

**Minutes**  
**Board of Trustees Special Teleconference Meeting**  
**University of Central Florida**  
**March 13, 2019**

Chairman Robert Garvy called the special teleconference meeting of the Board of Trustees to order at 9:39 a.m.

Garvy reminded the board that the meeting was covered by the Florida Sunshine Law and that the public and press were invited to attend.

**WELCOME**

Garvy welcomed the board members and called on Grant Heston, Associate Corporate Secretary, to call the roll. Heston determined that a quorum was present.

The following board members attended the meeting in person: John Lord, Alex Martins, William Self, David Walsh and William Yeargin.

Chairman Robert Garvy and Trustees Joshua Boloña, Kenneth Bradley, Joseph Conte, Danny Gaekwad and Beverly Seay attended via teleconference.

**PUBLIC COMMENT**

There were no requests for public comment.

**NEW BUSINESS**

**FF-1            Carryforward Spending Plan**

Garvy provided a brief background on the approval item stating that in November of last year, the Board of Governors requested university boards of trustees to approve expenditure plans for their remaining 2017-18 committed E&G carryforward funds.

Garvy said the UCF board met in December and approved a plan for spending the \$20.6 million in committed E&G carryforward funds and the board was also given information about two new funding initiatives directed by then-President Whittaker with agreement from the vice presidents and then-Chairman Marchena. These two new funding initiatives were \$40 million for student scholarships and \$20 million for critical deferred maintenance.

Garvy stated that the Board of Governors (BOG) met in January and approved the university's planned use of \$20 million in carryforward funds for deferred maintenance, but they directed the trustees to have a more robust discussion of the recommended uses of the \$20.6 million in E&G carryforward fund commitments and the \$40 million for scholarships.



Garvy indicated that with input from BOG staff and following the Finance and Facilities committee's thorough vetting and approval of the item this morning, he believed the BOG's directive was completed.

Garvy asked Scott Cole, Vice President and General Counsel, to read the agenda item into the record.

Cole stated that the Finance and Facilities Committee voted unanimously to recommend to the Board of Trustees the use of \$20 million dollars in E&G carryforward funds for deferred maintenance as outlined in attachment B as well as the use of \$60.6 million dollars in E&G carryforward funds as outlined in attachment C (attached).

Garvy asked for a motion to approve the Carryforward Spending Plan. A motion was made by Martins, with a second from Walsh.

The following discussion occurred:

- Conte asked that going forward, base line E&G budgets be added to the information presented today. Conte stated this comparative information would help the trustees with the carryforward budgeting process. Elizabeth Dooley, Provost and Vice President for Academic Affairs and Professor, College of Community Innovation and Education, said she would work with her budget staff on this request.
- Seay asked why, given the budget approval process for E&G at the beginning of the year, that there are left-over E&G carryforward funds at the end of the year, recognizing that there may be some good explanations such as committed funds that are multi-year. She also asked for a more thorough analysis of where E&G money goes throughout the year to ensure that it is being spent appropriately and as planned. Real time audits were suggested as one way to verify but Seay reminded the board that those were for capital projects. Walsh suggested that the board extend their approval process to include major financial commitments of any kind, that are beyond budget or major changes to the budget throughout the year. Garvy asked the Audit and Compliance Committee to review these concerns and provide their recommendations to the full board. Seay agreed with this recommendation.
- Garvy stated the need for a board retreat to discuss several topics to ensure the board is fulfilling its oversight obligations.
- Martins stated that when he received the Bryan Cave report, he requested the board have insight into internal documents cited in the report, especially those that addressed the issue of transfer of funds. He again requested the board's insight into these internal mechanisms as it would help board members to ask informed questions if they see perceived abnormalities. Garvy asked that the Audit and Compliance Committee review this suggestion. Seay agreed, stating that she would first consult with the Chief Compliance Officer and the Chief Audit Officer.



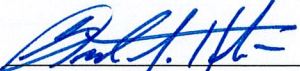
- Walsh commented that board members should have the general ability to get reasonable information from staff ahead of meetings and that he hoped we were not creating unintended obstacles. Cole agreed but said that there should be an organized process to ensure staff can respond responsibly to requests. Cole said trustee requests for documents and information should be filtered through the committees, which has always been the process for determining actions of the entire board. Garvy agreed that the committee process work as designed in Robert's Rules of Order, under which the board operates, and he endorsed Cole's comments. Bradley said that in the course of a regular meeting, he requested a follow up discussion on how trustees request information from staff.
- Boloña apologized for joining the meeting late and asked if there were any amendments added to the original carryforward plan passed by the Finance and Facilities Committee. Garvy responded that there was not.
- Gaekwad stated he believes this was an audit department fail, that trustees depend on staff and that is the culture we need at the university. Garvy said one of the key initiatives coming from the findings of the Bryan Cave Report and the House Ethics Committee draft report is for the university to deal with the cultural aspects of our operations, ensuring staff is properly trained and that the culture is one where appropriate challenges to inappropriate actions are encouraged rather than discouraged. Garvy mentioned that training for trustees and staff is being incorporated and will be forthcoming this year.
- Yeargin asked if any of the previously approved \$40 million for scholarships had been committed. Dooley replied it had not.

Garvy asked Cole to restate the motion. Cole said the motion is to approve the use of \$20 million in E&G carryforward funds for deferred maintenance as listed in attachment B and to approve the use of \$60.6 million in E&G carryforward funds as outlined in exhibit C, and this comes with the recommendation of the Finance and Facilities Committee.

The motion passed unanimously.

### ADJOURNMENT

Garvy adjourned the board meeting at 10:13 a.m.

Respectfully submitted:  \_\_\_\_\_ Date: 5/22/19

Grant J. Heston  
Associate Corporate Secretary