle to the northeast, the sidewalk leading to the patio- the sidewalk of Aquarius Agora Dr. to the north, and the paved walkway leading to the covered patio of the Chick-fil-A. The grass area between the John T. Washington Center and the Student Union sidewalk as bounded on the west side by the Student Union loading dock and east side by the sidewalk crossing the brick mall near the entrance to the Student Union.
- (c) The ~~triangle rectangle~~ grass area ~~formed~~ bounded by the ~~sidewalks~~ paved walkway bordering the ~~south~~ northeast side of ~~Colbourn Hall~~ Howard Phillips Hall, the next paved walkway immediately northeast, and the paved walkway bisecting diagonally the grass area between the John T. Washington Center and Howard Phillips Hall, the next John T. Washington Center walkway immediately south, and the sidewalk bisecting diagonally the grass area between John T. Washington Center and Howard Phillips Hall, the paved walkway immediately parallel to the paved walkway bordering the south side of Howard Phillips Hall, and the paved walkway bordering the southeast edge of this grass area, bordering the east face of the John C. Hitt Library.
- (d) The area ~~behind~~ south of the Health and Public Affairs 2 building ~~bordering~~ bordered by the ~~sidewalks~~ paved walkways and ~~road~~ adjacent to the Engineering 2 building Pegasus Drive.
- (e) The A portion of the rectangular grass area on the east side of Memory Mall bordered by Parking Surface Lot D, Mercury Circle, the east paved ~~sidewalk~~ walkway of Memory Mall, and Memory Mall lamppost marker MM 23.

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(f) The grass area between the exits of the Student Union boardwalks (north and east) as bordered by Pegasus Circle on one side and a retention pond on the other  
sidenorthwest of the Student Union bounded by Pegasus Circle and the north and east  
boardwalks, triangular grass area between the Memory Mall and Classroom I Building  
as bounded on the east side by the Memory Mall sidewalk paved walkway and on the  
north and south sides by the sidewalk paved walkway that leads from the Memory  
Mall to the northeast entrance to Classroom Building I,

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(fg) The open area southwest of the Convocation Center entrance bound by the West Plaza  
Drive sidewalk on the west and the Gemini Boulevard sidewalk to the south.

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(hg) At the Rosen College of Hospitality Management, the grass area north of, and adjacent  
to, the Rosen College Library bounded by the sidewalks paved walkways on the north,  
east, and west, and by the Library on the south.

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(ih) At the Rosen College of Hospitality Management, a portion of the great lawn directly  
adjacent to the UCF Rosen College shuttle stop bounded on two sides by the sidewalk  
paved walkway of the shuttle stop and the sidewalk paved walkway running  
north/south from the campus entrance gate.

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(134) Non-university organizations and persons who intend to use the areas identified in paragraph  
(102) above must notify the university at least twenty-four hours in advance of the assemblyproposed  
use. Notification must be provided in writing to the Office of Student Involvement. Notification  
must include: name of the non-university organization or person, contact information for the person  
or for a representative of the organization, date and time of intended use of university assembly area,  
general nature of use, and expected attendance at event. If the event-proposed use qualifies as a  
potentially hazardous event, the documents provided to meet the requirements of Regulation UCF-  
4.0292 will suffice to notify the university of intent to use the identified assembly area, assuming the

documents properly identify the assembly area intended for use. Please note that forms and information for potentially hazardous events must be submitted at least 15 calendar days in advance of the proposed event. It is the responsibility of the event organizer to submit all required information sufficiently in advance of the event to allow for University review.

(142) Campus demonstrations or organized activities that will take the form of or involve a parade or a march and during which the participants will use or cross lanes of vehicular or pedestrian traffic ~~or march on campus~~ must follow the requirements of University Regulation ~~6C7UCF~~-4.0292, "Potentially Hazardous Events." This is required so that necessary safety precautions can be taken, ~~particularly where the parade or march route will cross lanes of vehicular or pedestrian traffic.~~

*Authority: BOG Regulation 1.001. History—New 10-19-86, Amended 3-16-03, 8-15-07, 06-09-08, Formerly 6C7-4.0293; Amended 1-15-2010, \_\_\_\_\_-17.*

**ITEM: FFC-7**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Finance and Facilities Committee Charter Review

**DATE:** June 14, 2017

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**PROPOSED COMMITTEE ACTION**

Review the Finance and Facilities Committee charter for potential modifications.

**BACKGROUND INFORMATION**

Regulations implemented by the Board of Trustees in January 2011 direct the Finance and Facilities Committee to review its charter every three years. Changes to the charter proposed at the April 19, 2017, and May 16, 2017, FFC meetings are highlighted in yellow on Attachment A.

Changes only in style require approval at the committee level. Changes in content must be approved by the committee and then be presented to the full Board of Trustees for approval.

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**Supporting documentation:** Attachment A: Draft Finance and Facilities Committee Charter

**Prepared by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

Attachment A

**UNIVERSITY OF CENTRAL FLORIDA**

**FINANCE AND FACILITIES COMMITTEE CHARTER**

**1. Overall Purpose/Objectives**

The Finance and Facilities Committee ("**Committee**") is a committee of the University of Central Florida Board of Trustees ("**Board**"), whose members are appointed by the Chairman of the Board. The general purpose of the Committee is to provide review, policy guidance and strategic oversight of the university's financial matters, financial reporting statements, campus master planning activities and other real estate type activities for both the University and its direct support organizations ("**DSO(s)**").

For university financial matters, the Committee will review actions to be presented to the Board and provide a recommendation. This includes, but is not limited to, the annual University budget and all tuition, room rents, and other student fees that are required by state statute to be approved by the Board. The committee will schedule and periodically review financial reports from the university's direct support organizations (DSO's).

For campus master planning and other real estate matters the Committee will coordinate the campus master planning process and provide recommendations to the Board for action. The committee will annually review the capital improvement plan submissions to the Board of Governors and State legislature, and periodically review programs that ensure the maintenance and safety of University facilities. The committee will review any real estate related projects or facilities involving the University or any of its DSO's, or any other university entities that may arise in the future by whatever designation, and make recommendations to the full Board. The Committee will participate in (and review and approve) the planning process for any DSO-initiated program that will materially affect the University either financially or in reputation, or involve any real estate related matters on or off campus.

**2. Authority**

The Board authorizes the Committee to:

- 2.1 Perform activities within the scope of its charter.
- 2.2 Engage outside consultants and other advisors as it deems necessary with approval of the Board or the President.
- 2.3 Have unrestricted access to management, faculty, and employees of the University and its DSOs, as well as to all books and records related to facilities planning.

### **3. Organization Membership**

- 3.1 The Chair of the Board will appoint the chair and members of the Committee, all of whom must be members of the Board.
- 3.2 The Committee will consist of at least five members.
- 3.3 Members will serve on the Committee until their resignation or replacement by the Chair of the Board.

### **4. Meetings**

- 4.1 A majority of the members of the Committee will constitute a quorum for the transaction of business.
- 4.2 Meetings shall be held not less than three times per year.
- 4.3 The Committee shall maintain written minutes of its meetings.
- 4.4 The Vice President for Administration and Finance, who has operational responsibility for facilities planning, will be the liaison to the Committee from the UCF Administration. Said Vice President will regularly meet and correspond with the Chairman of the Committee and in consultation with the Chairman, prepare the agenda for meetings of the Committee. Said Vice President will further advise and keep informed as needed both the President and the Chair of the Board on a regular basis regarding matters brought before and actions taken by the Committee.
- 4.5 The Committee may request special presentations or reports that may enhance members' understanding of their responsibilities.
- 4.6 It is the intent of the Committee for matters within its purview to come before the Committee as early as possible so that the Committee can issue its recommendations and exercise its oversight at the beginning of any particular project or matter.

### **5. Roles and Responsibilities**

#### **FINANCE**

With regard to each item listed below, the committee will:

- 5.1 review the annual operating budgets of the university and recommend appropriate action to the Board
- 5.2 review the financial statements of the university's DSOs, making recommendations for action to the board as needed; (frequency of review is at the discretion of the committee, but will be not less than once each year)

- 5.3 review the annual capital budget request of the university and recommend appropriate action to the Board
- 5.4 review annual (or interim) changes to the university's tuition and fees and any related policy changes, and recommend appropriate action to the Board
- 5.5 review the annual financial statements of the university, making any recommendations regarding such reports deemed necessary to the Board
- 5.6 oversee investments of university cash balances and review quarterly.

## **FACILITIES**

### **6. Campus Master Plan**

- 6.1 Become familiar with the current campus master plan and the philosophies behind its development.
- 6.2 Understand the statutorily required process and frequency of updates to the plan.
- 6.3 Recommend amendments to the plan to the Board.
- 6.4 Recommend appropriate action regarding the acquisition and disposition of real property.

### **Capital Improvement Plan**

- 6.5 Review all proposed new construction and renovation projects exceeding \$2 million in construction costs.
- 6.6 Review 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.
- 6.7 Receive as information all new construction projects less than or equal to \$2 million in construction costs.
- 6.8 Review and recommend to the Board the annual list of capital improvements for funding by the Legislature, including the PECO list and the Capital Improvement Program for all other projects.
- 6.9 Periodically review and recommend to the Board matters and facilities relating specifically to student housing, both on and off campus and further review a long-term strategic planning program for said student housing.

### **Direct Support Organizations**

- 6.10 Participate in the planning process for any DSO involvement in capital projects that affect the University either financially or in reputation or involve any real estate.
- 6.11 Review, provide oversight with respect to, and provide recommendations to the Board for any actions that may be required stemming from a DSO initiated capital project.

### **Maintenance of Facilities**

- 6.12 Review the effectiveness of the various University and DSO organizations in maintaining the buildings and grounds that are responsibilities of the Board.
- 6.13 Review the effectiveness of University law enforcement in protecting the physical assets of the University and providing a safe environment for the various University constituencies.
- 6.14 Review the effectiveness of the campus organizations responsible for environmental health and safety both in the buildings and on the grounds.
- 6.15 Provide recommended action items to the Board on all of the items above to the Board when necessary.
- 6.16 Adopt and recommend to the Board a policy associated with the naming of any buildings or facilities of the University.

### **Reporting Responsibilities**

- 6.17 Regularly update the Board about Committee activities and make appropriate recommendations.
- 6.18 Ensure the Board is aware of matters within the purview or responsibility of the Committee that may significantly impact the financial condition or legal liability of the University.

### **Charter Review**

- 6.19 Review the Committee Charter at least every three years and discuss any required changes with the Board.
- 6.20 Ensure that the charter is approved or reapproved by the Board after each update.

**ITEM: INFO-2**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** UCF Investments Quarterly Report Ended March 31, 2017, Including  
Annual Review

**DATE:** June 14, 2017

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For information only.

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**Supporting documentation:** Attachment A: UCF Investments Quarterly Report

**Prepared by:** Tracy Clark, Associate Provost for Budget, Planning, and  
Administration and Associate Vice President for Finance

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and  
Chief Financial Officer

Attachment A

University of Central Florida  
Total Operating Portfolio Summary<sup>(1)</sup>  
As of March 31, 2017

Cash & Non-Investment Portfolio	9/30/2016 Reported Value	12/31/2016 Reported Value	3/31/2017 Reported Value
Bank of America	\$1,319,459	\$17,065,593	\$1,642,400
Valley National Bank - Money Market (formerly CNL)	\$5,019	\$5,022	\$5,026
SPIA	\$401,006,285	\$310,661,000	\$334,727,330
<b>Total Cash &amp; Non-Investment Portfolio</b>	<b>\$402,330,762</b>	<b>\$327,731,615</b>	<b>\$336,374,756</b>

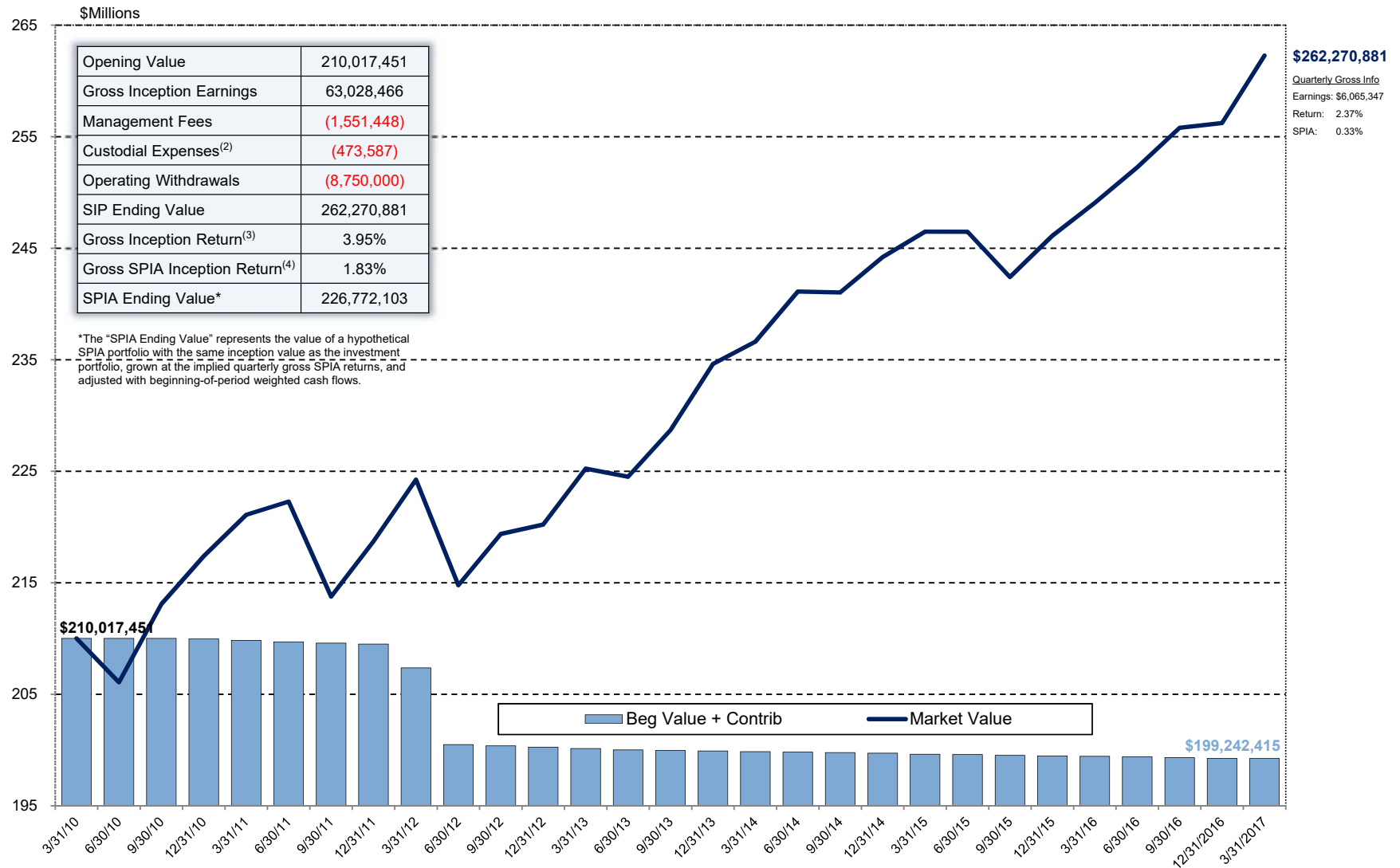
Structured Investment Portfolio (BNY)	9/30/2016 Market Value	12/31/2016 Market Value	4th Quarter Gain/(Loss)	3/31/2017 Market Value	1st Quarter Gain/(Loss)	Inception Gain/(Loss) <sup>(2)</sup>
<b>Pool I</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,786</b>
<b>Pool II</b>	<b>\$50,389,636</b>	<b>\$50,426,244</b>	<b>\$44,301</b>	<b>\$50,569,193</b>	<b>\$147,220</b>	<b>\$751,497</b>
Fixed Income (Pool III) <sup>(3)</sup>	\$104,319,795	\$103,382,890	(\$897,548)	\$103,998,106	\$623,246	\$11,718,687
Domestic Equity (Pool III)	\$21,664,872	\$22,492,032	\$827,161	\$23,853,165	\$1,361,133	\$13,955,402
<b>Total Pool III</b>	<b>\$125,984,667</b>	<b>\$125,874,922</b>	<b>(\$70,387)</b>	<b>\$127,851,271</b>	<b>\$1,984,379</b>	<b>\$25,674,089</b>
Fixed Income (Pool IV) <sup>(4)</sup>	\$27,004,111	\$26,288,190	(\$695,803)	\$28,573,329	\$290,675	\$5,921,894
Domestic Equity (Pool IV)	\$42,525,933	\$44,149,565	\$1,623,632	\$42,837,823	\$2,688,258	\$27,815,628
International Equity (Pool IV)	\$9,896,883	\$9,484,451	(\$412,431)	\$12,439,266	\$954,815	\$2,779,570
<b>Total Pool IV</b>	<b>\$79,426,927</b>	<b>\$79,922,207</b>	<b>\$515,398</b>	<b>\$83,850,418</b>	<b>\$3,933,748</b>	<b>\$36,517,092</b>
<b>Total Structured Investment Portfolio</b>	<b>\$255,801,229</b>	<b>\$256,223,373</b>	<b>\$3,623,990</b>	<b>\$262,270,881</b>	<b>\$6,065,347</b>	<b>\$63,028,466</b>

<b>Total Operating Portfolio</b>	<b>\$624,452,335</b>	<b>\$571,057,895</b>	<b>\$598,645,638</b>	<b>Total Equity Allocation</b>	<b>13.22%</b>
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1. The portfolio gain/(loss) data is presented gross of management fees and portfolio expenses but net of physical cash flows.  
2. The inception date for analysis is 3/31/10. The actual funding of the various portfolios occurred during March 2010.  
3. Pool III's fixed Income market value includes the \$10,084.65 cash balance held in the Pool III mutual fund account.  
4. Pool IV's fixed Income market value includes the \$32,218.55 cash balance held in the Pool IV mutual fund account.



**University of Central Florida**  
**Structured Investment Portfolio vs. Net Contributions<sup>(1)</sup>**  
 As of March 31, 2017



1. Net contributions include cash flows associated with management fees, portfolio expenses and physical cash flows
2. Custodial expense figure is reduced by commission recapture income received
3. Annualized performance number. Net of management fees inception earnings = \$61,477,018. Net inception return = 3.85%
4. The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.71%



**University of Central Florida**  
**Structured Investment Portfolio Investment Policy Compliance Checklist<sup>(1)</sup>**  
As of March 31, 2017

<b>Pool I:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Investments limited to registered 2a-7 mutual funds, CDARS, and or/SPIA.			✓

<b>Pool II:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA+" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the Merrill Lynch 1-Year Treasury index by 25%.	✓		
The maximum average effective maturity of any single security shall not exceed 3 years.	✓		
Operating Pool II shall maintain a dollar-weighted average effective maturity of 1 year or less.	✓		

<b>Pool III Equity:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Investments in equity securities shall not exceed twenty-percent (20%) of the market value of Operating Pool III's assets.	✓		

<b>Pool III Fixed Income:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA-" or higher.	✓		
The duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		
Operating Pool III shall maintain a dollar-weighted average effective maturity of 7 years or less.	✓		

<b>Pool IV Equity:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Investment in equity securities shall not exceed seventy-five percent (75%) of the market value of Operating Pool IV's assets.	✓		
Foreign securities shall not exceed twenty-percent (20%) of the market value of Operating Pool IV's assets.	✓		

<b>Pool IV Fixed Income:</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
All fixed income investments shall maintain a minimum rating of "investment grade" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "A-" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		

1. Taken as an excerpt from the UCF quarterly performance evaluation report. Individual managers are also measured on an ongoing basis against a combination of 15 quantitative and qualitative criteria.



Target Policy Summary	
Pool I	100% 90 Day US T-Bills
Pool II	75% ML 1-Year Treasury + 25% 90 Day US T-bills
Pool III	85% ML 1-5 Year G/C A or Better + 15% S&P 500
Pool IV	35% Barclays Agg + 50% S&P 500 + 15% MSCI-ACWxUS

Pool I	\$0	Current Allocation
<b>Cash &amp; Equivalents</b>	<b>\$0</b>	<b>100.0%</b>
Fidelity Money Market	\$0	

Pool II	\$50,569,193	Current Allocation
<b>Short-Term Fixed Income</b>	<b>\$50,569,193</b>	<b>100.0%</b>
Galliard Capital Management	\$50,569,193	

Pool III	\$127,851,271	Current Allocation
<b>Intermediate Fixed Income (85%)</b>	<b>\$103,998,106</b>	<b>81.3%</b>
Galliard Capital Management <sup>(1)</sup>	\$56,131,452	
Sawgrass Asset Management	\$47,866,654	
<b>Domestic Equity (15%)</b>	<b>\$23,853,165</b>	<b>18.7%</b>
Vanguard Institutional Index	\$23,853,165	

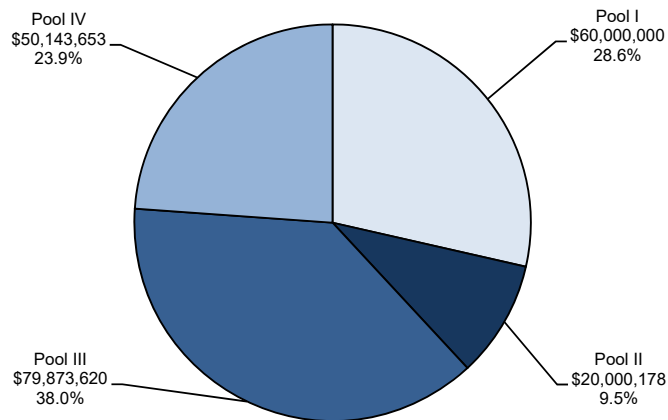
Pool IV	\$83,850,418	Current Allocation
<b>Broad Market Fixed Income (35%)</b>	<b>\$28,573,329</b>	<b>34.1%</b>
Galliard Capital Management <sup>(2)</sup>	\$18,760,873	
Dodge & Cox Income	\$9,812,456	
<b>Domestic Equity (50%)</b>	<b>\$42,837,823</b>	<b>51.1%</b>
Vanguard Institutional Index	\$42,837,823	
<b>International Equity (15%)</b>	<b>\$12,439,266</b>	<b>14.8%</b>
Europacific Growth	\$12,439,266	

1. Pool III's Galliard Asset Management's market value includes the \$10,084.65 cash balance held in the Pool III mutual fund account.  
2. Pool IV's Galliard market value includes the \$32,218.55 cash balance held in the Pool IV mutual fund account.

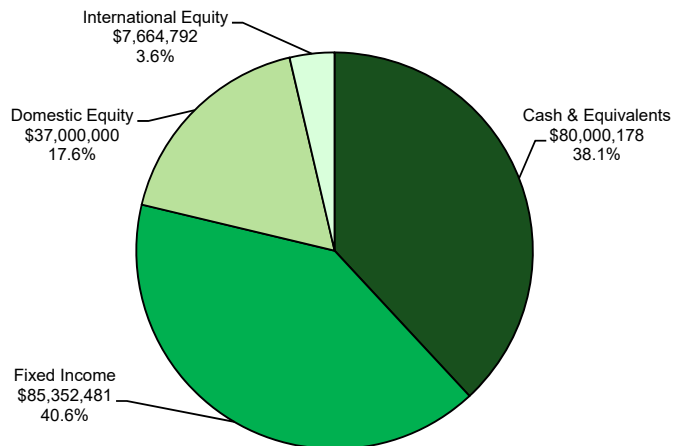


**University of Central Florida**  
**Initial Pool & Asset Allocation vs. Current Structured Investment Portfolio**  
 As of March 31, 2017

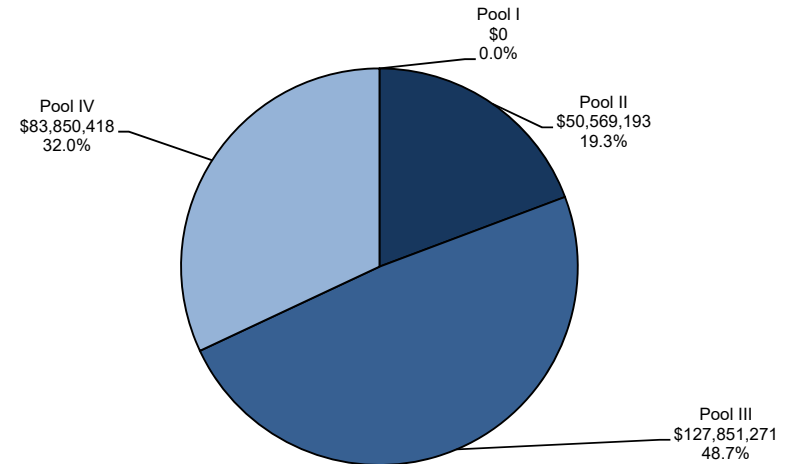
**3/31/2010: \$210,017,451**  
**Pool Allocation**



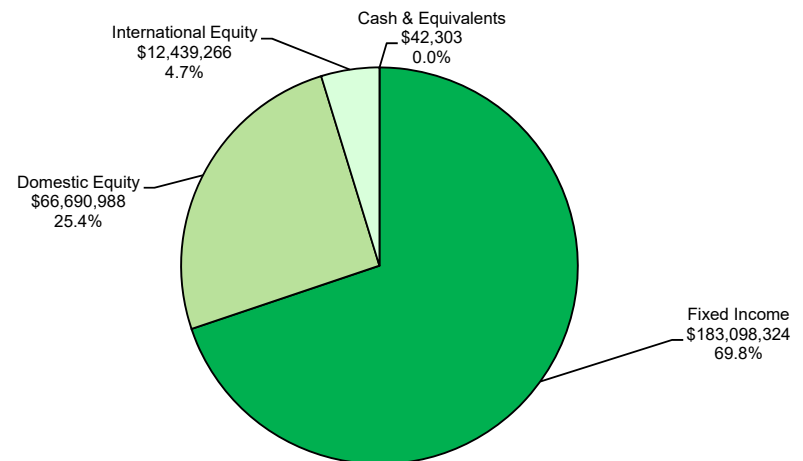
**Asset Allocation**



**3/31/2017: \$262,270,881**  
**Pool Allocation**



**Asset Allocation**



**University of Central Florida**  
**Active Manager Net of Fee Performance Review**  
 As of March 31, 2017

As of 3/31/2017	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Date
<b>Pool II</b>							
Galliard Capital Management	0.29	0.49	0.84	0.56	0.41	0.36	4/1/2010
75% BofA ML 1Yr Treasury Note + 25% Citigroup 3 Month T-Bill	0.15	0.26	0.49	0.33	0.29	0.34	
<b>Pool III</b>							
Galliard Capital Management	0.65	-0.31	0.76	1.60	1.45	2.04	4/1/2010
BofA ML 1-5Yr Govt/Corp A Rated & Above	0.47	-0.65	0.22	1.30	1.18	1.69	
Sawgrass Asset Management	0.55	0.11	0.94	1.31	1.29	1.87	4/1/2010
BofA ML 1-5Yr Govt/Corp A Rated & Above	0.47	-0.65	0.22	1.30	1.18	1.69	
<b>Pool IV</b>							
EuroPacific Growth Fund	9.34	13.37	12.98	2.07	6.53	5.48	4/1/2010
MSCI AC World ex USA	7.98	14.16	13.70	1.03	4.84	4.29	
Galliard Capital Management	1.03	-1.60	0.81	3.37	2.85	3.98	4/1/2010
Bloomberg Barclays Aggregate	0.82	-1.73	0.44	2.68	2.34	3.48	
Dodge & Cox Income	1.19	1.71	4.40			2.64	11/1/2014
Bloomberg Barclays Aggregate	0.82	-1.73	0.44			2.00	

1. Returns are presented net of management fees  
 2. Returns for periods greater than one year are annualized  
 3. Returns are expressed as percentages



**University of Central Florida**  
**Fixed Income Separate Account Concentration Review**  
**As of March 31, 2017**

	Pool II		Pool III			Pool IV	
	% of Galliard	% of Benchmark <sup>(1)</sup>	% of Galliard	% of Sawgrass	% of Benchmark <sup>(2)</sup>	% of Galliard	% of Benchmark <sup>(3)</sup>
<b>Sector Distribution</b>							
U.S. Government/Agency Debentures	39.3%	100.0%	12.8%	48.5%	73.0%	3.9%	38.5%
Other U.S. Government	0.3%	0.0%	9.4%	0.0%	0.0%	15.8%	0.7%
Taxable Municipal	6.7%	0.0%	3.9%	0.0%	0.6%	7.2%	1.2%
Corporates	28.7%	0.0%	31.9%	49.0%	18.4%	32.7%	25.6%
Asset Backed Securities (ABS)	23.1%	0.0%	18.0%	0.0%	0.0%	7.2%	0.4%
Commercial Mortgage Backed Securities (CMBS)	0.1%	0.0%	7.9%	0.0%	0.0%	9.1%	1.0%
Mortgage Backed Securities (MBS)	0.0%	0.0%	15.6%	0.0%	0.0%	24.1%	28.2%
Sovereign / Supranationals	0.0%	0.0%	0.0%	0.0%	8.1%	0.0%	4.4%
Cash / Equivalents	1.8%	0.0%	0.5%	2.5%	0.0%	0.0%	0.0%
<b>Quality Distribution</b>							
AAA	70.7%	100.0%	69.2%	53.8%	77.8%	63.9%	71.0%
AA	9.1%	0.0%	3.9%	11.9%	8.4%	10.7%	4.8%
A	6.8%	0.0%	19.2%	34.4%	13.8%	12.4%	10.6%
BBB	0.0%	0.0%	0.0%	0.0%	0.0%	12.9%	13.6%
< BBB	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NR/NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Maturity Distribution</b>							
0-1 yrs	65.6%	100.0%	13.8%	17.2%	2.9%	1.6%	0.1%
1-3 yrs	34.4%	0.0%	34.7%	37.0%	56.6%	6.8%	20.8%
3-5 yrs	0.0%	0.0%	41.1%	45.8%	40.5%	21.6%	20.0%
5-10 yrs	0.0%	0.0%	10.4%	0.0%	0.0%	56.3%	43.8%
10+ yrs	0.0%	0.0%	0.0%	0.0%	0.0%	13.8%	15.3%
<b>Portfolio Characteristics</b>							
Weighted Average Quality	AA+	AAA	AA+	AA-	AAA	AA	AA
Effective Maturity	0.92 years	0.72 years	3.00 years	2.7 years	2.73 years	7.94 years	8.17 years
Effective Duration	0.76 years	0.72 years	2.58 years	1.9 years	2.62 years	5.83 years	5.93 years
<b>Top 5 Holdings (Credit Issues)</b>							
Bond 1	Public Service Electric & Gas Co 0.53%	US Treasury 100%	Westpac Banking Corp 0.49%	Microsoft Corp 2.77%	Bank of America 0.58%	Northwestern University 0.54%	Bank of America 0.52%
Bond 2	Manufacturers & Traders Trust Co 0.50%		Toronto-Dominion Bank/The 0.49%	KeyBank NA/Cleveland OH 2.19%	JPMorgan 0.58%	State of Washington 0.47%	JPMorgan 0.52%
Bond 3	City of Austin TX 0.50%		US Bank NA/Cincinnati OH 0.45%	American Express Credit 2.09%	Goldman Sachs 0.53%	State of Hawaii 0.45%	Goldman Sachs 0.46%
Bond 4	Monmouth County Imp Auth 0.50%		State of Texas 0.45%	General Electric Co 1.97%	Morgan Stanley 0.52%	Massachusetts Institute of Technology 0.43%	AT&T 0.46%
Bond 5	PNC Bank NA 0.50%		Siemens Fin NV 0.45%	Wells Fargo & Co 1.88%	Citigroup 0.42%	State of Alaska 0.40%	Morgan Stanley 0.43%

1. 75% The BofA Merrill Lynch 1 Year US Treasury Index, 25% The BofA Merrill Lynch US 3-Month Treasury Bill Index  
2. BofA Merrill Lynch 1-5 Year US Corp & Govt Index A Rated & Above  
3. Barclays U.S. Aggregate Bond Index



▪ **The basic strategy/logic behind the portfolio's current positioning**

- **Galliard:** Galliard's investment strategy is designed to generate income while providing safety of principal. As bottom-up, value-driven fundamental investors, we believe in the power of a realizable yield advantage to drive consistent outperformance over a full market cycle relative to the stated benchmark. The Galliard UCF portfolios continue to emphasize non-U.S. Treasury securities through a diversified allocation to high quality spread sectors. Our focus remains on best of breed, stable corporate issuers with industry-leading market positions and ample financial flexibility. Additionally, we continue to find opportunities in under-followed sectors such as taxable municipals, lesser known government-guaranteed agency debt such as Export-Import Bank, Small Business Administration, Overseas Private Investment Corporation and Agency multifamily securitizations. We are keeping each of the UCF portfolio's duration positioning neutral-to-slightly-short versus benchmarks while positioning along the yield curve to benefit from continued curve flattening.
- **Sawgrass:** The strategy of the portfolio's positioning serves to accomplish the goals of growing the portfolio while maintaining the appropriate level of risk given the needs for liquidity and a limited time horizon. Given the current state of low interest rates, the portfolio is positioned with a shorter duration than the Merrill Lynch 1-5 Year Gov/Corp A+ benchmark in order to reduce the interest rate risk in the event of rising rates. To balance the shorter nature of the portfolio, there is currently an overweight position in high-quality corporate bonds, which provide additional yield and should outperform given a strong economy.

▪ **What you view as the greatest near-term risk for the portfolio?**

- **Galliard:** From a relative to benchmark performance perspective, the greatest near term risk would be a market environment where the economy falls back into recession and U.S. Treasuries outperform spread sectors. While we do not view this as the most likely near-term scenario, Galliard portfolios balance the non-Treasury overweight risk through an emphasis on defensive issue selection within credit sectors as well as a significant weighting to government-backed spread sectors historically proven to provide significant downside protection in "risk-off" markets. From an absolute return perspective, the greatest near term risk would be an unexpected and sudden increase in interest rates across the curve. A quickly rising interest rate environment would likely result in a negative return period for the UCF fixed income portfolios. In order to mitigate the negative return impact experienced under this scenario, Galliard portfolios are designed to provide constant cash flows. In addition to coupon income and security paydowns, the portfolio maturity structure is laddered to create additional natural liquidity from maturities. With this structure in place the portfolio is able to reinvest any cash flows coming due into the higher yielding securities. Barring credit defaults, which we mitigate through our disciplined credit underwriting process and broad issue
- **Sawgrass:** We view the overweight in corporate bonds as the biggest near-term risk for the portfolio. If the economy begins to struggle and the expected boost from various fiscal policies (i.e. tax reform, infrastructure) do not develop, there could be a risk-off sentiment in the market and corporate bonds may underperform. We attempt to reduce this risk by focusing on high-quality corporate bonds that would not be as susceptible in such a scenario.

▪ **What you view as the greatest long-term opportunity for the portfolio?**

- **Galliard:** We believe that our philosophy of employing a strategic overweight to spread sectors combined with rigorous security analysis/issue selection within those sectors represents the foundation of our value proposition for client portfolios. Our goal is to construct portfolios to consistently out-yield the benchmark, and over time our portfolios have historically realized that yield advantage in terms of total return relative to benchmarks. Furthermore, our continued emphasis on under-followed, less efficient sectors such as taxable municipals, lesser known government-guaranteed agency debt such as Export-Import Bank, Small Business Administration, Overseas Private Investment Corporation and Agency multifamily securitizations will continue to present long-term opportunities for the UCF portfolios.
- **Sawgrass:** We believe our duration position provides great opportunities, both short-term and long-term. Much of the movement in the short end of the interest rate curve is dependent on the Federal Reserve and there is more transparency into future rate hikes than there is for the long-term growth of the economy, which would impact the longer-end of the interest rate curve. With a shorter maturity portfolio, such as yours, we can concentrate on the more known aspect of the curve and adjust our positioning from short to neutral/long to take advantage of interest rate movements.