

Finance and Facilities Committee Meeting

Jan 14, 2021 1:00 PM - 3:00 PM EST

Table of Contents

I. Agenda.....	2
II. Minutes of the November 19, 2020 meeting.....	4
III. Reports.....	11
A. Discussion Senior VP/COO Update.....	11
IV. New Business.....	11
A. FFC-1 Change Campus Type for South Orlando Site (2).....	11
B. FFC-2 Amendment to Aramark Contract.....	43
C. FFC-3 Rent Concessions for Independent Retail Vendors.....	57
D. INFO-1 Direct Support Organizations' Financial Report, Ended September 30, 2020 – First Quarter.....	61
E. FFC-4 Direct Support Organizations' 2020-21 Amended Budgets.....	73
F. INFO-2 University and Direct Support Organizations Debt Report.....	79
G. INFO-3 University Quarterly Investment Report, Ended September 30, 2020 – First Quarter.....	97
H. INFO-4 University Auxiliary Enterprises 2020-21 First Quarter Financial Reports....	103
I. INFO-5 Knight Vision ERP Status Update.....	110



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Finance and Facilities Committee
Virtual Meeting
January 14, 2021, 1:00-3:00 p.m.**

Livestream:

<https://ucf.webex.com/ucf/onstage/g.php?MTID=e240a33f7425a11d674923433c9647a4d>

Conference call number: 1-408-418-9388, access code: 132 578 8364 #

AGENDA

- | | |
|---|--|
| 1. Call to order | Alex Martins, <i>Chair, Finance and Facilities Committee</i> |
| 2. Roll Call | Elizabeth Hamilton, <i>Assistant Vice President For Strategic Initiatives</i> |
| 3. Minutes of the November 19, 2020 meeting | Chair Martins |
| 4. Reports | Chair Martins |
| Discussion | Senior VP/COO Update
<i>Gerald Hector, Senior Vice President for Administration and Finance</i>
<i>Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer</i> |
| 5. New Business | Chair Martins |
| FFC-1 | Change Campus Type for South Orlando Site (2)
<i>Misty Shepherd</i>
<i>Christy Miranda, Director, Space Administration</i> |
| FFC-2 | Amendment to Aramark Contract
<i>Misty Shepherd</i>
<i>Kevin Sowers, Director, Business Services</i> |

FFC-3	Rent Concessions for Independent Retail Vendors <i>Misty Shepherd</i> <i>Kevin Sowers</i>
INFO-1	Direct Support Organizations' Financial Report, Ended September 30, 2020 – First Quarter <i>Gerald Hector</i> <i>Christina Tant, Assistant Vice President for DSO</i> <i>Accounting and Reporting</i>
FFC-4	Direct Support Organizations' 2020-21 Amended Budgets <i>Gerald Hector</i> <i>Christina Tant</i>
INFO-2	University and Direct Support Organizations Debt Report <i>Gerald Hector</i> <i>Bert Francis, Assistant Vice President for Debt</i> <i>Management</i>
INFO-3	University Quarterly Investment Report, Ended September 30, 2020 – First Quarter <i>Gerald Hector</i> <i>Danta White, Assistant Vice President and</i> <i>University Controller</i>
INFO-4	University Auxiliary Enterprises 2020-21 First Quarter Financial Reports <i>Gerald Hector</i> <i>Bert Francis</i>
INFO-5	Knight Vision ERP Status Update <i>Gerald Hector</i> <i>Michael Sink, Interim Chief Information Officer</i>

6. Adjournment

Chair Martins



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Finance and Facilities Committee Meeting
November 19, 2020
Virtual Meeting

MINUTES

CALL TO ORDER

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 1:00 p.m. Committee members Caryl McAlpin, Harold Mills, David Walsh, and William Yeargin attended virtually. Board of Trustees Chair Beverly Seay and Trustees Kenneth Bradley, Joseph Conte, Joseph Harrington, and Michael Okaty attended virtually.

MINUTES

Trustee Yeargin made a motion to approve the minutes of the October 14, 2020, Finance and Facilities Committee meeting. Trustee Mills seconded the motion.

The committee unanimously approved the minutes of the October 14, 2020, Finance and Facilities Committee Meeting as submitted.

REPORTS

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer, provided the committee with a brief COO update.

UCF Police Department (UCFPD):

- UCF hosted its first COVID-era football games on campus. Both games were managed safely and no positive COVID tests have been associated with either game.
- Downtown UCFPD officers developed an “Essentials Kit” for the homeless and transient population.
- UCFPD was recognized for the professional and compassionate way in which officers handled a dangerous arrest made earlier this month. Shepherd emphasized the training and practice that the UCFPD has on not only being law enforcement but also being supportive members of a campus community.
- A UCFPD detective has been asked to join the advisory committee for the National Center Forensic Science Institute to teach state and local law enforcement throughout the country in digital forensics.

Human Resources:

- Staff developed the Knight Vision Staffing Process Guidelines document that streamlines and expedites the hiring and on-boarding process for individuals who will be responsible for UCF's ERP implementation project.
- HR worked with UCF Facilities on the transition plan for UCF Convocation employees and expects to complete the conversion of those individuals to UCF staff by the end of the month.

Parking Services:

- Annual permits were extended and will be valid through the end of the calendar year. In January, new permits will be issued for the remainder of the academic year at a prorated cost.

Facilities and Construction & Planning:

- The large renovation project for the Transgenic Animal Research Facility was completed, along with the HVAC renovation project in collaboration with UCF's Utilities and Energy Services team.
- Staff collaborated with Orange County on several pedestrian safety projects along Alafaya Trail.
- The architecture and design firm selection process has been completed for the Biology Building renovation project.
- The Chemistry Building renovation project is currently out to bid.
- Staff developed a project schedule report that provides a high-level status overview and the current phase of all projects in progress. This report will be used to provide the committee with updates on open projects.

Shepherd asked the chair to recognize Dr. Elizabeth Klonoff, Vice President for Research and Dean of the College of Graduate Studies, to provide the committee with a quickly developing matter involving the Arecibo Observatory.

Klonoff informed committee members that the U.S. National Science Foundation (NSF) announced it will begin planning the decommissioning of the telescope at the Arecibo Observatory, citing a cable break that has damaged the structural integrity of the telescope. Klonoff expressed disappointment in the outcome but noted that safety is the top priority.

Because UCF manages the observatory on behalf of NSF, the committee wanted to ensure that proper insurance is maintained at the facility. Staff confirmed that there are three insurance policies covering the facility.

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer, provided the committee with a brief update, noting there has been little change since the last committee meeting.

The ERP project has formally been named Knight Vision and the contracts with Workday and Accenture have been executed. The initial meetings with Workday and Accenture have been held to finalize the project plan, timeline, and staffing requirements. The kick-off meeting and presentation was held on November 3, with the president and provost speaking to a campus audience of over 500 employees. There was tremendous interest from the campus community in

participating in the Knight Vision. Trubacz informed the committee that an ERP update will be a formal information item at all FFC meetings beginning in January.

Trubacz updated the committee on the Budget Model Redesign project and the Adaptive Planning budget software implementation. The budget model has shifted towards a more strategic, data-informed resource allocation process. Trubacz stated that Finance is currently in the parallel year of the model's final stage of development, where effort is being placed on reconciling data, identifying training needs, continuing campus communication and outreach, and forming the model's governance structure. As part of the model's governance structure, the Central Support Unit Allocation Committee, co-chaired by Interim Provost Michael Johnson and Associate Vice President Kristie Harris, was established to identify key performance indicators (KPIs) for central administrative support units. The establishment of KPIs will clarify support unit service expectations, increase the transparency of service performance, and ensure the campus community receives high quality, timely, and consistent support. Trubacz explained that Adaptive Planning, a cloud-based budgeting software tool, is launching simultaneously and will be fully implemented by March 2021.

Trubacz informed the committee that Housing has seen a significant increase in completed housing agreements for Spring 2021, with 607 new agreements completed and reserved with a student deposit, Prepaid Housing Plan payment, or deferral. Spring Housing occupancy is currently at 88.6 percent of full capacity on the main campus.

Trubacz updated the committee regarding the budget reallocation process. All units have had three percent of their recurring E&G allocations withheld. The University Budget Committee heard plans from the administrative units on how they would handle an additional three percent cut and whether there would be any impacts to the services offered by the units. The committee will be bringing recommendations to the president about the additional three percent cut. The budget reallocations will generate up to \$25.4 million that may be strategically reallocated or, if necessary, used to offset cuts from the Florida Legislature.

NEW BUSINESS

FFC-1 2015 Educational Plant Survey Revisions

Shepherd provided the committee with background information regarding the 2015 Educational Plant Survey (EPS). Shepherd stated that the university's Educational Plant Survey is one of the planning documents necessary for construction or capital renewal projects and must be renewed every five years. The last survey completed by UCF was in 2015 and, since that time, several projects have been added to the Campus Master Plan and the Capital Improvement Plan.

Shepherd informed the committee that staff are requesting the approval of the following projects as amendments to the 2015 EPS:

- Downtown Parking Garage,
- Howard Phillips Hall Renovation,
- Florida Solar Energy Center Renovation,
- Biological Sciences Renovation, and
- Theatre Renovation.

Shepherd noted that the EPS is simply an acknowledgment of need for the university based on several criteria, including alignment with the university's strategic plan, that are approved by the Board of Trustees and validated by the Board of Governors and state university system peers. Approval of the EPS does not constitute approval of funds.

Trustee McAlpin made a motion to approve the revisions to the 2015 EPS to facilitate the addition of the Learning Laboratory, Downtown Parking Garage, Howard Phillips Hall Renovation, Florida Solar Energy Center Renovation, Biological Sciences Renovation, and Theatre Renovation. Trustee Yeargin seconded the motion. The motion was approved unanimously.

FFC-2 Approval of the 2020 Campus Development Agreement

Shepherd reminded the committee that it has been one year since the approval of the 10-year Campus Master Plan (CMP). The CMP is a high-level comprehensive planning tool for capital projects and a statutory requirement with the purpose of reaching agreement between universities and their local host government regarding impacts to population, traffic, and other county resources. Shepherd noted that the fiscal obligations set forth in the agreement pertain to potential plans for enhanced pedestrian safety along McCulloch Road.

Shepherd asked the chair to recognize Fred Kittinger, Senior Associate Vice President for Government and Community Relations, for any questions.

Trustee Yeargin made a motion to approve the 2020 Campus Development Agreement. Trustee Walsh seconded the motion. The motion was approved unanimously.

INFO-1 Overview of UCFAA COVID-19 Financial Impact

Brad Stricklin, Executive Associate Athletics Director and Chief Financial Officer, provided the committee with a summary of the current UCF Athletics Association (UCFAA) budget impact due to the COVID-19 pandemic.

Stricklin stated that UCFAA has been greatly impacted financially by the pandemic. Facility capacities for athletics events have been significantly diminished and expenses for testing, additional sanitization of facilities, and travel protocols have all increased. In some cases, games are being cancelled due to high numbers of positive COVID-19 tests.

UCFAA will have a projected \$12.7 million revenue loss due to reduced number of home football games and limited stadium capacity. The sources of revenue impacted are ticket sales, per-seat premiums, concessions and catering, and corporate partnerships. UCFAA also will have a projected increase of \$1 million-\$2 million in expenses due to increased COVID-19 protocols. The net negative impact being \$14 million-\$15 million in projected losses and new expenses.

Stricklin reassured the committee that UCFAA is taking steps to help minimize the losses. These measures to include a hiring freeze and pausing new construction.

Stricklin provided a breakdown of the cash flow within UCFAA, explaining the \$6.8 million cash shortfall, and emphasized the importance of the university's support in the success of UCFAA.

FFC-3 UCFAA Request to Defer 2020-21 and 2021-22 Loan Payments to UCF

Stricklin provided the committee with background information regarding the university loan to UCFAA. UCFAA is currently in year seven of an 11-year payback plan of loans received from the university between 2004 and 2008. The total amount of loans taken by UCFAA to fund operating expenses during that time was \$10,873,000, and \$1,400,000 was repaid in 2007. Unpaid interest accrued over that period was \$1,943,632, for a total amount of \$12,816,632 owed to the university. Total principal payments in the amount of \$7,617,743 have been made since 2007 and the current amount of \$5,198,889 is due by June 30, 2025. The interest rate is determined on an annual basis and equals the average Special Purpose Investment Account (SPIA) rate of return as of the preceding fiscal year. For 2020-21, the interest rate will be 3.1631 percent.

Stricklin stated that UCFAA no longer receives loans from the university due to the Auditor General's 2008 operational audit of UCF which found that, absent specific statutory authority, the university is prohibited from making loans to its direct support organizations. A repayment schedule was approved by the Board of Trustees in August 2009 and amended in June 2015.

Stricklin requested to defer UCFAA's loan payments to the university for a period of two years. The repayment schedule would be extended by two years per the schedule provided to the committee members.

Trustee McAlpin made a motion to defer 2020-21 and 2021-22 loan payments to UCF. Trustee Yeargin seconded the motion. The motion was approved unanimously.

FFC-4 Temporary Support for UCF Athletics

Stricklin stated that the UCF Foundation (UCFF) was asked by UCFAA and the university for assistance in resolving UCFAA's cashflow issue.

Glen Dawes, Associate Vice President and Chief Financial Officer, UCF Advancement, explained that UCFF maintains financial reserves for both facilities and operations, and historically has excess reserves that can be utilized for short term emergency needs. UCFF has offered to provide UCFAA an 18-month revolving line of credit not to exceed \$3 million with an annual interest rate of three percent, which may be renewed for up to two additional 12-month periods at the end of the current period maturity date. Dawes noted that if UCFAA defaults on a payment, UCFF may invoice the university for repayment from collateral.

Trustee McAlpin made a motion to approve UCF Foundation's issuance of a letter of credit up to \$3 million to UCFAA. Trustee Yeargin seconded the motion. The motion was approved unanimously.

FFC-5 Increase to Operating Line of Credit for UCFAA

Stricklin informed the committee that UCFAA currently has a line of credit with Fifth Third Bank in the amount of \$5 million to assist with seasonal cash needs. UCFAA is requesting additional cash availability in the spring to assist with revenue shortfalls due to the COVID-19 pandemic.

Stricklin noted that UCFAA opened a \$1.2 million line of credit in 2009-10. The line was increased to \$2 million in 2012-13 and increased again to \$5 million in 2016-17. Stricklin said the increases have been appropriate for the growth of UCFAA's annual budget.

Stricklin stated Fifth Third Bank has agreed to an increase of \$3 million, bringing the total line of credit to \$8 million. The interest rate on the line is the 30-day LIBOR plus 2.75 percent with a LIBOR floor of .75 percent. As of November 12th, the LIBOR is .14 percent. If the entire \$8 million is used over the course of the year, UCFAA would pay interest in the amount of \$260,000. The impact to the \$3 million increase could be as high as \$97,500.

Trustee McAlpin made a motion to approve the renewal of the UCFAA's line of credit through July 2022 and increase the line from \$5 million to \$8 million. Trustee Walsh seconded the motion. The motion was approved unanimously.

FFC-6 Rent Concessions for Convocation Corporation Independent Retail Vendors

Shepherd reminded the committee of previous discussions regarding financial strain placed on on-campus vendors due to COVID restrictions and the campus depopulation in response to the pandemic. Shepherd stated that after exploring several options, she recommended forgiving the rents for these tenants for the months of March through August, with a total of \$222,000 in lost revenue for the UCF Convocation Corporation (UCFCC). Shepherd assured the committee that UCFCC is secure in meeting its debt obligation for this year without the funds that would be forgiven. Shepherd stated the alternative would be to enforce the rents, which could result in the tenants defaulting and vacating the space, which creates a longer-term revenue shortfall due to the length of time required to find a suitable replacement tenant. This would also result in the loss of food options for students and employees in that area of campus.

Trustee McAlpin made a motion to approve the rent concessions for Convocation Corporation independent retail vendors. Trustee Yeargin seconded the motion.

Committee members expressed concerns regarding rent forgiveness and asked staff to explore alternative options.

Trustee McAlpin amended her motion to table the item and Trustee Yeargin seconded.

Chair Martins asked Shepherd to come up with alternative plans to present to the committee at a future meeting.

FFC-7 Rent Concessions for Student Union, Recreation and Wellness Center, and John T. Washington Center Independent Retail Vendors

Based on the committee's discussion of the previous rent concessions item, Chair Martins tabled the proposed rent concessions for Student Union, Recreation and Wellness Center, and John T. Washington Center independent retail vendors to a future committee meeting.

INFO-2 University and Direct Support Organizations Debt Report

Due to time constraints, Chair Martins asked Albert Francis, Assistant Vice President for Debt Management, to present the University and Direct Support Organizations Debt Report at the January committee meeting.

INFO-3 DSOs' Financial Report, Ended June 30, 2020 – Fourth Quarter

Christina Tant, Assistant Vice President for DSO Accounting and Reporting, had no additional information for committee members.

INFO-4 FY20 University Draft Audited Financial Report

Danta White, Assistant Vice President and University Controller, informed committee members the FY20 University Draft Audited Financial Report was still in draft format and subject to change. White stated that any changes will come back to the committee once it has been finalized.

INFO-5 University Operating Budget, Ended September 30, 2020 – First Quarter

Kristie Harris, Associate Vice President for Financial Affairs, advised the committee that the University Operating Budget, Ended September 30, 2020 – First Quarter will be presented in full at the Board of Trustees retreat in December. Harris stated that committee members will be presented with a deep dive into the new format provided.

ADJOURNMENT

Martins adjourned the Finance and Facilities Committee meeting at 3:30 p.m.

Reviewed by:

Alex Martins
Chair, Finance and Facilities Committee

Date

Respectfully submitted:

Janet Owen
Associate Corporate Secretary

Date

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: Change Campus Type for South Orlando Site (2)

Information

Information for upcoming action

Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

UCF is working to facilitate a site reclassification required by Florida Statutes and Board of Governors (BOG) Regulations. Regulation 8.009(3)(d) states that “establishing, reclassifying, relocating, or closing an additional campus or special purpose center, including acquiring real property for such educational sites, shall be approved by the university board of trustees and, subsequently, the Board of Governors.”

Background Information:

In 2015, all instructional activity on the South Orlando campus (2) ended, and the site was closed as a SACSCOC-approved instructional location. In January 2020, UCF entered a 50-year sublease with Orange County to use the land and facilities on the site. Per the BOG Educational Site definitions (Regulation 8.009), Site 2 no longer meets the current designation of Special Purpose Center (SPC). The BOG and UCF Academic Program Quality recommend changing Site 2 from SPC to Other.

8.009(1)(c) - Special purpose center is defined as a unit of a university, apart from the main campus, that provides certain special, clearly defined programs or services, such as research or public service, and reflects a relatively permanent commitment by a university for the foreseeable future, not an occasional, time-limited, or transitory activity, in facilities which are university-owned, university-leased, or jointly used with another public institution. Instructional programs or courses leading to a college degree are typically not offered at special purpose centers. Cooperative extension sites are not considered special purpose centers.

Other - No instruction or outreach.

Recommended Action:

Approve the reclassification of Educational Site “Special Purpose Center” to “Other” for the South Orlando Site (2).

Alternatives to Decision:

This site must be reclassified to meet the current definitions of an educational site (Regulation 8.009). This information is used for classification purposes in the mandatory data submissions following every semester to the BOG; and the change must be approved by the UCF Board of Trustees.

Fiscal Impact and Source of Funding:

Regulation 8.009(3)(d) specifies that reclassifying a special purpose center shall be approved by the university board of trustees and, subsequently, the Board of Governors. No capital outlay funds shall be requested of the Legislature or expended, except for planning, prior to such approvals being obtained.

Authority for Board of Trustees Action:

Regulation 8.009, 8.009(1)(c) and 8.009(3)(d) stipulate that alterations to the status of the Special Purpose Center shall be approved by the university board of trustees and, subsequently, the Board of Governors. Delegation of Authority to the President, Items requiring specific authority of the Board (37). All items required by the BOG or Florida Legislature to be approved by the Board.

Contract Reviewed/Approved by General Counsel: N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda:

Submitted by:

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer

Supporting Documentation:

Attachment A: Regulation 8.009 Educational Sites

Attachment B: UCF Board of Trustees Sublease Agreement

Facilitators/Presenters:

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer

Christy Miranda, Director, Space Administration

8.009 Educational Sites

(1) The following definitions of educational sites shall be used for classification purposes in data submissions to the Board of Governors:

- (a) Main campus is defined as the primary site of university educational, research, and administrative activities.
- (b) Additional campus, including one that has received separate regional accreditation, is defined as an instructional and administrative unit of a university, apart from the main campus, that primarily offers students upper-division undergraduate and graduate programs, as well as a wide range of administrative and student support services appropriate for the number of student FTE served, and reflects a relatively permanent commitment by a university for the foreseeable future, not an occasional, time-limited, or transitory activity, in facilities which are university-owned, university-leased, or jointly used with another public institution.
 - 1. Type I Campus is defined as a university operation that has obtained and continues to maintain an enrollment level of more than 2,000 university student FTE in courses which lead to a college degree. A Type I Campus typically provides a broad range of instruction for numerous full and partial degree programs, research activity, and an extensive complement of student services.
 - 2. Type II Campus is defined as a university operation that has obtained and continues to maintain an enrollment level of 1,000 to 2,000 university student FTE in courses which lead to a college degree. A Type II Campus typically provides a moderate range of instruction for full and partial degree programs, limited research activity, and a moderate complement of student services.
 - 3. Type III Campus is defined as a university operation that has obtained and continues to maintain an enrollment level of at least 300 but less than 1,000 university student FTE. The Board may, within its discretion, require an operation with less than 300 FTE to be presented to the Board for approval if the operation otherwise meets the remaining criteria in this sub-paragraph. A Type III Campus typically provides a limited range of instruction for full and partial degree programs, limited research activity, and a limited complement of student services.
- (c) Special purpose center is defined as a unit of a university, apart from the main campus, that provides certain special, clearly defined programs or services, such as research or public service, and reflects a relatively permanent commitment by a university for the foreseeable future, not an occasional, time-limited, or transitory activity, in facilities which are

university-owned, university-leased, or jointly used with another public institution. Instructional programs or courses leading to a college degree are typically not offered at special purpose centers. Cooperative extension sites are not considered special purpose centers.

- (d) Instructional site is defined as a temporary instructional unit of a university, apart from the main campus, that provides a limited range of instructional programs or courses leading to a college degree, in facilities not owned by the institution.
- (e) Special purpose site is defined as a unit of a university, apart from the main campus, that provides services of an educational or community outreach nature which are other than instruction leading to a college degree, in facilities not owned by the institution. Instructional programs or courses leading to a college degree are typically not offered at special purpose sites.

(2) Within the State of Florida, on-site lower-level (1000- and 2000-level) courses shall be offered only on the main campus of a university unless approved under the following conditions:

- (a) When a university desires to offer a limited number of lower-level courses that address specified degree program needs at educational sites other than the main campus, prior to taking any action to establish such courses, the president shall collaborate with the president of the local Florida College System (FCS) institution in whose district the educational site is located to ensure that such course offerings will not unnecessarily duplicate course offerings at the FCS institution. After such collaboration, the university board of trustees may approve the offering of a limited number of lower-level courses that address specific degree program needs. The university shall seek approval of a proposal submitted to its board of trustees, and, subsequently, the Board of Governors to enroll lower-level university FTE that will exceed 25% of the total university FTE at an additional campus or special purpose center. The proposal shall be in the format developed in (2)(b).
- (b) When a university desires to offer a full range of general education and other lower-level courses at an educational site, prior to taking any action to establish such courses, the president shall collaborate with the president of the local Florida College System institution to determine the effect on local articulation agreements. After such collaboration, the university may offer a full range of courses, if approved by the university board of trustees and, subsequently, by the Board of Governors. The proposal to offer a full range of lower-level courses shall use the format(s) developed by the Office of the Board of Governors, in conjunction with university academic affairs officers.

Such format(s) shall include, at a minimum, the following elements: relationship to the university's mission; assessment of student demand; availability of necessary facilities, equipment, and faculty; effect on local articulation agreements; and projections of lower-level FTE, operating budget, and staffing.

(3) The following approval processes for establishing, reclassifying, relocating, and closing educational sites apart from the main campus apply to the State University System:

- (a) Each board of trustees shall adopt regulations consistent with this paragraph for the establishment, reclassification, relocation, and closing of educational sites apart from the main campus, including international educational sites and educational sites located in other states, and for the acquisition of real property on which such educational sites will be located.
- (b) As an initial part of the process that may lead to the acquisition, establishment, reclassification, relocation, or closing of additional campuses or special purpose centers, the president of each university shall consult with the Chancellor to inform system-wide strategic planning.
- (c) Instructional sites and special purpose sites may be established and closed by universities consistent with regulations established by their respective boards of trustees. If an instructional or special purpose site scheduled for closing has been funded by the Legislature or established pursuant to law, the university shall provide documentation to the Board of Governors justifying the closure, and shall initiate a dialogue with legislative leadership regarding the closure.
- (d) Establishing, reclassifying, relocating, or closing an additional campus or special purpose center, including acquiring real property for such educational sites, shall be approved by the university board of trustees and, subsequently, the Board of Governors. No capital outlay funds shall be requested of the Legislature or expended, except for planning, prior to such approvals being obtained.
- (e) Proposals for the establishment, relocation, and reclassification of additional campuses and special purpose centers shall be submitted to the university's board of trustees and, subsequently, to the Board of Governors, using the format(s) developed by the Office of the Board of Governors, in conjunction with university academic affairs officers. Such format(s) shall include, at a minimum, the following elements: Accountability, Needs Assessment, Academic Programs, Administration, Budget and Facilities, Student Services, and Monitoring of Implementation.

- (f) In addition to addressing the elements specified in (3)(e), proposals for the establishment of international campuses and special purpose centers shall include the following elements:
1. The relationship of the international program to the institution's mission and strategic plan;
 2. Any known legal requirements of the host country that must be met to establish and operate a campus or special purpose center in that country and the legal jurisdiction that will be applicable to the university's operations;
 3. A risk assessment of the university's responsibility for the safety of students, faculty, and staff;
 4. How the university will exercise control over the academic program, faculty, and staff, if the programs are not operated exclusively by the university.
- (g) Proposals for closing additional campuses and special purpose centers shall be submitted to the university's board of trustees and, subsequently, to the Board of Governors, using the format(s) developed by the Office of the Board of Governors, in collaboration with university academic affairs officers. The proposal shall include a request for the Board of Governors to initiate a dialogue with university and legislative leadership regarding the appropriateness of seeking statutory changes, if the educational site has been established pursuant to law.

(4) A university shall receive approval from its board of trustees and the Board of Governors prior to seeking separate accreditation from the Southern Association of Colleges and Schools for an additional campus.

(5) Each university shall annually monitor enrollment at its additional campuses. If enrollments fall below the minimum designated for the site as defined in (1) for three consecutive years, the university shall develop and implement a plan for increasing enrollment, reclassifying the site, or closing the site. An exception shall be made for a Type III Campus that was approved by the Board of Governors for establishment at an enrollment level below the minimum designated in (1). In that case, if enrollments fall below the Board of Governors-approved minimum for that site for three consecutive years, the university shall develop and implement a plan for increasing enrollment, reclassifying the site, or closing the site.

Authority: Section 7(d), Art. IX, Fla. Const.; History – New 4-9-87, Amended 6-8-92, 2-15-94, 12-2-99, 11-10-11.

APPROVED
BY ORANGE COUNTY BOARD
OF COUNTY COMMISSIONERS
DEC 03 2019

This Sublease was prepared by:
Christopher Crenshaw
Bureau of Public Land Administration
Division of State Lands
Department of Environmental Protection, MS 130
3900 Commonwealth Boulevard,
Tallahassee, Florida 32399-3000
AID# 38964

OAS1
[20.01 +/- acres]

UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES

SUBLEASE AGREEMENT

Sublease Number 2721-24

THIS SUBLEASE AGREEMENT, is made and entered into this 2nd day of January 2020, between the UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES, hereinafter referred to as "SUBLESSOR" and ORANGE COUNTY, FLORIDA, a charter county and political subdivision of the State of Florida, hereinafter referred to "SUBLESSEE."

WITNESSETH

In consideration of the covenants and conditions set forth herein, SUBLESSOR subleases the below described premises to SUBLESSEE on the following terms and conditions:

- ACKNOWLEDGMENTS:** The parties acknowledge that title to the subleased premises is held by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("TRUSTEES") and is currently managed by SUBLESSOR under TRUSTEES' Lease Number 2721, ("Master Lease").
- DESCRIPTION OF PREMISES:** The property subject to this sublease agreement, is situated in the County of Orange, State of Florida and is more particularly described in Exhibit "A" attached hereto and hereinafter referred to as the "subleased premises".
- SUBLEASE TERM:** The term of this sublease shall be for a period of 50 years commencing on December 3, 2019 and ending on December 2, 2069, unless sooner terminated pursuant to the provisions of this sublease.
- PURPOSE:** SUBLESSEE shall manage the subleased premises only for the establishment and operation of a public park and recreational facility, which may include, but shall not be limited to, after-school programs, meeting space for community classes and gatherings, and athletic fields, along with other related uses necessary for the accomplishment of this purpose as designated in the Land Use Plan required by paragraph 7 of this sublease.

5. **CONFORMITY:** This sublease shall conform to all terms and conditions of TRUSTEES' Lease No. 2721 between the TRUSTEES and SUBLESSOR dated January 22, 1974, as amended from time to time, a copy of which is attached hereto as Exhibit "B", and SUBLESSEE shall through its agents and employees prevent the unauthorized use of the subleased premises or any use thereof not in conformance with this sublease.

6. **QUIET ENJOYMENT AND RIGHT OF USE:** SUBLESSEE shall have the right of ingress and egress to, from and upon the subleased premises for all purposes necessary to full quiet enjoyment by said SUBLESSEE of the rights conveyed herein.

7. **LAND USE PLAN:** SUBLESSEE shall prepare and submit a Land Use Plan for the subleased premises, in accordance with Section 253.034, Florida Statutes. The Land Use Plan shall be submitted to SUBLESSOR for approval through the Division of State Lands, State of Florida Department of Environmental Protection. The subleased premises shall not be developed or physically altered in any way other than what is necessary for security and maintenance of the subleased premises without the prior written approval of SUBLESSOR until the Land Use Plan is approved. SUBLESSEE shall provide SUBLESSOR with an opportunity to participate in all phases of preparing and developing the Land Use Plan for the subleased premises. The Land Use Plan shall be submitted to SUBLESSOR in draft form for review and comments within ten months of the effective date of this sublease. SUBLESSEE shall give SUBLESSOR reasonable notice of the application for and receipt of any state, federal or local permits as well as any public hearings or meetings relating to the development or use of the subleased premises. SUBLESSEE shall not proceed with development of said subleased premises including, but not limited to, funding, permit application, design or building contracts, until the Land Use Plan required herein has been submitted and approved. Any financial commitments made by SUBLESSEE which are not in compliance with the terms of this sublease shall be done at SUBLESSEE's own risk. The Land Use Plan shall emphasize the original management concept as approved by SUBLESSOR on the effective date of this sublease which established the primary public purpose for which the subleased premises are to be managed. The approved Land Use Plan shall provide the basic guidance for all management activities and shall be reviewed jointly by SUBLESSEE and SUBLESSOR. SUBLESSEE shall not use or alter the subleased premises except as provided for in the approved Land Use Plan without the prior written approval of SUBLESSOR. The Land Use Plan prepared under this sublease shall identify management strategies for exotic species, if present. The introduction of exotic species is prohibited, except when specifically authorized by the approved Land Use Plan. In accordance with Section 253.034, Florida Statutes, the SUBLESSEE shall submit a Land Use Plan update at the end of the fifth year from the execution date of this sublease to establish all short-term goals developed under

the Land Use Plan have been met in accordance with Section 253.034 (5) (i), Florida Statutes. The SUBLESSEE shall submit an updated Land Use Plan at least every ten (10) years from the execution date of the sublease.

8. **ASSIGNMENT**: This sublease shall not be assigned in whole or in part without the prior written consent of the TRUSTEES and SUBLESSOR. Any assignment made either in whole or in part without the prior written consent of the TRUSTEES and SUBLESSOR shall be void and without legal effect.

9. **RIGHT OF INSPECTION**: TRUSTEES and SUBLESSOR or their duly authorized agents, representatives or employees shall have the right at any and all times to inspect the subleased premises and the works and operations thereon of SUBLESSEE in any matter pertaining to this sublease.

10. **PLACEMENT AND REMOVAL OF EQUIPMENT**: All buildings, structures, improvements and signs shall be constructed at the expense of SUBLESSEE in accordance with plans prepared by professional designers and shall require the prior written approval of SUBLESSOR as to purpose, location and design. Further, no trees, other than non-native species, shall be removed or major land alterations done without the prior written approval of SUBLESSOR. Removable equipment placed on the subleased premises by SUBLESSEE which do not become a permanent part of the subleased premises will remain the property of SUBLESSEE and may be removed by SUBLESSEE upon termination of this sublease.

11. **INSURANCE REQUIREMENTS**: During the term of this sublease SUBLESSEE shall procure and maintain policies of all-risk property, and liability insurance coverage. The all-risk property insurance coverage shall be in an amount equal to the full insurable replacement value of any improvements or fixtures located on the subleased premises. The liability insurance coverage shall be in amounts not less than \$200,000 per person and \$300,000 per incident or occurrence for personal injury, death, and property damage on the subleased premises. During the term of this sublease, if Section 768.28, Florida Statutes, or its successor statute is subsequently amended to increase the amount of the liability coverages specified herein, SUBLESSEE shall immediately obtain liability coverage for the increased amounts. SUBLESSEE shall submit written evidence of having procured all insurance policies required herein prior to the effective date of this sublease and shall submit annually thereafter, written evidence of maintaining such insurance policies to the Bureau of Public Land Administration, Division of State Lands, State of Florida Department of Environmental Protection, Mail Station 130, 3800 Commonwealth Boulevard, Tallahassee, Florida 32399-3000. SUBLESSEE shall purchase all policies of insurance from a financially-responsible insurer duly authorized to do business in the State of Florida. In lieu of purchasing insurance, SUBLESSEE may elect to self-insure these coverages. Any certificate of self-insurance shall be issued or approved by the Chief Financial Officer, State of Florida. The certificate of self- insurance shall provide for casualty and liability coverage. SUBLESSEE shall immediately notify SUBLESSOR and the

insurer of any erection or removal of any building or other improvement on the subleased premises and any changes affecting the value of any improvements and shall request the insurer to make adequate changes in the coverage to reflect the changes in value. SUBLESSEE shall be financially responsible for any loss due to failure to obtain adequate insurance coverage and the failure to maintain such policies or certificate in the amounts set forth shall constitute a breach of this sublease.

12. **LIABILITY:** SUBLESSEE shall assist in the investigation of injury or damage claims either for or against SUBLESSOR, TRUSTEES, or the State of Florida pertaining to SUBLESSEE'S respective areas of responsibility under this sublease or arising out of SUBLESSEE'S respective management programs or activities and shall contact SUBLESSOR, and TRUSTEES regarding the legal action deemed appropriate to remedy such damage or claims. SUBLESSEE is responsible for, and, to the extent allowed by law, shall indemnify, protect, defend, save and hold harmless SUBLESSOR, TRUSTEES, and the State of Florida, its officers, agents and employees from any and all damages, claims, costs, expense, including attorney's fees, demands, lawsuits, causes of action or liability of any kind or nature arising out of all personal injury and property damage attributable to the negligent acts or omissions of SUBLESSEE, and its officers, employees, and agents. Nothing herein shall be construed as a waiver of sovereign immunity enjoyed by any party hereto, as provided in Section 768.28, Florida Statutes, as amended from time to time, or any other law providing limitations on claims. In the event SUBLESSEE subcontracts any part or all of the work performed in the subleased premises, the SUBLESSEE shall require each and every subcontractor to identify the SUBLESSOR and TRUSTEES as an additional insured on all insurance policies required by the SUBLESSEE. Any contract awarded by SUBLESSEE for work in the subleased premises shall include a provision whereby the SUBLESSEE'S subcontractor agrees to indemnify, pay on behalf, and hold the SUBLESSOR and TRUSTEES harmless for all injuries and damages arising in connection with the SUBLESSEE'S subcontract.

13. **PAYMENT OF TAXES AND ASSESSMENTS:** Except as otherwise provided in Exhibit "C," attached hereto and fully incorporated herein by this reference, SUBLESSEE shall assume full responsibility for and shall pay all liabilities that accrue to the subleased premises or to the improvements thereon, including any and all drainage and special assessments or taxes of every kind and all mechanic's or materialman's liens which may be hereafter lawfully assessed and levied against the subleased premises.

14. **NO WAIVER OF BREACH:** The failure of SUBLESSOR to insist in any one or more instances upon strict performance of any one or more of the covenants, terms and conditions of this sublease shall not be construed as a waiver of such covenants, terms and conditions, but the same shall continue in full force and effect, and no waiver of SUBLESSOR of any of the provisions hereof shall in any event be deemed to have been made unless the waiver is set forth in writing, signed by SUBLESSOR.

R 12/16

15. **TIME**: Time is expressly declared to be of the essence of this sublease.
16. **NON-DISCRIMINATION**: As a condition of obtaining this sublease, SUBLESSEE hereby agrees not to discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the subleased premises or upon lands adjacent to and used as an adjunct of the subleased premises.
17. **UTILITY FEES**: SUBLESSEE shall be responsible for the payment of all charges for the furnishing of gas, electricity, water and other public utilities to the subleased premises and for having all utilities turned off when the subleased premises are surrendered.
18. **MINERAL RIGHTS**: This sublease does not cover petroleum or petroleum products or minerals and does not give the right to SUBLESSEE to drill for or develop the same. However, SUBLESSEE shall be fully compensated for any and all damages that might result to the subleasehold interest of SUBLESSEE by reason of such exploration and recovery operations.
19. **RIGHT OF AUDIT**: SUBLESSEE shall make available to the TRUSTEES and SUBLESSOR all financial and other records relating to this sublease, and SUBLESSOR and or the TRUSTEES shall have the right to audit such records at any reasonable time. This right shall be continuous until this sublease expires or is terminated. This sublease may be terminated by SUBLESSOR should SUBLESSEE fail to allow public access to all documents, papers, letters or other materials made or received in conjunction with this sublease, pursuant to the provisions of Chapter 119, Florida Statutes.
20. **CONDITION OF PROPERTY**: Except as otherwise provided in Exhibit "C," attached hereto and fully incorporated herein by this reference, SUBLESSOR assumes no liability or obligation to SUBLESSEE with reference to the condition of the subleased premises or the suitability of the subleased premises for any improvements. Except as otherwise provided in Exhibit "C," the subleased premises herein are subleased by SUBLESSOR to SUBLESSEE in an "as is" condition, with SUBLESSOR assuming no responsibility for bidding, contracting, permitting, construction, and the care, repair, maintenance or improvement of the subleased premises for the benefit of SUBLESSEE.
21. **NOTICES**: All notices given under this sublease shall be in writing and shall be served by certified mail including, but not limited to, notice of any violation served pursuant to Section 253.04, Florida Statutes, to the last address of the party to whom notice is to be given, as designated by such party in writing. SUBLESSOR and SUBLESSEE hereby designate their address as follows:

SUBLESSOR: University of Central Florida
Division of Administration and Finance
4365 Andromeda Loop
Orlando, Florida, 32816

SUBLESSEE: Orange County Parks and Recreation Division
Attn: Manager
4801 W. Colonial Drive
Orlando, Florida, 32803

And

Orange County Real Estate Management Division
Attn: Manager
P.O. Box 1393
Orlando, FL 32802

With a mandatory copy to:

Board of Trustees of the Internal Improvement Trust Fund
c/o State of Florida Department of Environmental Protection
Division of State Lands
Bureau of Public Land Administration
3800 Commonwealth Boulevard, M.S. 130
Tallahassee, Florida 32399-3000

22. **BREACH OF COVENANTS, TERMS, OR CONDITIONS:** Should SUBLESSEE breach any of the covenants, terms, or conditions of this sublease, SUBLESSOR shall give written notice to SUBLESSEE to remedy such breach within sixty days of such notice. In the event SUBLESSEE fails to remedy the breach to the satisfaction of SUBLESSOR within sixty days of receipt of written notice, SUBLESSOR may either terminate this sublease and recover from SUBLESSEE all damages SUBLESSOR may incur by reason of the breach including, but not limited to, the cost of recovering the subleased premises or maintain this sublease in full force and effect and exercise all rights and remedies herein conferred upon SUBLESSOR.

23. **DAMAGE TO THE PREMISES:** (a) SUBLESSEE shall not do, or suffer to be done, in, on or upon the subleased premises or as affecting said subleased premises or adjacent properties, any act which may result in damage or depreciation of value to the subleased premises or adjacent properties, or any part thereof. (b) SUBLESSEE shall not generate, store, produce, place, treat, release, or discharge any contaminants, pollutants or pollution, including, but not limited to, hazardous or toxic substances, chemicals or other agents on, into, or from the subleased premises or any adjacent lands or waters in any manner not permitted by law. For the purposes of this sublease, "hazardous substances" shall mean and include those elements or compounds defined in 42 USC Section 9601 or which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) and the list of toxic pollutants designated by the United States Congress or the EPA or

defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance, material, pollutant or contaminant. "Pollutants" and "pollution" shall mean those products or substances defined in Chapters 376 and 403, Florida Statutes, and the rules promulgated thereunder, all as amended or updated from time to time. In the event of SUBLESSEE'S failure to comply with this paragraph, SUBLESSEE shall, at its sole cost and expense, promptly commence and diligently pursue any legally required closure, investigation, assessment, cleanup, decontamination, remediation, restoration and monitoring of (1) the subleased premises, and (2) all off-site ground and surface waters and lands affected by SUBLESSEE'S such failure to comply, as may be necessary to bring the subleased premises and affected off-site waters and lands into full compliance with all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations, orders and decrees, and to restore the damaged property to the condition existing immediately prior to the occurrence which caused the damage. SUBLESSEE'S obligations set forth in this paragraph shall survive the termination or expiration of this sublease. This paragraph shall not be construed as a limitation upon obligations or responsibilities of SUBLESSEE, except as set forth in Exhibit "C." Nothing herein shall relieve SUBLESSEE of any responsibility or liability prescribed by law for fines, penalties, and damages levied by governmental agencies, and the cost of cleaning up any contamination caused directly or indirectly by SUBLESSEE'S activities or facilities. Upon discovery of a release of a hazardous substance or pollutant, or any other violation of local, state or federal law, ordinance, code, rule, regulation, order or decree relating to the generation, storage, production, placement, treatment, release or discharge of any contaminant, SUBLESSEE shall report such violation to all applicable governmental agencies having jurisdiction, and to SUBLESSOR, all within the reporting periods of the applicable agencies. SUBLESSOR AND SUBLESSEE understand and agree that the provisions of this Section 23 shall only apply to SUBLESSEE prospectively commencing on the effective date, and that existing contaminants, pollutants, pollution, hazardous or toxic substances, chemicals or other agents present on the subleased premises or on adjacent properties subject to the Master Lease as of the effective date shall be and remain the responsibility of SUBLESSOR, consistent with the provisions of Exhibit "C."

24. **ENVIRONMENTAL AUDIT:** At SUBLESSOR'S discretion, SUBLESSEE shall provide SUBLESSOR with a current Phase I environmental site assessment conducted in accordance with the State of Florida Department of Environmental Protection, Division of State Lands' standards upon or contemporaneous with termination of this sublease, and if necessary a Phase II environmental site assessment.

25. **SURRENDER OF PREMISES:** Upon termination or expiration of this sublease, SUBLESSEE shall surrender the subleased premises to SUBLESSOR. In the event no further use of the subleased premises or any part thereof is needed,

SUBLESSEE shall give written notification to SUBLESSOR and the Bureau of Public Land Administration, Division of State Lands, State of Florida State of Florida Department of Environmental Protection, Mail Station 130, 3800 Commonwealth Boulevard, Tallahassee, Florida 32399-3000, at least six months prior to the release of any or all of the subleased premises. Notification shall include a legal description, this sublease number and an explanation of the release. The release shall only be valid if approved by SUBLESSOR and the TRUSTEES through execution of a release of sublease instrument with the same formality as this sublease. Upon release of all or any part of the subleased premises or upon termination or expiration of this sublease, all improvements, including both physical structures and modifications of the subleased premises, shall become the property of the TRUSTEES and SUBLESSOR, unless SUBLESSOR gives written notice to SUBLESSEE to remove any or all such improvements at the expense of SUBLESSEE. The decision to retain any improvements upon termination of this sublease shall be at SUBLESSOR'S sole discretion. Prior to surrender of all or any part of the subleased premises a representative of SUBLESSOR shall perform an on-site inspection and the keys to any building on the subleased premises shall be turned over to SUBLESSOR. If the subleased premises do not meet all conditions as set forth in paragraphs 17 and 34 herein, SUBLESSEE shall, at its expense, pay all costs necessary to meet the prescribed conditions.

26. **BEST MANAGEMENT PRACTICES:** SUBLESSEE shall implement applicable Best Management Practices for all activities conducted under this sublease in compliance with paragraph 18-2.018(2)(h), Florida Administrative Code, which have been selected, developed, or approved by SUBLESSOR, SUBLESSEE or other land managing agencies for the protection and enhancement of the subleased premises.

27. **SOVEREIGNTY SUBMERGED LANDS:** This sublease does not authorize any use of lands located waterward of the mean or ordinary high water line of any lake, river, stream, creek, bay, estuary, or other water body or the waters or the air space thereabove.

28. **PROHIBITIONS AGAINST LIENS OR OTHER ENCUMBRANCES:** Fee title to the subleased premises is held by the TRUSTEES. SUBLESSEE shall not do or permit anything to be done which purports to create a lien or encumbrance of any nature against the real property contained in the subleased premises without the prior written approval of the TRUSTEES and SUBLESSOR including, but not limited to, mortgages or construction liens against the subleased premises or against any interest of the TRUSTEES and SUBLESSOR therein.

29. **CONDITIONS AND COVENANTS:** All of the provisions of this sublease shall be deemed covenants running with the land included in the subleased premises, and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

30. **PARTIAL INVALIDITY:** If any term, covenant, condition or provision of this sublease shall be ruled by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

31. **ENTIRE UNDERSTANDING:** This sublease sets forth the entire understanding between the parties and shall only be amended with the prior written approval of the TRUSTEES and SUBLESSOR.

32. **EASEMENTS:** All easements of any nature including, but not limited to, utility easements are required to be granted by TRUSTEES. SUBLESSEE is not authorized to grant any easements of any nature and any easement granted by SUBLESSEE shall be void and without legal effect.

33. **SUBSUBLEASES:** This sublease is for the purposes specified herein and subsubleases of any nature are prohibited, without the prior written approval of TRUSTEES and SUBLESSOR. Any subsublease not approved in writing by TRUSTEES and SUBLESSOR shall be void and without legal effect.

34. **MAINTENANCE OF IMPROVEMENTS:** Except as otherwise provided in Exhibit "C," SUBLESSEE shall maintain the real property contained within the subleased premises and any improvements located thereon, in a state of good condition, working order and repair including, but not limited to, removing all trash or litter, maintaining all planned improvements as set forth in the approved Land Use Plan, and meeting all building and safety codes. SUBLESSEE shall maintain any and all existing roads, canals, ditches, culverts, risers and the like in as good condition as the same may be on the effective date of this sublease.

35. **COMPLIANCE WITH LAWS:** SUBLESSEE agrees that this sublease is contingent upon and subject to SUBLESSEE obtaining all applicable permits and complying with all applicable permits, regulations, ordinances, rules, and laws of the State of Florida or the United States or of any political subdivision or agency of either.

36. **ARCHAEOLOGICAL AND HISTORIC SITES:** Execution of this sublease in no way affects any of the parties' obligations pursuant to Chapter 267, Florida Statutes. The collection of artifacts or the disturbance of archaeological and historic sites on state-owned lands is prohibited unless prior authorization has been obtained from the State of Florida Department of State, Division of Historical Resources. The Management Plan prepared pursuant to Chapter 18-2 Florida Administrative Code, shall be reviewed by the Division of Historical Resources to insure that adequate measures have been planned to locate, identify, protect, and preserve the archaeological and historic sites and properties on the subleased premises.

37. **GOVERNING LAW:** This sublease shall be governed by and interpreted according to the laws of the State of Florida.

38. **SECTION CAPTIONS:** Articles, subsections and other captions contained in this sublease are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this sublease or any provisions thereof.

[Remainder of page intentionally left blank;

Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Sublease agreement to be executed on the day and year first above written.

**THE UNIVERSITY OF CENTRAL FLORIDA
BOARD OF TRUSTEES (SEAL)**

L. LaChiana
Original Signature

Linssey LeChiana
Typed/Printed Name of Witness

TM MJ
Original Signature

Tom Moyer
Typed/Printed Name of Witness

BY: [Signature]
Original Signature of Executing Authority

Thad Seymour, Jr.
Typed/Printed Name of Executing Authority

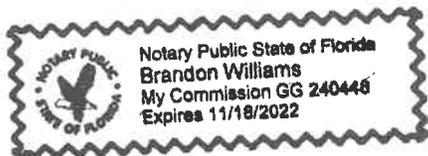
Interim President
Title of Executing Authority

“SUBLESSOR”

STATE OF Florida

COUNTY OF Orange

The foregoing instrument was acknowledged before me this 24th day of October, 2019, by Thad Seymour, Jr., as Interim President, for and on behalf of the University of Central Florida Board of Trustees. He is personally known to me or has produced _____ as identification.



[Signature]
Notary Public, State of Florida

Brandon Williams
Printed, Typed or Stamped Name

My Commission Expires:
11/18/2022
Commission/Serial No. GG 240 448

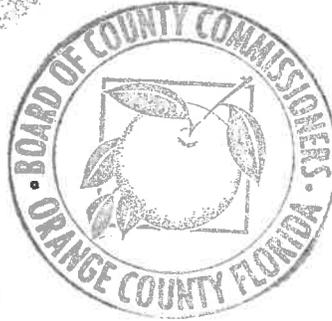
ORANGE COUNTY, FLORIDA

By: The Board of County Commissioners

By: *Bryan W. Demings*
BW Jerry L. Demings,
County Mayor

ATTEST: Phil Diamond, CPA, County Comptroller
As Clerk of the Board of County Commissioners

By: *Noelia Perez*
Deputy Clerk
Print: *Noelia Perez*
Date: DEC 03 2019



Consented to by TRUSTEES on 2nd day of January, 2020



APPROVED SUBJECT TO PROPER EXECUTION

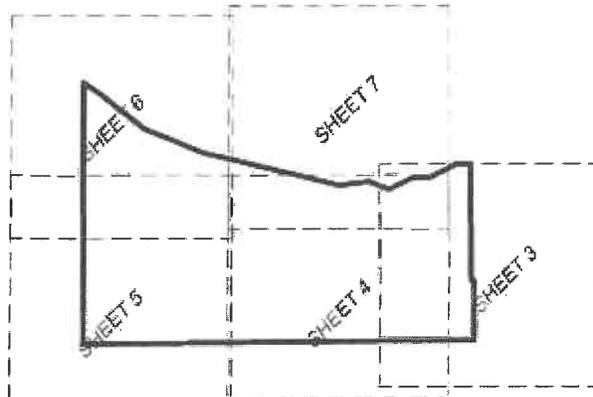
Brad Richardson, Senior Management Analyst Supervisor,
Bureau of Public Land Administration, Division of State
Lands, State of Florida Department of Environmental
Protection, as agent for and on behalf of the Board of Trustees
of the Internal Improvement Trust Fund of the State of Florida

By:  11-13-2018
DEP Attorney

SKETCH OF DESCRIPTION

PARCEL: 801
 ESTATE: LEASEHOLD
 PURPOSE: SUBLEASE

SKETCH SHEET INDEX



1 inch = 500 ft.

Surveyor's Notes:

- 1) This Sketch and Description is not valid without the original signature and seal of the signing Florida licensed surveyor and mapper.
- 2) Bearings shown hereon are relative to an assumed datum based on the West line of the Northwest ¼ of Section 27, Township 23 South, Range 29 East, as recovered in the field as being North 00° 22' 09" West as shown on ORLANDO CENTRAL PARK NUMBER FORTY according to the plat thereof recorded in Plat Book 7 at Page 9 of the Public Records of Orange County, Florida.
- 3) Lands shown hereon were not abstracted by this firm for matters of record, such as easements, rights of way, ownership or other instruments of record.
- 4) The location, configuration and area of the lands described and depicted hereon is based on instructions from the client.
- 5) This Sketch and Description is based on a boundary survey performed by this firm in August 2018 under project number 6374181117.
- 6) Additions or deletions to this Sketch and Description are prohibited without the written consent of the signing Florida licensed surveyor and mapper.
- 7) This Sketch and Description is certified for the exclusive use of Orange County.

THIS IS NOT A SURVEY

PROJECT TITLE: **Orange County Parks & Recreation Department
 Legal Description and Sketch
 UCF - Lake Elenor Property**

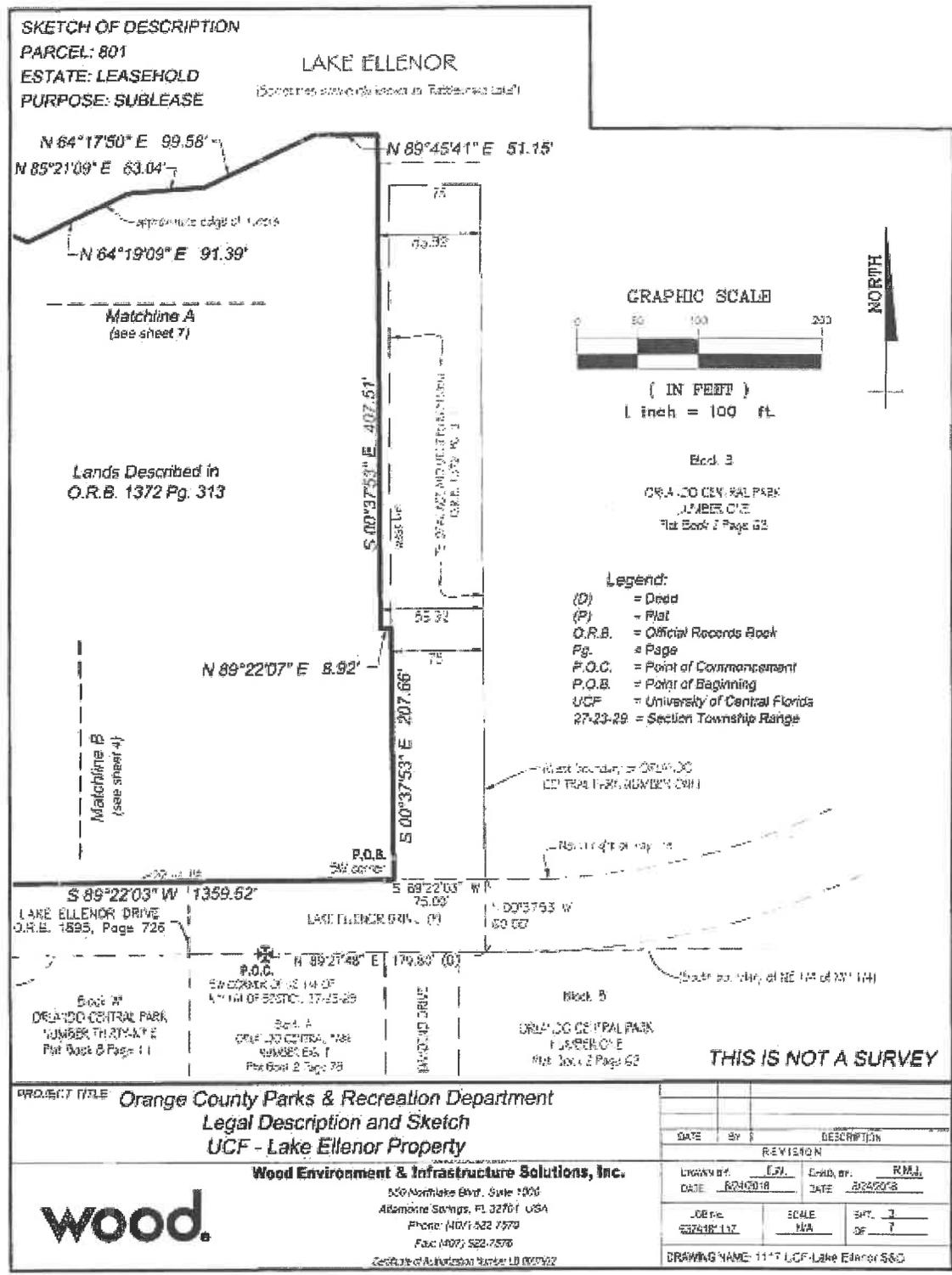
Wood Environment & Infrastructure Solutions, Inc.



550 Northgate Blvd., Suite 1000
 Altamonte Springs, FL 32701 USA
 Phone: (407) 522-7570
 Fax: (407) 522-7578

Get it done right the first time. (Member IPI/NSIS)

DATE	BY	DESCRIPTION
REVISIONS		
DRAWN BY	T.P.L.	CHECK BY
DATE	8/24/2018	DATE
JOB #	6374181117	SCALE
		DATE
DRAWING NAME: 1117 UCF-Lake Elenor 3&D		



PROJECT TITLE **Orange County Parks & Recreation Department
 Legal Description and Sketch
 UCF - Lake Ellenor Property**



Wood Environment & Infrastructure Solutions, Inc.
 500 Northlake Blvd., Suite 1000
 Altamonte Springs, FL 32701 USA
 Phone: (407) 522-7570
 Fax: (407) 522-7576
 Certificate of Authorization Number: LB 000702

DATE	BY	DESCRIPTION
REVISION		
Drawn by: <u>[Signature]</u>	Checked by: <u>[Signature]</u>	
DATE: <u>02/02/18</u>	DATE: <u>02/22/18</u>	
JOB No. <u>027418112</u>	SCALE <u>NA</u>	SHT. <u>1</u> OF <u>7</u>
DRAWING NAME: 1117 UCF-Lake Ellenor S&D		

SKETCH OF DESCRIPTION

PARCEL: 801
ESTATE: LEASEHOLD
PURPOSE: SUBLEASE

LAKE ELLENOR

(Sometimes previously known as "Fadedlake Lake")

approximate edge of waters

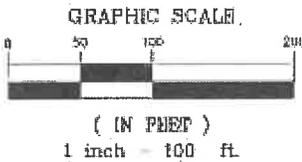
N 82°49'05" E 105.51'
 S 67°13'55" E 74.18'
 N 64°19'09" E 91.39'

Legend:

- (D) = Deed
- (P) = Plat
- O.R.B. = Official Records Book
- Pg. = Page
- P.O.C. = Point of Commencement
- P.O.B. = Point of Beginning
- UCF = University of Central Florida
- 27-23-29 = Section Township Range

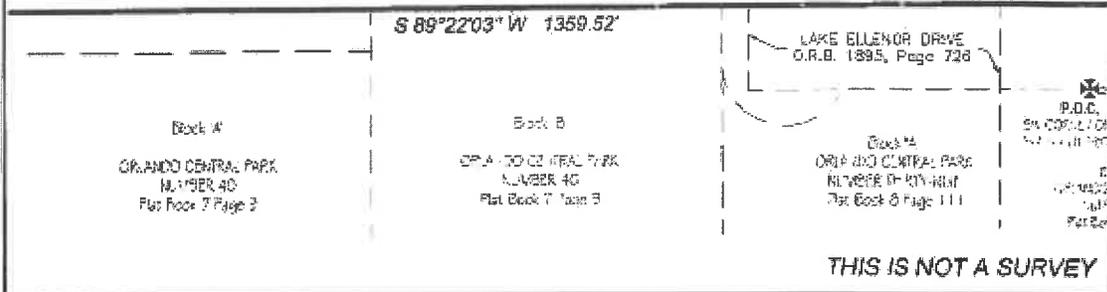
Matchline A
 (see sheet 7)

Lands Described in
 O.R.B. 1372 Pg. 313



Matchline C
 (see sheet 5)

Matchline B
 (see sheet 2)



PROJECT TITLE: Orange County Parks & Recreation Department
 Legal Description and Sketch
 UCF - Lake Ellenor Property

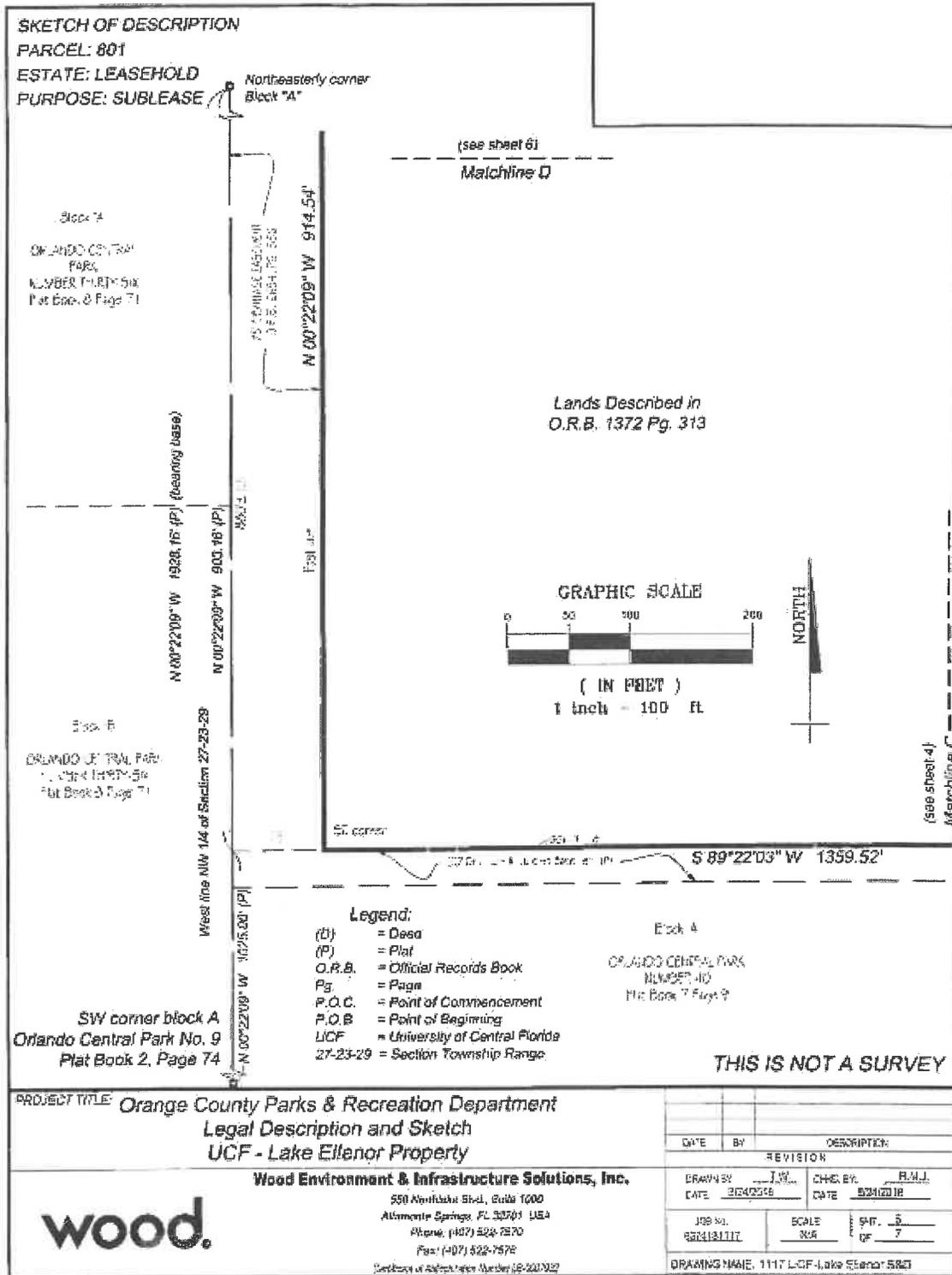


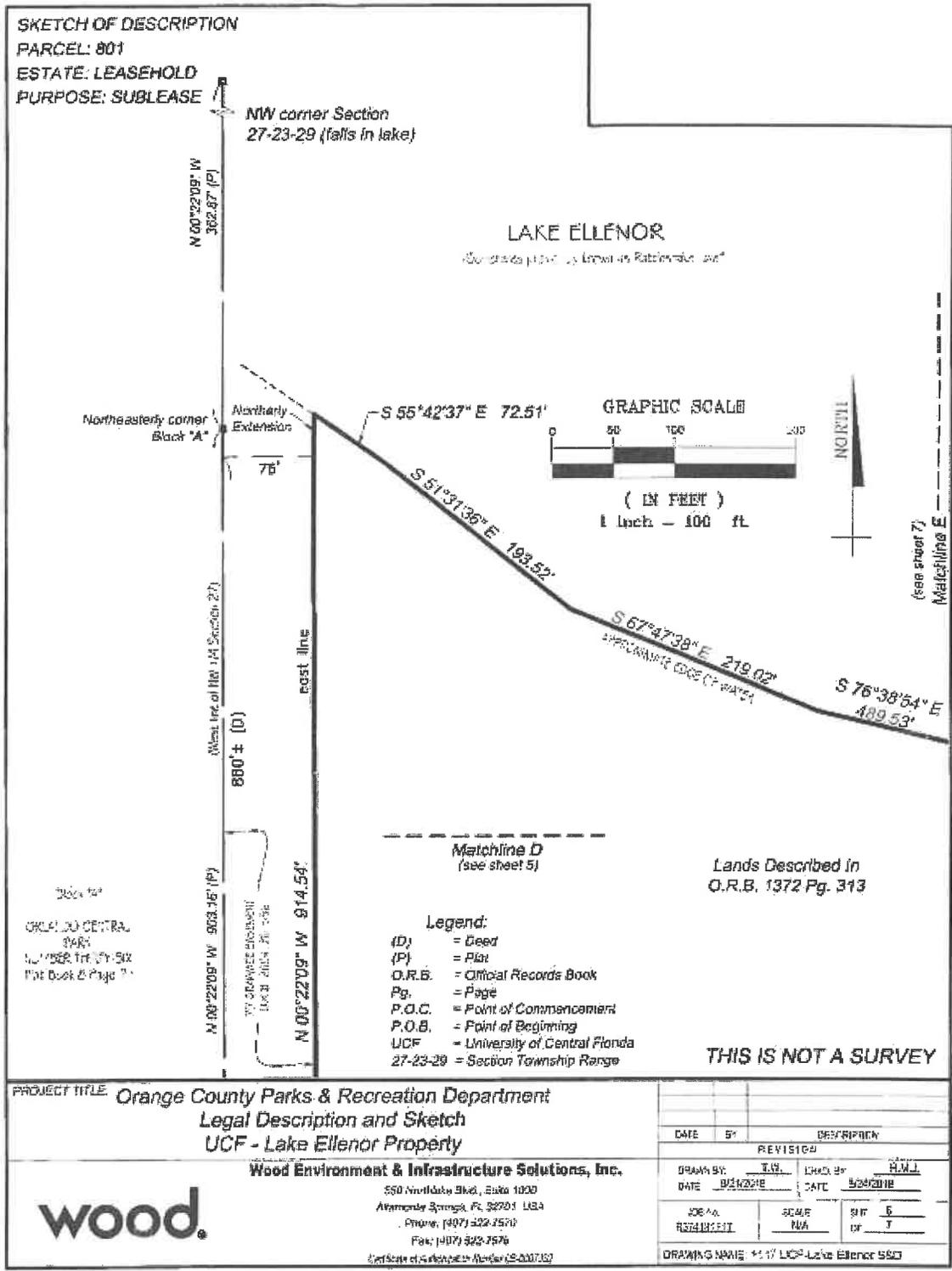
Wood Environment & Infrastructure Solutions, Inc.

550 Northline Blvd., Suite 1009
 Altamonte Springs, FL 32711 USA
 Phone: (407) 522-7570
 Fax: (407) 523-7579

Certificate of Authorization Number LB 0007542

DATE	BY	DESCRIPTION
REVISION		
DRAWN BY: J.R.	CHECK BY: R.M.J.	
DATE: 02/22/18	DATE: 02/22/18	
JOB NO. 180428111	SCALE: N/A	SHT. 4 OF 7
DRAWING NAME: 1117 UCF-Lake Ellenor 582		

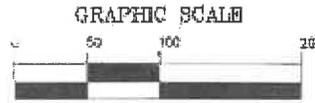




SKETCH OF DESCRIPTION

PARCEL: 801
 ESTATE: LEASEHOLD
 PURPOSE: SUBLEASE

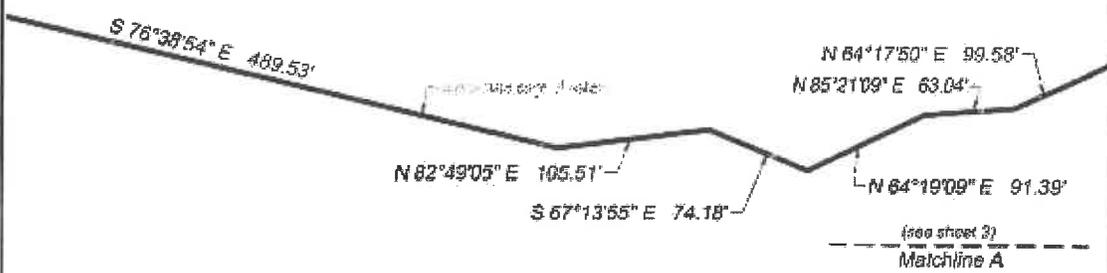
- Legend:**
 (D) = Deed
 (P) = Plat
 O.R.B. = Official Records Book
 Pg. = Page
 P.O.C. = Point of Commencement
 P.O.B. = Point of Beginning
 UCF = University of Central Florida
 27-23-29 = Section Township Range



Matchline E
(see sheet B)

LAKE ELLENOR

(see sheet B for previous boundary of Lake Ellenor)



THIS IS NOT A SURVEY

PROJECT TITLE: Orange County Parks & Recreation Department
 Legal Description and Sketch
 UCF - Lake Ellenor Property



Wood Environment & Infrastructure Solutions, Inc.

600 Northlake Blvd., Suite 1000
 Altamonte Springs, FL 32714 USA
 Phone: (407) 522-7870
 Fax: (407) 522-7878

Certificate of Registration Number LB 0007932

DATE	BY	REVISION	DESCRIPTION
REVISION			
DATE	BY	DATE	DATE
CD No.	SCALE	SHT.	
03/03/2012	N/A	OF 7	
DRAWING NAME: 1117 UCF-Lake Ellenor S&D			

Exhibit "B"

2

STATE OF FLORIDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

LEASE AGREEMENT

(1)2721

No. ~~2721~~

WHEREAS, State of Florida Board of Trustees of the Internal Improvement Trust Fund holds title to certain lands and property being utilized by the State of Florida for public purposes, and

WHEREAS, State of Florida Board of Trustees of the Internal Improvement Trust Fund is directed and authorized in Section 253.03, Florida Statutes, to enter into leases for the use, benefit and possession of public lands by State agencies which may properly use and possess them for the benefit of the State;

NOW, THEREFORE, this agreement made between STATE OF FLORIDA BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND as LESSOR, and the FLORIDA BOARD OF REGENTS, as LESSEE,

WITNESSETH:

The parties, for and in consideration of mutual covenants and agreements hereinafter contained, hereby covenant and agree as follows:

1. The lessor does hereby lease to the lessee the following described premises in the County of Orange, State of Florida, together with the improvements thereon:

The West $\frac{1}{2}$ of Section 2, Township 22 South, Range 31 East, subject to right of way for road over the North 40 feet thereof. The East $\frac{1}{2}$, and that part of the East $\frac{1}{2}$ of the West $\frac{1}{2}$ of Section 3, Township 22 South, Range 31 East, lying East of Alafaya Trail, subject to right of way for road over the North 40 feet thereof. The Northeast $\frac{1}{4}$, and that part of the Northwest $\frac{1}{4}$ lying East of Alafaya Trail, and that part of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, less the South 60 feet, lying East of Alafaya Trail, of Section 10, Township 22 South, Range 31 East. The Northwest $\frac{1}{4}$ of Section 11, Township 22 South, Range 31 East.

LEGAL DESCRIPTION APPROVED
AND
THIS INSTRUMENT WAS PREPARED BY
JAMES T. WILLIAMS
ELLIOT BUILDING
TALLAHASSEE, FLORIDA 32304

No. 2721

Page 2

TO HAVE AND TO HOLD the above described land for a period of Ninety-nine (99) years from the date hereof, for the purposes of developing, improving, operating, maintaining and otherwise managing said land for public purposes.

2. The lessee shall have the right to enter upon said land for all purposes necessary to the full enjoyment by said lessee of the rights herein conveyed to it.

3. The lessee shall through its agents and employees cooperate to prevent the unauthorized use of said land or any use thereof not in conformity with this lease.

4. This lease shall terminate at the sole option of the lessor, and the lessee shall surrender up the premises to the lessor, when and if said premises, including lands and improvements, shall cease to be used for public purposes. As used in this agreement, the term "public purposes" shall mean all or any of the purposes, actions or uses which the law authorizes to be done or performed by the lessee or by any of the officers, agents or employees of the lessee for and on behalf of the lessee. Any costs arising out of the enforcement of the terms of this lease agreement shall be the exclusive obligation of the lessee, payable upon demand of the lessor.

5. The lessor does not warrant or guarantee title, right or interest in the hereinabove described property.

6. The lessor or its duly authorized agents shall have the right at any time to inspect the said land and the works and operations thereon of the lessee in any matter pertaining to this agreement.

7. Any inequities that may subsequently appear in this lease shall be subject to negotiation upon written request of either party, and the parties agree to negotiate in good faith as to any such inequities.

8. This agreement is for public purposes and the lessee shall have the right to enter into further agreements or to sublease all or any part of the within land so long as the agreement and/or sublease shall effectively carry out and further the general purposes herein described after written notice to and right of rejection by the lessor.

9. The lessee hereby covenants and agrees to investigate all claims of every nature at its own expense, and to indemnify, protect, defend, hold and save harmless the State of Florida Board of Trustees of the Internal Improvement Trust Fund and the State of Florida from any and all claims, actions, law suits and demands of any kind or nature arising out of this agreement.

10. This agreement is executed in duplicate, each copy of which shall for all purposes be considered an original.

IN TESTIMONY WHEREOF, the Trustees, for and on behalf of the State of Florida Board of Trustees of the Internal Improvement Trust Fund have hereunto subscribed their names and have caused the official seal of said State of Florida Board of Trustees of the Internal Improvement Trust Fund to be hereunto affixed, in the City of Tallahassee, Florida, on this the 22nd day of January, A. D. 1974 and the Board of Regents has duly executed same and has affixed its official seal hereto this 22nd day of January, A.D., 1974.



Hubert H. White
Governor

Richard (Dick) Stone
Secretary of State

Robert L. Sherin
Attorney General

Jared Dickerson
Comptroller

Thomas W. Smalley
Treasurer

Mloyd T. Christian
Commissioner of Education

Deys Conner
Commissioner of Agriculture

As and Constituting the State of Florida Board of Trustees of the Internal Improvement Trust Fund.

BOARD OF REGENTS

By *Robert B. Mandel*
Chairman

ATTEST:
Hudix Claudi
Secretary

(SEAL)
BOARD OF REGENTS

EXHIBIT "C"

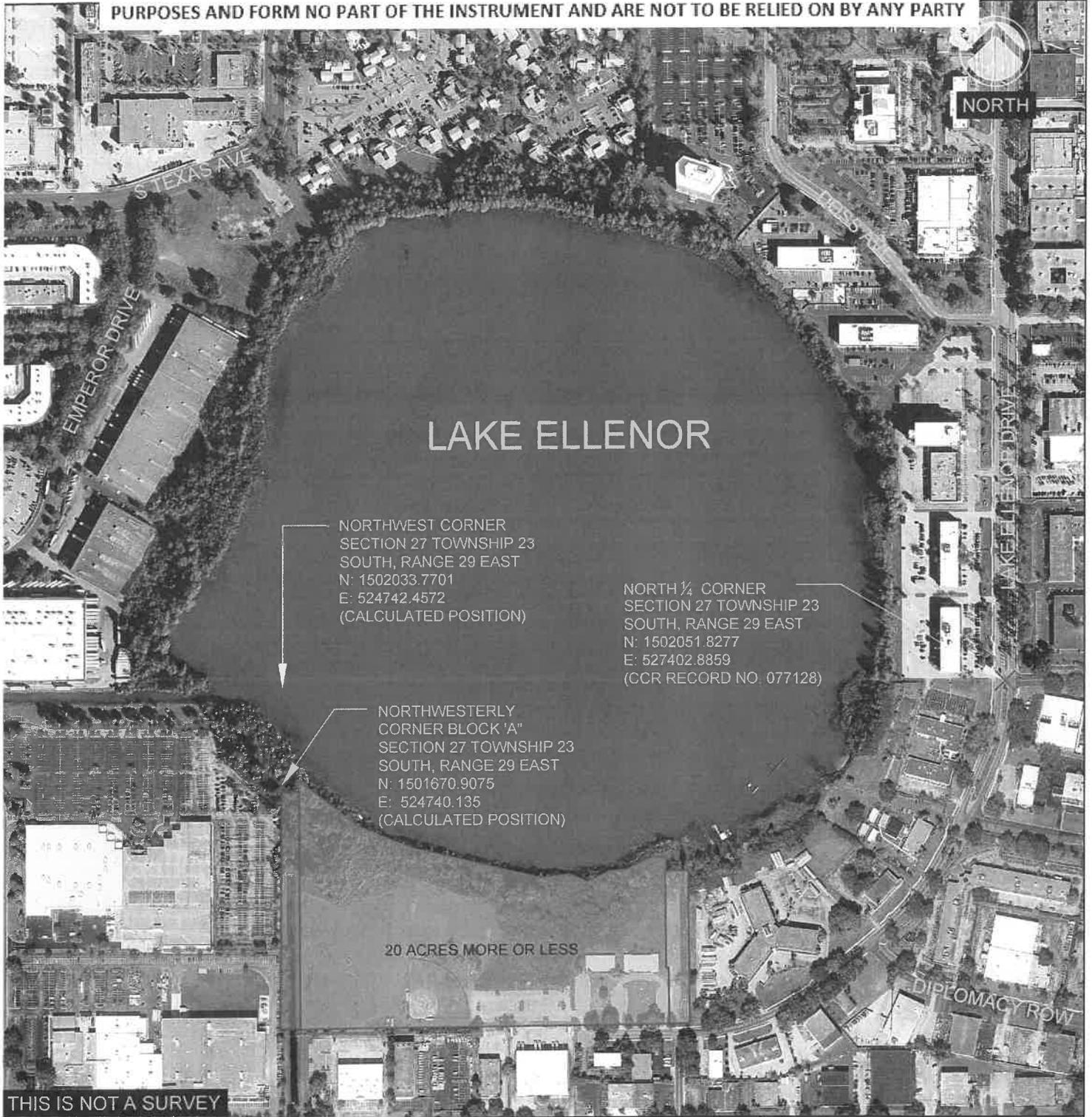
ENVIRONMENTAL MATTERS

1. SUBLESSOR and SUBLESSEE understand and acknowledge that Adverse Environmental Conditions, as defined herein, exist on the adjacent premises subject to the Master Lease (the "Existing Adverse Environmental Conditions"). Such Existing Adverse Environmental Conditions predate the effective date of this sublease and are more specifically identified in the Phase I Environmental Site Assessment for Lake Ellenor UCF South Campus dated June 7, 2017, prepared by ep³, inc. and on file with SUBLESSEE's Division of Risk Management.
2. SUBLESSOR shall be solely responsible for any Adverse Environmental Condition, including but not limited to the Existing Adverse Environmental Conditions, affecting the subleased premises that exists on the Effective Date of this sublease. Further, SUBLESSOR shall be solely responsible for any new or changed Adverse Environmental Condition adversely affecting the subleased premises during the term of this sublease, when such condition is caused by the Existing Adverse Environmental Conditions present on the adjacent premises subject to the Master Lease by means of release, migration, leaking, leaching, spilling, dumping, disposing, or otherwise.
3. To the limited extent permitted by Florida law, SUBLESSOR agrees and shall agree to thenceforth indemnify, defend (with counsel acceptable to SUBLESSEE), and save and hold harmless SUBLESSEE against and from, and to reimburse SUBLESSEE with respect to, any and all claims, judgments, liabilities, damages, loss, obligations, and costs and expenses (including, without limitation, reasonable paralegal and attorneys' fees and court costs, whether in court, out of court, prior to or on appeal, in bankruptcy or administrative proceedings), penalties, or fines, incurred by or asserted against SUBLESSEE by reason or arising out of the Existing Adverse Environmental Conditions and/or any other Adverse Environmental Condition on (i) the subleased premises and (ii) the adjacent premises subject to the Master Lease existing on the Effective Date of this sublease, including without limitation:
 - a. Any loss, cost, expense, claim or liability arising out of any investigation, monitoring, cleanup, containment, removal, storage, or restoration work required or incurred by SUBLESSEE or any entity or person in a reasonable belief that such work is required by any Environmental Law; and
 - b. Any claims of third parties for loss, injury, expense, or damage arising out of the Handling of hazardous substances on, under, in, above, to or from (i) the subleased premises and/or (ii) the adjacent premises subject to the Master Lease.
4. To the limited extent permitted by Florida law, SUBLESSEE agrees and shall agree to thenceforth indemnify, defend (with counsel acceptable to SUBLESSOR), and save and hold harmless SUBLESSOR against and from, and to reimburse SUBLESSOR with respect to, any and all claims, judgments, liabilities, damages, loss, obligations, and costs and expenses (including, without limitation, reasonable paralegal and attorneys' fees and court costs, whether in court, out of court, prior to or on appeal, in bankruptcy or administrative proceedings), penalties, or fines, incurred by or asserted against SUBLESSOR by reason or arising out of any Adverse Environmental Condition on (i) the subleased premises and/or (ii) the adjacent premises subject to the Master Lease resulting from or relating to the activities or operations of SUBLESSEE on the subleased premises occurring on or subsequent to the Effective Date, including without limitation:

- a. Any loss, cost, expense, claim or liability arising out of any investigation, monitoring, cleanup, containment, removal, storage, or restoration work required or incurred by SUBLESSOR or any entity or person in a reasonable belief that such work is required by any Environmental Law; and
 - b. Any claims of third parties for loss, injury, expense, or damage arising out of the Handling of hazardous substances on, under, in, above, to or from (i) the subleased premises and/or (ii) the adjacent premises subject to the Master Lease.
5. As used in this Exhibit “C,” the following terms shall have the following meanings:
- a. “*Adverse Environmental Condition*” shall mean any non-compliance with any Environmental Law.
 - b. “*Environmental Law*” shall mean the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. 9601 et seq., the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 801 et seq., the Toxic Substances Control Act, 15 U.S.C. 300f through 300j-26, as such Acts have been or are hereafter amended from time to time; any so called superfund or superlien law; and any and all federal, state, and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements, or other governmental restrictions relating to the protection of the environment or human health, welfare, or safety, or to the emission, discharge, seepage, release, or threatened release of hazardous substances into the environment including, without limitation, into ambient air, surface water, ground water, or land, or restrictions otherwise relating to the Handling of such hazardous substances as now or any time hereafter in effect.
 - c. “*Handling*” shall mean use, treatment, storage, manufacture, processing, distribution, transport, placement, discharge, generation, production, or disposal.

SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST

THIS PAGE AND ANY FOLLOWING PAGES ARE ATTACHED ONLY FOR STATE OF FLORIDA TRACKING PURPOSES AND FORM NO PART OF THE INSTRUMENT AND ARE NOT TO BE RELIED ON BY ANY PARTY



UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: Amendment to Aramark Contract

Information Information for upcoming action Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

Staff respectfully request the Committee’s consideration to amend the current food service agreement with Aramark. The contract has become an operational challenge for our partner due to the structure of the contract, delayed capital investment construction, and COVID-19’s depopulation of the campus.

Background Information:

Aramark became the food service provider for UCF in 2001. Since that time, the board as approved two amendments to the contract. The 2006 amendment provided UCF with capital investment to support the construction of the new convocation center and second dining hall in exchange for setting the term at 10 years, with two additional five-year extensions. The 2016 amendment provided additional capital investment from Aramark to support renovation and expansion of the student union, and converted the two five-year extensions into one ten-year option and then exercising that option to make the new termination date effective 2026.

The amendment also included an additional \$5 million for brand refresh, increased the annual commitment for repair and maintenance funding, and increased the commission structure to 11.5% of all meal plans sold and 10.5% of gross retail sales.

After several delays during the construction process, the student union expansion was completed just in time for the Fall 2020 semester. At this point, the university’s response to COVID had already drastically reduced the on-campus population and the culmination of these events caused a financial hardship for Aramark. Over the fall semester, sales have been tracked and show a decline of 86 percent over the prior year. There is some anticipated growth planned for the spring semester, but the decline in sales is expected to still have significant impacts through 2021.

The university has benefited from the capital investment to improve building assets and expand services to its students, faculty, and staff. These university enhancements will extend well beyond the life of the contract and the desire exists for both parties to find mutually agreeable terms to navigate through the fiscal effects of this difficult period.

Recommended Action:

It is our recommendation for the university to enter into a third amendment to the contract at this time. The terms effected by this amendment being a four-year extension of the amortization period for the capital investment beyond the contract term. Any unamortized liability existing at the end of the term would be due at the end of the contract through either university funding or included in the solicitation for an awarded vendor to be financially responsible.

The amendment also provides for a reduction of Aramark’s refresh commitments, and a sharing agreement of any unspent repair and maintenance funding at the end of each year. The amendment is also written to allow the university flexibility in “buying down” the unamortized liability should the university make any material changes to its food service program or retail mix resulting in revenue growth for the contract.

The amendment places priority on maintaining university cash flow by leaving the commission structure unchanged, and opting instead to alter the capital contributions. To evaluate the viability of the proposed reductions in the capital funds from this amendment, staff assessed the five-year outlook for campus and the expected financial needs for repair and maintenance as well as refresh funding specific to the food service locations, equipment and infrastructure.

Alternatives to Decision:

Consider amending the contract in other areas that would have cash impacts and lower annual revenues to the university, or initiate a solicitation for a new contract with a 10-year term. A solicitation at this time may not be prudent due to the state of the industry and the currently unamortized liability related to capital investments recently completed.

Fiscal Impact and Source of Funding:

Extension of the amortization period has the potential of leaving a liability balance up to \$5M outstanding at the end of the contract term, however, language included does allow the university flexibility to reduce this liability through various methods. The reduction in the contract's refresh funding obligation results in less capital available to invest in renovations of existing space, however, with the complete renovation of the student union, as well as recent updates to the Chick-fil-a location and our other dining halls, the near term future need for these funds is deemed relatively minimal.

Authority for Board of Trustees Action:

Board of Trustees' Delegation of Authority to the President

Contract Reviewed/Approved by General Counsel: N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda:

Submitted by:

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer

Supporting Documentation:

Attachment A: Aramark Contract Revisions Presentation

Attachment B: Aramark Amended and Restated Food Services Management Agreement

Facilitators/Presenters:

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer

Kevin Sowers, Director, Business Services

Aramark Contract Revisions

Misty Shepherd, Interim Vice President and Chief Operating Officer
Kevin Sowers, Director of Business Services
January 14, 2021

Aramark | Background

**Original Contract:
August 1, 2001**



**Amendment:
September 1, 2006**



**Amendment:
September 1, 2016**

- 10-year contract

- 10-year contract
 - Two 5-year extensions
- CapEx needed for Convocation Project

- Converted extensions into 10-year contract
- Higher Commission %
- Higher R&M Funding
- Added Refresh Funding
- CapEx - Student Union Project

Aramark | Commissions

- Current commission – **10.8%** average of sales
- >2% increase since 2016
- SUS average commission – 9.7%
- **>\$2M** annually to UCF in a normal year
- Commissions are shared with:
 - Student Union, Alumni Center, Recreation and Wellness Center

**Commission
Revenue
Rising**

2020 – 10.8%

2018 – 8.50%

2016 – 8.45%

2014 – 8.32%

2012 – 8.35%

Aramark | Capital Investment

- \$25.85M investment (2006-current)
- Projects
 - 2016 – Student Union
 - 2016 – Recreation and Wellness Center
 - 2014 – Starbucks Health & Public Affairs
 - 2007 – Knightros Convocation Center

**CapEx
Expense Rising**

2021 - \$2.614M

2020 – \$1.619M

2019 - \$1.218M

2018 – \$817K

2017 - \$593K

2016 – \$437K

Aramark | Brand Refresh

- 2016 contract added \$500K annually
- \$1M balance remaining
- Refresh funds expensed annually
- Projects
 - Einstein's – Business Administration
 - Einstein's – Education
 - Chick Fil A – JT Washington Center
 - Knightros

**Refresh
Expense \$'s**

**2017-2026:
\$500K
annually**

Total: \$5M

Aramark | Repair & Maintenance

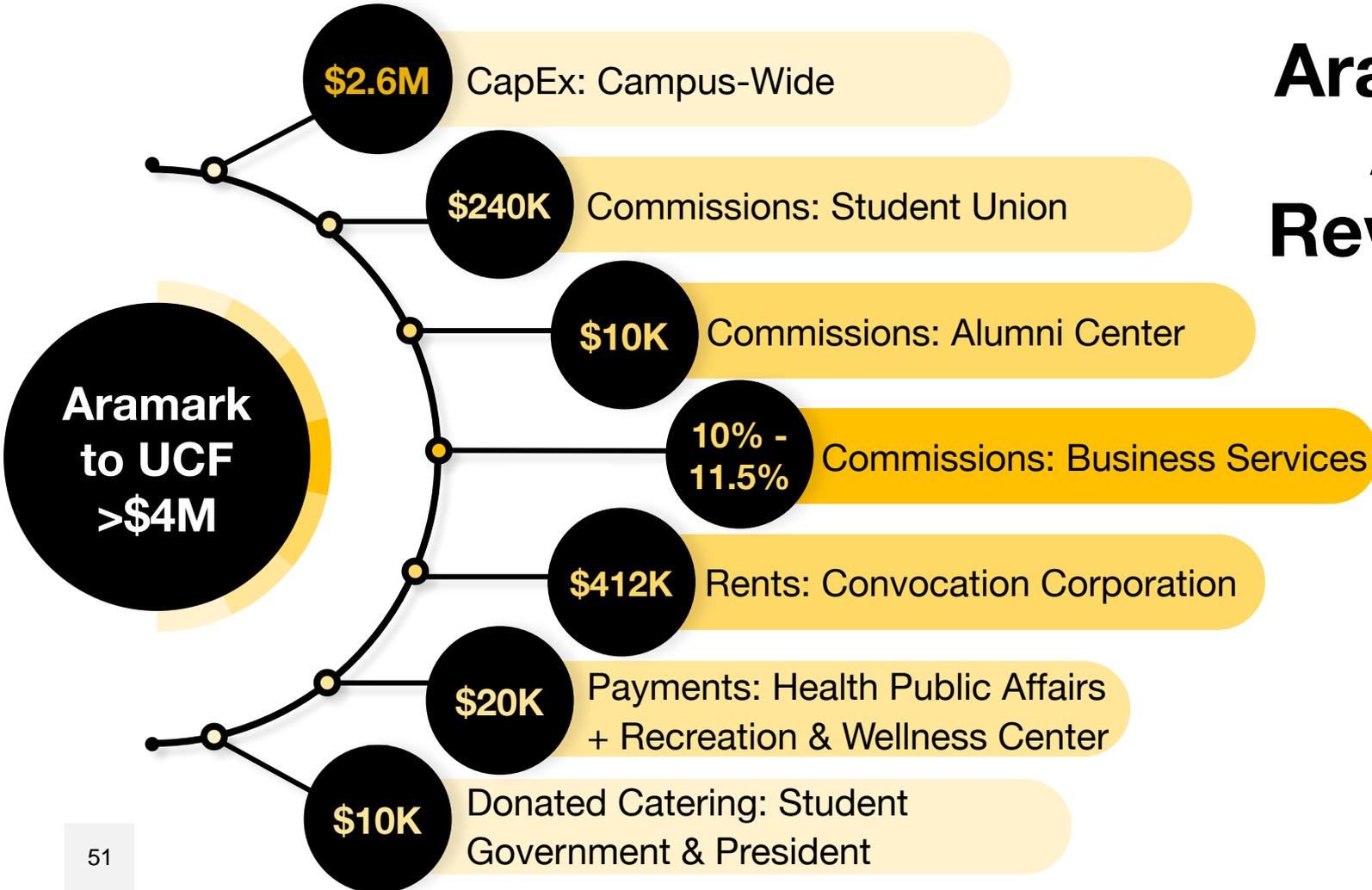
2016 Contract – \$5.5M

- Annual excess of unused funds
- Annual average available \$548K
- UCF retains unspent R&M funds

R&M Funding Rising

2026	- \$658K
2025	- \$636K
2024	- \$614K
2023	- \$593K
2022	- \$574K
2021	- \$554K
2020	- \$536K
2019	- \$518K
2018	- \$500K
2017	- \$300K

Aramark | Annual Revenues



Aramark | COVID Impacts

RETAIL SALES

Decline of 86% over prior year

86%

RETAIL SALES

Decline of \$8.2M Mar-Dec 2020

\$5.2M

MEAL PLAN SALES

Decline of 34% over prior year

34%

MEAL PLAN SALES

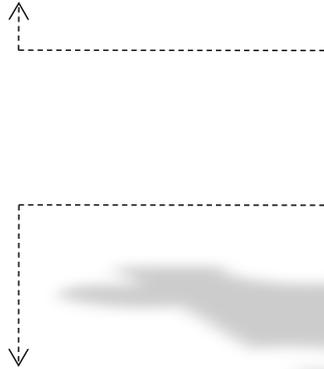
Decline of >\$1M

>\$1M

Aramark | Proposed Revisions

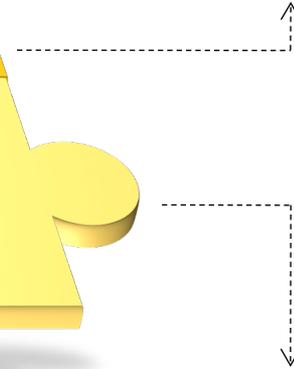
Amortization

Extended 4 years



Refresh

Rightsized based on need



Repair & Maintenance

Unspent funds split annually

Additional Year of Operations

Utilizing BOG Reg 18.001 (i)

Questions?

Thank you.



Summary of Agreement

Purpose/Background	<p>The purpose of this proposed amendment is to adjust the terms and conditions related to the university's existing agreement with Aramark.</p> <ul style="list-style-type: none"> • The original agreement was executed in 2001 with a 10-year term expiring 2016. Aramark's initial capital investment was \$2.2M. • In 2006 the BOT approved the first amendment to the agreement to provide for two optional 5-year extensions in the term in exchange for an additional \$7.5M capital investment from Aramark. • In 2016 the BOT approved the second amendment which converted the two 5-year extensions into a 10-year extension, effectively making the new expiration date 2026, in exchange for an additional \$17.9M capital investment from Aramark. Additionally, this amendment revised the commission structure to reflect 11.5% rate for the university on meal plans and a 10% rate on all retail sales generated and provided additional annual funds from Aramark for R&M and Refresh.
Parties	UCF and Aramark
Term	2001-2026
Obligations of UCF	To allow inclusive food services rights with limited exceptions.
Obligations of other party	To provide food service operations for the campus on an exclusive basis where exception have not been granted in exchange for capital investment and commission revenues.
Financial terms	<ul style="list-style-type: none"> • This proposed amendment would allow for an extension of Aramark's amortization period four years beyond the contract termination date, effectively creating an outstanding liability at the end of the term. The amendment would also allow for any unspent "Repair & Maintenance" funds remaining at the end of each year, to be split between UCF and Aramark. Additionally, the amendment would allow for a reduction of Aramark's annual "Refresh" contribution.
Termination rights	Either party can terminate with 90 notification and discussion of possible remedies.

Additional terms	None available. Could only extend via BOG regulation 18.001 to allow for 1 year extension while in the solicitation process.
Link to agreement	https://bot.ucf.edu/files/2021/01/U-of-Central-Florida-FL-HE-Food-2020-Amend-v5.pdf

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: Rent Concessions for Independent Retail Vendors

Information

Information for upcoming action

Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

Staff respectfully request the Committee's authority to enter into individual discussions and arrangements with each independent vendor on campus to provide rent relief depending on each vendor's current services and financial position.

Background Information:

On November 11, a recommendation to waive the rent due from small business tenants for the months of March through August, was brought to the Board of Trustees Finance and Facilities Committee. At that time, the FFC requested additional information on alternative arrangements.

The majority of the retailers' rents are in arrears and continue to pose a significant burden on their ability to provide service for our campus. While we consider the financial benefit of these rents the university receives, the larger value provided comes from the vitality and options these vendors bring to on-campus life. These businesses also provide employment opportunities for our students and social spaces for interaction.

During the fall semester, some vendors have resumed their rent payments. In November, vendors that had not resumed rent payments were instructed to pay the greater of 50 percent of base rents or 6 percent of sales not to exceed their full base rent to mitigate a continued growing receivable for the university and liability for the vendors.

Subsequent to the November FFC meeting, staff confirmed that other schools in the SUS have taken actions to either defer, reduce, or waive rents. Dialogue with the Greater Orlando Aviation Authority confirmed they offered tenants a deferment to waiver program for the five-month period of May through September, as well as a 50 percent reduction through March 2021 and they will assess the volume of holiday and spring break travel to determine if additional concessions will be needed.

Recommended Action:

Staff request the authority and ability to arrange rent relief for these tenants based on each individual vendor's financial situation. The parameters of such agreements to include consideration for a deferment to waiver of rent payments accrued over the Spring and Summer semesters based on the tenant meeting established criteria and to include consideration of rent reduction until the campus regains normal capacity. Such reductions would include terms no less than 50 percent of rent due or 6 percent of sales, whichever is greater. This approach would create a rent structure that increases as campus population grows and sales rise. Further consideration associated with these discussions could also include potential proposals with tenants for revenue sharing agreements in lieu of rents forgiven.

Alternatives to Decision:

Enforce payment and collections of all rents due under lease agreements. This alternative would undoubtedly force some of the independent retailers into closure.

Fiscal Impact and Source of Funding:

UCF's total monthly income from rent is \$61,250. Rent revenues are distributed to multiple areas throughout the university. Negotiations with each independent retailer may impact these units' monthly rent revenues:

- Convocation Corporation's monthly rent for independent retailers is \$49,062
- Student Union's monthly rent for independent retailers is \$5,709
- Business Services' monthly rent for independent retailers is \$3,521
- Recreation and Wellness Center's monthly rent for independent retailers is \$2,950

Authority for Board of Trustees Action:

Board of Trustees' Delegation of Authority to the President

Contract Reviewed/Approved by General Counsel: N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda:

Submitted by:

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer

Supporting Documentation:

Attachment A: Knights Plaza (UCF Convocation Corporation) Retail Vendor Summary

Attachment B: Student Union, Recreation and Wellness Center, and John T. Washington Center
Independent Retail Vendor Summary

Facilitators/Presenters:

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer
Kevin Sowers, Director, Business Services

Knights Plaza – Convocation Corporation

- 7 Total small business retail locations
- 7 Currently operating
- 2 closed during April – August due to depopulation
- PY Retail Sales March – August
 - \$2.67M
- FY20 Retail Sales March – August
 - \$1.32M
- Sales Decline
 - **(\$1.35M) or (51%)**

Student Union, Recreation and Wellness Center, and John T. Washington Center

- 23 Total retail locations
- 12 Currently operating
- 4 Locations have closed since Fall semester start (3 independents 1 Aramark)
- PY Retail Sales March – August
 - \$5.06M
- FY20 Retail Sales March – August
 - \$800K
- Sales Decline
 - **(\$4,257M) or (85%)**

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: Direct Support Organizations' Financial Report, Ended September 30, 2020 – First Quarter

Information **Information for upcoming action** **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

In keeping with UCF's Presidential goals to improve internal communications methods and channels to provide timely, relevant and transparent information to faculty and staff, this item is provided to the trustees quarterly for information purposes only.

Background Information:

The first quarter financial statements for the university direct support organizations and the Central Florida Clinical Practice Organization are attached.

Issues to be Considered:

UCF Academic Health

UCF Academic Health, Inc. supports medical education, research, and patient care through the planning and development of clinical initiatives and affiliated partnerships that serve the educational, research, and clinical mission of the College of Medicine. It began operations in July 2019 with the leasing of space to outside tenants in the Lake Nona Cancer Center.

The Corporation's financial performance through the first quarter is tracking closely with the budget. Revenue and expenses relate to existing leases at the Lake Nona Cancer Center and there is little variance from what was expected.

UCF Athletics Association and UCF Stadium Corporation

The Athletics Association was organized to operate the university's intercollegiate athletic programs. The Stadium Corporation receives pledged revenues from the Association, premium seat revenue, and other revenues including concessions, merchandise, and interest to fund debt used to construct the football stadium. Any surplus remaining after debt service and operating expenses is transferred back to the Association to fund its operations. This combined view is intended to present gross revenues and expenditures of the Association and provide a fuller understanding of the impact that the Corporation has on the Association's financial results. Notable variances in the first quarter financial results are as follows:

Operating revenues

The \$4.9 million unfavorable budget variance in revenues from Athletic events, including premium seating and \$4.4 million decrease from the same quarter of the prior year was due to only hosting 4 home football games as opposed to the 7 that were budgeted for the 2020 season and the 6 home games that were played in the 2019 season. In addition, only 25 percent spectator capacity was permitted for the current 2020 season due to social distancing protocols.

The \$0.6 million unfavorable budget variance in Sponsorship revenue and \$1.5 million decrease from the same quarter of the prior year was directly related to the pandemic and related economic impact.

The favorable budget variances (\$0.9 million and \$0.3 million, respectively) in Sport and Support operations expenses and decreases from the prior year (\$1.3 million and \$0.8 million, respectively) were due to an intentional reduction in operations to lessen the financial impact of the pandemic. Savings resulted from the following: reducing competition schedules, regionalizing contests where possible, limiting game guarantees/multi-team events, the dead period extension in recruiting, and decreasing administrative expenses such as event operations, marketing/ promotions, and printing/ mailing costs.

Offsetting the favorable variance from Sport and Support operations were unfavorable budget variances of \$0.7 million in Employee compensation, primarily driven by the timing of coach payments and \$0.8 million in Other expenses, primarily driven by unbudgeted rust and remediation repairs. The rust and remediation repairs are being funded by settlement proceeds received in the prior year. These factors also contributed to the increases from the same quarter of the prior year.

The transfers of pledged revenues from the Association to Stadium Corporation were sufficient to fund its September 1st debt service payment and annual operating costs. Unlike prior years, ticket sales revenue will be transferred on a game-by-game basis. This will help the Association manage its cash flows and provide Stadium Corporation with sufficient pledged revenues to cover its March 1st debt service payment when it comes due. The next agenda item presents the board with a proposed amended budget that reflects current revenue and expense projections based on known changes in key assumptions.

UCF Convocation Corporation

The Convocation Corporation operates four student residence halls (Towers Knights Plaza), the convocation center (Addition Financial Arena and The Venue), surrounding retail space (Knights Plaza), and adjacent parking. The operation of these facilities fund the debt service obligations related to the housing and arena bonds.

Housing revenues were significantly higher than budget. When the annual budget was approved in May, it assumed that campus housing would remain closed through October due to the global coronavirus pandemic. The university announced its return to the campus plan in June which permitted the reopening of campus housing at a reduced capacity for the fall semester. Housing rental revenue reflects a fall 2020 semester occupancy of 86% compared to 99% occupancy in fall 2019. Additionally, \$1.5 million of the variance to prior year is related to summer revenue recognized during fiscal 2020 that would have normally been deferred at the end of June and recognized in the current fiscal year.

Retail revenues includes unbudgeted rent billings of approximately \$150,000. These revenues were unbudgeted due to anticipated rent deferments.

To comply with the university's return to campus plan and to minimize the spread of the global coronavirus pandemic, there were no events held in the arena during the first quarter.

The next agenda item presents the board with a proposed amended budget that reflects current revenue and expense projections based on known changes in key assumptions.

UCF Finance Corporation

The Finance Corporation holds debt related to the construction of the Burnett Biomedical Sciences building on the health sciences campus in Lake Nona and the construction of the UCF downtown campus.

Transfers from University represents rent due pursuant to the 2017 amended and restated operating lease agreement and used to pay down the Burnett Biomedical Sciences building loan.

Transfers from UCF Foundation represents the receipt of donor pledges used to secure and pay down the UCF downtown construction note. A \$1.2 million pledge payment due on September 30th was not received by UCF Foundation until October. This revenue and the associated principal payment will appear in the Q2 report.

The net increase from operations represents year to date pledges received for the construction of the UCF downtown campus. Net increases are anticipated to continue as scheduled pledge payments are received to

offset the net decrease recorded in fiscal year 2020 resulting from the \$7 million transferred to the University for the construction of the downtown campus. No further draws on the note are planned.

Year to date debt service includes scheduled principal (\$2.6 million) and interest (\$0.7 million) payments on the Burnett building loan and principal (\$0.1 million) on the UCF downtown construction note. As of the end of the quarter, approximately \$3.9 million was outstanding on the UCF downtown construction note. Pledges, net of reserves, scheduled to be received by the note's maturity date were \$6.6 million.

UCF Foundation

The UCF Foundation's principal function is to provide charitable and educational aid to the University. For the period ended September 30, 2020, the Foundation dispersed \$4.3 million on behalf of the university in support of programs, scholarships, and other university priorities. Resources for these expenditures comes in the form of spendable distributions from endowed funds as well as restricted and unrestricted gifts for current operations.

The market conditions for the three months ended September 30, 2020 were favorable compared to the same quarter of the prior year, driving the increase in gifts, fees, and investment earnings compared to budget and prior year. Savings have resulted from a hiring freeze and the discontinuation of travel and stewardship events due to the COVID-19 pandemic.

UCF Limbitless Solutions

Limbitless produces artistic prosthetic medical devices, conducts research and promotes STEM/ STEAM education.

Additional clinical trials for bionic arms have been delayed due to the coronavirus global pandemic resulting in a reduction in expenses. Non-operating activity includes unbudgeted donations \$308 thousand collected and earmarked for the new lab renovation project anticipated to begin in November 2020.

UCF Research Foundation

The Research Foundation promotes and supports the research activities of faculty, staff, and students. Its operating revenue and expenses include contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

Operating revenues and expenses are trending higher than both budget and prior year due to the receipt of monies on Contracts and Grants that were due in the fourth quarter of fiscal 2020, but delayed due to the global coronavirus pandemic.

Central Florida Clinical Practice Organization

CFCPO is an affiliated organization formed to support the medical education program and clinical faculty within the College of Medicine.

Budgeted revenues assumed a 30% reduction from original targets due to the impact of the global coronavirus pandemic. While uncertainty remains, actual revenues exceed budget by 23%, primarily due to higher than anticipated patient volume. First quarter revenues are similar to the first quarter of the prior year, but were accomplished with fewer clinical providers.

Operating expenses exceed budget by 18%, primarily due to higher supply costs correlating to the increased level of clinical activity and unbudgeted facility lease expense that was expected to be paid by the College of Medicine.

Transfers to the College of Medicine are significantly lower than budget due to a reduced need for CFCPO to fund salaries and benefits. This is the most significant factor contributing to the positive margin for the first quarter. The cash held in the CFCPO is managed to remain above \$2 million.

Recommended Action:

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

Specific trustee request.

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

Attachment A: UCF Academic Health

Attachment B: UCF Athletics Association and Stadium Corporation

Attachment C: UCF Convocation Corporation

Attachment D: UCF Finance Corporation

Attachment E: UCF Foundation

Attachment F: UCF Limitless Solutions

Attachment G: UCF Research Foundation

Attachment H: Central Florida Clinical Practice Organization

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Christina Tant, Assistant Vice President for DSO Accounting and Reporting

Attachment A

University of Central Florida Academic Health, Inc.
Statement of Operations
Three Months Ended September 30, 2020

	2020-21				2019-20			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Revenues								
Real Estate	\$ 63,116	\$ 61,404	\$ 1,712	3 %	\$ 25,742	\$ 7,098	\$ 18,644	263 %
Other	-	-	-	-	8,430	2,957	5,473	185 %
Total Revenues	63,116	61,404	1,712	3 %	34,172	10,055	24,117	240 %
Operating Expenses								
Professional Services	3,750	3,750	-	0 %	3,750	3,750	-	0 %
Facility Expense	47,736	47,738	2	0 %	6,435	2,957	(3,478)	(118)%
Information Technology	1,803	1,803	-	0 %	1,750	1,750	-	0 %
Other Operating Expense	9,827	8,113	(1,714)	(21)%	2,076	5,800	3,724	64 %
Total Operating Expense	63,116	61,404	(1,712)	(3)%	14,011	14,257	246	2 %
Net increase (decrease)	\$ -	\$ -	\$ -	-	\$ 20,161	\$ (4,202)	\$ 24,363	580 %

Attachment B

UCF Athletic Association and The UCF Stadium Corporation Consolidated Statement of Operations Three Months Ended September 30, 2020

	UCF Athletic Association			UCF Stadium Corporation			Combined			Variance to Budget		UCF Athletic Association			UCF Stadium Corporation			Combined			Variance to Prior Year		
	Actual			Budget			Actual			Actual			Actual			Actual			Favorable (Unfavorable)		Favorable (Unfavorable)		
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	
Operating revenues																							
Athletic events, including premium seating	\$ 1,807,681	\$ 774,307	\$ 2,581,988	\$ 5,247,900	\$ 2,199,050	\$ 7,446,950	\$ (4,864,962)	(65.33)%	\$ 4,720,271	\$ 2,265,414	\$ 6,985,685	\$ (4,403,697)	(63.04)%										
University allocations	14,129,559	-	14,129,559	14,867,031	-	14,867,031	(737,472)	(4.96)%	14,109,296	-	14,109,296	20,263	0.14 %										
Sponsorship	1,489,199	-	1,489,199	2,147,500	-	2,147,500	(658,301)	(30.65)%	2,265,513	750,000	3,015,513	(1,526,314)	(50.62)%										
Contributions	635,882	250,000	885,882	1,390,360	-	1,390,360	(504,478)	(36.28)%	986,996	1,500	988,496	(102,614)	(10.38)%										
Other	14,048	-	14,048	82,750	-	82,750	(68,702)	(83.02)%	143,655	-	143,655	(129,607)	(90.22)%										
Total operating revenues	18,076,369	1,024,307	19,100,676	23,735,541	2,199,050	25,934,591	(6,833,915)	(26.35)%	22,225,731	3,016,914	25,242,645	(6,141,969)	(24.33)%										
Operating expenses																							
Scholarships	3,469,541	-	3,469,541	4,105,966	-	4,105,966	636,425	15.50 %	3,876,004	-	3,876,004	406,463	10.49 %										
Employee compensation	7,093,981	-	7,093,981	6,366,049	-	6,366,049	(727,932)	(11.43)%	6,449,853	-	6,449,853	(644,128)	(9.99)%										
Sport operations	1,011,025	-	1,011,025	1,890,936	-	1,890,936	879,911	46.53 %	2,279,143	-	2,279,143	1,268,118	55.64 %										
Support operations	2,026,650	-	2,026,650	2,327,732	-	2,327,732	301,082	12.93 %	2,824,420	-	2,824,420	797,770	28.25 %										
Other	1,733,883	804,806	2,538,689	1,425,710	262,500	1,688,210	(850,479)	(50.38)%	1,995,649	268,007	2,263,656	(275,033)	(12.15)%										
Total operating expenses	15,335,080	804,806	16,139,886	16,116,393	262,500	16,378,893	239,007	1.46 %	17,425,069	268,007	17,693,076	1,553,190	8.78 %										
Net operating income	2,741,289	219,501	2,960,790	7,619,148	1,936,550	9,555,698	(6,594,908)	(69.02)%	4,800,662	2,748,907	7,549,569	(4,588,779)	(60.78)%										
Nonoperating revenues (expenses)																							
Net transfers (to Stadium Corp) / from UCFAA	(824,496)	824,496	-	(4,482,315)	4,482,315	-	-	-	(401,624)	401,624	-	-	-										
Interest income	-	18,035	18,035	-	16,250	16,250	1,785	10.99 %	-	31,047	31,047	(13,012)	(41.91)%										
Interest expense	(124,186)	(841,803)	(965,989)	(139,610)	(841,803)	(981,413)	15,424	(1.57)%	(67,024)	(881,444)	(948,468)	(17,521)	(1.85)%										
Capital project donations - Athletics	(75,342)	-	(75,342)	164,001	-	164,001	(239,343)	(145.94)%	120,190	-	120,190	(195,532)	(162.69)%										
Restricted accounts revenue	221,050	-	221,050	264,628	-	264,628	(43,578)	(16.47)%	11,482	-	11,482	209,568	1825.19 %										
Restricted accounts outlay	(32,174)	-	(32,174)	(252,378)	-	(252,378)	220,204	87.25 %	(287,725)	-	(287,725)	255,551	88.82 %										
Capital projects outlay	(13,070)	-	(13,070)	(178,982)	-	(178,982)	165,912	92.70 %	(43,513)	-	(43,513)	30,443	69.96 %										
Total nonoperating revenues (expenses)	(848,218)	728	(847,490)	(4,624,656)	3,656,762	(967,894)	120,404	12.44 %	(668,214)	(448,773)	(1,116,987)	269,497	(24.13)%										
Net increase (decrease) from operations	\$ 1,893,071	\$ 220,229	\$ 2,113,300	\$ 2,994,492	\$ 5,593,312	\$ 8,587,804	\$ (6,474,504)		\$ 4,132,448	\$ 2,300,134	\$ 6,432,582	\$ (4,319,282)											
Debt service:																							
Principal	\$ 295,000	\$ -	\$ 295,000	295,000	\$ 1,940,000	\$ 2,235,000	\$ 1,940,000	86.80 %	\$ 280,000	\$ -	\$ 280,000	\$ (15,000)	(5.36)%										
Interest	124,186	841,803	965,989	139,610	1,683,606	1,823,216	857,227	47.02 %	67,024	881,444	948,468	(17,521)	(1.85)%										
Total Debt Service	\$ 419,186	\$ 841,803	\$ 1,260,989	\$ 434,610	\$ 3,623,606	\$ 4,058,216	\$ 2,797,227	68.93 %	\$ 347,024	\$ 881,444	\$ 1,228,468	\$ (32,521)	(2.65)%										

Attachment C

UCF Convocation Corporation
Statement of Operations
Three months ended September 30, 2020

	2020-2021				2019-2020			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Housing Operations								
Revenues								
Apartment rentals	\$ 6,177,481	\$ 408,738	\$ 5,768,743	1411 %	\$ 8,716,889	\$ 8,712,500	\$ 4,389	0 %
Parking	259,097	259,097	-	0 %	259,097	259,097	-	0 %
Other	26,568	1,875	24,693	1317 %	81,950	37,752	44,198	117 %
Total revenues	6,463,146	669,710	5,793,436	865 %	9,057,936	9,009,349	48,587	1 %
Expenses								
Expenses - operations	1,398,411	1,345,089	(53,322)	(4)%	1,947,304	2,108,405	161,101	8 %
Expenses - R&R	465,872	785,290	319,418	41 %	139,746	139,746	-	-
Total expenses	1,864,283	2,130,379	266,096	12 %	2,087,050	2,248,151	161,101	7 %
Net increase (decrease) from housing operations	4,598,863	(1,460,669)	6,059,532	(415)%	6,970,886	6,761,198	209,688	3 %
Retail Operations								
Total revenues	502,665	330,597	172,068	52 %	470,829	468,399	2,430	1 %
Total expenses	98,291	101,283	2,992	3 %	128,705	138,024	9,319	7 %
Net increase (decrease) from retail operations	404,374	229,314	175,060	76 %	342,124	330,375	11,749	4 %
Arena Operations								
Revenues								
Event related	-	-	-	-	1,337,024	1,179,253	157,771	13 %
Premium seating and sponsorship	22,124	-	22,124	-	145,963	183,504	(37,541)	(20)%
Rental Income	2,333,750	2,333,750	-	0 %	2,333,750	2,333,750	-	0 %
Other	3,215	14,000	(10,785)	(77)%	60,376	37,781	22,595	60 %
Total revenues	2,359,089	2,347,750	11,339	0 %	3,877,113	3,734,288	142,825	4 %
Expenses								
Direct event	-	-	-	-	966,709	832,692	(134,017)	(16)%
Operating and indirect event	665,232	806,334	141,102	17 %	939,433	980,721	41,288	4 %
Direct premium seating	-	-	-	-	-	-	-	-
R&R expenses	21,599	288,362	266,763	93 %	464,770	464,770	-	-
Total expenses	686,831	1,094,696	407,865	37 %	2,370,912	2,278,183	(92,729)	(4)%
Net increase (decrease) from arena operations	1,672,258	1,253,054	419,204	33 %	1,506,201	1,456,105	50,096	3 %
Net increase (decrease)	\$ 6,675,495	\$ 21,699	\$ 6,653,796		\$ 8,819,211	\$ 8,547,678	\$ 271,533	
Debt Service								
Total Debt Service	\$ -				\$ -			

Attachment D

UCF Finance Corporation
Statement of Operations
Three months ended September 30, 2020

	2020-2021				2019-2020			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Revenues								
Transfers from University - Burnett Loan ¹	\$ 694,360	\$ 695,374	\$ (1,014)	(0)%	\$ 716,995	\$ 733,468	\$ (16,473)	(2)%
Transfers from Foundation - Downtown Pledges ²	102,871	1,255,000	(1,152,129)	(92)%	-	-	-	0 %
Investment Income	14,599	13,750	849	6 %	29,587	12,500	17,087	137 %
Total revenues	811,830	1,964,124	(1,152,294)	(59)%	746,582	745,968	614	0 %
Expenses								
Operating	9,335	9,500	165	2 %	16,250	15,636	(614)	(4)%
Interest	699,624	699,624	-	0 %	730,332	730,332	-	0 %
Transfers to UCF - Downtown Construction ³	-	-	-	0 %	-	-	-	0 %
Total expenses	708,959	709,124	165	0 %	746,582	745,968	(614)	(0)%
Net increase (decrease)	\$ 102,871	\$ 1,255,000	\$ (1,152,129)	(92)%	\$ -	\$ -	\$ -	0 %
Debt Service								
Principal ⁴	\$ 2,723,871				\$ 2,559,000			
Interest ⁴	699,624				730,332			
Total Debt Service	\$ 3,423,495				\$ 3,289,332			

¹ Transfers from University represents rent pursuant to the 2017 amended and restated operating lease agreement related to the financing of the Burnett Biomedical Sciences building constructed on the health sciences campus in Lake Nona.

² Transfers from UCF Foundation represent pledges received for the construction of the UCF Downtown Campus which are used to pay principal on the UCF Downtown construction note. A \$1.2 million pledge payment due on September 30th was not received by UCF Foundation until October. This revenue and the associated principal payment will appear in the Q2 report.

³ Transfers to the UCF downtown construction project were funded by draws on the UCF downtown construction note during fiscal year 2020. No additional transfers are anticipated, and outstanding pledges held by UCF Foundation exceed the balance remaining on the construction note. At September 30, 2020, \$3.9 million was outstanding on the note. Pledges, net of reserves, scheduled to be received by the note's maturity in March 2023 of \$6.6 million exceeded the outstanding loan balance by approximately two-thirds.

⁴ Year to date debt service payments include scheduled principal (\$2.6 million) and interest (\$0.7 million) payments on the Burnett building loan and principal (\$0.1 million) on the UCF Downtown construction note.

Attachment E

UCF Foundation Unrestricted Operations Three months ended September 30, 2020

	2020-21				2019-20			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Unrestricted revenues								
University and other related support	\$ 3,563,698	\$ 3,839,440	\$ (275,742)	(7)%	\$ 4,149,970	\$ 4,179,209	\$ (29,239)	(1)%
Gifts, fees, and investment earnings	3,018,293	1,595,820	1,422,473	89 %	1,408,245	1,385,813	22,432	2 %
Real estate operations	500,000	500,000	-	0 %	492,339	492,339	-	0 %
Total unrestricted revenue	7,081,991	5,935,260	1,146,731	19 %	6,050,554	6,057,361	(6,807)	(0)%
Unrestricted expenses								
Academic and university support	97,539	307,287	209,748	68 %	171,841	303,646	131,805	43 %
Development, alumni relations, and operations	3,979,761	4,160,854	181,093	4 %	5,018,289	5,402,128	383,839	7 %
Total unrestricted expenses	4,077,300	4,468,141	390,841	9 %	5,190,130	5,705,774	515,644	9 %
Net increase (decrease) from unrestricted operations	\$ 3,004,691	\$ 1,467,119	\$ 1,537,572	(105)%	\$ 860,424	\$ 351,587	\$ 508,837	(145)%
Debt Service								
Principal	\$ -				\$ -			
Interest	-				-			
Total Debt Service	\$ -				\$ -			

The information provided above is a reflection of the Foundation's unrestricted activity only and does not include income distribution from endowment or revenue for current operations with donor designations and restrictions.

For the period ending September 30, 2020, the Foundation dispersed **\$4.3 million** on behalf of the university in support of programs, scholarships, and other university priorities. Resources for these expenditures comes in the form of spendable distributions from endowed funds as well as restricted and unrestricted gifts for current operations, provided as follows:

Unrestricted	\$ 97,539
Restricted (included endowment)	4,152,887
Total Dispersed	\$ 4,250,426

Attachment F

Limbitless Solutions Inc.
Statement of Operations
Three months ended September 30, 2020

	2020-21				2019-20			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Operating Revenues								
Donations	\$ 54,515	\$ 75,000	\$ (20,485)	(27.3)%	\$ 83,674	\$ 87,500	\$ (3,826)	(4)%
Sponsorships	25,000	25,000	-	0 %	14,400	-	14,400	100 %
Other	2,001	3,750	(1,749)	(47)%	2,970	5,000	(2,030)	(41)%
Total operating revenues	81,516	103,750	(22,234)	(21)%	101,044	92,500	8,544	9 %
Operating Expenses								
Operating expenses ¹	29,909	70,488	40,579	58 %	43,624	73,257	29,633	40 %
Total operating expenses	29,909	70,488	40,579	58 %	43,624	73,257	29,633	40 %
Nonoperating activity ²								
Renovation donations	308,069	-	308,069	100 %	-	-	-	0 %
Renovation expense	-	-	-	0 %	-	-	-	0 %
Net nonoperating activity	308,069	-	308,069	0 %	-	-	-	0 %
Net increase (decrease)	\$ 359,676	\$ 33,262	\$ 326,414	981 %	\$ 57,420	\$ 19,243	\$ 38,177	198 %

¹ Additional clinical trials for bionic arms have been delayed due to COVID-19 resulting in a reduction in expense.

² Nonoperating activity includes donations collected and specifically designated to the LSI lab renovation project and expenses incurred to complete the project. Donations for this project have been collected, however, renovations are anticipated to begin in November 2020.

Attachment G

UCF Research Foundation
Statement of Operations
Three months ended September 30, 2020

	2020-21				2019-20			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Revenues								
Operating revenue ¹	\$ 3,207,827	\$ 3,013,750	\$ 194,077	6 %	\$ 3,089,323	\$ 2,907,500	\$ 181,823	6 %
Management fees and other	586,489	300,000	286,489	49 %	213,436	200,000	13,436	6 %
Total revenues ²	3,794,316	3,313,750	480,566	13 %	3,302,759	3,107,500	195,259	6 %
Expenses ¹								
Total operating expenses ²	3,342,948	3,146,250	(196,698)	(6)%	3,194,776	3,042,500	(152,276)	(5)%
Net increase (decrease)	\$ 451,368	\$ 167,500	\$ 283,868	63 %	\$ 107,983	\$ 65,000	\$ 42,983	40 %

¹ Operating revenue and expenses includes contracts, grants, royalties, contributions, rents, conferences, unit residuals, and consortiums.

² Total revenues and expenses are trending higher than both budget and prior year due to the receipt of monies on Contracts and Grants that were due in the fourth quarter of fiscal 2020 but delayed as a result of global coronavirus pandemic.

Attachment H

Central Florida Clinical Practice Organization
Statement of Operations
Three Months Ended September 30, 2020

	2020-21				2019-20			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
Revenues								
Patient Care	\$ 1,809,038	\$ 1,469,378	\$ 339,660	23 %	\$ 1,805,997	\$ 1,614,933	\$ 191,064	12 %
Other	212,597	179,255	33,342	19 %	210,544	209,393	1,151	1 %
Total Revenues	2,021,635	1,648,633	373,002	23 %	2,016,541	1,824,326	192,215	11 %
Operating Expenses								
Professional Services	101,077	114,626	13,549	12 %	190,407	165,875	(24,532)	(15)%
Supplies and Repairs	285,285	231,636	(53,649)	(23)%	255,156	234,107	(21,049)	(9)%
Facility Expense	119,678	58,767	(60,911)	(104)%	63,288	58,583	(4,705)	(8)%
Information Technology	91,624	86,440	(5,184)	(6)%	140,244	125,254	(14,990)	(12)%
Other Operating Expense	12,301	25,896	13,595	52 %	29,424	32,276	2,852	9 %
Total Operating Expense	609,965	517,365	(92,600)	(18)%	678,519	616,095	(62,424)	(10)%
Total Transfer to the College of Medicine	347,416	1,131,268	783,852	69 %	1,577,242	1,952,148	374,906	19 %
Total Expenses	957,381	1,648,633	691,252	42 %	2,255,761	2,568,243	312,482	12 %
Net increase (decrease)	\$ 1,064,254	\$ -	\$ 1,064,254	-	\$ (239,220)	\$ (743,917)	\$ 504,697	68 %

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: Direct Support Organizations' 2020-21 Amended Budgets

Information Information for upcoming action Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

In keeping with UCF's Presidential goals to improve internal communications methods and channels to provide timely, relevant and transparent information to faculty and staff, this item is provided to the trustees for approval.

Background Information:

Annual DSO budgets were approved by the DSO board of directors in the spring and then by the university board of trustees in its June 18, 2020 meeting. Those budgets reflected assumptions related to the impact of the global coronavirus pandemic. Amended budgets for the Athletics Association, Stadium Corporation, and Convocation Corporation are now being submitted to reflect certain events and actions that were not anticipated when the approved budgets were developed in the spring. The FY 2021 amended budgets have been approved by the DSO boards and are now being presented for approval by the University's Board of Trustees.

Additionally, UCF Academic Health is submitting an amended budget that reflects an accounting change and revision to the schedule of mortgage payments for the Lake Nona Cancer Center.

Issues to be Considered:

UCF Athletics Association and UCF Stadium Corporation

The annual budget developed and approved in May assumed that 7 home games would be played and that spectators would be allowed to attend. The football schedule was subsequently finalized to include only 4 home games with reduced spectator capacity. Season ticket holders were offered several options that allowed them to convert the value of their 2020 football season tickets into any combination of: fewer tickets for the 2020 football season, a credit toward 2021 football season tickets, a contribution to the Athletics Association's Charge On Fund, and/or a cash refund. The budget is being amended to reflect current projections based on known changes in these key assumptions.

The \$5.3 million decrease in Athletic events, including premium seating is comprised of a \$3.4 million reduction in ticket sales revenue for the Athletics Association and a \$1.9 million reduction in premium seating revenue for the Stadium Corporation.

The \$2.2 million decrease in budgeted transfers of excess pledged revenues from the Stadium Corporation to Athletics Association is related to the aforementioned \$1.9 million reduction of premium seating revenue plus a \$0.3 million reduction in estimated concessions revenue for the Stadium Corporation. The Stadium Corporation's budget was also amended to include \$1.4 million of rust and remediation repairs that are being funded by settlement proceeds received in the prior year. The amended budget continues to support the

expectation that pledged revenues will be sufficient to cover the Corporation's remaining annual debt service payments when they come due.

The reduced facility capacities for athletics events are contributing to other projected revenue losses as well as new expenses for the Association; expenses for COVID-19 testing, additional sanitation of facilities, and travel protocols have all increased. In addition to the reduced projected revenues and new expenses, there are related cash flow challenges resulting from the economic impact of the pandemic and the timing of Conference and NCAA payments during the year. The amended budget reflects the deferment of the \$1 million loan payment to the university as approved by the Board of Trustees on December 17, 2020. A \$4 million, 18-month loan from the UCF Foundation will also be used to support projected cash shortfalls and to provide a cushion to assist with cashflow timing issues. This loan matures in June 2022. The Association is continuing to explore financing options to support an additional \$2.5 million of operating cash needs through July 2022. If a plan is not in place by the issuance of the Association's financial statements for the year ended June 30, 2020, then the external auditors will likely issue a going concern opinion.

UCF Convocation Corporation

The Convocation Corporation operates four student residence halls (Towers Knights Plaza), the convocation center (Addition Financial Arena and The Venue), surrounding retail space (Knights Plaza), and adjacent parking. The operation of these facilities fund the debt service obligations related to the housing and arena bonds.

Housing

- Increase to apartment rental revenue to reflect fall occupancy at 86% based on the university's return to the campus plan which permitted the reopening of campus housing at a reduced capacity for the fall semester instead of remaining closed through October as originally anticipated. Budget assumes 93% occupancy for spring and 85% for summer.
- The removal of university support of \$700,000, which was already included in the forgone spring and summer revenues provided by the university in June to perform under the housing management agreement.
- Estimated expense savings and efficiencies due to the restructuring of operations resulting from the management agreement approved by the board in its June 22, 2020 meeting. Due to the transition of employees, salary expense previously included in housing operations has been reallocated between housing administration expense and maintenance and custodial expense in both housing and arena operations.

Retail

- Reduction to arena rental and housing retail income to account for potential rent deferment/waiver and/or rental rate reduction while the campus has been depopulated from April to August. This recommendation was taken to the University Finance and Facilities Committee for approval in November but was not approved and is considered pending upon further due diligence.
- Reduction of retail expenses to account for management transition savings.

Arena

- Reduction in revenue and expense due to no first quarter arena events to comply with the university's return to campus plan and to minimize the spread of the global coronavirus pandemic. Budget assumes a full high school commencement schedule in the spring.

- The removal of university support of \$1,350,000 which was already included in the forgone spring and summer revenues provided by the university in June to perform under the housing management agreement.

UCF Academic Health, Inc.

UCF Academic Health, Inc. manages the external tenant space in the Lake Nona Cancer Center. Two events impacted their budget for the current fiscal year.

- Facility expenses decreased due to the accrual of future mortgage payments in the prior fiscal year. This change in accounting was approved by the Corporation’s external auditors and resulted in the elimination of the FY20 projected surplus that was anticipated when the FY21 budget was developed in the spring.
- The first mortgage payment was deferred from December 2020 to July 2021. This changed the allocation of Facility Expense between periods and building operations, reducing the overall Facility Expense.

Recommended Action:

Approve the amended budgets.

Alternatives to Decision:

Do not approve the amended budget or approve with revisions.

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

- UCF Regulation 4.034
- FS 1004.28 (7)
- (6)(c) of the revised Delegation of Authority to the President: Recommend for Board of Trustees’ approval annual operating and capital budgets for Affiliated Organizations

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

Attachment A: UCF Athletics Association and Stadium Corporation

Attachment B: UCF Convocation Corporation

Attachment C: UCF Academic Health

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Christina Tant, Assistant Vice President for DSO Accounting and Reporting

Attachment A

UCF Stadium Corporation and UCF Athletics Association Amended Annual Budget Fiscal 2020-21

	UCF Athletics Association			UCF Stadium Corporation			COMBINED			
	2019-20 ACTUALS	2020-21 APPROVED BUDGET	2020-21 AMENDED BUDGET	2019-20 ACTUALS	2020-21 APPROVED BUDGET	2020-21 AMENDED BUDGET	2019-20 ACTUALS	2020-21 APPROVED BUDGET	2020-21 AMENDED BUDGET	BUDGET INCREASE (DECREASE)
Revenues										
Athletics events, including premium seating	\$ 11,100,328	\$ 15,695,382	\$ 12,247,473	\$ 2,587,946	\$ 2,768,000	\$ 882,540	\$ 13,688,274	\$ 18,463,382	\$ 13,130,013	\$ (5,333,369)
University allocations	33,691,829	34,464,900	34,804,880	-	-	-	33,691,829	34,464,900	34,804,880	339,980
Sponsorship	8,940,558	9,025,000	6,325,000	760,625	815,709	479,980	9,701,183	9,840,709	6,804,980	(3,035,729)
Contributions	6,354,522	7,886,365	3,831,365	143,300	390,000	390,000	6,497,822	8,276,365	4,221,365	(4,055,000)
Other	528,788	394,600	228,600	-	-	-	528,788	394,600	228,600	(166,000)
Total revenues	60,616,025	67,466,247	57,437,318	3,491,871	3,973,709	1,752,520	64,107,896	71,439,956	59,189,838	(12,250,118)
Expenses										
Scholarships	10,107,504	10,264,915	10,264,915	-	-	-	10,107,504	10,264,915	10,264,915	-
Employee compensation	25,610,326	26,992,700	26,201,653	-	-	-	25,610,326	26,992,700	26,201,653	(791,047)
Sport Operations	8,509,406	8,505,093	6,275,481	-	-	-	8,509,406	8,505,093	6,275,481	(2,229,612)
Support Operations	12,135,540	11,443,847	10,548,118	-	-	-	12,135,540	11,443,847	10,548,118	(895,729)
Other	3,039,714	2,396,600	3,671,100	319,601	300,000	1,672,128	3,359,315	2,696,600	5,343,228	2,646,628
Total operating expenses	59,402,490	59,603,155	56,961,267	319,601	300,000	1,672,128	59,722,091	59,903,155	58,633,395	(1,269,760)
Net increase (decrease) from total operations	1,213,535	7,863,092	476,051	3,172,270	3,673,709	80,392	4,385,805	11,536,801	556,443	(10,980,358)
Non-operating revenues (expenses)										
Net transfers to Stadium Corp/ from UCFAA	710,898	115,104	(2,106,086)	39,102	(115,104)	2,106,086	750,000	-	-	-
Interest income	-	-	-	121,287	65,000	65,000	121,287	65,000	65,000	-
Interest expense	(488,915)	(558,440)	(435,940)	(1,762,888)	(1,683,606)	(1,683,606)	(2,251,803)	(2,242,046)	(2,119,546)	122,500
Capital project donations - Athletics	1,266,649	656,005	1,600,000	-	-	-	1,266,649	656,005	1,600,000	943,995
Restricted accounts revenue	1,615,579	1,058,512	600,000	-	-	-	1,615,579	1,058,512	600,000	(458,512)
Restricted accounts outlay	(969,387)	(1,009,512)	(100,000)	-	-	-	(969,387)	(1,009,512)	(100,000)	909,512
Capital projects outlay	(590,662)	(715,928)	(1,537,209)	-	-	-	(590,662)	(715,928)	(1,537,209)	(821,281)
Settlement Proceeds	-	-	-	1,400,000	-	-	1,400,000	-	-	-
Total non-operating revenues (expenses)	1,544,162	(454,259)	(1,979,235)	(202,499)	(1,733,710)	487,480	1,341,663	(2,187,969)	(1,491,755)	696,214
Net increase (decrease) in net position	\$ 2,757,697	\$ 7,408,833	\$ (1,503,184)	\$ 2,969,771	\$ 1,939,999	\$ 567,872	\$ 5,727,468	\$ 9,348,832	\$ (935,312)	\$ (10,284,144)
Debt Service										
Principal	\$ 894,594	\$ 2,276,000	\$ 1,451,000	\$ 1,863,000	\$ 1,940,000	\$ 1,940,000	\$ 2,757,594	\$ 4,216,000	\$ 3,391,000	\$ (825,000)
Interest	488,915	558,440	435,940	1,762,888	1,683,606	1,683,606	2,251,803	2,242,046	2,119,546	(122,500)
Total Debt Service	\$ 1,383,509	\$ 2,834,440	\$ 1,886,940	\$ 3,625,888	\$ 3,623,606	\$ 3,623,606	\$ 5,009,397	\$ 6,458,046	\$ 5,510,546	\$ (947,500)

**UCF Convocation Corporation
Annual Budget
2020-2021**

	2019-2020 Actuals	2020-2021 Approved Budget	2020-2021 Amended Budget	Increase/ (Decrease)
Housing Operations				
Revenues				
Apartment rentals	\$ 14,526,117	\$ 13,826,029	\$ 15,386,991	\$ 1,560,962
Housing Subsidy from UCF	5,547,481	-	-	-
Parking	1,036,388	1,036,388	1,036,388	-
University support	-	700,000	-	(700,000)
Other	501,866	58,125	58,125	-
Total revenues	<u>21,611,852</u>	<u>15,620,542</u>	<u>16,481,504</u>	<u>860,962</u>
Expenses				
Operating	6,091,265	5,090,505	4,497,782	(592,723)
R&R expenses	265,818	785,290	785,290	-
Total expenses	<u>6,357,083</u>	<u>5,875,795</u>	<u>5,283,072</u>	<u>(592,723)</u>
Net increase from housing operations	<u>15,254,769</u>	<u>9,744,747</u>	<u>11,198,432</u>	<u>1,453,685</u>
Retail Operations				
Total revenues	1,942,720	1,747,508	1,507,037	(240,471)
Total expenses	445,186	391,725	333,126	(58,599)
Net increase from retail operations	<u>1,497,534</u>	<u>1,355,783</u>	<u>1,173,911</u>	<u>(181,872)</u>
Arena Operations				
Revenues				
Event related	4,334,107	3,815,557	1,473,464	(2,342,093)
Premium seating and sponsorship	1,170,569	1,304,300	813,750	(490,550)
Rental Income	2,735,000	2,735,000	2,735,000	-
University support	-	1,350,000	-	(1,350,000)
Other	182,930	113,421	88,917	(24,504)
Total revenues	<u>8,422,606</u>	<u>9,318,278</u>	<u>5,111,131</u>	<u>(4,207,147)</u>
Expenses				
Direct Event	3,284,086	2,976,764	1,042,343	(1,934,421)
Operating and indirect event	3,620,464	3,940,138	3,666,029	(274,110)
Direct premium seating	213,666	310,210	181,500	(128,710)
R&R expenses	744,700	288,362	288,362	-
Transfer to UCF	-	-	-	-
Total expenses	<u>7,862,916</u>	<u>7,515,474</u>	<u>5,178,234</u>	<u>(2,337,241)</u>
Net increase (decrease) from arena operations	<u>559,690</u>	<u>1,802,804</u>	<u>(67,103)</u>	<u>(1,869,907)</u>
Net increase from total operations	<u>\$ 17,311,993</u>	<u>\$ 12,903,334</u>	<u>\$ 12,305,240</u>	<u>\$ (598,095)</u>
Debt Service				
Principal payments	\$ 7,755,000	\$ 8,025,000	\$ 8,025,000	
Interest payments	6,296,846	6,042,140	6,042,140	
Total Debt Service	<u>\$ 14,051,846</u>	<u>\$ 14,067,140</u>	<u>\$ 14,067,140</u>	

Attachment C

UCF Academic Health, Inc.
Annual Budget
2020-2021

	2019-2020 Actuals	2020-2021 Approved Budget	2020-2021 Amended Budget	Increase/ (Decrease)
Revenues				
Real Estate (Rent Income and CAM) ¹	\$ 281,266	\$ 1,164,779	\$ 1,188,310	\$ 23,531
Other	-	-	-	-
Total revenues	<u>281,266</u>	<u>1,164,779</u>	<u>1,188,310</u>	<u>23,531</u>
Expenses				
Facility Expense ²	265,026	1,229,735	1,092,409	(137,326)
Professional Services	9,075	15,000	15,000	-
Information Technology	7,000	7,210	7,210	-
Other Operating Expense	165	90,537	73,691	(16,846)
Total expenses	<u>281,266</u>	<u>1,342,482</u>	<u>1,188,310</u>	<u>(154,172)</u>
Net increase (decrease) from total operations	<u>\$ -</u>	<u>\$ (177,703)</u>	<u>\$ -</u>	<u>\$ 177,703</u>

¹ Real Estate revenues increased over the prior year due to the beginning of long term lease arrangements in the Lake Nona Cancer Center.

² Facility Expense represents accrued rent to UCF to support mortgage and building operating expenses. The increase is consistent with the increase in Real Estate revenue.

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: University and Direct Support Organizations Debt Report

Information **Information for upcoming action** **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

Significant transactions and events since the last report submission (4/22/2019):

1. In June 2020, the University worked with the UCF Hospitality School Housing Foundation to revise the adjustable term rate on the existing bonds which were set to expire on June 30, 2020. The previous rate was calculated based on a formula of 81 percent of the sum of 30-day LIBOR plus 225 basis points. The new rate is now calculated based on a formula of 81 percent of the sum of 30-day LIBOR +200 basis points. At the time of refinancing this reduced the calculated interest rate by 21 basis points.
2. On June 5, 2020, the University, in collaboration with the State of Florida Division of Bond Finance, released a public disclosure outlining the projected impact of COVID-19 on the University's outstanding Dormitory Revenue Bonds. The disclosure informed the public of the impact of Housing refunds processed during the Spring 2020 semester as well as the impact from projected lost Summer 2020 Housing revenues. The disclosure projected a year end coverage ratio for the UCF Housing bonds of .86x prior to considering any nonoperating revenues from CARES or University E&G funds to help with offsetting operating losses. Based on the current draft financials for the UCF Housing system, the yearend coverage ratio is now calculated to be .88x.
3. On June 26, 2020, the University, in collaboration with the State of Florida Division of Bond Finance, released a public disclosure outlining the projected impact of COVID-19 on the University's outstanding Parking Facility Revenue Bonds. The disclosure informed the public of the impact of waiving summer transportation and access fees, the decline in permit and citation revenues, and a discussion of cost cutting measures taken by the University to offset the lost revenues. The disclosure projected a yearend coverage ratio for the UCF Parking bonds of 4.09x. Based on the current draft financials for the UCF Parking system, the yearend coverage ratio is now calculated to be 4.35x.
4. On October 6, 2020, the UCF Foundation refinanced \$8,340,000, the outstanding balance of the 2009 tax exempt note issued at 4.49 percent and secured by a mortgage of the buildings known as the Research Pavilion, the IST Building, and the Orlando Tech Center, with a taxable 2020 note issued at 2.39 percent, resulting in annual savings of \$132,000 or \$671,000 for the remaining life of the note that expires on October 1, 2025.
5. On October 6, 2020, the UCF Foundation refinanced \$5,685,000, the outstanding balance of the 2018 tax exempt note issued at 3.93 percent and secured by a mortgage of the Digital Learning building, with a 2020 tax exempt note issued at 2.70 percent, resulting in average annual savings of \$44,000 or \$579,000 for the remaining life of the note that expires on October 1, 2038.
6. On October 7, 2020, the University, in collaboration with the State of Florida Division of Bond Finance, released a second public disclosure outlining the projected impact of COVID-19 on the University's outstanding Dormitory Revenue Bonds for the Fall semester. This disclosure informed the public of the current Housing occupancy levels for Fall 2020, an overview of certain actions taken

by the University to ensure the safety of housing residents, and the projected financial impact for fiscal year 2021.

7. Due to delays in construction of the Lake Nona Cancer Center related to COVID 19, external rent-paying tenants have not been able to occupy the space. This revenue was expected to support quarterly debt payments for this building. To accommodate the lack of resources, the UCF Foundation worked with Orange County to adjust the debt payment schedule and the first payment, which was originally due in December 2020, will now be due in July 2021.
8. While not the debt of the University or a University DSO, on October 15, 2020, the Capital Projects Finance Authority (CAPFA) closed on a \$126,115,000 nontaxable debt refinancing with a net premium of \$14,613,264, and a \$22,200,000 taxable debt refinancing. This refinancing lowered the interest rate from the prior bonds which carried an average coupon rate of 5.05 percent to a new all in true interest cost rate of 3.80 percent. As a result of this refinancing, the UCF Foundation will resume receiving waterfall payments from the surplus funds of the project at the end of FY 2021 versus the expected waterfall payments under the old debt structure which were expected to be received again starting at the end of FY 2028. The waterfall payments projected for FY 2021 and FY 2022 are \$7,447,000 and \$15,340,000 respectively. These waterfall payments are estimated to be \$258,739,000 over the next 20 years.
9. The University met the required coverage ratio covenants for each University and DSO debt issuance through the end of FY 2020. Based on current projections we do not anticipate issues with continuing to meet each University and DSO debt covenant requirement for FY 2021.

Background Information:

This committee has requested a periodic report on the debt of the university and direct support organizations.

Recommended Action:

For information only.

Alternatives to Decision:

None.

Fiscal Impact and Source of Funding:

No financial impact.

Authority for Board of Trustees Action:

Specific trustee request.

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

- Attachment A: University and Direct Support Organization Debt Summary
- Attachment B: University and Direct Support Organization Debt Summary Notes
- Attachment C: University Global Amortization Schedule
- Attachment D: DSO Global Amortization Schedule
- Attachment E: UCF Housing May 2020 Public Disclosure
- Attachment F: UCF Parking June 2020 Public Disclosure
- Attachment G: UCF Housing October 2020 Public Disclosure

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Albert Francis, Assistant Vice President for Debt Management

University and Direct Support Organization Debt

As of June 30, 2020

	Total Debt Outstanding	Debt Service FY 2021	Coverage Ratio	
			Actual	Required
University Issued Bonds				
Parking Bonds				
Parking Series 2011	\$ 1,035,000	\$ 546,150		
Parking Series 2012	5,510,000	558,850		
Parking Series 2018	3,345,000	942,250		
Parking Series 2019	5,915,000	830,750		
Total Parking Bonds	15,805,000	2,878,000	4.35	1.20
Housing Bonds				
Housing Series 2012	54,140,000	4,403,650		
Housing Series 2018	20,400,000	3,930,375		
Total Housing Bonds	74,540,000	8,334,025	0.88	1.20
Total University Issued Bonds	\$ 90,345,000	\$ 11,212,025		
Direct Support Organization Debt				
UCF Convocation Corporation				
Housing Series 2018 (Nontaxable)	\$ 95,670,000	\$ 8,053,632	1.98	1.20
Arena Series 2015A (Nontaxable)	48,385,000	1,988,963	1.34	1.20
Arena Series 2015B (Taxable)	22,140,000	4,024,545	1.34	1.20
Total UCF Convocation Corporation	166,195,000	14,067,140		
UCF Stadium Corporation				
Series 2015A (Nontaxable)	29,300,000	2,515,919		
Series 2015B (Taxable)	8,485,000	777,185		
Series 2015C Leadership Center (Nontaxable)	2,229,000	330,502		
Total UCF Stadium Corporation	40,014,000	3,623,606	4.14	1.20
UCF Finance Corporation				
Series 2017 Burnett BioMed (Nontaxable)	58,302,000	3,988,796	6.31	1.25
UCF Downtown Construction Note (Nontaxable)	4,045,399	3,550,000	NR	NR
Total UCF Finance Corporation	62,347,399	7,538,796		
UCF Athletics Association				
UCF Loan (Nontaxable)	5,198,890	1,000,000	NR	NR
Roth Athletic Center loan (Nontaxable)	8,550,000	1,315,440	NR	NR
Construction Line of Credit (Nontaxable)	5,375,000	401,172	NR	NR
Operating Line of Credit (Nontaxable)	-	118,828	NR	NR
Total UCF Athletics Association	19,123,890	2,835,440		
UCF Foundation				
Series 2009 (Nontaxable)	9,775,000	1,780,558	3.60	1.50
Series 2017 (Nontaxable)	5,920,000	769,728	NR	NR
Series 2018 (Nontaxable)	5,792,000	402,766	NR	NR
Lake Nona Cancer Center (Nontaxable)	50,000,000	-	NR	NR
Total UCF Foundation	71,487,000	2,953,052		
UCF Hospitality School Foundation				
Series 2004 (Nontaxable)	8,365,000	1,008,252	1.02	1.00
Total UCF Hospitality School Foundation	8,365,000	1,008,252		
Total Direct Support Organization Debt	\$ 367,532,289	\$ 32,026,285		
Total University and DSO Debt	\$ 457,877,289	\$ 43,238,310		

Note: See the attached Debt Summary Notes for more information on each debt issuance.

A "NR" note in the coverage ratio column indicates that a year end coverage ratio is not required for the specific debt instrument.

**Debt Summary Notes
As of June 30, 2020**

UCF Parking:

- The 2011A Bonds maturing in the years 2013 through 2021, are not redeemable prior to their stated dates of maturity. The 2011A bonds maturing in 2022 are redeemable prior to their stated date of maturity without premium.
- The 2012A Bonds maturing in the years 2013 through 2022, both inclusive, are not redeemable prior to their stated dates of maturity. The 2012A Bonds maturing in 2023 and thereafter are redeemable prior to their stated dates of maturity, without premium.
- The 2018A Bonds are not subject to redemption prior to maturity.
- The 2019A Bonds are not subject to redemption prior to maturity.
- The average amount of Pledged Revenues for the two immediately preceding fiscal years, as adjusted as provided for in the Resolution, must be equal to at least 120 percent of the Maximum Annual Debt Service on the bonds then Outstanding in order to issue Additional Parity Bonds.
- The Board of Regents (now Board of Governors) covenants that it will fix, establish, and collect such fees, rentals, or other charges to be derived from the operation of the Parking System, and revise the same from time to time whenever necessary, so that the Parking System Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Current Expenses and Administrative Expenses, and so that the Pledged Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Annual Debt Service Requirement for the Bonds and at least one hundred percent of all other payments required by the terms of this Resolution.

UCF Housing

- The 2012A Bonds maturing in the years 2013 through 2021, are not redeemable prior to their stated dates of maturity. The 2012A bonds maturing in 2022 and thereafter are redeemable prior to their stated date of maturity without premium.
- The 2018A Bonds are not subject to redemption prior to maturity.
- The average amount of Pledged Revenues for the two immediately preceding fiscal years, as adjusted as provided for in the Resolution, must be equal to at least 120 percent of the Maximum Annual Debt Service on the bonds then Outstanding in order to issue Additional Parity Bonds.

- The Board of Regents (now Board of Governors) covenants that it will fix, establish, and collect such fees, rentals, or other charges to be derived from the operation of the Housing System, and revise the same from time to time whenever necessary, so that the Housing System Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Current Expenses and Administrative Expenses, and so that the Pledged Revenues shall be sufficient in each Fiscal Year to pay at least one hundred percent of an amount equal to the Annual Debt Service Requirement for the Bonds and at least one hundred percent of all other payments required by the terms of this Resolution.

UCF Convocation

- The Series 2018 Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part on any Business Day on or after July 1, 2023, and if in part, in such manner as determined by the Issuer, at the redemption price of 100 percent of the principal amount of the Series 2018 Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.
- The Series 2015A Bonds maturing on or after October 1, 2026, are subject to redemption prior to maturity, at the option of the Corporation, in whole or in part on any date on or after October 1, 2025, and if in part, in such manner as determined by the Trustee, at the redemption price of 100 percent of the principal amount of the Series 2015A Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.
- The Series 2015B Bonds are subject to redemption prior to maturity, at the option of the issuer, on any business day, in whole or in part at a redemption price equal to the Make Whole Redemption Price. The Make Whole Redemption Price of any Series 2015B Bond to be redeemed is an amount equal to the greater of (i) 100 percent of the principal amount of such Series 2015B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2015B Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2015B Bonds are to be redeemed, discounted on a semiannual basis to the date on which such Series 2015B Bonds are to be redeemed, discounted on a semiannual basis to the date on which Series 2015B Bonds are to be redeemed, assuming a 360 day year, at a Treasury Rate plus 30 basis points, in each case, accrued and unpaid interest on such Series 2015B bonds on such redemption date.
- The Issuer covenants that it will cause the University to fix, establish, and collect such fees, rentals and other charges from students, faculty members, and others using or being served by the Housing System, Arena System and the Retail Component, and revise them from time to time whenever necessary, so that the System Revenues shall be sufficient in each Fiscal Year to pay at least one hundred twenty percent of an amount equal to the annual Bond Service Requirement for all Bonds coming due in such Fiscal Year plus an amount equal to at least one hundred percent of an amount equal to the Operating Expenses coming due in such Fiscal Year.

UCF Stadium

- The Series 2015A Bonds maturing on or after March 1 2027, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part on any date on or after March 1, 2026, and if in part, in such manner as determined by the Trustee, at the redemption price of 100 percent of the principal amount of the Series 2015A Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.
- The Series 2015B Bonds maturing on or after March 1 2027, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part on any date on or after March 1, 2026, and if in part, in such manner as determined by the Trustee, at the redemption price of 100 percent of the principal amount of the Series 2015B Bonds to be redeemed, without redemption premium, plus accrued interest to the redemption date.
- The Series 2015C Bond may be prepaid in whole or in part prior to the scheduled payment date on any date, upon five days prior written notice from the Issuer to the Lender.
- The University agrees in the Support Agreement, to the extent permitted by law, that in the event Facility Revenues available to pay debt service on the Series 2015 Bonds is expected to be less than 1.20 times the debt service payments for the succeeding Fiscal Year, based on the annual budget of the Stadium, prepared by the Corporation in accordance with the provisions of the Indenture, the University shall defer collecting from the Corporation any amount for all operating and maintenance expenditures until such time as the Facility Revenues available for debt service on the Series 2015 Bonds based on the current annual budget, as amended, is no less than 1.20 times debt service payments for the succeeding Fiscal Year. Any such charges deferred or paid pursuant to this provision may be collected by the University from any amounts available in the Surplus Fund.

UCF Finance

- The Burnett Biomed Note may be prepaid, in whole or in part, on any date with five Business Days written notice, without penalty. Any partial redemption shall be applied to the then remaining principal repayment schedule in inverse order.
- The Burnett Biomed Note shall maintain a ratio of Pledged Revenues to Base Rent and debt service payments on Obligations equal to 1.25.
- The UCF Downtown Construction Note shall be subject to prepayment by the Corporation prior to maturity without penalty.

- The UCF Downtown Construction Note balance reflected in the DSO Amortization schedule reflects only the required principal and interest payments. The Corporation anticipates making optional prepayments and interest payments during FY 2021 in the amount of \$3,550,000.

UCF Athletics

- The Roth Athletic Center Note may be prepaid, in whole or in part, on any date with five Business Days written notice to the Lender, without penalty.
- Upon receipt of its audited financial statements, the Issuer's total cash and accounts receivable-to-total debt ratio shall be no less than the following percentages in the following fiscal years, to be tested annually;
 - (i) Three percent by Fiscal Year end 2020;
 - (ii) Five percent by Fiscal Year end 2021; and
 - (iii) Seven percent by Fiscal Year end 2022 and each fiscal year end thereafter.

UCF Foundation

- The Series 2017 Note may be prepaid in whole, but not in part, on or after October 1, 2023 without penalty.
- On October 6, 2020, the UCF Foundation refinanced \$8,340,000, the outstanding balance of the 2009 tax exempt note issued at 4.49 percent and secured by a mortgage of the buildings known as the Research Pavilion, the IST Building, and the Orlando Tech Center, with a taxable 2020 note issued at 2.39 percent, resulting in annual savings of \$132,000 or \$671,000 for the remaining life of the note that expires on October 1, 2025.
- On October 6, 2020, the UCF Foundation refinanced \$5,685,000, the outstanding balance of the 2018 tax exempt note issued at 3.93 percent and secured by a mortgage of the Digital Learning building, with a 2020 tax exempt note issued at 2.70 percent, resulting in average annual savings of \$44,000 or \$579,000 for the remaining life of the note that expires on October 1, 2038.
- The UCF Foundation worked with Orange County to adjust the Lake Nona Cancer Center debt payment schedule. The first payment, which was originally due in December 2020, will now be due in July 2021. The Direct Support Organization's Amortization Schedule reflects the balances due as of June 30, 2020, but the estimated FY 2021 debt service total was updated to reflect no payments being due in FY 2021.

UCF Hospitality School Foundation

- During any Daily Period, Weekly Period or Adjustable Term Rate Period, the Bonds are subject to redemption by the Issuer, at the option and direction of the Company, in whole or in part at any time, at a redemption price of 100 percent of the Outstanding principal amount thereof plus accrued interest to (but not including) the redemption date.

- In June 2020, the University worked with the UCF Hospitality School Housing Foundation to revise the adjustable term rate on the existing bonds which was set to expire on June 30, 2020. The previous rate was calculated based on a formula of 81 percent of the sum of 30-day LIBOR plus 225 basis points. The new rate is now calculated based on a formula of 81 percent of the sum of 30-day LIBOR +200 basis points. At the time of refinancing this reduced the calculated interest rate by 21 basis points.

Attachment C

University Global Amortization Schedule Balances as of June 30, 2020															
FISCAL YEAR	Parking Series 2011A		Parking Series 2012A		Parking Parking 2018A		Parking Parking 2019A		Housing Series 2012A		Housing Series 2018A		Total Principal & Interest		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2021	510,000	36,150	370,000	188,850	775,000	167,250	535,000	295,750	2,285,000	2,118,650	2,985,000	945,375	7,460,000	3,752,025	11,212,025
2022	525,000	15,750	390,000	170,350	815,000	128,500	565,000	269,000	2,410,000	2,001,275	1,895,000	823,375	6,600,000	3,408,250	10,008,250
2023			410,000	150,850	855,000	87,750	590,000	240,750	2,530,000	1,877,775	1,995,000	726,125	6,380,000	3,083,250	9,463,250
2024			425,000	134,450	900,000	45,000	620,000	211,250	2,660,000	1,748,025	2,095,000	623,875	6,700,000	2,762,600	9,462,600
2025			440,000	117,450			650,000	180,250	2,775,000	1,639,900	2,200,000	516,500	6,065,000	2,454,100	8,519,100
2026			455,000	104,250			685,000	147,750	2,855,000	1,555,450	2,310,000	403,750	6,305,000	2,211,200	8,516,200
2027			470,000	90,600			720,000	113,500	2,940,000	1,464,850	2,435,000	285,125	6,565,000	1,954,075	8,519,075
2028			480,000	76,500			755,000	77,500	3,035,000	1,367,756	1,420,000	188,750	5,690,000	1,710,506	7,400,506
2029			495,000	62,100			795,000	39,750	3,140,000	1,263,488	1,495,000	115,875	5,925,000	1,481,213	7,406,213
2030			510,000	47,250					3,260,000	1,151,488	1,570,000	39,250	5,340,000	1,237,988	6,577,988
2031			525,000	31,950					3,385,000	1,026,738			3,910,000	1,058,688	4,968,688
2032			540,000	16,200					1,675,000	927,631			2,215,000	943,831	3,158,831
2033									1,740,000	861,425			1,740,000	861,425	2,601,425
2034									1,810,000	788,163			1,810,000	788,163	2,598,163
2035									1,890,000	709,538			1,890,000	709,538	2,599,538
2036									1,975,000	627,406			1,975,000	627,406	2,602,406
2037									2,060,000	541,663			2,060,000	541,663	2,601,663
2038									2,150,000	452,200			2,150,000	452,200	2,602,200
2039									2,240,000	358,913			2,240,000	358,913	2,598,913
2040									2,340,000	261,588			2,340,000	261,588	2,601,588
2041									2,440,000	160,013			2,440,000	160,013	2,600,013
2042									2,545,000	54,081			2,545,000	54,081	2,599,081
Total	1,035,000	51,900	5,510,000	1,190,800	3,345,000	428,500	5,915,000	1,575,500	54,140,000	22,958,013	20,400,000	4,668,000	90,345,000	30,872,713	121,217,713

Attachment D

DBO Global Amortization Schedule Balance as of June 30, 2020																																				
FISCAL YEAR	Convocation Housing Series 2018 (Non-amortizable)		Convocation Arena Series 2015(a) (Non-amortizable)		Convocation Arena Series 2015(b) (Taxable)		Stadium Series 2014 (Non-amortizable)		Stadium Series 2015E (Taxable)		Stadium Series 2015C (Non-amortizable)		Finance Series 2017 (Non-amortizable)		Finance Downtown Non (Non-amortizable)		Athletics UCF Loan		Athletics Construction/Line of Credit		Athletics Roth Athletic Center Loan		Foundation Series 2008 (Non-amortizable)		Foundation Series 2017 (Non-amortizable)		Foundation Series 2018 (Non-amortizable)		Foundation Lake Nona Cancer Center (Non-amortizable)		UCF Hospitality School Foundation Series 2008 (Non-amortizable)		Total Principal & Interest		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total			
2021	4,770,000	3,353,632	1,989,963	1,989,963	3,255,000	769,545	1,265,000	1,230,919	380,000	597,185	275,000	55,502	2,621,000	1,304,796	-	21,832	879,240	120,760	256,000	168,172	1,158,000	159,440	1,435,000	449,252	572,000	197,728	217,000	228,861	1,500,000	880,000	128,252	19,503,240	10,556,638	30,059,878		
2022	4,930,000	3,112,912	1,989,963	1,989,963	3,360,000	895,280	1,320,000	1,160,689	395,000	384,625	350,000	49,652	2,668,000	1,304,135	-	21,832	869,863	100,357	305,000	99,798	2,002,000	127,840	1,555,000	370,340	591,000	179,620	235,000	230,832	2,000,000	980,000	124,642	21,468,463	9,920,436	31,328,899		
2023	5,100,000	2,938,384	1,989,963	1,989,963	3,480,000	647,200	1,400,000	1,009,189	405,000	270,225	280,000	41,633	2,750,000	1,238,928	-	21,832	850,000	79,439	320,000	68,110	2,619,000	81,650	1,585,000	299,768	614,000	158,884	235,000	230,832	2,000,000	109,148	26,792,840	9,277,150	36,070,110			
2024	5,270,000	2,793,972	1,989,963	1,989,963	3,610,000	412,588	1,490,000	829,189	425,000	158,845	296,000	34,437	2,850,000	1,173,136	-	21,832	1,044,113	55,867	330,000	69,213	3,198,000	39,380	1,665,000	219,198	692,000	126,376	244,000	207,653	2,000,000	945,000	92,847	22,388,113	8,591,151	30,989,264		
2025	5,465,000	2,584,936	1,989,963	1,989,963	3,750,000	270,475	1,590,000	653,669	440,000	338,185	303,000	27,068	2,985,000	1,103,724	-	21,832	1,263,244	36,000	345,000	79,002	3,700,000	117,167	1,760,000	134,416	656,000	191,588	235,000	191,588	2,000,000	950,000	76,241	22,974,312	7,894,461	30,762,773		
2026	5,665,000	2,360,312	1,989,963	1,989,963	3,910,000	114,243	1,690,000	475,669	455,000	223,365	311,000	19,522	3,135,000	1,033,644	-	21,832	1,513,312	31,481	360,000	57,476	4,400,000	115,000	1,855,000	145,908	700,000	160,000	235,000	191,588	2,000,000	950,000	59,607	21,311,000	7,174,862	28,485,862		
2027	5,850,000	2,169,912	1,989,963	1,989,963	4,080,000	16,555	1,785,000	309,669	480,000	298,960	318,000	11,778	3,270,000	961,800	-	21,832	1,763,312	31,481	370,000	63,745	5,100,000	120,000	1,950,000	160,000	700,000	160,000	235,000	191,588	2,000,000	950,000	42,972	19,752,000	6,539,370	26,291,370		
2028	6,050,000	1,957,912	1,989,963	1,989,963	4,260,000	1,822,225	1,870,000	141,919	500,000	278,400	-	3,860	3,160,000	888,336	-	21,832	2,013,312	31,481	380,000	55,699	5,800,000	120,000	2,050,000	170,000	720,000	160,000	235,000	191,588	2,000,000	950,000	26,338	19,840,000	5,591,505	25,431,505		
2029	6,260,000	1,740,816	1,989,963	1,989,963	4,460,000	1,683,638	1,965,000	652,919	520,000	252,520	155,000	3,860	3,176,000	813,024	-	21,832	2,263,312	31,481	400,000	47,330	6,500,000	120,000	2,150,000	180,000	740,000	160,000	235,000	191,588	2,000,000	950,000	9,703	20,738,000	5,347,302	26,085,302		
2030	6,480,000	1,576,362	1,989,963	1,989,963	4,670,000	1,488,688	2,060,000	496,308	550,000	228,245	-	3,860	3,250,000	738,876	-	21,832	2,513,312	31,481	420,000	38,691	7,200,000	120,000	2,250,000	190,000	770,000	160,000	235,000	191,588	2,000,000	950,000	19,867,000	4,896,424	24,763,424			
2031	6,700,000	1,384,536	1,989,963	1,989,963	4,900,000	1,228,536	2,200,000	406,308	570,000	202,395	-	3,860	3,330,000	668,856	-	21,832	2,763,312	31,481	440,000	29,460	7,900,000	120,000	2,350,000	200,000	790,000	160,000	235,000	191,588	2,000,000	950,000	20,170,000	4,618,568	24,788,568			
2032	6,920,000	1,184,266	1,989,963	1,989,963	5,140,000	924,266	2,350,000	426,688	600,000	172,763	-	3,860	3,410,000	679,876	-	21,832	3,013,312	31,481	460,000	20,088	8,600,000	120,000	2,450,000	210,000	810,000	160,000	235,000	191,588	2,000,000	950,000	20,522,000	4,383,360	24,905,360			
2033	7,165,000	910,125	1,989,963	1,989,963	5,390,000	590,125	2,500,000	302,281	630,000	141,625	-	3,860	3,490,000	690,896	-	21,832	3,263,312	31,481	480,000	10,241	9,300,000	120,000	2,550,000	220,000	830,000	160,000	235,000	191,588	2,000,000	950,000	21,004,000	4,168,201	25,172,201			
2034	7,420,000	638,384	1,989,963	1,989,963	5,640,000	571,200	2,660,000	275,800	670,000	109,923	-	3,860	3,570,000	708,916	-	21,832	3,513,312	31,481	500,000	-	10,000,000	120,000	2,650,000	230,000	850,000	160,000	235,000	191,588	2,000,000	950,000	22,213,000	3,963,608	26,176,608			
2035	7,680,000	368,100	1,989,963	1,989,963	5,900,000	369,100	2,820,000	189,800	720,000	74,418	-	3,860	3,650,000	728,936	-	21,832	3,763,312	31,481	520,000	-	10,700,000	120,000	2,750,000	240,000	870,000	160,000	235,000	191,588	2,000,000	950,000	22,818,000	3,748,364	26,566,364			
2036	7,880,000	68,376	1,989,963	1,989,963	6,160,000	117,900	2,990,000	96,800	740,000	38,110	-	3,860	3,730,000	748,956	-	21,832	3,913,312	31,481	540,000	-	11,400,000	120,000	2,850,000	250,000	890,000	160,000	235,000	191,588	2,000,000	950,000	23,522,000	3,528,360	27,050,360			
2037																																				
2038																																				
2039																																				
2040																																				
2041																																				
2042																																				
2043																																				
2044																																				
2045																																				
2046																																				
2047																																				
2048																																				
2049																																				
2050																																				
2051																																				
Total	95,670,000	28,498,224	48,385,000	22,895,681	29,140,000	2,738,365	29,300,000	15,989,689	8,488,000	3,980,088	2,220,000	248,311	59,302,000	13,494,504	4,045,389	65,458	5,108,600	387,004	5,376,000	800,889	8,550,000	419,780	9,775,000	1,624,332	5,920,000	1,000,000	5,700,000	2,450,871	59,000,000	-	8,365,000	689,749	387,632,288	90,122,489	467,654,778	

**State of Florida
Board of Governors
University of Central Florida Dormitory Revenue Bonds**

Operating and Financial Impacts of COVID-19 on Housing System

**Voluntary Notice
Dated June 5, 2020**

The University of Central Florida (“UCF”) is voluntarily providing the following information regarding the effects of the COVID-19 pandemic on its housing system and outstanding Board of Governors, University of Central Florida Dormitory Revenue Bonds (the “State Bonds”). In addition to its 4,609 beds in residence halls that were financed with or are pledged to the repayment of State Bonds (the “UCF Housing Facilities”), UCF also operates and maintains residence halls that were financed through the UCF Convocation Corporation and the UCF Hospitality School Student Housing Foundation, Inc., both university direct support organizations (collectively, the “DSO Housing Facilities”), as part of its housing system. The DSO Housing Facilities include the 1,992 bed Towers at Knight Plaza, located on the northeast side of the main campus near the Convocation Center, and the 388 bed Rosen College Apartments, located 25 miles southwest of the main campus on the Rosen College of Hospitality Management campus. However, the financial obligations of the DSO Housing Facilities are separately secured and their revenues are not pledged to the outstanding State Bonds. Accordingly, the impacts of COVID-19 on the DSO Housing Facilities are not reflected in this voluntary notice.

In response to the public health crisis created by the COVID-19 pandemic, UCF converted all classes to remote instruction beginning March 23, 2020, through the remainder of the spring 2020 semester and directed students to vacate the residence halls. The University announced on April 9, 2020, that all summer 2020 classes will also be provided by remote instruction and that the residence halls will remain closed during the summer sessions.

As a result of the spring 2020 residence hall closures, UCF issued refunds to 4,237 students residing in UCF Housing Facilities for housing fees prorated from March 27, 2020, to April 28, 2020, the end of the spring semester. Approximately 200 students who had special circumstances making them unable to move out were allowed to remain in the residence halls. Refunds of approximately \$3.4 million were sent to students beginning on April 3, 2020. University education & general carryforward funds were transferred to the housing system to cover the cost of these refunds. In addition, UCF issued refunds of approximately \$1.9 million to 2,084 students residing in the DSO Housing Facilities; however such refunds were not made from housing system revenues and their impact is not reflected in this voluntary notice.

UCF is also projecting summer revenue losses to the UCF Housing Facilities of approximately \$1.3 million for Fiscal Year 2019-20 and approximately \$1.7 million for Fiscal Year 2020-21 as a result of the residence hall closures for all summer 2020 sessions. In response to the projected revenue losses to the to the UCF Housing Facilities, UCF has delayed planned capital projects, deferred planned renewal expenditures, reduced temporary staffing levels, and delayed significant purchases. These actions are expected to offset projected revenue losses by an

estimated \$1.0 million in Fiscal Year 2019-20 and further cost savings are anticipated for Fiscal Year 2020-21.

Factoring in the lost summer housing revenues and expense reductions discussed above, but without taking into account the spring 2020 housing fee refunds, UCF projects net revenues available for debt service for the State Bonds from the UCF Housing Facilities (“Pledged Revenues”) to be approximately \$10.5 million for Fiscal Year 2019-20, resulting in debt service coverage of 1.26x. This compares to Pledged Revenues of \$13.6 million and debt service coverage of 1.57x in Fiscal Year 2018-19. If the spring 2020 housing fee refunds of approximately \$3.4 million are used to reduce the operating revenues of the UCF Housing Facilities, projected Pledged Revenues would be reduced to approximately \$7.2 million and projected debt service coverage would be reduced to 0.86x for Fiscal Year 2019-20. However, UCF anticipates the spring 2020 housing fee refunds are a one-time, non-recurring revenue reduction and does not anticipate that Pledged Revenues would remain below 1.0x coverage beyond Fiscal Year 2019-20. Further, as indicated above, UCF transferred education & general carryforward funds to fund the spring 2020 housing fee refunds, which will offset the reduction in Pledged Revenues and debt service coverage. The financial information provided herein for Fiscal Year 2019-20, is based on annualized unaudited financial information and is subject to the cautionary statements and limitations set forth below.

As of April 30, 2020, UCF had received more than 42,600 undergraduate applications for fall 2020 enrollment, with applications for on-campus housing for fall 2020 similar to historical levels. Accordingly, UCF anticipates housing system occupancy for fall 2020 will be equivalent to historical levels (approximately 100%), assuming it is determined to be safe to reopen campus for classes and for students to return to on-campus housing. However, because of the uncertainties involved with COVID-19, guidance for social distancing and other measures to prevent its spread, and planning for safely reopening campus and on-campus housing, no assurances can be given regarding student enrollment or housing occupancy. Additionally, UCF is considering various scenarios for reopening for fall 2020, including alternative capacities and staggering the move-in process for on-campus housing. In the event some level of social distancing is enacted affecting on-campus housing, occupancy levels and Pledged Revenues would be reduced. The Board of Governors of the State University System adopted guidelines for the reopening of university campuses, including on-campus housing, for fall 2020, on May 28, 2020. The universities, including UCF, will present their individual plans, based on these guidelines, to the Board of Governors at a board meeting on June 23, 2020.

UCF does not anticipate any impacts to the payment of debt service on its outstanding State Bonds. UCF has budgeted sufficient funds to cover its debt service payments for its outstanding State Bonds in Fiscal Year 2020-21. UCF also maintains additional financial flexibility to cover unanticipated expenses or revenue declines of the UCF Housing Facilities. The annual debt service on the outstanding State Bonds in Fiscal Year 2020-21 is approximately \$8.3 million, with approximately \$6.9 million due on October 1, 2020. As of April 30, 2020, UCF had approximately \$12.4 million (unaudited) of unrestricted cash and investments within its housing system, which is available to the UCF Housing Facilities.

UCF expects to receive approximately \$51.1 million under the Coronavirus Aid, Relief, and Economic Security Act. At least half of that amount, or approximately \$25.5 million, must be disbursed to students as emergency financial aid grants, while the remainder may be used by UCF in accordance with guidance provided by the U.S. Department of Education.

This voluntary notice is intended to provide an overview of the currently known impacts of COVID-19 on the operations and financial position of the UCF Housing Facilities only and it is not intended to address the full extent of potential financial consequences to UCF. Due to the uncertainty of the duration of the COVID-19 pandemic, additional operating and financial impacts to the UCF Housing Facilities not currently anticipated and disclosed herein are possible.

Certain statements contained in this voluntary notice reflect not historical facts but forecasts and constitute “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “forecast,” “project,” “anticipate,” “expect,” “intend,” “believe,” “budget” and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this voluntary notice are expressly qualified in their entirety by the cautionary statement set forth above.

This information is subject to change without notice. This voluntary notice only speaks as of its date and does not imply there has been no change in any other information relating to UCF or any of UCF’s outstanding State Bonds. Nothing contained in this voluntary notice is, or should be construed as, a representation by the Board of Governors or UCF that the information included in this voluntary notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any securities issued by Board of Governors or otherwise related to UCF. Although the Board of Governors and UCF may provide additional information from time to time regarding the matters in this voluntary notice, they are not required to do so.

**State of Florida
Board of Governors
University of Central Florida
Parking Facility Revenue Bonds**

Operating and Financial Impacts of COVID-19 on Parking System

**Voluntary Notice
Dated June 26, 2020**

University of Central Florida (“UCF”) is voluntarily providing this information regarding the effects of the COVID-19 pandemic on its parking system and outstanding State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Bonds (the “Bonds”).

In response to the public health crisis created by the COVID-19 pandemic, UCF converted all courses to remote instruction beginning March 23, 2020, for the remainder of the spring 2020 semester. UCF also announced that all summer 2020 courses will be provided solely by remote instruction. As a result, UCF waived its summer transportation access fee. UCF estimates that approximately 40,000 students enrolled for summer 2020 would have been charged the transportation access fee of \$9.10 per credit hour when they registered for their courses. This is a one-time reduction of the summer 2020 transportation access fee charged to students and does not affect the summer 2020 parking permits.

UCF is projecting to lose estimated parking revenues of approximately \$2.17 million for Fiscal Year 2019-20 and approximately \$427,000 for Fiscal Year 2020-21 as a result of waiving the summer transportation access fee. Additionally, UCF is projecting that it will lose approximately \$751,000 for Fiscal Year 2019-20 and approximately \$1.5 million for Fiscal Year 2020-21 as a result of decreased citation revenue, permit sales, and guest, visitor, and event parking over the course of the summer. However, UCF has reduced temporary staffing levels and anticipates additional cost savings, reduced operating costs, and decreased utility usage. Additionally, UCF anticipates a significant reduction in shuttle expenses. These cost mitigation actions are expected to reduce expenses by approximately \$2.4 million in Fiscal Year 2019-20 and approximately \$1.5 million in Fiscal Year 2020-21.

As a result of the decreased parking system revenues and expense reductions for summer 2020 discussed above, UCF projects net revenues of the parking system available for debt service (the “Pledged Revenues”) will be approximately \$15.1 million for Fiscal Year 2019-20, which results in projected 4.09x coverage of annual debt service of \$3.7 million. This compares to Pledged Revenues of \$21.0 million and 5.35x coverage of annual debt service of \$3.9 million in Fiscal Year 2018-19.

UCF does not anticipate impacts to the payment of debt service on the Bonds and has already transferred sufficient funds to the Trustee for the July 1, 2020, debt service payment. UCF also has additional financial flexibility within its parking system to cover unanticipated expenses or revenue declines. The annual debt service on the outstanding Bonds in Fiscal Year 2020-21 is approximately \$2.9 million. As of June 1, 2020, the parking system has approximately \$11.8

million (unaudited) of unrestricted cash and investments, after providing for the July 1, 2020, debt service payment referenced above.

The transportation access fee is the source of a majority of UCF's parking system revenues and is charged to students when they register for classes each semester. UCF has received more than 42,600 undergraduate applications for fall 2020 enrollment. UCF is planning to reopen campus for the fall 2020 semester with a combination of remote and on-campus instruction. The Board of Governors has adopted guidelines for the reopening of university campuses for fall 2020, and UCF presented and received approval of its fall 2020 reopening plan, based on these guidelines, at the Board of Governors meeting on June 23, 2020. Because of the uncertainties involved with COVID-19, guidance for social distancing and other measures to prevent its spread, planning for safely reopening campus, and the extent to which instruction is provided online versus on campus, no assurances can be given regarding student enrollment.

This voluntary notice is intended to provide an overview of the currently known impacts of COVID-19 on the operations and financial position of the UCF parking system only and it is not intended to address the full extent of potential financial consequences to UCF. Due to the uncertainty of the duration of the COVID-19 pandemic, additional operating and financial impacts to the UCF parking system not currently anticipated and disclosed herein are possible.

Certain statements contained in this voluntary notice reflect not historical facts but forecasts and constitute "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "budget" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this voluntary notice are expressly qualified in their entirety by the cautionary statement set forth above.

This information is subject to change without notice. This voluntary notice only speaks as of its date and does not imply there has been no change in any other information relating to UCF or any of UCF's outstanding bonds. Nothing contained in this voluntary notice is, or should be construed as, a representation by the Board of Governors or UCF that the information included in this voluntary notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any securities issued by Board of Governors or otherwise related to UCF. Although the Board of Governors and UCF may provide additional information from time to time regarding the matters in this voluntary notice, they are not required to do so.

State of Florida
Board of Governors
University of Central Florida Dormitory Revenue Bonds

Fall 2020 Reopening of UCF Housing System
Voluntary Notice
Dated October 7, 2020

Following the Spring 2020 conversion to remote instruction in response to the COVID-19 pandemic, the University of Central Florida (“UCF”) reopened its campus in August 2020 for the Fall semester in accordance with the reopening plan that was approved by the Board of Governors of the State University System. Classes began on August 24, 2020, and UCF’s residence halls financed with bonds issued by the Board of Governors (the “UCF Housing Facilities”) reopened for Fall 2020 occupancy. UCF also operates and maintains residence halls that were financed through the UCF Convocation Corporation and the UCF Hospitality School Student Housing Foundation, Inc., both university direct support organizations (collectively, the “DSO Housing Facilities”), as part of its housing system. Information concerning the reopening of the DSO Housing Facilities is not reflected in this disclosure.

Enrollment and Instructional Delivery

As of the first day of classes, UCF’s total Fall 2020 enrollment was 72,249, which is an increase over enrollment of 69,523 on the first day of classes in Fall 2019. As a result of the pandemic, the primary method of instructional delivery has changed since last year. The majority of classes (76%) are being provided entirely online, while 24% are in person. In Fall 2019, 76% of classes were provided in person, while only 24% were online. The change in the instructional delivery method to combat the spread of COVID-19 may have had some impact on on-campus housing occupancy set forth below.

Housing Occupancy

To safely reopen campus in accordance with UCF’s reopening plan, the UCF Housing Facilities converted 486 double occupancy rooms to single occupancy. Eighty beds were taken offline and reserved for COVID-19 isolation spaces for residents, if needed, resulting in a reduction of overall housing capacity of 566 beds. The table below shows the overall capacity for the UCF Housing Facilities, the number of students residing on campus, and the occupancy percentage for Fall 2020 compared to Fall 2019, as of September 15 of each year.

Capacity and Occupancy
(as of September 15 of each year)

	UCF Housing Facilities Capacity	Students Residing in UCF Housing Facilities	Occupancy Rate
Fall 2019	4,608	4,573	99.24%
Fall 2020	<u>4,042</u>	<u>3,490</u>	<u>86.34%</u>
Difference	(566)	(1,083)	(12.9%)
Percentage Reduction from Prior Year	12.3%	23.7%	N/A

UCF is also estimating approximately \$2.3 million of lost revenues for the Summer 2020 term, which will impact the Fiscal Year 2020-21 financial results of the UCF Housing Facilities. In response to the loss of operating revenues resulting from the reduction in occupancy for Fall 2020 and reduced Summer revenues, UCF has taken actions to reduce housing system expenditures, including reducing housing staff and other operating expenses and hiring freezes for unfilled personnel vacancies. UCF does not anticipate any difficulty in making its Fiscal Year 2020-21 annual debt service payments. UCF has already made the \$6.9 million debt service payment due on October 1, 2020, and has an additional debt service payment of approximately \$1.4 million due on April 1, 2021. As of June 30, 2020, UCF had approximately \$9.0 million of unrestricted cash on hand within its housing system, net of the funds set aside for the Fiscal Year 2020-21 debt service payments, which is available to the UCF Housing Facilities.

This voluntary disclosure is intended to provide preliminary enrollment and occupancy information for UCF’s Fall restart amidst the COVID-19 pandemic. This information is subject to change without notice. This voluntary notice only speaks as of its date and does not imply there has been no change in any other information relating to UCF or any of UCF’s outstanding bonds. Due to the uncertainty of the duration of the COVID-19 pandemic, additional operating and financial impacts to the UCF Housing Facilities not currently anticipated and disclosed herein are possible.

Nothing contained in this voluntary notice is, or should be construed as, a representation by the Board of Governors or UCF that the information included in this voluntary notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any securities issued by the Board of Governors or otherwise related to UCF. Although the Board of Governors and UCF may provide additional information from time to time regarding the matters in this voluntary notice, they are not required to do so.

Certain statements contained in this voluntary notice reflect not historical facts but forecasts and constitute “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “forecast,” “project,” “anticipate,” “expect,” “intend,” “believe,” “budget” and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements in this voluntary notice are expressly qualified in their entirety by the cautionary statement set forth above

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: University Quarterly Investment Report, Ended September 30, 2020 – First Quarter

Information **Information for upcoming action** **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

This item is provided to the trustees quarterly for information purposes only.

Background Information:

This item is provided to the trustees quarterly for information purposes only. The attached report provides an update on the university's investment portfolio for the quarter ended September 30, 2020 (Attachment A).

As of September 30, 2020, the university had the following cash and investment balances:

Bank of America operating account	\$ 11,561,248
State of Florida Special Purpose Investment Account (SPIA)	\$ 353,583,869
Bank of New York Structured Investment Portfolio	<u>\$ 322,773,262</u>
Total Cash and Investments	<u>\$ 687,918,379</u>

The structured investment portfolio earned quarterly net gains totaling \$9,516,419.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A.

Authority for Board of Trustees Action:

Sections 1011.42(5) and 218.415, Florida Statutes; UCF-4.014 Investments; UCF Investment Policy Manual

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

Attachment A: UCF Investments Quarterly Report as of September 30, 2020

Facilitators/Presenters:

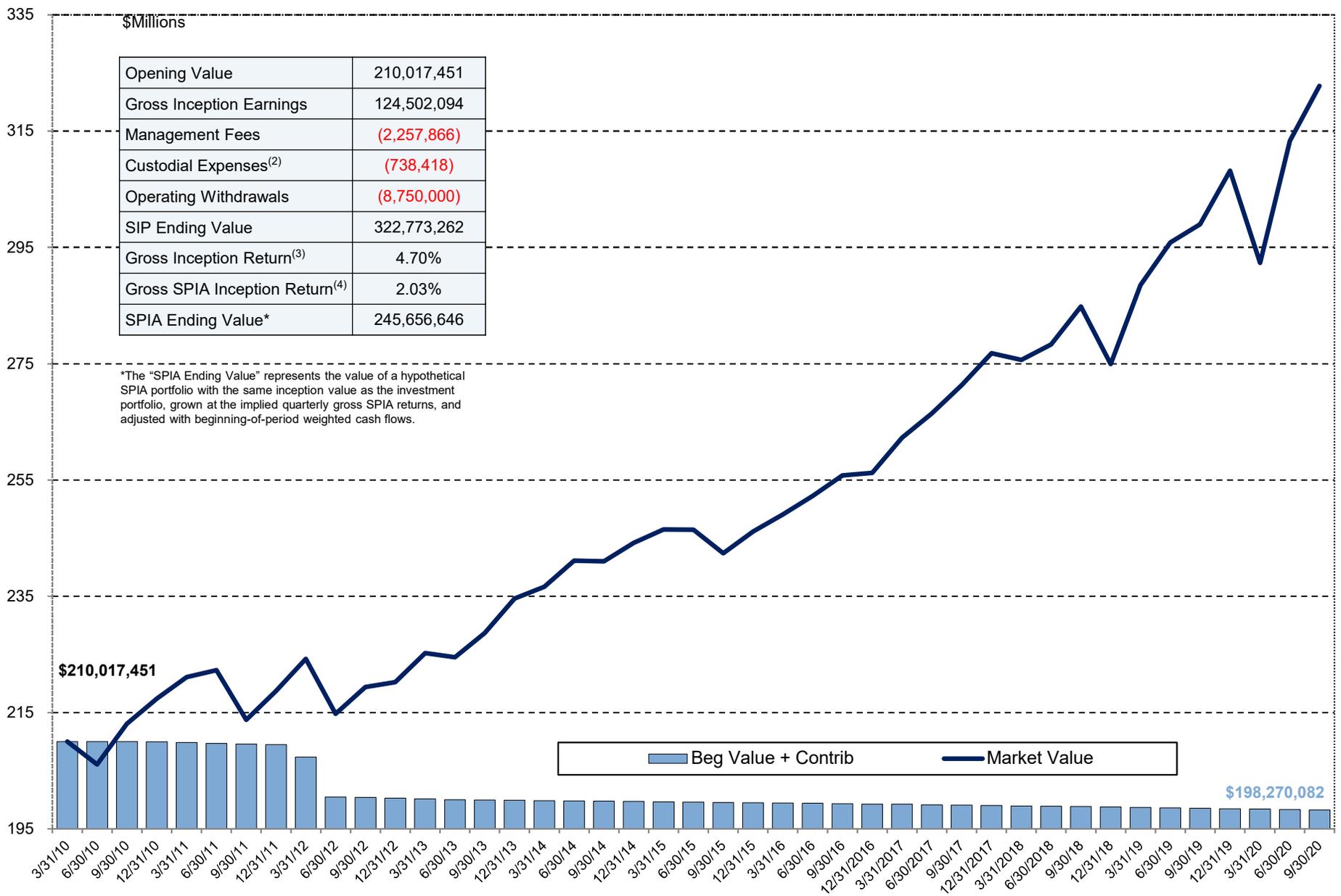
Gerald Hector, Senior Vice President for Administration and Finance

Danta White, Assistant Vice President and University Controller

Cash & Non-Investment Portfolio	03/31/2020 Reported Value	06/30/2020 Reported Value	09/30/2020 Reported Value
Bank of America	\$12,760,238	\$63,948,065	\$11,561,248
SPIA	\$256,257,806	\$219,138,660	\$353,583,869
Total Cash & Non-Investment Portfolio	\$269,018,044	\$283,086,725	\$365,145,117

Structured Investment Portfolio (BNY)	03/31/2020 Reported Value	06/30/2020 Reported Value	2nd Quarter Gain/(Loss)	09/30/2020 Reported Value	3rd Quarter Gain/(Loss)	Inception Gain/(Loss) ⁽²⁾
Pool I	\$0	\$0	\$0	\$0	\$0	\$85,789
Pool II	\$53,689,498	\$54,380,291	\$708,308	\$54,492,359	\$129,398	\$4,919,429
Fixed Income (Pool III) ⁽³⁾	\$125,051,644	\$127,689,874	\$2,674,472	\$128,248,617	\$596,288	\$25,958,964
Domestic Equity (Pool III)	\$17,938,490	\$21,623,997	\$3,685,507	\$23,553,330	\$1,929,334	\$24,155,884
Total Pool III	\$142,990,134	\$149,313,871	\$6,359,979	\$151,801,948	\$2,525,622	\$50,114,848
Fixed Income (Pool IV) ⁽⁴⁾	\$38,228,900	\$40,126,838	\$1,916,575	\$40,651,238	\$544,210	\$12,837,296
Domestic Equity (Pool IV)	\$44,892,548	\$54,115,834	\$9,223,285	\$58,944,151	\$4,828,317	\$49,320,955
International Equity (Pool IV)	\$12,541,995	\$15,394,696	\$2,852,701	\$16,883,567	\$1,488,871	\$7,223,775
Total Pool IV	\$95,663,444	\$109,637,367	\$13,992,561	\$116,478,956	\$6,861,398	\$69,382,027
Total Structured Investment Portfolio	\$292,343,076	\$313,331,530	\$21,060,848	\$322,773,262	\$9,516,419	\$124,502,094

Total Operating Portfolio	\$561,361,120	\$596,418,255	\$687,918,379	Total Equity Allocation	14.45%
----------------------------------	----------------------	----------------------	----------------------	--------------------------------	---------------



\$322,773,262

Quarterly Gross Info
 Earnings: \$9,516,419
 Return: 3.04%
 SPIA: 0.60%

FYTD Returns
 Gross: 3.04%
 Net: 3.02%

Opening Value	210,017,451
Gross Inception Earnings	124,502,094
Management Fees	(2,257,866)
Custodial Expenses ⁽²⁾	(738,418)
Operating Withdrawals	(8,750,000)
SIP Ending Value	322,773,262
Gross Inception Return ⁽³⁾	4.70%
Gross SPIA Inception Return ⁽⁴⁾	2.03%
SPIA Ending Value*	245,656,646

*The "SPIA Ending Value" represents the value of a hypothetical SPIA portfolio with the same inception value as the investment portfolio, grown at the implied quarterly gross SPIA returns, and adjusted with beginning-of-period weighted cash flows.

99 contributions include cash flows associated with management fees, portfolio expenses and physical cash flows
 1. Annualized performance number. Net of management fees inception earnings = \$122,244,228. Net inception return = 4.60%
 2. Custodial expense figure is reduced by commission recapture income received
 3. Annualized performance number. Net of management fees inception earnings = \$122,244,228. Net inception return = 4.60%
 4. The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.91%



Pool I:	Yes	No	N/A
Investments limited to registered 2a-7 mutual funds, CDARS, and or/SPIA.			✓
Pool II:	Yes	No	N/A
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.	✓		
Pool III Equity:	Yes	No	N/A
Investments in equity securities shall not exceed twenty-percent (20%) of the market value of Operating Pool III's assets.	✓		
Pool III Fixed Income:	Yes	No	N/A
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.	✓		
Pool IV Equity:	Yes	No	N/A
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.	✓		
Pool IV Fixed Income:	Yes	No	N/A
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%.	✓		



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
Cash & Equivalents	\$0	100.0%
Fidelity Money Market	\$0	

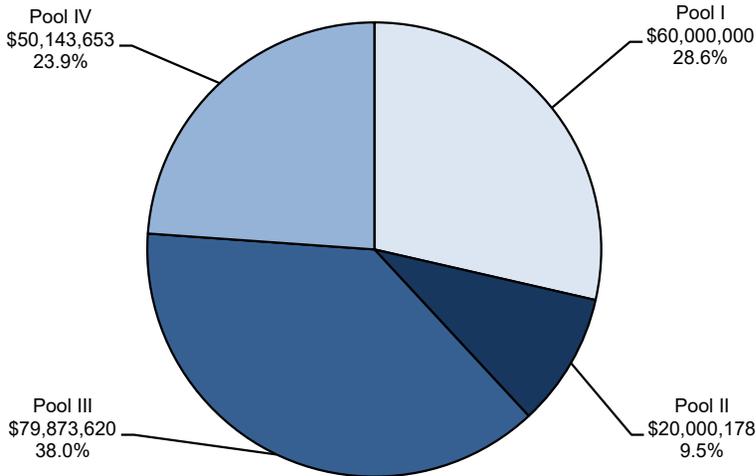
Pool II	\$54,492,359	Current Allocation
Short-Term Fixed Income	\$54,492,359	100.0%
Galliard Capital Management	\$54,492,359	

Pool III	\$151,801,948	Current Allocation
Intermediate Fixed Income (85%)	\$128,248,617	84.5%
Galliard Capital Management ⁽¹⁾	\$70,122,715	
Sawgrass Asset Management	\$58,125,902	
Domestic Equity (15%)	\$23,553,330	15.5%
Vanguard Institutional Index	\$23,553,330	

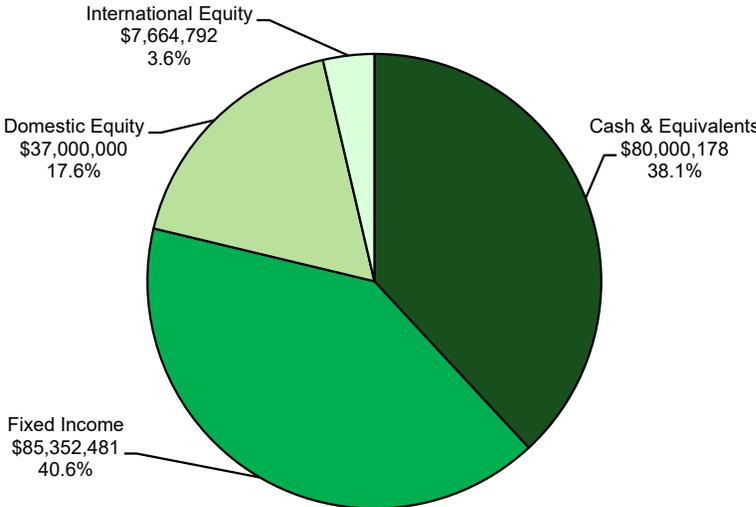
Pool IV	\$116,478,956	Current Allocation
Broad Market Fixed Income (35%)	\$40,651,238	34.9%
Galliard Capital Management ⁽²⁾	\$24,755,866	
Dodge & Cox Income	\$15,895,372	
Domestic Equity (50%)	\$58,944,151	50.6%
Vanguard Institutional Index	\$58,944,151	
International Equity (15%)	\$16,883,567	14.5%
Europacific Growth	\$16,883,567	



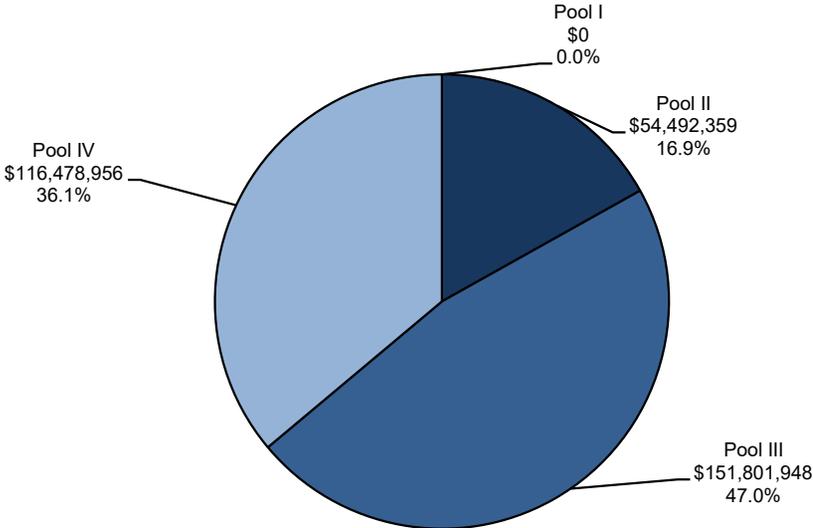
**3/31/2010: \$210,017,451
 Pool Allocation**



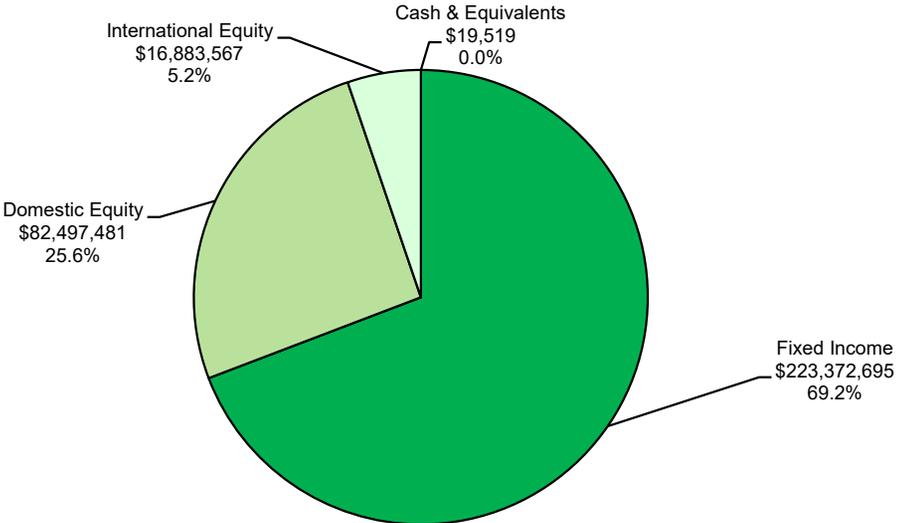
Asset Allocation



**03/31/2020: \$322,773,262
 Pool Allocation**



Asset Allocation



UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: University Auxiliary Enterprises 2020-21 First Quarter Financial Reports

Information **Information for upcoming action** **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

Each major auxiliary enterprise of the University will begin presenting quarterly budget to actual financial results for trustee information purposes. The first-quarter financial results for certain major university auxiliary enterprises are attached.

Background Information:

UCF Parking Services:

- Net income is down approximately \$2 million compared to the prior year. This is primarily due to the extension of annual decals and permits through December 31st that were previously set to expire in August, resulting in decreased revenue of \$3.2 million. Decal/permit revenue is primarily expected in Q3 as students and faculty return to campus and renew permits. The decrease in revenue is offset by a \$1.2 million reduction in contracted shuttle service expenses due to a reduction in routes and service hours (23,936 hours).
- Budget to actuals demonstrates a slightly favorable net income variance. This is primarily due to a \$1 million favorable variance for shuttle expenses, offset by an \$800,000 unfavorable variance in capital outlay projects. The Downtown office buildout originally was expected to occur in 2019-20 but was not completed until August 2020 due to COVID-19, resulting in an unanticipated Q1 expenditure.

UCF Housing and Residence Life:

- Operating revenues are down as a result of lower Fall occupancy than budgeted due to a decrease in conference revenue over the summer semester. See the table below for Fall UCF Housing occupancy rates compared to the prior year.

Fall Occupancy	2019	2020
Capacity	4,608	4,608
Bookings	4,573	3,483
Occupancy	99.2%	75.6%

- Savings in operating expenses are the result of reduced staffing, the elimination of cable television services, and an overall reduction in expenditures.
- Marketing Strategies to increase occupancy have been successful with nearly 1,000 new Housing Agreements for the spring semester.

UCF Business Services:

- Net income is down approximately \$700,000 compared to the prior year, in part due to a timing difference on payments for the John T. Washington Center roof construction. In FY20, payments were made in Q3 and Q4, and in FY21, a \$550,000 payment was made in Q1. In addition, operating revenues are down approximately \$450,000, offset by operating expenditure reductions of approximately \$300,000. Decreases are primarily due to a decrease in Print Shop, The SPOT, and ID Card services resulting from COVID-19 and the depopulation of campus.
- Budget to actuals demonstrates a \$600,000 favorable net income variance. This is primarily due to budgeted spending of \$1 million for the Student Union expansion project; however, an additional \$1 million payment was made at the end of FY20, resulting in a Q1 favorable variance for capital outlay. In addition, sales and service revenue and resale supplies expense are below expectations due to the depopulation of campus, which was unknown at the time of budget development.

UCF Health Services:

- Health Fee revenues increased due to enrollment growth, but overall sales and service revenues decreased as a result of COVID-19. The decrease in first quarter sales and service revenue is primarily due to a decrease in sales of health and beauty aids, convenience store items, prescriptions, laboratory and radiology services, and immunizations because of COVID-19.
- Health services has made several expense reductions including placing seven full-time positions on hold, furloughing several OPS employees, decreasing resale supply purchases, and reducing other expenditure plans.
- In FY 20 the Health Service entity optionally extinguished its outstanding Series 2004A bonds. As a result of this decision, the bond-required Renewal and Replacement (R&R) funds were returned to the Health Operating fund during the fiscal year. Although no longer required by bond covenants, Health Services has decided to continue maintaining an R&R fund for future repair needs, resulting in an unbudgeted transfer of \$532,000 back to the R&R fund in the current fiscal year.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

Specific trustee request.

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance

Supporting Documentation:

Attachment A: UCF Parking Services

Attachment B: UCF Housing and Residence Life

Attachment C: UCF Business Services

Attachment D: UCF Health Services

Facilitators/Presenters:

Gerald Hector, Senior Vice President for Administration and Finance

Bert Francis, Assistant Vice President for Debt Management

Attachment A

UCF Parking Services
Statement of Operations
Through Quarter ended September 30, 2020

	FY 21 Annual Budget	FY 21 Q1 Budget	FY 21 Q1 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q1 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue						
Student Fees - Transportation	15,345,690	6,539,449	6,628,768	89,319	6,450,851	177,916
Decal Sales	5,536,596	706,788	822,507	115,719	4,030,801	(3,208,294)
Meters and Daily Permits	950,000	193,209	35,064	(158,145)	221,574	(186,510)
Fines and Citations	1,100,000	260,841	56,204	(204,637)	197,407	(141,203)
Other Revenues	180,000	37,686	33,481	(4,205)	40,023	(6,542)
Total Operating Revenue	23,112,286	7,737,973	7,576,023	(161,950)	10,940,656	(3,364,633)
Operating Expenditures						
Faculty and Staff Compensation and Benefits	1,641,688	349,317	393,024	(43,707)	436,260	43,236
OPS Compensation and Benefits	566,176	123,110	33,863	89,248	120,719	86,856
Labor Reimbursements	300,000	75,000	64,236	10,764	89,472	25,235
Utilities and Communications	428,542	70,214	84,039	(13,825)	92,223	8,184
Furniture and Equipment	-	-	1,967	(1,967)	27,531	25,564
Facility Rent	1,461,388	365,347	342,727	22,620	291,212	(51,515)
Materials and Supplies	407,000	186,490	186,257	233	109,429	(76,828)
Professional Services	9,051,000	1,665,051	667,026	998,025	1,861,939	1,194,913
Repairs and Maintenance	777,952	185,914	167,393	18,521	160,916	(6,476)
Travel	-	-	579	(579)	2,016	1,437
Auxiliary Overhead	1,190,817	297,704	273,111	24,593	278,881	5,770
Other Expenses	224,574	18,178	1,000	17,178	1,650	650
Total Operating Expenditures	16,049,137	3,336,325	2,215,222	1,121,103	3,472,247	1,257,025
Net increase (decrease) from operations	7,063,149	4,401,648	5,360,802	959,154	7,468,409	(2,107,607)
Debt Service						
Principal	2,190,000	2,190,000	2,190,000	-	2,776,250	586,250
Interest	688,000	688,000	688,000	-	919,185	231,185
Total Debt Service	2,878,000	2,878,000	2,878,000	-	3,695,435	817,435
Nonoperating Revenue (Expenses)						
Capital Outlay	(176,196)	(44,049)	(863,442)	(819,393)	(172,652)	(690,790)
Transfers To - Internal Loans	(176,000)	(44,000)	(43,764)	236	(44,107)	343
Interest and Investment Earnings	623,854	155,964	114,296	(41,667)	200,221	(85,925)
Interest and Invest Earnings Tsfr to Central	(623,854)	(155,964)	(114,296)	41,667	(200,221)	85,925
Total Nonoperating Revenue (Expenses)	(352,196)	(88,049)	(907,206)	(819,157)	(216,759)	(690,447)
Total Ending Net Income (Loss)	3,832,953	1,435,599	1,575,596	139,997	3,556,214	(1,980,619)

Attachment B

UCF Housing and Residence Life Statement of Operations Through Quarter ended September 30, 2020

	FY 21 Annual Budget	FY 21 Q1 Budget	FY 21 Q1 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q1 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue						
Rental Revenues:						
Fall	12,570,195	12,570,195	9,977,573	(2,592,622)	12,845,493	(2,867,919)
Spring	12,570,195	-	(7,148)	(7,148)	-	(7,148)
Summer	2,582,961	-	-	-	(149,386)	149,386
Misc. Rental Revenues (Cancellations, late fees, other charges)	650,000	110,000	168,316	58,316	89,397	78,919
Other Revenues	1,870,000	500,000	160,821	(339,179)	331,605	(170,783)
Total Operating Revenue	30,243,351	13,180,195	10,299,562	(2,880,633)	13,117,108	(2,817,546)
Operating Expenditures						
Faculty and Staff Compensation and Benefits	8,686,391	2,171,595	1,631,374	540,221	1,940,498	309,125
OPS Compensation and Benefits	1,721,463	430,366	257,297	173,069	459,796	202,499
Labor Reimbursements	188,000	55,000	58,996	(3,996)	43,292	(15,704)
Utilities and Communications	2,850,416	712,500	708,492	4,008	834,265	125,773
Furniture and Equipment	92,700	24,000	77,962	(53,962)	173,010	95,048
Facility Rent	94,000	28,465	28,465	(0)	28,086	(379)
Materials and Supplies	2,318,928	515,271	19,705	495,566	237,477	217,772
Professional Services	1,215,000	390,000	390,356	(356)	402,947	12,591
Repairs and Maintenance	3,132,000	370,000	356,321	13,679	253,948	(102,373)
Travel	5,000	500	(645)	1,145	17,131	17,776
Auxiliary Overhead	1,739,968	434,992	434,992	-	476,651	41,659
Other Expenses	115,000	40,225	41,444	(1,219)	40,226	(1,218)
Total Operating Expenditures	22,158,866	5,172,914	4,004,758	1,168,156	4,907,328	902,569
Net increase (decrease) from operations	8,084,485	8,007,281	6,294,804	(1,712,477)	8,209,780	(1,914,976)
Debt Service						
Principal	5,270,000	5,270,000	5,270,000	-	5,030,000	(240,000)
Interest	3,064,025	3,064,025	3,064,025	-	3,307,251	243,226
Total Debt Service	8,334,025	8,334,025	8,334,025	-	8,337,251	3,226
Nonoperating Revenue (Expenses)						
Capital Outlay Savings	-	-	27,634	27,634	46,906	(19,272)
Transfers To - Internal Loans	(260,032)	(65,008)	(113,529)	(48,521)	(62,106)	(51,423)
Interest and Investment Earnings	525,480	131,370	102,425	(28,945)	127,185	(24,760)
Interest and Invest Earnings Tsfr to Central	(525,480)	(131,370)	(102,425)	28,945	(89,210)	(13,215)
Total Nonoperating Revenue (Expenses)	(260,032)	(65,008)	(85,895)	(20,887)	22,774	(108,670)
Total Ending Net Income (Loss)	(509,572)	(391,752)	(2,125,117)	(1,733,365)	(104,696)	(2,026,872)

Attachment C

UCF Business Services
Statement of Operations
Through Quarter ended September 30, 2020

	FY 21 Annual Budget	FY 21 Q1 Budget	FY 21 Q1 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q1 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue						
Student Fees - ID Card	798,238	295,304	283,158	(12,146)	290,940	(7,782)
Commissions	4,633,356	463,336	415,944	(47,392)	445,911	(29,967)
Aramark Contract Revenue	2,506,864	-	-	-	2,801	(2,801)
Sales and Services	2,672,188	673,368	275,841	(397,527)	644,177	(368,336)
Space Rentals	1,125,751	299,058	257,309	(41,749)	294,286	(36,977)
Other Revenues	90,840	22,770	13,076	(9,694)	23,554	(10,478)
Total Operating Revenue	<u>11,827,237</u>	<u>1,753,836</u>	<u>1,245,328</u>	<u>(508,508)</u>	<u>1,701,669</u>	<u>(456,341)</u>
Operating Expenditures						
Faculty and Staff Compensation and Benefits	2,315,395	413,646	457,665	(44,019)	496,039	38,374
OPS Compensation and Benefits	128,000	32,781	3,159	29,622	36,024	32,865
Labor Reimbursements	100,000	25,000	39,349	(14,349)	84,305	44,956
Utilities and Communications	813,000	149,753	200,072	(50,319)	219,680	19,608
Furniture and Equipment	273,439	58,045	14,760	43,285	117,061	102,301
Facility Rentals	1,017,565	207,436	250,252	(42,816)	243,516	(6,736)
Materials and Supplies	4,700	828	14,439	(13,611)	32,915	18,476
Resale Equipment and Supplies	1,327,000	328,000	174,154	153,846	313,829	139,675
Professional Services	80,000	20,863	12,185	8,678	10,319	(1,866)
Repairs and Maintenance	201,840	41,818	7,931	33,887	(61,996)	(69,927)
Travel	-	-	-	-	158	158
Auxiliary Overhead	621,080	155,270	136,091	19,179	139,411	3,320
Other Expenses	1,232,001	165,309	122,141	43,168	103,480	(18,661)
Total Operating Expenditures	<u>8,114,020</u>	<u>1,598,749</u>	<u>1,432,198</u>	<u>166,551</u>	<u>1,734,741</u>	<u>302,543</u>
Net increase (decrease) from operations	<u>3,713,217</u>	<u>155,087</u>	<u>(186,870)</u>	<u>(341,957)</u>	<u>(33,072)</u>	<u>(153,798)</u>
Nonoperating Revenue (Expenses)						
Capital Outlay	(4,975,000)	(1,518,750)	(566,544)	952,206	(21,665)	(544,879)
Transfers To - Internal Loans	(76,020)	(19,005)	(18,746)	259	(19,255)	509
Total Nonoperating Revenue (Expenses)	<u>(5,051,020)</u>	<u>(1,537,755)</u>	<u>(585,290)</u>	<u>952,465</u>	<u>(40,920)</u>	<u>(544,370)</u>
Total Ending Net Income (Loss)	<u>(1,337,803)</u>	<u>(1,382,668)</u>	<u>(772,160)</u>	<u>610,508</u>	<u>(73,992)</u>	<u>(698,168)</u>

Attachment D

UCF Health Services
Statement of Operations
Through Quarter ended September 30, 2020

	FY 21 Annual Budget	FY 21 Q1 Budget	FY 21 Q1 Actuals	Variance - Favorable (Unfavorable)	FY 20 Q1 Actuals	Variance - Favorable (Unfavorable)
Operating Revenue						
Student Fees - Health Fee	18,561,620	7,921,359	7,889,282	(32,077)	7,684,314	204,968
Sales and Services	5,336,700	1,019,827	543,581	(476,246)	971,738	(428,157)
Other Revenues	6,582	4,117	3,906	(211)	2,504	1,402
Total Operating Revenue	<u>23,904,902</u>	<u>8,945,303</u>	<u>8,436,769</u>	<u>(508,534)</u>	<u>8,658,555</u>	<u>(221,787)</u>
Operating Expenditures						
Faculty and Staff Compensation and Benefits	14,200,000	3,244,882	2,850,580	394,302	2,917,743	67,163
OPS Compensation and Benefits	2,100,000	510,563	283,392	227,171	356,766	73,374
Labor Reimbursements	60,000	13,414	19,751	(6,337)	13,969	(5,782)
Utilities and Communications	500,000	124,107	119,956	4,152	116,173	(3,783)
Furniture and Equipment	105,000	27,404	85,476	(58,072)	24,349	(61,127)
Facility Rent	95,000	13,329	6,484	6,846	7,594	1,110
Materials and Supplies	600,000	172,657	103,561	69,096	138,070	34,510
Resale Equipment and Supplies	1,500,000	235,935	135,843	100,092	275,222	139,379
Professional Services	1,100,000	202,406	207,839	(5,433)	157,105	(50,734)
Repairs and Maintenance	259,199	66,402	23,136	43,266	19,066	(4,069)
Travel	50,000	13,235	43	13,192	15,547	15,504
Auxiliary Overhead	1,894,621	457,842	398,023	59,819	465,704	67,681
Other Expenses	126,000	3,317	3,765	(448)	101	(3,664)
Total Operating Expenditures	<u>22,589,820</u>	<u>5,085,494</u>	<u>4,237,848</u>	<u>847,646</u>	<u>4,507,410</u>	<u>269,562</u>
Net increase (decrease) from operations	<u>1,315,082</u>	<u>3,859,809</u>	<u>4,198,921</u>	<u>339,112</u>	<u>4,151,145</u>	<u>47,775</u>
Nonoperating Revenue (Expenses)						
Capital Outlay	(25,000)	-	(14,935)	(14,935)	2,185	(17,120)
Transfers To - Internal Loans	(244,424)	(61,106)	(63,129)	(2,023)	(63,304)	175
Transfers To - Computer Services and Telecom	(550,300)	(137,575)	(127,650)	9,925	(127,650)	-
Transfers To - Health R&R Fund	-	-	(531,945)	(531,945)	-	(531,945)
Transfers To - Academic Support	(80,788)	-	-	-	-	-
Transfers From - UCF Athletics	-	-	-	-	15,000	(15,000)
Interest and Investment Earnings	-	-	36,281	36,281	139,335	(103,055)
Interest and Invest Earnings Tsfr to Central	(316,997)	(83,347)	(36,281)	47,066	(82,010)	45,729
Total Nonoperating Revenue (Expenses)	<u>(1,217,509)</u>	<u>(282,028)</u>	<u>(737,659)</u>	<u>(455,631)</u>	<u>(116,443)</u>	<u>(621,216)</u>
Total Ending Net Income (Loss)	<u>97,573</u>	<u>3,577,781</u>	<u>3,461,262</u>	<u>(116,520)</u>	<u>4,034,702</u>	<u>(573,440)</u>

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 January 14, 2021

Title: Update on Knight Vision Enterprise Resource Planning (ERP) Project

Information **Information for upcoming action** **Action**

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

As requested by the Finance and Facilities Committee, staff will provide an update on the recent accomplishments, immediate next steps, overall status and trends, top risks, and progress of the Knight Vision project at each committee meeting.

Background Information:

At the June 18, 2020, Board of Trustees meeting, the Board approved \$50 million in carryforward funding for acquisition and implementation of a new cloud-based ERP project.

At the October 22, 2020, meeting, the Board of Trustees approved a contract with Workday to provide the software for Finance, Human Resources, Grants Management, and Reporting and Analytics applications, with a total cost of \$21,810,000 over a period of ten years. At the same meeting, the Board approved a contract with Accenture to implement those modules with a total cost of \$11,736,060 over two years.

Following the selection and negotiation process, the initial estimate of the acquisition and implementation costs of the new system were estimated to be \$27,598,060 and were allocated as follows:

Workday License (2 of 10 years)	\$ 4,362,000
Software Implementation Partner	\$ 11,736,060
Temporary Staff and Backfill	\$ 7,500,000
Contingency	\$ 4,000,000

Following the implementation of the Finance, Human Resources, Grants Management, and Reporting and Analytics applications, the university will assess its readiness to continue with the implementation of the Student Information System application, which is expected to take another three years to purchase and implement.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

N/A

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

Gerald Hector, Senior Vice President for Administration and Finance
Michael Sink, Interim Chief Information Officer

Supporting Documentation:

Attachment A: Knight Vision ERP Status Update

Facilitators/Presenters:

Michael Sink, Interim Chief Information Officer

Knight Vision ERP Update

Finance and Facilities Committee

January 14, 2021



PROJECT ACTIVITY
UPDATES



PROJECT SCHEDULE
UPDATE



PROJECT BUDGET
UPDATE

Program Activity



Workday ERP Implementation

Reporting & Analytics

Enterprise Standard Tools

Service Delivery Transformation

Adaptive Planning Phase 1

- Financial Management
- Grants Management
- Human Resources
- Technical (Security / Integrations / Data Conversions / Retrofits)

- Data Governance
- Data & Analytics
- Master Data Management
- Workday Prism Analytics
- Workday Reporting

- Identity & Access Management
- API Management
- Low Code Platform
- Data Governance

Human Resources and Finance organizational design and business process transformation to ensure more effective and efficient administrative services

- Budget Planning
- Budget Model Alignment

Change Management

Communications

Training & Support

Change Network

Internships

Current Priorities



Set-Up & Planning

- Planning business process discovery sessions with Accenture for both Workday & Service Delivery
- Identifying intersections and dependencies among Knight Vision Workstreams (Technology Tools, Service Delivery, Workday, Reporting & Analytics, etc.)
- Establishing Campus Community Advisory Group



Staffing

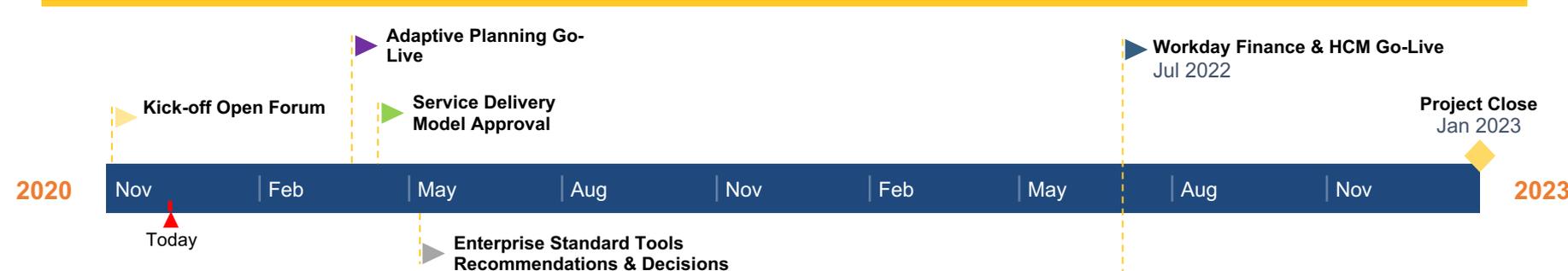
- Roles identified and validated through discussions with Accenture
- Project structure established
- Staffing strategy approved
- Jobs for project team needed in the near-term were posted
- Workday training for Workstream Leads and other key roles is being scheduled



Discovery

- Identifying necessary tools for Reporting and Analytics data governance and reporting platform software
- Determining ancillary technology tools required
- Identifying costs for tools, staffing, and equipment related to replacing ERP and implementing analytics platform
- Developing detailed project budget during planning stage

Program Timeline



Adaptive Planning Phase 1



*Specs, scope, schedules, and budgets are still being evaluated and planned for Reporting & Analytics, Enterprise Standard Technology Tools, and Service Delivery efforts.



Budget Summary

Knight Vision Accenture Project Budget Summary			
	Hours	Cost	
Implementation	59,616	\$	11,486,060
Foundation Tenant Fee		\$	250,000
Total (EAC)	59,616	\$	11,736,060
Foundation Tenant		\$	250,000
Actuals to Date (Nov)	1,016	\$	294,338
Mid-Month December Forecast	573	\$	136,529
Remaining Work (ETC)	58,027	\$	11,055,193

Actuals to Date as of 11/30/2020

Questions

