



**Board of Trustees Budget, Finance, and Facilities
Committee Meeting
November 29, 2017**

PRESENTED BY

Finance and Administration

Florida Agricultural and Mechanical University



Item IV - Approval of Amendment to the FY 2017-18 Operating Budget

PRESENTED BY

Dr. Wanda Ford, Interim VP for Finance and Administration
Ms. Ronica Mathis, University Budget Director

Florida Agricultural and Mechanical University



Approval of Amendment to the FY 2017-18 Operating Budget

- **Rationale:**

Additional Budget Authority is requested in the following budget entity: Fund 117 Student Activities - Florida Statutes 1009.24(10)(b) states: "Unexpended funds and undisbursed funds remaining at the end of a fiscal year shall be carried over and remain in the student activity and service fund and be available for allocation and expenditure during the next fiscal year." **The amount of unexpended funds for fiscal year 2016-17 is \$413,744 and additional budget authority is being requested for this amount.**

- **Recommendation:**

It is recommended that the Board of Trustees approve the amendment to the FY2017-2018 Operating Budget.





**Item V - Approval of Income and Expenditure Statements for Auxiliary
Facilities with Outstanding Revenue Bonds**

PRESENTED BY

**Dr. Wanda Ford, Interim VP for Finance and Administration
Ms. Ronica Mathis, University Budget Director**

Florida Agricultural and Mechanical University

Approval of Income and Expenditure



Statements for Auxiliary Facilities with Outstanding Revenue Bonds

- **Rationale:**

Pursuant to Board of Governors Regulation 9.008, the collection of fiscal information related to certain auxiliary facilities with revenue bond covenant language requiring prior year, current year, and projected subsequent year income and expenditure must be adopted by the University Board of Trustees prior to being presented to the Board of Governors for approval.

- **Recommendation:**

It is recommended that the Board of Trustees approve the Income and Expenditure Statement (Operating Budgets) for these Auxiliary Facilities with Outstanding Revenue Bonds.





Item VI – Approval of CASS Amendment #1 for Construction Manager

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities and Safety

Florida Agricultural and Mechanical University



Approval of CASS Amendment #1 for Construction Manager

- **Amendment #1** will incorporate all site related construction work outlined in the early site design package issued by the project architect (JRA). The completion of this phase will be approximately March 2018.
- **Recommendation:** Authorize the President to execute **Amendment #1** in the amount of \$1,395,890 to the pre-construction services agreement with Ajax, subject to the review and approval of the Office of the General Counsel. **This cost is included in the total estimated project cost of \$40,728,149.**

Construction Manager Contract

Original Construction Manager (CM) Contract Amount	\$190,074
ADD: CM Contract Amendment #1	\$1,395,890
CM Contract Amount to Date	\$1,585,964





Item VII – Financial Status Report

PRESENTED BY

Ms. Tiffany Holmes, Assistant Vice President/University Controller

Florida Agricultural and Mechanical University



Financial Status Report

Condensed Statement of Net Position at June 30 (In Thousands)

	2017	2016
Assets		
Current Assets	\$ 95,230	\$ 100,105
Capital Assets, Net	562,295	560,641
Other Noncurrent Assets	13,277	13,931
Total Assets	670,802	674,677
Deferred Outflows of Resources	34,797	16,425
Liabilities		
Current Liabilities	26,669	30,424
Noncurrent Liabilities	189,812	163,339
Total Liabilities	216,481	193,763
Deferred Inflows of Resources	1,368	7,530
Net Position		
Net Investment in Capital Assets	491,124	484,961
Restricted	30,905	33,102
Unrestricted	(34,377)	(28,254)
Total Net Position	\$ 487,652	\$ 489,809





Financial Status Report

Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years (In Thousands)

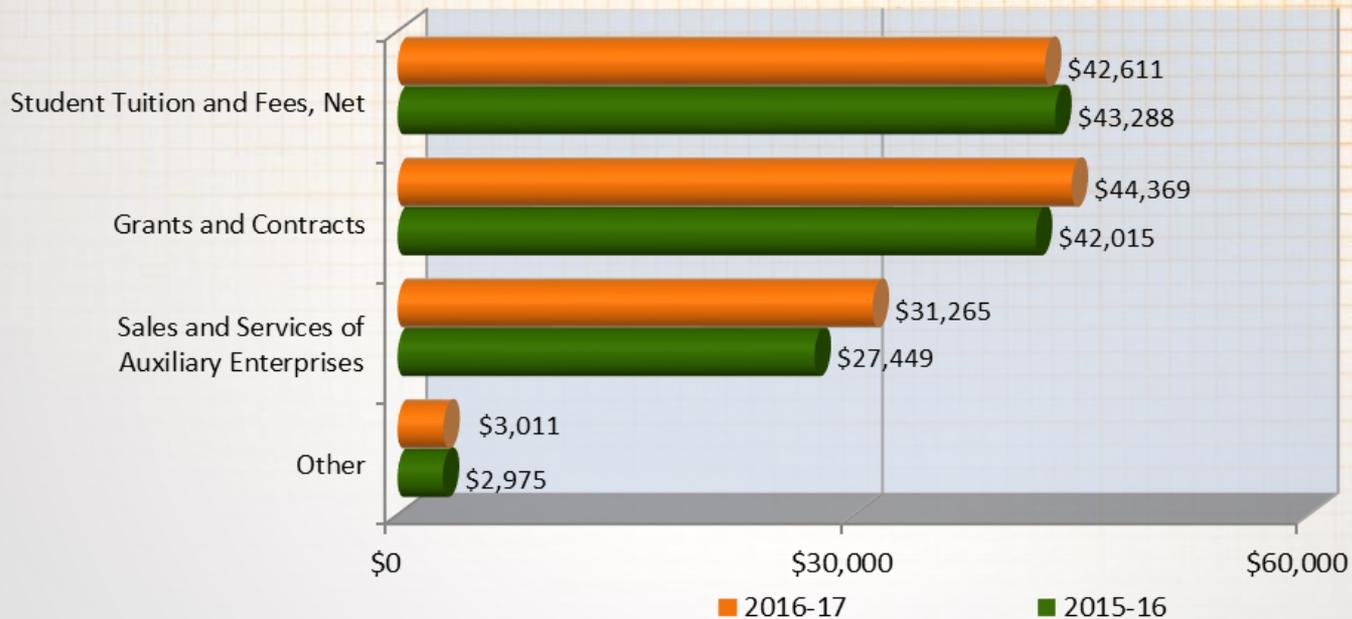
	<u>2016-17</u>	<u>2015-16</u>
Operating Revenues	\$ 121,256	\$ 115,727
Less, Operating Expenses	<u>276,717</u>	<u>273,284</u>
Operating Loss	(155,461)	(157,557)
Net Nonoperating Revenues	<u>141,178</u>	<u>106,812</u>
Loss Before Other Revenues	(14,283)	(50,745)
Other Revenues	<u>12,126</u>	<u>39,525</u>
Net Increase (Decrease) In Net Position	<u>(2,157)</u>	<u>(11,220)</u>
Net Position, Beginning of Year	489,809	501,029
Adjustment to Beginning Net Position (1)	<u>-</u>	<u>-</u>
Net Position, Beginning of Year, as Restated	<u>489,809</u>	<u>501,029</u>
Net Position, End of Year	<u><u>\$ 487,652</u></u>	<u><u>\$ 489,809</u></u>





Financial Status Report

Operating Revenues For the Fiscal Years (In Thousands)



	<u>2016-17</u>	<u>2015-16</u>
Student Tuition and Fees, Net	\$ 42,611	\$ 43,288
Grants and Contracts	44,369	42,015
Sales and Services of Auxiliary Enterprises	31,265	27,449
Other	3,011	2,975
Total Operating Revenues	\$ 121,256	\$ 115,727





Financial Status Report

Operating Expenses For the Fiscal Years

(In Thousands)



	2016-17	2015-16
Compensation and Employee Benefits	\$ 173,568	\$ 164,120
Services and Supplies	50,129	56,965
Utilities and Communications	10,670	10,539
Scholarships, Fellowships, and Waivers	23,595	23,400
Depreciation	18,754	18,260
Total Operating Expenses	\$ 276,716	\$ 273,284





Item VIII – Write-Offs
(University Property and Student Accounts)

PRESENTED BY

Ms. Tiffany Holmes, Assistant Vice President/University Controller

Florida Agricultural and Mechanical University

Explanation of Student Account Write-Offs



- Florida Statutes 1010.03 and Board of Trustee Regulation 3.019 allow the write off of uncollectible student accounts past due for more than 24 months.
- A reconciliation as of June 30, 2017 determined the accounts older than 3 years that needed to be written off.
- The account debtor remains liable to the University until the debt is paid in full. Holds are placed on student records preventing subsequent registration and preventing the release of transcripts, diplomas, etc.
- As a result of the approved student accounts write-off, the University is in a position to better manage aging receivables.





Explanation of Property Write-Offs

- Pursuant to Florida Statutes chapter 273 and BOT Policy 2008-03 approval was granted to write-off tangible personal property* documented as:
 - missing for at least 2 inventory cycles or
 - stolen based on a police incident report.
- The tangible personal property write-offs were approved by the University's Property Survey Board.

FY 2017-18 Property Write-Offs				
#	Property Description	Cost	Acquisition Date	Net Book Value
1	Refrigerator Floor Model 208 V	\$ 17,231.47	8/1/1986	\$ -
2	Camera Assembly Hitachi	\$ 10,200.00	8/1/1988	\$ -
3	Table Label Printer	\$ 19,380.00	2/5/1996	\$ -
4	LDV Enhancementtsi Optical	\$ 37,725.00	1/24/1996	\$ -
5	Electrophoresis System	\$ 5,400.00	3/17/1997	\$ -
6	Computer, 800 -H/P	\$ 14,675.00	6/15/2000	\$ -
7	Computer 560 Gateway	\$ 16,128.00	3/15/2001	\$ -
8	Server Dell 2650	\$ 5,683.00	12/4/2003	\$ -
9	Switch, Catalyst 3560X	\$ 6,930.00	9/2/2010	\$ -
10	Section, Test-Cordin	\$ 43,334.00	12/22/1996	\$ -
11	SimMan - Laerdal	\$ 22,600.00	4/5/2006	\$ -
Total		\$ 199,286.47		\$ -



*Tangible personal property is defined as all personal property, other than real estate, acquired and belonging to the State of Florida.



Item IX – Project Updates

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities
Dr. Jennifer Wilder, Director, University Housing

Florida Agricultural and Mechanical University



Center for Access and Student Success (CASS)

Background:

The FAMU Center for Access and Student Success (CASS) is designed to be a multipurpose building serving as a one-stop shop for programs like recruitment, admissions, financial aid and enrollment management. This building will also house registrar, scholarship office, counseling services and the Center for Disability Access and Resources.





Center for Access and Student Success (CASS)

Current Status:

- The Architect has completed and submitted the Conceptual Schematic Design, Advance Schematic Design, the Site Utilities Analysis, Design Development, early site package design and 75% Construction Documents
- The Construction Manager (CM) has completed and submitted the Conceptual and Advanced Schematic, Design Development Cost Estimate for review by FAMU and JRA Architects
- The Construction Manager (CM) has also submitted the early site package Guaranteed Maximum Price (GMP) On October 30, 2017
- Ground breaking ceremony was held on June 8, 2017
- A phased project approach is being developed to account for the incremental funding received





Center for Access and Student Success (CASS)

Key Project Milestones:

- Ph-1 Early Site Package: October 15, 2017
Site Utility Work to Commence: November 2017
(Post BOT Approval of Amendment #1)

Next Steps:

- Ph-2 Early Steel Package: December 1, 2017
- Ph-3 Final Construction Docs: January 15, 2018
 - Foundation Work Begins: March 31, 2018
 - Steel Erection Begins: April 25, 2018
- Construction Funding
(Balance) Needed: July 1, 2018
- Substantial Completion: June 20, 2019
- Final Completion: July 20, 2019





FAMU - Public Private Partnership (Timeline for Exclusive Right to Negotiate Agreement)

No.	Tasks	Timeline
1	CTG and FAMU to execute Exclusive Right to Negotiate Agreement	August 8, 2017
2	CTG to submit/present revised financing plan and updated development plan/development costs/schedule/financials/operating budget	September 12, 2017
3	FAMU to analyze revised updated information	September 26, 2017
4	CTG to make updates based upon FAMU feedback	October 10, 2017
5	FAMU to send CTG a DRAFT Term Sheet (which defines key business terms) for Development Agreement	October 24, 2017
6	Negotiate Term Sheet	November 13 - 28, 2017
7	BOT Review of Negotiated Term Sheet	November 2017/ December 2017
8	FAMU to begin drafting Development Agreement <ul style="list-style-type: none"> ▪ Hire real estate attorney (unless in-house counsel has this expertise) to represent FAMU's interests and assist with drafting all documentation ▪ The University Administration should begin drafting the Development Agreement for the review of the "Working Committee". ▪ Incorporate term sheet clauses Development Agreement 	November 2017/ December 2017
9	FAMU to send DRAFT Development Agreement to CTG	November 30, 2017
10	Negotiate Development Agreement	December 12, 2017
11	If negotiations are successful, CTG and FAMU to execute Development Agreement	December 12, 2017





University Construction at-a-glance: Allied Health Simulation Lab

Project Description: The new School of Allied Health Sciences Multidisciplinary Simulation Laboratory consist of 2,937 square feet of space. The lab consists of 6 state of art hospital set up rooms with medical gas, oxygen, suction and vacuum. A real hospital bed is placed in each of the six rooms. The six simulator lab rooms are monitored by 3 control rooms where the Professors/staff can watch the students behind 1 way glass and provide real world scenarios for them to solve. There are two debriefing rooms so that the students and the professor can watch videos and discuss the pros and cons of what took place in the simulation rooms regarding the student efforts.



Current Status:

- Project construction work is complete
- Project Budget was \$695,920 and was paid out of Title III funds





Housing Facilities Update

Dr. Jennifer Wilder

Preliminary Assessment* of University Housing Facility Needs

		Gibbs	Paddyfote	Palmetto North	Palmetto South	Palmetto Phase III	Sampson	Truth	Villages	Young
	Building Repair Needs*									
Complete	Insulate Pumps in Mechanical Rooms		X							
Complete	Install New Mirrors			X						
Complete	Paint Hallways					X	X			X
In progress	Repair Air Handler Units				X					
In progress	Replace Roof	X								
	<i>*The listed repair needs are based on in-house preliminary assessments; an extensive external assessment of building needs is planned for the near future.</i>									





Housing Facilities Action Items

Rev. 11-16-17

ACTION ITEMS	ESTIMATED TIMELINE	RESPONSIBLE PARTY
Initiate Quarterly Housing Team Meetings	Fall 2017	VP Hudson
Explore Relocation of Housing Office	Fall 2017	AVP Kapileshwari / VP Hudson
Track Repair Costs by Building	Monthly	Director Wilder
Monitor Debt-Coverage Ratio	Per semester	AVP Holmes
Monitor Enrollment/Retention	Per semester	VP Hudson
Survey Students for Continuous Improvement	Per semester	Director Wilder
Professional Housing Facility Assessment	Spring 2018	AVP Kapileshwari / Director Wilder
Technology Implementation: New Housing Assignment System	Spring 2018	Director Wilder
Fundraising Strategy Launch	Spring 2018	VP Cotton
Transition of Housing Maintenance	Summer 2018	VP Ford / VP Hudson
Comprehensive Plan for Repairs/Renovations (based on Professional Housing Facility Assessment)	Fall 2018	AVP Kapileshwari / Director Wilder
P3 Construction Completion	Fall 2020	VP Ford





Item X – Food Service Vendor Update

PRESENTED BY

Ms. Rebecca Brown, Assistant Vice President Auxiliary Services

Florida Agricultural and Mechanical University



Food Service Vendor Update

Following the March 2017 BOT-BFF committee meeting discussion of early contract renewal with our current food service vendor...

- Further discussions on next steps took place.
- Decision made to engage in an Request For Information(RFI) process.
- In process of hiring a consultant to conduct a market analysis, assist in the RFI process, and propose recommendations.
- Recommendations will be shared at the conclusion of the RFI process.

Action Items	Anticipated Completion
Hire Consultant	November 2017
RFI Process	January 2018
Final Decisions re: Next Steps	February 2018





Item XI - Succession Planning – Update

PRESENTED BY

Ms. Joyce Ingram, Associate Vice President/Chief HR and Diversity Officer

Florida Agricultural and Mechanical University



Succession Planning - Deliverables

Charge from Board of Trustees - March 2017

- **Succession Planning**

What we said we would do

- Benchmark resources
- Develop a comprehensive framework
- Continue implementation of tools, systems and processes
 - Career Development and Talent Review (Human Resources)
 - Diversity and Inclusion (New Leadership - Engagement)





Succession Planning - Benchmark

Update

- Reviewed and received approval of Succession Planning Framework from University President and Senior Leadership Team – June 2017
- Engaged new leadership and re-engaged SLT on Diversity and Inclusion Initiative
- Continued implementation of HR pilot for Career Development and Talent Review – Anticipated completion, December 2017
- Identified new pilots for 2017-18 implementation





Next Steps

Build the Infrastructure

July 2017 – December 2017

- Complete Career Development and Talent Review through HR Pilot
- Launch new pilots

January 2018 - August 2018

- Identify Key/Critical Positions by Division – Aligned with Strategic Plan
- Conduct analysis of positions identified
- Develop competencies, attributes and skills needed
- Establish career development at replacement and succession planning levels
- Develop Replacements Plans down to Functional Levels (for risk management/talent pool)
- Develop Succession Plans for Key Leadership Roles (future leadership/continuity)
- Support ongoing organizational transition as needed
- Monitor, Evaluate, and Revise





Item XII – Cost Savings (Quarterly Update)

PRESENTED BY

Dr. Wanda Ford, Interim Vice President Finance and Administration/CFO

Florida Agricultural and Mechanical University



Cost Savings – Central Strategies

Status of major areas to realize savings:

Strategy	Approx. Savings
Currently in progress for this year:	
• Reduced use of consultants (3-month average quarterly savings)	\$856,140*
• Procurement from shared SUS contracts (July – Oct 31, 2017)	\$49,158*
• Bulk purchases for IT/equipment (July – Sept 30, 2017)	\$70,642*
• Virtual Payable Process	\$75,000**
Strategy	Estim. Implementation
Currently under review:	
• Recommend hiring freeze for current vacant positions	TBD
• Outsourcing bulk mail, shipping, and printing	TBD
• Mandatory use of University's copy center	TBD

Legend: * Cost Savings ** Cost Avoidance





Thank you

Questions?

