

Unofficial Minutes
USF Board of Trustees Regular Meeting
Marshall Student Center - Room 3707
Thursday, October 12, 2017

Chair Brian Lamb convened the regular meeting of the USF Board of Trustees at 8:30 a.m

The Chair welcomed everyone to the meeting and thanked Trustees for adjusting their calendars to attend this postponed meeting due to Hurricane Irma.

The Chair wished everyone a Happy Homecoming Week and asked President Judy Genshaft to call the Roll.

President Judy Genshaft called the roll with the following Trustees present:

Trustee Mike Carrere
Trustee James Garey
Trustee Stephanie Goforth – On the phone
Trustee Moneer Kheireddine
Trustee Brian Lamb
Trustee Stan Levy
Trustee Hal Mullis
Trustee Byron Shinn
Trustee James Stikeleather
Trustee Nancy Watkins
Trustee Jordan Zimmerman

New Business – Action Items

FL 101 – Approval of Minutes - June 8th, August 21st and September 27th minutes

Trustee Hal Mullis made a motion to approve the June 8th minutes with a second from Vice Chair Jordan Zimmerman. Trustee Nancy Watkins made a motion to approve the August 21st minutes with a second from Trustee Mike Carrere. Trustee Hal Mullis made a motion to approve the September 27th minutes with a second from Trustee James Garey. All minutes were unanimously approved by the Board.

Consent Agenda FL 102 – FL 106

Academic and Campus Environment

FL 102 Approval of Tenure as a Condition of Employment, USF Tampa

FL 103 Approval of the Statewide Mutual Aid Emergency Management Agreement Renewal

FL 104 Approval of the Amendment to USF Regulation 10.110 Non Reappointment (Faculty)

Finance Committee Approval Items

FL 105 – Approval of the 2017-2018 Operating Budget

FL 106 – Approval of the Amendment to the USF Regulation 4.0095: Employee Dept Collection

Trustee Stan Levy made comments on behalf of the ACE committee. After having no changes to the items, the ACE committee recommended approval.

Chair Brian Lamb made comments on behalf of the Finance committee. After having no changes the Finance committee recommended approval.

Trustee Byron Shinn made a motion to approve the Consent Agenda FL 102 – 106.

Trustee Hal Mullis seconded and it was approved.

New Business – Action Items FL 107- FL 111

FL 107 Approval of President Judy Genshaft's 2017 - 2018 Goals

President Judy Genshaft's 2017-2018 Proposed Goals are based on BOG and BOT approved USF System Work Plans and USF Tampa Preeminence Plan. In addition, some proposed goals are tied to the respective strategic plan that affects the USF System. Governance Committee recommended updates were included (a breakdown of fundraising goals for USF Health and Athletics and the leadership goal expanded).

Chair Brian Lamb made comments with regards to:

- Strategic Initiatives
- Core Value and Culture
- Achieving Alignment of goals across the USF System
- Direct Reports and Connectivity
- Request Frequent Updates on Goals

Vice Chair Jordan Zimmerman made comments on issues pertaining to the President's Goals:

- Paying it forward
- Core value and culture
- Inclusion and Diversity
- Achieving and alignment of Goals

Trustee Jordan Zimmerman reported on the Governance Committee recommendations which included the President's 4 Goals:

- Research
- Revenue Generating Funds including Fundraising
- Student Success
- Strategic Initiatives

Vice Chair Jordan Zimmerman also made comments on:

- Engaging the Alumni
- Holding the President accountable.
- Focusing on Diversity and Inclusion
- Need high focus on the USF regional institutions
- More frequent updates

Trustee Byron Shinn talked about fundraising goals at the USF Sarasota- Manatee campus.

Trustee Hal Mullis commented on the importance of goals and how they are designed for continued success.

Trustee Stan Levy commented on endowment and preeminence.

Trustee Nancy Watkins commented on the difference between giving as a targeted gift and giving as an endowment.

President Judy Genshaft reported that the endowment is doing well at \$460 million.

Trustee Stan Levy commented on incentives to give now instead of later and questioned if there has been a goal for gift versus a commitment?

Chair Brian Lamb commented on the mechanics – cash vs. pledge

Vice Chair Zimmerman asked for USF preeminence status and comparisons of the other two universities.

Sr. Vice President Joel Momberg commented on endowments, fundraising, cash infusion, the changing market and gifts.

Chair Brian Lamb commented on the following categories relating to the Strategic Initiatives plan:

- Core Value and Culture
- Inclusion and Diversity – The opportunity for improvement
- New Assistant VP Terrie Daniel - Office of Supplier Diversity
- What we're achieving in the alignment of goals.

- The committee will receive frequent updates on progress towards the goals –
- During Governance meetings, they will track the progress of goals on quarterly basis.

Trustee Jordan Zimmerman made a motion on FL 107 to approve the President's Goals for 2017-2018. Trustee Stan Levy Seconded the motion and it was approved.

FL 108 Approval of USF St. Petersburg Campus P3 Project

Trustee Stephanie Goforth thanked USFSP Vice Chancellor Joe Trubacz, Chief Operating Officer and Sr. VP for Business and Finance John Long and Chief Financial Officer and VP for Business and Finance Nick Trivunovich and their teams on their hard work and accomplishments.

The USFSP Vision 20/20 Strategic Plan projects a steady rise in student enrollment over the next 10 years. In addition, the institution has already exceeded capacity to meet current student housing demand. In response to growing demand for on-campus housing, USFSP developed an Invitation to Negotiate ("ITN") to solicit responses from interested parties to enter into a public private partnership agreement with the University to develop a new 550 bed residence hall with a new dining facility and a conference center. The University is seeking approval for a Private Entity to design-build-finance the new facilities consistent with the University's objectives and Florida BOG P3 Guidelines. The Project has a target date of completion of August 2019.

Trustee Stephanie Goforth made comments concerning the process of moving forward, having the full support of the USFSP campus board and the need for housing at the USFSP campus.

Vice Chancellor Joe Trubacz presented a power point presentation which included information on:

- Housing and Dining Facilities
- The Developers
- Projections are on track
- Suites and Rental Rates
- Distribution and Revenue Management Fees
- Dining Facility
- Sodexo Partnership
- Top floor conference center
- Parking
- Equity

President Judy Genshaft assured the Board of Trustee members that the USFSP P3 Project meets all of the requirements of the Board of Governors and strongly supports this project moving forward.

Trustee Hal Mullis congratulated the Campus Board for their engagement and commented that the Strategic Initiatives committee has received routine updates and reports on the development of the USFSP P3 Project; and unanimously supports the recommendation.

Trustee Nancy Watkins had questions relating to the dining and conference center, Sodexo having \$5 million in equity as well as the security and access of the conference center. This will be USF's equity and the floor of the conference center will be key access.

Trustee Mike Carrere had questions in regards to rates charged upon completion and compared the USFSP P3 Project to the P3 Project at the Tampa campus.

Vice President for Business and Finance Nick Trivunovich explained that in comparison to our immediate area their rate is lower.

Trustee Moneer Kheireddine commented that the Student Body President at USFSP David Thompson and the students there are excited and incredibly supportive of the 3P Project. There is a critical need for it.

Chair Brian Lamb had questions pertaining to the use of \$23 million in proceeds.

The proceeds will go towards:

- Invest in maintenance of housing
- Student Success
- Safety and Security
- Mental Health Support

Chair Brian Lamb questioned the guaranteed Sodexo meal plans as well as financial risks with the dining agreement. USF will be responsible for a management fee of 10% of net revenue.

Chair Lamb had questions concerning the demand around the new conference center. There was a letter from Mayor Rick Kriseman concerning a lack of space in the city of St. Petersburg but no data.

Trustee Mike Carrere had questions surrounding the possibility of Sodexo backing out of the agreement and how it would affect USFSP financially.

Trustee Stephanie Goforth commented that questions surrounding fees are still in negotiations she would like to bring an update before the board in the near future.

VP for Business and Finance Nick Trivunovich made comments concerning receiving the agreement late from Sodexo and being at a disadvantage.

Terms have been discussed and as we finalize negotiations, VP Trivunovich assured the Board that if the conference center went into a deficit USF will not have a financial liability. We will receive a commission with positive revenue. An update with details will be provided.

Trustee Hal Mullis discussed the timeline of the USFSP P3 Project and plans for it to go before the Board of Governors for approval at the November meeting. He explained the importance of negotiations being finalized before that time.

Trustee Nancy Watkins commented on concerns of not having details of negotiated terms finalized on the USFSP P3 Project. Trustee Watkins questioned the \$600 hundred thousand guarantee commission of the project and the management fee.

Chair Brian Lamb had questions concerning parking and walkability for students. He also had questions about cost of funds and cost of capital.

The cost of capital for USF will be a total of 5.2%. The cost of capital for the State is 5%.

The Chair requested an update on the Division of Bond Finance. There is a conference scheduled for Monday at 10:00 a.m. surrounding 15 questions. There are still outstanding items to be discussed. An update will be provided. We will also get recommendations from our colleagues in Tallahassee as it relates to the P3 Project.

Chair Lamb shared that if a conference call is needed to discuss the P3 Project, he supports the decision to have it.

After discussion the Board unanimously approved the following three part motion:

1. Effective October 12, 2017, the Board approves a multi-use development project (“Project”) and authorizes the University to enter into a ground sublease agreement with National Campus and Community Development Corporation (NCCDC), or an affiliate, as described in the presentation and materials provided to the Board on October 12, 2017. The Board further authorizes the University to request that the Florida Board of Governors approve the Project and approve the terms of the ground sublease agreement.
2. The Board's approval for the Project is based on the assumptions in the presentation and materials provided to the Board on October 12, 2017, including but not limited to the assumption that neither the USF System nor University of South Florida Saint Petersburg shall have financial exposure in regard to the conference center, residence hall or dining facility, which was not clearly disclosed to the Board in the presentation or materials of October 12, 2017.
3. University leadership will update the Board on ongoing negotiations with Project partners and agency partners, including but not limited to the Board of Governors and the Division of Bond Finance.

Trustee Hal Mullis seconded the motion and made comments concerning if motions passed today the BOG may assume and expect actions are met. A BOT conference call may be needed if the final Sodexo deal does meet three part motion

FL 109 Approval of USF Sarasota Manatee Campus Board Members

President Judy Genshaft presented both recommendations for approval to the USFSM campus board.

Mr. William Joseph “Bill” Mariotti is president and CEO of Bill Mariotti Site Development Co., Inc. He also is president of Mariotti Asphalt, and Mariotti Utilities, a family-owned business since 1952, providing complete site development for residential, industrial, and commercial properties. He is a USF graduate.

Mr. Mariotti is eligible for a four year appointment ending June 30, 2021.

Mr. Fredrick “Rick” Piccolo is the president and CEO of the Sarasota Bradenton International Airport since 1995. After earning his BS degree in business administration

Mr. Mariotti is eligible for a four year appointment ending June 30, 2021.

Mr. Fredrick “Rick” Piccolo is the president and CEO of the Sarasota Bradenton International Airport since 1995.

Mr. Piccolo is eligible for a four year appointment ending June 30, 2021.

Trustee Byron Shinn made comments relating to both Mr. Mariotti and Mr. Piccolo being actively engaged in the on goings at the USF Sarasota- Manatee campus and fully support the recommendation of becoming USFSM campus board members.

Chair Brian Lamb asked for a motion to approve FL 109- Approval fo USF Sarasota Manatee Campus Board members Mr. William Joseph Mariotti and Mr. Fredrick Piccolo. it was seconded by Trustee Byron Shinn and approved by the Board.

FL 110 – Approval of Shell Floors for USF Health MCOM and HI

Vice President Calvin Williams presented a power point presentation.

The new USF Health Morsani College of Medicine and Heart Institute, to be built in downtown Tampa, is envisioned to provide a superior teaching and research environment. The high-rise tower is to be 11 stories with the addition of two (2) floors and ground floor retail at this time as shell space. The project area is projected to be 395,194 GSF, including 57,000 NSF for Morsani College of Medicine, 64,000 NSF for Heart Institute labs, 29,100 NSF for auditorium/dining/support, 22,100 NSF for faculty offices, and 6,000 NSF for Clinical Trials/Care unit. The Design/Build team is proceeding with the construction phase of project development. Guiding principals have been followed in the design of the project.

Vice President Williams shared that the construction is underway for the new downtown USF Morsani College of Medicine and the Heart Institute facility. He is seeking the Boards approval to add two shell floors. If not decided today an opportunity when we will want to expand later will be missed. An additional \$12 million is requested for approval.

Chair Brian Lamb made comments relating to this project which has been in the planning process and discussed over the past two years. The original project was \$152.7 million dollars. If approved, USF will self-fund with non- state funds the shell only.

Trustee Jordan Zimmerman questioned the parking challenges downtown.

Trustee Hal Mullis made comments concerning the plans were previously discussed and supported at the Strategic Initiatives committee meeting. There are questions concerning current state funding.

Trustee Mike Carrere questioned the funding, structure and the overall economic costs and operating costs calculations.

Trustee Nancy Watkins commented that she had concerns some time ago regarding shell flooring and separating pharmacy from medicine. During that time she was told that it was not possible because of the burden and requirements for elevator shafts. Trustee Watkins questioned the operating costs, codes and additional elevator banks. Vice President Williams assured her they were ok to shell.

Trustee Stan Levy commented concerning the gross square footage which is 3,095.00 square feet. We're planning to use approximately 200.000 square feet.

Sr. Vice President Charly Lockwood made comments on the shell space, comparisons and the gross ratio of the square footage. There is a lot of capacity for future growth.

Chair Lamb had questions concerning retail space and suggested making this a standing agenda item to further discuss the mechanics of the project with the Finance committee.

Trustee James Gary made comments on the net comparisons.

Trustee Byron Shinn had comments concerning space dedicated for growth and questioned if we will lease the retail space.

Sr. VP Nick Trivunovich commented on the negotiations that have begun to market at arm's length rates.

Chair Brian Lamb asked for a motion to approve FL 110 to and authorize the university to shell out two additional floors in the USF Health MCOM and HI building provided no appropriated state funds would be requested to construct the two additional shell floors beyond the

appropriated funds already requested for the MCOM and HI building. The motion was made with the understanding that the Board's approval was to shell the floors only and without making any decision on future use or to complete the floors beyond the shells. The motion will not preclude requests for appropriated funds for subsequent, separate projects in the shelled space. The motion was seconded and unanimously approved.

FL 111 – Approval of Naming Projects

USF Tampa/USF Health

- The Vince & Lenda Naimoli Women's Tennis Locker Room in the James Tennis Center; the Vince and Lenda Naimoli Computer Learning Center in the Fishman's Family Student Athletic Enrichment Center; & Vince & Lenda Naimoli Football Team Meeting Room in the Selmon Athletic Center (\$1 million gift).
- Patricia A. Burns, PhD., RN, FAAN Dean's Suite within the College of Nursing.
- Fishman Family Student Athletic Enrichment Center in Athletics
- Lasher Center for Financial Markets in the Muma College of Business.
- Glenn and Linda Ruediger Varsity Tennis Court at the James Tennis Center.
- Sherrill and Paul Tomasino Exam Room in the Byrd Mobile Memory Suite
- Helen & Panos Vasiloudes, M.D. Lobby in the Morsani College of Medicine Downtown facility

Chair Brian Lamb expressed his heart felt appreciation to the Donors.

Trustee Hal Mullis offered a motion with extreme gratitude to the fine Donors of suggested Namings of facilities - FL 111 – Approval of Naming Projects.

Trustee Nancy Watkins seconded the motion and it was approved.

Chair Lamb announced the resignation of Trustee James Stikeleather and thanked him for his service to the USF Board of Trustees and for his academic achievement and success for the future.

Trustee James Stikeleather announced that he is completing his Doctorate and is looking at instructor opportunities at the University. He looks forward to hopefully continuing his working relationship with the Board in the area of strategic planning activities.

Trustee Hal Mullis commented that Trustee James Stikeleather displayed an active unique skill set while serving on the Strategic Initiatives committee and thanked him for his service and valuable contribution.

Having no further business Chair Brian Lamb adjourned the meeting of the Board of Trustees.