

**Florida Agricultural and Mechanical University
Board of Trustees**



Budget, Finance and Facilities Committee Minutes

Trustee Kimberly Moore, Chair

Thursday, March 6, 2019

Location: Florida A&M University

MINUTES

Committee Members Present: Kimberly Moore, Kelvin Lawson, Harold Mills and Craig Reed

Call to Order/Roll Call

Chair Moore called the meeting to order. Mrs. Turner called the roll. A quorum was present.

CONSENT ITEMS

Approval of Minutes – January 24, 2019

There were no revisions to the minutes.

The motion to approve the consent item was made. The motion carried.

ACTION ITEMS

Approval of Brooksville Solar Farm Initiative

Attorney Self stated that the acreage was given to the University by the United States Department of Agriculture (USDA) with certain restrictions; one of the restrictions is that the University use the acreage as agricultural land and natural resources for the next 25 years.

The University received a number of unsolicited proposals that were unacceptable. Dr. Gainous and his staff then agreed to pursue a proposal with Duke Energy.

Dr. Gainous addressed the questions that were presented by the committee in the last meeting. In addition, Dr. Gainous shared that he confirmed with the USDA bureau chief that the land could be used as a solar farm and the bureau chief fully supported the University's plan. Dr. Gainous presented responses to questions posed by the BOT. Dr. Gainous stated that Duke Energy also agreed to offer internships to students. Duke also expressed a strong interest in becoming a corporate partner with the University. Attorney Self stated that they are requesting that the University enter into the agreement with Duke.

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Questions/Comments re: Approval of Brooksville Solar Farm Initiative

- Trustee Mills sought further clarification as to what it would mean for Duke Energy to become a corporate sponsor. Response: *Dr. Gainous stated that it gives the president an opportunity to establish a relationship with Duke Energy.*
- Trustee Lawson asked how the monies generated by this project would be used on an annual basis for the next 25 years. Response: *Dr. Gainous stated that Dr. Robinson would have to provide that response; however, some of the revenue could be used for goat herding, plant science and animal science.*
- Trustee Lawson asked whether there would be an opportunity to garner a percentage of the revenue generated by the electricity. Response: *Dr. Gainous stated that they had asked this question, and Duke responded that there would not be an opportunity for revenue sharing.*
- Trustee Lawson stated that MIT was the only university with a sizeable comparable solar farm; however, FAMU's would be the largest in the country. Trustee Lawson stated that he wanted to know whether MIT had entered into revenue sharing with their stakeholders. Response: *Dr. Gainous indicated that he could have a response to Trustee Lawson's question the next day.*
- Trustee Woody asked how much money would go towards scholarships. Response: *Dr. Gainous corrected Trustee Woody by indicating that the relationship with Duke would produce internships, not scholarships. Dr. Gainous continued to state that he did not have those numbers.*
- Trustee Woody also asked what would be the benefit for the African American farmer. Response: *Dr. Gainous stated that black farmers are currently moving cattle to the Brooksville Farm. They will continue a relationship with black farmers by holding conferences and workshops for them.*
- Trustee Dortch asked whether the funds from this project were going to the foundation under a restricted fund. Response: *Dr. Gainous stated that he plans on writing up a proposal to present to Dr. Robinson. Dr. Gainous suggested that a portion of the revenue be used for the CASS Building.*
- Trustee Mills asked the Duke Energy representatives how much electricity they project the solar farm would produce. Response: *Thomas Lowry of Duke Energy stated that the solar farm would produce just under that state required 75 megawatts.*
- Trustee Mills asked where this electricity would be distributed within the state. Response: *Mr. Lowry indicated that it would be distributed to south Florida but primarily in the Hernando County area.*
- Trustee Reed asked were there any restrictions that we would encounter by using the land in this manner. Response: *Attorney Self indicated that legally there are no restrictions and that they did receive approval from the USDA.*

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Attorney Self stated that the solar farm plan will be presented to the BOG as an informational item to demonstrate compliance with the University's strategic plan. Trustee Moore stated that the proposal also must go through the Public Service Commission as part of Duke Energy's requirement. Attorney Self stated that the agreement could move forward subject to the approval of the University's general counsel.

A motion was made to accept the agreement with contingencies related to inclusion of a guaranteed 15-year lease with optional years agreeable by both parties and a request for the university team to develop a plan of action on the placement and use of funds.

The motion to approve this agenda item with the stated contingencies was carried.

Approval of Carry Forward Budget

Director Mathis recommended that the board consider approving distribution of the 5% reserves to support existing priorities as outlined in the committee materials.

The motion to approve this agenda item was carried.

Approval to Amend Policy #2006-04 (P-Card Language Change)

Director Hood recommended that there be a change in the processing days for submission of receipts for PCard purchases. The recommended change was that the processing days move from seven calendar days to seven business days for general expenses and seven business days after the return of the traveler.

The motion to approve this agenda items was carried.

Approval of Budget Amendment for Housing Repairs

Director Mathis discussed the emergency that occurred in Gibbs Hall. Director Mathis requested approval of an additional \$500,000 budget authority for repairs and to enhance the structural integrity of Gibbs Hall. The funds would come from the housing R&R fund.

The motion to approve this agenda items was carried.

INFORMATION ITEMS

Succession Planning Overview

AVP Ingram stated that the University has moved forward with implementation of the succession plan. Human Resources has completed the development of the infrastructure to support transition plan. A training guide has been developed for use by managers and employees for executing the transition planning. All materials that have been developed are in an electronic format. Additionally, education and training have been provided to the president and his senior leadership team. Next steps include:

- Education and training for the senior leadership teams for the various colleges, schools and divisions

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- Career development and talent review discussions within the divisions
- Succession planning and replacement planning within the divisions at the assistant vice president level

The timeline for completion is June 2019.

Budget Development Overview

Director Mathis stated that the budget council met in January to review the policies and procedures for the 2019/20 budget. Budget requests were submitted to the council from the various vice presidents and their direct reports. In January, notice went out to the vice presidents with instructions for budget requests. The budget council will meet in March to review the requests. In April, the budget council will have the vice presidents present their individual budget requests. In May, the budget office will prepare a preliminary budget that will be presented in June. In August, the final budget will be prepared and submitted to the BOG.

Financial Status Report/Cost Savings

AVP Holmes reported that the year to date revenues exceeds operating expenses by \$3.7 million. AVP Holmes stated that the teacher resource contracts delivered significant cost savings. The majority of the cost savings originated with tax avoidance. The University saved over \$400,000 through cost savings measures.

Student Write Off and Property Write Off

AVP Holmes stated that the University has written off a sizeable amount on student accounts. AVP Holmes added that the University has also written off property that has been missing for at least two inventory cycles. The University's property survey board has approved this amount.

Questions/Comments re: Student Write Off and Property Write Off

- Trustee Dortch: Will the student write offs impact the federal funding or were these small items related to their University expenses? *Response: AVP Holmes stated that these write-offs were related to student fees and did not come from federal funding.*

Project Updates – Housing Project Plan – Phase 1a

VP Ford stated that the FAMU team travelled to Washington, DC for the closing of the HBCU Capital Finance funding. The University has access to the funds needed to build the 700-bed dorm and address deferred maintenance. VP Ford added that this event is important because it allows the University to address strategic priority number one that is to enhance the student experience.

Project Updates – CASS Project

AVP Kapileshwari stated that the CASS Project is progressing very well. Excavation and foundation work are both complete. Framework will begin soon.

Project Updates – Housing Facilities

Dr. Wilder stated that expenses are continuing to be tracked monthly. The students are using the technology for housing assignments; new and returning students have both been able to use the new application technology.

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The housing management team is using the new work management system to streamline processes and to track work requests. Housing met with the Foundation in December to discuss fund-raising efforts. Monthly meetings with housing and facilities are continuing to occur.

Reports

Trustee Moore informed that in addition to the other periodic reports distributed, BOT would begin receiving monthly Carry-Forward Reports.

Other Discussion

- Trustee Moore announced the Groundbreaking Ceremony for the 700-Bed Residence Hall at 4:00 p.m.
- Trustee Moore affirmed that the Supplier Diversity Plan would be distributed later in the day.

The meeting was adjourned.

DRAFT