

Minutes
Board of Trustees Housing Enterprise Workshop
University of Central Florida
April 21, 2020

Chair Beverly Seay called the Housing Enterprise Workshop of the Board of Trustees to order at 2:00 p.m.

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

Karen Monteleone, Assistant Vice President for Board Relations, called the roll and determined a quorum was present.

The following board members attended the virtual meeting: Chair Beverly Seay, Vice Chair Alex Martins, Trustees Kenneth Bradley, Joseph Conte, Danny Gaekwad, Kyler Gray, Joseph Harrington, Caryl McAlpin, Harold Mills, Michael Okaty, David Walsh and William Yeargin.

Trustee John Sprouls was not present.

Seay indicated the purpose of the workshop was to provide additional information on the operations and financial status of Housing and Residence Life to ensure the board understands the overall financial impact to the university.

For consideration of time, Seay requested the presenters focus on the financial portion of the workshop.

Seay requested that in the future staff should use the University Innovation Alliance institutions for benchmarking and comparison data.

Seay recognized Joe Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer, as the moderator of the workshop.

Trubacz called on Peter Mitchell, Director, Housing Administration and Finance, to provide an update on the cost analysis of Housing and Residence Life.

The trustees had the following comments:

- Seay asked for clarification on the indirect cost listed as transfer to interest and investment related to university initiatives. Mitchell said it is currently for the Interdisciplinary Research Building project that came from a Provost memorandum and the transfers are still ongoing. Seay noted that the trustees should monitor this initiative.

Mitchell called on Bert Francis, Assistant Vice President, Debt Management, to provide an update on Housing financials.

The trustees had the following comments:

- Seay confirmed with Francis that the projections on salary and benefits were off by 10 percent due to miscalculations and not an increase in salaries.
- Martins asked for confirmation that the updated calculations did not include added staff.
- Walsh asked if the university has done any furloughs or layoffs since March. Francis indicated there have been none, but it has been discussed.
- Yeargin asked if the paid leave balances are accrued. Francis confirmed this is no longer the process. There is a blanket charge to cover the accruals. Yeargin asked why the decision not to furlough was made? Francis said they have been waiting for more information on when the campus will reopen.
- McAlpin asked what will happen with furloughs or layoffs if the university does not open in the fall? Francis indicated it would be a far more confounding situation. McAlpin indicated we should be planning for a worst-case scenario.
- Gaekwad commented on the difference between rental (university owned) and other revenues (privately owned). He said we needed to look at the model used and research other opportunities. Gaekwad also indicated the resident assistant program needs to be re-evaluated and use outside management services. He requested the university work to achieve the 5g network that is available in Orlando.
- President Alex Cartwright said he would be requesting detailed information on the Housing Enterprise to understand what services are being provided and the transfers that are being processed. He will be working with his senior leadership team to evaluate what cost saving options are being reviewed and implemented.
- Mills agreed with Gaekwad that the university should evaluate the best management options internally or externally.
- Conte requested a balance sheet and indicated other business models should be researched for the Housing Enterprise.
- Bradley requested more information on the internal transfers processed to support other university projects.
- Seay noted the deferred maintenance keeps building up and cannot continue.
- Seay asked for clarification on ResNet (residential network). Mitchell explained the university runs its own ISP.

Francis explained the financial history of the Housing Enterprise and how the budget has reached the point it is at today.

- Martins requested information on how the projections for salary and benefits were miscalculated. Francis indicated he would send the information by the end of the week.
- Walsh stated third party operations management vendors may be beneficial to use in the Housing Enterprise.

ADJOURNMENT

Seay adjourned the workshop at 4:00 p.m.