

**USF Board of Trustees
Finance Committee
NOTES
Thursday, January 19, 2017
Tampa Campus - Marshall Student Center Room# 3707**

I. Call to Order and Comments

The meeting of the Finance Committee was called to order by Chair Brian Lamb at 1:47 pm. The following committee members and liaisons were present: Brian Lamb, Mike Carrere, Scott Hopes (phone), Stan Levy (phone), John Ramil, Judy Genshaft, Carl Pacini, Ninon Sutton and Alan Bomstein. A quorum was established. Trustees Christopher Griffin and James Stikeleather were also present. (Trustee Griffin left the meeting at 2:00pm).

Chair Lamb stated that the agenda is consistent with what we want to cover in the Finance Committee.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of November 17, 2016 Meeting Notes

Upon request and receiving no changes to the draft meeting notes, Chair Lamb requested a motion for approval, it was seconded and the November 17th meeting notes were unanimously approved as submitted by all committee members present.

IV. New Business – Information Items

a. Supplier Diversity Update

Jennifer Condon, University Controller, gave an update on the USF System Supplier Diversity Program, focusing on the initiatives started over the past twelve months. Those initiatives include: hosted “USF Connects” event to enable contact between USF departments and local MWBE suppliers (April, 2016); added language to construction contracts to require outreach and encourage use of MWBE vendors as sub-contractors; appointed Supplier Diversity Committee with representation across USF System; established new Assistant Vice President position to spearhead USF Supplier Diversity; instituted MWBE spend reporting program with USF procurement card holders (first reports due this month); and loaded spending data into new analytics tool to enable better data reporting/mining.

The charge/purpose of the Supplier Diversity Committee is to change the culture at the university. We have started the culture shift by raising awareness. Chair Ramil stated that reward/recognition for desired behavior is important and effective. He would also like to see regular reporting on this issue. Chair Lamb stated that this is the right thing to do in our

community. He would like to see more data at our next meeting and he would like to invite the Co-Chairs of the Supplier Diversity Committee to our next meeting as well.

Ms. Condon explained that MWBE is self-reported so it may be underreported. Also, we have challenges determining actual sub-contractor spend and procurement card spend but are working to improve that.

In conclusion, through inreach, outreach, and data development, we will provide reporting and accountability and trend and opportunity analysis which will yield increased competition for USF buyers and improved MWBE metrics for USF. USF is “firing on all cylinders”; and soon we will have the most robust supplier diversity program in the SUS.

b. Tampa Housing Update

Chair Lamb reminded the Committee that in May 2016, the BOT approved the USF Tampa Student Housing Rental Request for three years (FYE 2017-2019). The purpose of the approved three year rate structure was primarily to address deferred maintenance and maintain the debt service coverage ratio and health of the housing system. And as required by the approved resolution, staff will return annually to report on the performance of the housing system.

Ana Hernandez, Assistant Vice President, Housing & Residential Education, gave an update on Tampa Student Housing. Tampa Housing & Residential Education opened in Fall 2016 with 106% occupancy and demand remains strong (Spring occupancy is 109%). Reinvestment in housing facilities continues (FYE17 - \$14.3M projects completed, planned, and underway; FYE18 - \$9.2M projects planned and projected; and FYE19 - \$9.1M projected project budget). We will meet targeted debt service coverage ratio of 1.30x in Year 1 of three year approved plan. Ms. Hernandez listed some of the projects included in the facility reinvestment for FYE 2017-2019. This reinvestment will significantly reduce the \$45M in deferred maintenance previously identified. Chair Lamb asked if the students are engaged in what is selected to be funded first. Ms. Hernandez responded yes, both formally (groups including Residence Hall Association) and informally (one-on-one).

Ms. Hernandez presented financial projections based upon approved rates as well as debt service coverage ratios with the approved rates. Despite the Tampa Housing System losing beds over the next three years, the rate increase at the projected occupancy levels allow us to address our deferred maintenance and maintain debt service coverage ratios.

After a robust discussion, the Finance Committee affirmed the rate increase.

c. Construction Update

Trustee Lamb introduced the item by reminding the committee of the large amount of current construction projects. He has asked that the committee be updated as to how the projects are tracking and on any variances from commitments made.

Calvin Williams, Vice President for Administrative Services, provided an update on board-approved projects with budgets exceeding \$500K, to include scope, budget, and schedule. The six projects included:

- USFSP College of Business - reached substantial completion 12/6/2016 and opened for classes on 1/9/2017; grand opening of facility occurred 1/17/2017; the project was on budget.
- USF Health Morsani College of Medicine & Heart Institute – current budget is for 11 floors; numbers will change if we decide to go to 13 floors; this will be a signature building.
- USF Health Student Wellness MDA Renovation (Phase 3) – Phase 1 (demo of former clinics) and phase 2 (construction of dining, study space, and multipurpose room) are completed; phase 3 (construction of fitness center) is under construction.
- USF Tampa Library Remodel & Learning Enhancements (Phases 1 & 2) – revolves around the 5th floor.
- USF Student Housing Village (P3) – on schedule.
- USF Grocery (P3) – working on permitting and branding.

Chair Lamb requested that at the next Finance Committee meeting the focus is on the College of Medicine so as to better understand the project timeline and budget to include the philanthropic component.

d. USF 2016 Audited Financial Statements

Ms. Condon gave a brief review of the USF 2016 Audited Financial Statements. The financial statements and associated audit report were released by the State of Florida Auditor General on December 20, 2016. We received an unqualified opinion with no material adjustments. We had one immaterial adjustment which was a reclassification within one category on our balance sheet – this had no impact.

V. Adjournment

Having no further business, Chair Lamb adjourned the Finance Committee meeting at 2:51 pm.