



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Finance and Facilities Committee Meeting
June 16, 2021
Virtual Meeting

MINUTES

CALL TO ORDER

Trustee Harold Mills, chair of the Finance and Facilities Committee, called the meeting to order at 3:00 p.m. Committee members Tiffany Altizer, Bill Christy, Jeff Condello, Caryl McAlpin, Danny Gaekwad, and Chair Beverly Seay (ex-officio) attended virtually.

Other Trustees attending the meeting virtually included Trustees Joseph Harrington and Michael Okaty.

MINUTES

Trustee Christy made a motion to approve the minutes from the April 14, 2021, Finance and Facilities Committee meeting. Trustee McAlpin seconded the motion.

The committee unanimously approved the minutes of the April 14, 2021, Finance and Facilities Committee Meeting as submitted.

REPORTS

Gerald Hector, Senior Vice President for Administration and Finance, provided the committee with an update. Hector began by reiterating that the operating budget being presented for the committee's approval is not in fact a budget but instead spending authority based on state rules and laws, as mentioned at the June 3, 2021, Financial Workshop. He highlighted the four major changes from the current 2020-2021 spending authority levels. He shared that there is \$6.7 million increase in state appropriations that came from the return of funds taken last year as a one-time drawback from the state. The university was requesting an increase of approximately \$13 million in student tuition and fees to match the authority that has been granted by the state. The final request for increases were noted in the Contracts and Grants and the Student Financial Aid lines of the spending authority. The increases were in relation to the CARES/HEERF/ARP funds that have been provided to the university but will be spent during the 2021-2022 fiscal year.

The committee heard the carryforward projection through the end of the current fiscal year, as well as an overview of the Educational and General (E&G) fund reserve balance to date and projections through June 30, 2021.

Hector provided an update on the university's internal auxiliary and research internal loans. Areas where reimbursements can be taken have been identified through conversations with deans, faculty, staff, budget directors, and other university stakeholders. A payback schedule has been developed that will shorten the repayment on both loans to four years. The repayments will start in July 2021. The June 30, 2021, balances will be the source of balances to be repaid.

Hector updated the committee on Administration and Finance personnel matters. He shared that the search for the Vice President for Facilities and Business Operations is in its final stages. A review of skills and fit in the division continues. Hector noted that due to reorganization in the division, Danta White, Assistant Vice President and University Controller, has been charged with oversight of the Auxiliary Committee. Budgeting for key personnel and making interim positions permanent is ongoing.

In other matters, Hector shared that the CFO Council meetings are expected to begin in July. Trustee Altizer expressed interest in joining these meetings. The Direct Support Organization (DSO) deep dives are expected to continue throughout the summer. A CARES Acting funding recap is forthcoming. Hector also shared that Board of Governors (BOG) representatives were invited to campus to meet with university leadership. Hector then described the zero-based budgeting exercise that the university is undertaking. He also discussed the completion of the housing bond refinancing and that the university's bond ratings remain stable in the "strong" category. To close, Hector shared that the Workday implementation is on target and discussions around Service Enhancement Transformation (SET) have begun.

Trustees had the following comments:

- Trustee Mills asked the committee to provide a bulleted list of the rules for carryforward to the committee.

NEW BUSINESS

FFC-1 Release of Unrestricted UCF Stadium Corporation Revenues

Hector introduced the release of unrestricted UCF Stadium Corporation revenues and provided the committee with a brief overview.

Trustee McAlpin made a motion for release of unrestricted UCF Stadium Corporation revenues. Trustee Altizer seconded the motion. The motion was approved unanimously.

FFC-2 Renewal of Reducing Revolving Line of Credit-Fifth Third Bank

Albert Francis, Assistant Vice President for Finance, provided the committee with a brief background regarding the renewal of the revolving line of credit from Fifth-Third Bank.

Brad Stricklin, Executive Associate Athletic Director and Chief Financial Officer for the UCF Athletics Association (UCFAA), provided the committee with further information on UCFAA's use of the line of credit, which was opened to facilitate construction costs.

Trustee Christy made a motion to approve the renewal of reducing revolving line of credit from Fifth-Third Bank. Trustee Altizer seconded the motion. The motion was approved unanimously.

FFC-3 Renewal of the License for the Canvas Learning Management System Platform

Thomas Cavanagh, Vice Provost for Digital Learning, provided the committee with background information regarding the license for the Canvas learning management system. Cavanagh stated that UCF did not need to expand its Canvas licensing during the pandemic.

Trustee Christy made a motion to approve the renewal of the license for the Canvas learning management system platform. Trustee Altizer seconded the motion. The motion was approved unanimously.

FFC-4 Direct Support Organizations' 2021-22 Budgets

Hector introduced the Direct Support Organizations' 2021-22 budgets and provided the committee with a brief overview.

Trustee Christy made a motion to approve the Direct Support Organizations' 2021-22 budgets. Trustee McAlpin seconded the motion. The motion was approved unanimously.

Trustees had the following comments:

- Trustee Christy asked the committee to not round up or down as it is important to have the exact numbers present in the budget.
- Trustee Altizer would like a visual flowchart of how the Direct Support Organizations work together.
- Trustee Christy asked to show the inflows and outflows in detail as well as the way it flows in and out on the flowchart requested by Trustee Altizer.

FFC-5 Five-Year Capital Improvement Plan

Hector introduced the five-year capital improvement plan. Hector would like the committee to approve the plan as-is and make amendments based on new Board of Governors (BOG) guidelines. Hector updated the committee on what amendments are being considered.

Trustee Christy made a motion to approve the five-year capital improvement plan. Trustee McAlpin seconded the motion. The motion was approved unanimously.

FFC-6 FY 2020-21 Budget Authority Increase for Contracts and Grants (C&G)

Hector introduced the FY 2020-21 budget authority increase for contracts and grants and provided the committee with a brief overview of the amendment to accommodate anticipated end of year expenditures.

Trustee Christy made a motion to approve FY 2020-21 budget authority increase for contracts and grants. Trustee McAlpin seconded the motion. The motion was approved unanimously.

FFC-7 Proposed 2021-22 University Operating Budget

Hector provided the committee with information regarding the proposed 2021-22 University Operating Budget. Hector explained the key items to the committee.

Trustee Christy made a motion to approve the proposed 2021-22 University Operating Budget. Trustee McAlpin seconded the motion. The motion was approved unanimously.

INFO-1 Auxiliary Financial Report, Quarter Ended March 31, 2021-Third Quarter

Danta White, Assistant Vice President and University Controller, gave a brief overview of the auxiliary financial report for the third quarter of FY 2021. White provided highlights of the report and stated all areas should see improvement with UCF's return to campus.

Hector provided the committee with background information regarding rate increases for UCF housing. Hector stated that the increases should begin to occur during the 2022-23 year.

Trustees had the following comments:

- Trustee McAlpin asked the committee to send the Brailsford and Dunlavey housing report to the Board of Trustees.

INFO-2 DSOs' Financial Report, Quarter Ended March 31, 2021-Third Quarter

Christina Tant, Assistant Vice President for DSO Accounting and Reporting, presented the third quarter financial statements for the university's Direct Support Organizations (DSOs) and the Central Florida Clinical Practice Organization. The reports are provided to the committee on a quarterly basis. Tant stated that the reports were reviewed by each respective DSO board prior to this meeting and that all DSOs all remain in compliance with their scheduled debt payments.

INFO-3 University Quarterly Investments Report, Quarter Ended March 31, 2021-Third Quarter

White provided an update on the university's investment portfolio for the quarter ended March 31, 2021. The report is provided to UCF trustees quarterly for information purposes. White noted that the portfolio had a net gain of \$3.6 million.

Trustees had the following comments:

- Trustee Christy would like to create a sub-committee to look at the investment policy.
- Trustee Condello would also like the sub-committee to look at investment managers.
- Trustee Mills would like for committee members to send the Board Office an indication of interest if they would like to serve on the sub-committee.

INFO-4 University Audited Annual Financial Statements 2019-20

White introduced the university audited annual financial statements to the committee and provided a brief overview. White explained the audit was clean and there were no significant concerns to be noted.

INFO-5 Knight Vision Enterprise Resource Planning (ERP) Status Update

Michael Sink, Associate Vice President and Chief Operating Officer for UCF IT, provided a brief update on the progress of the Knight Vision Enterprise Resource Planning (ERP) project. He described activities that are occurring in parallel with the Workday ERP implementation to provide a full scope of activities, and presented a timeline, costs estimate, and budget update. Sink informed the committee they are on track for all areas. A no-cost extension of the contract with Accenture is currently being finalized to extend consulting support for the Service Enhancement Transformation project and to clarify certain contract terms.

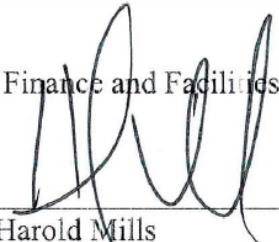
OTHER BUSINESS

The committee had no other business to discuss.

ADJOURNMENT

Chair Mills adjourned the Finance and Facilities Committee meeting at 4:57 p.m.

Reviewed by:




Harold Mills
Chair, Finance and Facilities Committee

9/22/21

Date

Respectfully submitted:



Mike Kilbride
Associate Corporate Secretary

9/27/21

Date