

FLORIDA **A&M** UNIVERSITY
Board of Trustees

Budget, Finance, and Facilities Committee Meeting

Trustee Craig Reed, Committee Chair

Wednesday, February 12, 2025 Location: FAMU Grand Ballroom

MINUTES

Committee Members Present: Jamal Brown, Emery Gainey, Loryn May, Craig Reed, Nicole Washington, and Michael White

Call to Order/Roll Call

Trustee Reed called the meeting to order. Ms. Schloss called the roll. A quorum was present.

ACTION ITEMS

Approval of Minutes – December 4, 2024 Committee Meeting

There were no revisions to the minutes.

The motion to approve this action item was carried.

Construction Manager – Contract Authority

VP Brown requested board approval for the following four projects: (a) Campus Utility Infrastructure North Loop, (b) Howard Hall Renovation Project, (c) Benjamin Banneker Demolition Project, and (d) FAMU Student Health Learning Renovation Project.

(a) Campus Utility Infrastructure North Loop

VP Brown recommended authority for the President to execute the necessary contracts and agreements with Miller Works for a total sum not to exceed \$8.5 million, pending General Counsel’s review and approval.

The motion to approve this action item was carried.

(b) Howard Hall Renovation Project

VP Brown recommended authority for the President to execute the necessary contracts and agreements with RAM Construction and Development, LLC for a total sum not to exceed \$9.3 million, pending General Counsel’s review and approval.

Questions/Comments re: Howard Hall Renovation Project

- Trustee Lawson expressed his desire for the BFF Committee to provide opportunities for qualified small, women-owned, and minority businesses to participate as sub-contractors in major project bids.
- Trustee White suggested having an annual workshop for small businesses, particularly those owned by FAMU alumni.

Response: VP Brown responded that their comments would be considered within the realms of the law. She also discussed resuming the Small Business Expo, which the university hosted annually but had paused due to COVID.

Questions/Comments re: Howard Hall Renovation Project

- Interim President Beard noted that VP Brown, VP Seniors, and the Procurement Office are collaboratively working to establish a clear process for small businesses and to emphasize their importance to the university.

The motion to approve this action item was carried.

(c) Benjamin Banneker Demolition Project

VP Brown recommended authority for the President to execute the necessary contracts and agreements with Allstate Construction for a total sum not to exceed \$2 million, pending General Counsel's review and approval.

Questions/Comments re: Benjamin Banneker Demolition Project

- Trustee May inquired about the demolition timeline and plans for the CIS students.

Response: AVP Jones clarified that no demolition date was set and that CIS students would relocate to the Commons Building.

Questions/Comments re: Benjamin Banneker Demolition Project

- Trustee Brown questioned potential parking changes.

Response: AVP Jones stated that it will be a green space until developed.

The motion to approve this action item was carried.

(d) FAMU Student Health Learning Renovation Project

VP Brown recommended that the board approve and authorize the President to finalize the necessary contracts and agreements with CSI Contracting Inc., not to exceed \$1.7 million, pending General Counsel's review and approval.

Questions/Comments re: FAMU Student Health Learning Renovation Project

- Trustee Brown praised VP Brown and the committee for acquiring the property and allowing the University to expand into the community.

Response: VP Brown thanked Trustee Brown for his comment but quickly acknowledged it was a collaborative effort spearheaded by the Provost and Title III.

The motion to approve this action item was carried.

Other Questions/Comments:

- Trustee Washington requested a spreadsheet of all ongoing projects to monitor their progress, review the funding, and track their development.

Response: Trustee Reed affirmed that the request could be accommodated.

Resolution to Approve Drainage Easement for Southeast Housing Ventures

Attorney David Self presented a request on behalf of Southeast Housing Ventures, a real estate developer. The request seeks the university's consent for an easement across the property that currently sits behind the President's house.

Questions/Comments re: Resolution to Approve Drainage Easement for Southeast Housing Ventures

- Trustee Gainey inquired about the responsibility for maintaining the easement and addressing any issues that may arise.

Response: Attorney Self clarified that the developer would be responsible for maintenance.

Questions/Comments re: Resolution to Approve Drainage Easement for Southeast Housing Ventures

- Trustee Ellison inquired whether the title would be transferred to the developers.

Response: Attorney Self assured Trustee Ellison that the property would remain under the university's ownership.

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Questions/Comments re: Resolution to Approve Drainage Easement for Southeast Housing Ventures

- Trustee Reed asked Attorney Self to describe the type of drainage system.

Response: Attorney Self explained that the drainage system is underground and landscaped.

The motion to approve this action item was carried.

Authorization for the Installation of a Commemorative Bench in Honor of Dr. Norma Solomon White

Attorney Self presented a request on behalf of the Beta Alpha Chapter of Alpha Kappa Alpha Sorority, Inc. for authorization to install a commemorative bench in honor of Dr. Solomon White at the intersection of Althea Gibson Way and Robert and Trudie Perkins Way.

Questions/Comments re: Authorization for the Installation of a Commemorative Bench in Honor of Dr. Norma Solomon White

- Trustee Ellison inquired whether the installation of the commemorative bench and the previous construction project action items were part of the university's strategic maintenance programs or activities.

Response: VP Brown responded that the four previous contract authority projects were part of the master plan, deferred maintenance, and/or capital improvement plans approved by the board, each funded by different sources.

Additionally, Chair Harper noted that the board often reviews the campus master plan during retreats, which provides a ten-year outlook on the university's future and serves as an opportunity for the board to engage in long-term strategic discussions.

Trustee Ellison expressed interest in thoroughly understanding the university's asset base, specifically regarding underutilized properties or other options. He suggested that the upcoming retreat might include a comprehensive review of the asset management process to explore self-funding opportunities and other strategic uses of the assets.

INFORMATION ITEMS

Sr. Vice President for Finance and Administration's Report

- a. Quarterly Financial Report- Budget to Actuals
- b. Project Updates
- c. Compensation Study Update

Sr. Vice President for Finance and Administration's Report

a. Quarterly Financial Report- Budget to Actuals

VP Brown provided an update to the budget to actuals as of February 3, 2025, comparing the FY 23-24 to FY 24-25. The overall expenditure for Quarter 2 was 59%, a slight decrease from the previous fiscal year's 61%. VP Brown detailed variances within a range of plus or minus 10%. In the first category, Student Activities, she noted a decrease due to the carryforward budget being posted at a later time, which affected the appearance of revenues and expenditures. In Financial Aid, there was an 11% decrease, attributed to the timing and processing of transactions. Lastly, the Contracts and Grants category saw a 12% decline, primarily due to reduced stimulus funding.

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Questions/Comments re: Quarterly Financial Report- Budget to Actuals

Trustee Lawson inquired about the university's overall financial health, budget, and expenses.

Response: VP Brown explained that the financial health is the same as it was in December and that we're financially sound.

Questions/Comments re: Quarterly Financial Report- Budget to Actuals

Trustee Lawson inquired about the delays in receiving FEMA reimbursements and whether the university had to use reserved funds or if expenses were covered by insurance.

Response: VP Brown confirmed that while FEMA reimbursements have been delayed, the university is utilizing additional operational funds to cover expenses in the interim, without tapping into reserve funds.

b. Project Updates

VP Brown explained there is a total of 52 active projects, categorized as either major/minor capital projects, deferred maintenance, utility infrastructure, or facility enhancements. The new 700-bed project known as Venom Landing is on schedule and within budget, and expected for substantial completion by July 2025.

Questions/Comments re: Project Updates

Trustee Lawson raised concerns about the potential impact of rising material costs and tariffs on the projects.

Response: VP Brown and AVP Jones explained that the contracts include a Guaranteed Maximum Price (GMP), which incorporates protections and contingency funds to address such fluctuations.

Questions/Comments re: Project Updates

Trustee Reed praised the team's excellent performance on the 700-bed project, and AVP Jones recognized Mr. Craig Talton for his significant contributions and dedication to the projects.

VP Brown provided an update on the 500-bed and 800-bed residence halls, noting that the design team completed the construction documents on scheduled as of December 2024. However, the construction start dates for both projects are yet to be determined, pending the identification of funding sources and the completion of an updated housing feasibility study.

Questions/Comments re: Project Updates

Trustee Reed inquired about the timing for the housing feasibility study.

Response: VP Brown deferred to VP Bill Hudson, who indicated that the feasibility study is likely to occur in the Fall. He explained the need to assess the new student group that will be accommodated in the completed 700-bed facility. This feasibility study will also analyze the rental rates in surrounding areas to compare with campus housing costs.

Questions/Comments re: Project Updates

Trustee Lawson stressed the importance of strategic growth and the need for adequate infrastructure to support increasing enrollment. He asked if there was a way to accelerate the timeline of the feasibility study.

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Trustee Reed agreed, noting the importance of clarifying the timeline. He explained that what might seem like a delay could be multiple activities occurring simultaneously. He highlighted that the Board of Governors (BOG) has set new goals for the State University System (SUS), emphasizing the institution's significance as a leading HBCU nationally.

Response: VP Hudson expressed caution regarding accelerating the timeline for the feasibility study, citing concerns about inflation and the need to coordinate with Bond Finance and the BOG. He emphasized the importance of evaluating the performance and impact of the 700-bed facility before making further decisions.

Chair Harper and Trustee White urged the committee to explore opportunities for public-private partnerships (P3s) that could generate additional revenue. They emphasized the need to strategically invest in and acquire properties around FAMU to support the university's growth and financial sustainability.

Trustee Reed emphasized the need for immediate actions in response to Trustee Lawson's request to potentially accelerate the housing feasibility study's timeline. He tasked VP Hudson and VP Brown with outlining a clear timeline that aligns with the SUS goals, ensuring clarity and strategic alignment. Additionally, Trustee Reed highlighted the importance of examining the university's asset management, suggesting the creation of an asset list to better understand expenditures and strategic options regarding loans versus ownership.

Chair Harper was encouraged to consider forming a subcommittee from the current committee to dive deeper into strategies for optimizing the university's asset footprint, including housing and broader institutional strategies. This subcommittee would focus on exploring P3s and other opportunities, bringing initial assessments, findings, and recommendations back to the board for further action.

VP Brown provided a brief update on the remaining projects, affirming that they are within budget and progressing as planned in terms of scope and timing. She noted an exception for the Foote-Hilyer project, which has experienced a minor delay due to sprinkler system upgrades but is expected to be completed by May 2025. The other ongoing projects, including the Dining Hub, Howard Hall, and the Chemical and Biological Research Center, are proceeding without issues.

Trustee Brown emphasized the need for strategic consideration of resources and optimization opportunities for FAMU DRS (Developmental Research School) in relation to the university's broader plans. He questioned whether DRS has similar financial flexibility and loan capabilities as its counterparts in Leon County, stressing the importance of ensuring DRS can engage in comparable financial strategies and project initiatives.

Trustee White challenged Trustee Brown to take the lead on the conversation regarding optimization opportunities for FAMU DRS. He emphasized the importance of trustees taking ownership of specific issues rather than continually assigning tasks to staff and leadership. Trustee White suggested that by personally spearheading initiatives, they could more effectively manage and progress through the extensive list of action items that emerge from their meetings. He encouraged Trustee Brown to prepare a presentation on the matter for the board.

Compensation Study

VP Brown reported on the ongoing compensation study, noting that in December, the Board requested an expansion of the study to include an aggregate analysis tailored to the State University System schools and to incorporate FAMU DRS. She informed the board that they have been working with the consulting firm, Segal, to draft proposals for the additional scope of work. Although the final proposals have not yet been received, they anticipate presenting them to the board for discussion and approval once available. VP Brown assured the board that if the expanded scope is approved by April, they are on track to

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implement the changes by the Fall semester. She also mentioned that the related website is now live, and board members were provided with the link in their materials. She anticipates presenting further updates at the April meeting.

Stimulus Funding Expenditure Report to Date

Dr. Akins presented an update on expenditures, encumbrances, pre-encumbrances, and the impact of stimulus funding. He reported that from the \$195 million allocated, the HBCU/HBGI funds under the CARES Act currently have a remaining balance of \$166,929.66. Within the G6 system, of the \$125 million allocated, there is an available balance of \$310,991.18. In the iRattler system, current expenditures total \$124,815,184.45 with \$24,137.89 encumbered, leaving an available balance of \$166,929.66. Dr. Akins noted that the intention is to fully expend the remaining stimulus funds by June 30, 2025.

The meeting adjourned.