

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



**Budget, Finance and Facilities Committee Minutes**

Trustee Kimberly Moore, Committee Chair

Wednesday, December 4, 2019

Location: Florida A&M University, Grand Ballroom

**MINUTES**

**Committee Members Present:** Kimberly Moore, Kelvin Lawson, and Belvin Perry

**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** - September 18, 2019.

There were no revisions to the minutes.

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

**ACTION ITEMS**

**Approval of SGA Carry Forward Funds**

VP Schweigert indicated that annually this item is brought before the Board. Approximately \$300,000 is asked to be carried forward and spent in the current fiscal year.

Questions/Comments re: Approval of SGA Carry Forward Funds:

- Trustee Moricette asked how soon, once approved, will the carryforward funds be transferred to the SGA account. *Response:* Interim VP Schweigert indicated that the funds can be made available as soon as it is voted approved.

*The motion to approve this agenda item was carried.*

**Dr. Robinson was asked by Trustee Moore to provide better understanding and perspective on two action items (regarding amphitheater funding and the residential hall) that are on the agenda.**

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### Approval of the Amphitheater Funding

Interim VP Schweigert requested spending up to \$1,720,000 that will come out of repair and renovation funds, not reserves. He referenced presentation slide number 7 that identified the Demolition of the Pentaplex and the Amphitheater Project costs.

#### Questions/Comments re: Approval of the Amphitheater Funding:

- Trustee Moricette wanted assurance that issues with overruns or additional funding needs for projects do not reoccur. Trustee Moore added that we need to better handle those factors that we can actually control.
- President Robinson indicated that there will be approximately 118 parking spaces that are included in the Amphitheater project.
- Trustee Lawson discussed the importance of the project for student life and that it ties into our strategic plan. He requested additional oversight which is included as contingencies for the approval of the amphitheater.

*A motion was made to approve the Amphitheater Funding with the contingency that formal monthly reports would be submitted to the Board that include, but are not limited to lists of planned expenses, expenses to date, risks to timely completion of deliverables, and plans to deal with those risks. The motion to approve this agenda item with the stated contingency was carried.*

### Approval of Additional Capital to Complete the 700-Bed Residence Hall

Interim VP Schweigert indicated that additional capital is being requested based on the “hard” bids that have been submitted. Bids have come in that have exceeded estimates. He reminded that the project site costs comprised a Central Energy Plant, IT costs for the residence hall and dining, the exterior dining hub and interior dining hub.

#### Questions/Comments re: Approval of Additional Capital to Complete the 700-Bed Residence Hall:

- Trustee Washington asked from where the additional \$7M in funding would come? *Response: Interim VP Schweigert referenced page 12 of the committee materials packet that indicated funding would come from the Housing Reserves, Auxiliary Parking and Dining Reserves and Title III Reserves for the additional \$7M.*
- Trustee Washington asked what would be the status of the reserves after removing the funds? Are there minimum balances that need to be kept for the reserves? *Response: Interim Vice President Schweigert indicated that he had no concerns about the reserves being reduced to a dangerous level.*
- Trustee Washington suggested that for future projects that additional dollars beyond what may be the estimated project costs are set aside in reserves to cover possible budget overruns. Also, she suggested more diligence in proper budgeting and cost estimations of projects.

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- An item identified for follow-up action was for President Robinson to address in an upcoming meeting the following: plan to restore reserves, contingency planning for construction projects and an oversight model.
- Trustee Perry indicated concerns about overruns and questioned whether or not there are mechanisms that can be put in place to avoid them for future projects. He indicated the need to make sure that contracts are iron-clad and that we have better control. He shared his concern that someone could be under-estimating the costs of projects knowing that they can come back to request additional funds.
- Trustee Lawson suggested that moving forward monthly reviews of project status is requested.
- Trustee Harper asked if there are penalties for going over budget or incentives for staying within budget. Trustee Woody asked whether the penalties are being enforced. *Response: Attorney David Self stated that there are penalties for cost overruns. Each specific line-item would need to be evaluated to determine if penalties are to be assessed.*
- An item identified for follow-up action was for representatives from the University's General Counsel's office and Finance and Administration staff to review construction contracts to identify penalties that may need to be enforced regarding overruns.
- Trustee Perry asked how the project cost under-estimation occurred. *Response: Interim VP Schweigert indicated that the original documents included dining hub estimates based on the construction of a dining hub shell only.*

*Trustee Lawson motioned to approve the additional capital to complete the 700-bed residence hall with the contingency that formal monthly reports would be submitted to the Board that include, but are not limited to lists of planned expenses, expenses to date, risks to timely completion of deliverables, and plans to deal with those risks. The motion to approve this item with the stated contingency was carried.*

### **Approval of Resolution Updating the University's Signatories**

General Counsel Wallace read the resolution #03-19 as shown in the committee materials beginning at page 15.

*The motion to approve this agenda item was carried by the BFF Committee members. However in the subsequent full-Board meeting, General Counsel Wallace requested edits to the resolution. See page 6 of the full Board of Trustees' minutes.*

### **Approval of Oracle Contract**

VP Hudson described the Oracle Student Financial Planning application. He mentioned that it will modernize the financial aid office by providing several benefits including operational efficiency and real-time visibility of a student's entire financial planning.

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### Questions/Comments re: Approval of Oracle Contract:

- Trustee Washington commented that the product will do a great service to students and expressed excitement that FAMU has the opportunity to acquire and use it. FAMU is on the cutting edge and is the first university in Florida to migrate to this financial aid platform.
- Trustee Moricette agreed that students will greatly appreciate the service. He asked if the time for disbursing financial aid payment would be reduced. *Response: Yes, however, no disbursement can be made until after drop/add has ended. The delay in disbursement is made after all accountability checks have been made across the board.*
- Trustee Harper suggested that this information regarding how the FAMU Financial Aid system has progressed so that we change the narrative. Many alumni are recruiting students and need to understand that the financial aid process is far better than what they may have experienced while they (alumni) were in school. *Response: VP Hudson indicated that training on recruitment, financial aid, social media, among other things, will take place June 2020 in conjunction with the FAMU Alumni Association conference on the campus.*

*The motion to approve this agenda item was carried.*

### **Approval of Student Fee Committee Recommendations**

VP Hudson shared that the University Student Fee Committee (comprising students, faculty and staff members) met in October and November to discuss a proposed student fee reallocation of \$3 per credit hour of the current Technology Fee to the Athletic Fee. The reallocation is not an increase to the 2019-2020 student fees. The proposal of the student fee reallocation will follow the appropriate notification and adoption procedures provided by the Florida Board of Governors Regulation Development Procedure. Additionally the reallocation of fees is limited to the end of Fiscal Year 2021/2022 and the fee reallocation will under-go semi-annual evaluation to assess financial need and impact.

### Questions/Comments re: Approval of Student Fee Committee Recommendations:

- Trustee Moricette agreed to reallocation mix because it assists students.
- Trustee Washington suggested that we take a look at how we are allocating and spending / using the student fees. *Response: Trustee Moore indicated that a report on how student fees are currently allocated and used will be shared in the next committee meeting.*

*The motion to approve this agenda item was carried.*

## INFORMATION ITEMS

### **Vice President for Finance and Administration's Report**

#### **a. Review of BOG Senate Bill 190**

Interim VP Schweigert indicated that the Carry-Forward plans are included in the Bill there are other topics to be considered in the Bill of interest to FAMU such as the 2 + 2 programs, excess

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hours, Bright Futures and others. He suggested review of Florida Gulf Coast University's presentation slides for a highlighted version of changes and updates in key areas of SB 190.

**b. Quarterly Budget Review Update Marker**

Interim VP Schweigert has implemented a quarterly budget review within the Division of Finance and Administration. This process is recommended for continued implementation. Quarter 2 review will occur in January 2020. Further expansion will follow in other areas.

**c. FAMU Service Excellence – Staff and Student Surveys**

Interim VP Schweigert shared that within Finance and Administration, a new round of surveys are being established to assess operational performance, service excellence and opportunities for improvement. Survey information will be posted on the division's website.

**d. Succession Planning Update**

Interim VP Schweigert stated that all of his leadership team within Finance and Administration currently have Individual Development Plans and Succession Plans. The next level of leadership within Finance and Administration will also be completed in the next several months. It is anticipated that within the next six months the process should be complete campus wide.

**e. Policy Review**

Interim VP Schweigert explained the review plan for all university policies. The plan would be implemented by a work group of approximately 30 members that will meet monthly to review and make recommended revisions and edits. The policies recommended for update will then go before the Board for approval. All policies will undergo review and update every three years.

**f. Project Updates – University Construction / Operations:**

**1. CASS Project Update**

Interim VP Schweigert indicated that we were on budget and on time for August 2020.

**2. 700-Bed Housing Projects**

Interim VP Schweigert commented that the Board had already been fully briefed on the housing project.

**g. Budget Process Update and New Process**

Interim VP Schweigert reported revamping of the University Budget Council to add more senior level managers. The timeline for the budget process included budget reviews and a BOT Budget Workshop in March 2020. During the workshop details of budget process will be highlighted.

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**Housing Facilities Update and Tour**

Dr. Wilder, Housing Director, provided brief updates to include 103 students that have signed up for housing in fall 2020. A tour of housing facilities and construction sites discussed occurred at the conclusion of the meeting.

**The meeting was adjourned.**

DRAFT