

Florida Agricultural and Mechanical University
Board of Trustees



Budget and Finance Committee
Grand Ballroom
October 2, 2013
Time: 3: 30 p.m. – 5:00 p.m.

Budget and Finance Committee Members:

Trustee Rufus Montgomery, Chair
Trustee Kelvin Lawson
Trustee Kimberly Moore
Trustee Narayan Persaud
Trustee Cleve Warren
Trustee Karl White

Agenda

I. Call to Order Chairman Rufus Montgomery

Action Items

II. Approval of Minutes – August 7, 2013 Chairman Rufus Montgomery

III. Approval to Enter into a Contract for Dining Services Byron Williams

IV. Approval of Amendment to BOT Policy 2005-2 - Joseph Bakker
Financial/Budget Administration Policy

V. Approval of PeopleSoft Financial Management System Michael James
Upgrade

Information Items

VI. Updates

• Fiscal Health of the University	William Featherstone/Ronica Mathis
• Fiscal Update on 800-bed Residence Hall	Kendall Jones/Angela Poole
• Athletics Update	Michael Smith
• Government Relations Update	Tola Thompson
• Upcoming Contracts	Stephany Fall

II. Approval of October 7, 2013 Minutes

**FLORIDA A&M UNIVERSITY
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE
GRAND BALLROOM
SUMMARY MINUTES**

August 7, 2013

Committee Members Present: Trustee Rufus Montgomery (Chair); Trustee Kimberly Moore; Trustee Kelvin Lawson; Trustee Narayan Persaud; Trustee Cleve Warren; and, Trustee Karl White.

Others Attending: Trustee Solomon Badger; Trustee Torey Alston; Trustee Glenton Gilzean, Jr.; Trustee Marjorie Turnbull; Trustee Anthony Siders; Trustee Spurgeon McWilliams; Interim President Larry Robinson; Provost Rodner Wright; Attorney Linda Barge-Miles, Attorney Shira Thomas; Attorney David Self, Chief Information Officer Sharon Saunders; Interim Vice President Joe Bakker; Dr. William Featherstone, University Comptroller; W. Rebecca Brown, Interim Assistant Vice President of Administrative Affairs; Byron Williams, Director of Business and Auxiliary Services; Interim Budget Director Ronica Mathis; Interim Vice President Sherrye Earst; Dr. Thomas Haynes; Interim Vice President Richard Givens; Director Michael James; Interim Athletic Director Michael Smith; Mr. Tola Thompson; and, Ms. Ora Mukes, Assistant to the President.

Chairman Montgomery called the meeting to order at 4:37 P.M. Ms. Darlene Garcia was recognized to call the roll. A quorum was established.

Action Items

Approval of Minutes – April 10 & May 6-7, 2013

Chairman Montgomery asked for approval of the minutes for April 10, May 6 and 7, 2013. Trustee Lawson made a motion to approve the minutes and it was seconded by Trustee White. The motion carried.

Approval of Amendments – Regulation 3.011 on Commercial Solicitation

The Committee heard from Mr. Byron Williams, Director of Business & Auxiliary Services who presented a summary of the amendments to Regulation 3.011 on Commercial Solicitation.

The amendment to the Regulation clarifies the current requirements for engaging in solicitation activities on campus. The current language in the Regulation is obsolete. Below is a summary of the amendments:

- Provides purpose of the Regulation;
- Provides definitions for common terms;
- Describes the approval process for solicitation on University premises;
- Explains the manner in which solicitation must be conducted at the University;
- Provides information for obtaining permits; and,
- Outlines the course of action for violation of the Regulation.

Mr. Williams recommended that the Board of Trustees approve Regulation 3.011 for notice and adoption after the expiration of the thirty (30) day notice period, provided there are no public comments, in accordance with the Florida Board of Governor's Regulation Development Procedure dated July 21, 2005.

Trustee Warren made a motion to approve the amendments to Regulation 3.011-Commercial Solicitation and it was seconded by Trustee Lawson. The motion carried.

Approval of the Star Metro Contract

The Committee heard from Mr. Byron Williams, Director of Business & Auxiliary Services who presented the Star Metro Contract for approval. A summary of the key points of the Contract:

- Memorandum of Understanding Executed extending Contract until August 30, 2013 or until New Contract is executed whichever occurs first;
- Contracted with TimHaahs & Associates to review the operations of Parking Services and the Agreement with StarMetro;
- Agreement adequately addresses important issues;
- Recommendations to clarify or expand service requirements; and
- Ridership numbers are based on the average ridership for the last five years plus an annual increase amount of 2%;

Per Trip Rate and Estimated Ridership for 2013-2016 FAMU Service Agreement

Service Year	Payment	Estimated Ridership*	Per Trip Rate
Current Agreement: 2012 – 2013	\$484,064**	739,277	\$0.65
New Agreement: 2013-2014	\$513,783	751,604	\$0.68
New Agreement: 2014-2015	\$537,093	764,137	\$0.70
New Agreement: 2015-2016	\$568,699	776,878	\$0.73

* Includes Ridership on both Venom and City Routes

**Does not include the fuel adjustments

Mr. Chairman it is recommended that the Board of Trustees authorize the President to execute a three year agreement with the City of Tallahassee (StarMetro) to provide Bus Transit Services effective July 1, 2013.

Star Metro Contract Questions and Responses

Trustee Lawson

- Please highlight recommendations to strengthen contract.
3 recommendations:
 - Put a date 90-180 prior to end of year three, our comment was we will meet quarterly and will have plenty of time to decide whether to extend agreement.
 - Add text that the City of Tallahassee will make every effort to notify FAMU of detours. This will be done.
 - StarMetro should send a report of all student ID #s that were swiped to validate ridership. Every week FAMU sends a list of validated riders to the City of Tallahassee. That is our way of ensuring that only validated riders are using the system. Already in contract.

- Referred to a previous conversation regarding enrollment going up/ridership could go down and we talked about trying to share the savings back with the student. Mr. Bakker stated there is nothing in the contract that directly pertains to this issue. The contract allows review of ridership and we would have to address that in this review period.

Chairman Montgomery (to Interim President Robinson)

- **The purpose behind my request for a consultant was to acquire the best opportunity and contract for FAMU.** Briefly speak to where we are on the contract? Interim President Robinson replied that there exists an arrangement that will be more beneficial to our students and expressed his support for approval of the contract.

Trustee Warren made a motion to approve the Star Metro Contract and it was seconded by Trustee Moore. The motion carried.

Approval of Amendments to Regulation 3.021 on Alcoholic Beverages

The Committee heard from Mr. Joseph Bakker, Interim CFO and Vice President of Administrative and Financial Services who presented a summary and the proposed options to amend the Regulation.

The Current Policy allows the possessing, serving, selling, consuming or distribution at the following venues:

- President's Box (Bragg Stadium)
- Alumni House
- Faculty Club House
- Center for Viticulture
- Alfred Lawson Multipurpose Teaching Gymnasium

Below are three (3) options for addition of venues:

Option I

- Grand Ballroom
- Black Archives
- President's Club (northern end zone of stadium)

Option II

- Grand Ballroom/Student Union
- Black Archives
- President's Club
- Bragg Stadium

Option III

Amend Regulation 3.021 3(a) to authorize the University President to designate, in writing, additional venues (designated areas/locations) where possession, serving, sale, consumption, or distribution of alcoholic beverages may occur. Allowing the President to designate these additional venues will enable flexibility in hosting various events and activities at venues that are more conducive and/or appropriate for scheduled activities and/or events.

Mr. Bakker stated that staff did not prepare a recommendation and staff is seeking the wisdom of the Board on this issue.

The Chairman first recognized Trustee Siders to present his thoughts on the amendments the Regulation 3.021 on Alcoholic Beverages.

As the Student Body President and Student Representative of this Board, Trustee Siders voiced his support for this item. The following desires were expressed:

- Create an adult-like atmosphere at FAMU that will attract incoming and upper-level students;
- Update current policy to reflect what is predominantly standard throughout the State University System. Currently 9 out of 11 institutions allow alcohol consumption at comparable student unions;
- Proceed with caution in implementation of this initiative; and,
- Coordinate all efforts with President and Leadership Team to accomplish this initiative.

Alcoholic Beverages Regulation Questions and Responses

Trustee Turnbull

- Clarification that this will only apply to students over 21. Trustee Siders stated that the current Regulation strictly enforces legal age.
- Are you proposing that this is not just for events that would be held, but alcohol would be for sale in these venues? The intent is not to become a wet campus. The Grand Ballroom has become the central hub for events. We would at least like the possibility of this being an authorized venue of alcohol consumption.
- Who will enforce this? The Regulation already addresses this issue.

Trustee Warren

- Same concerns as Trustee Turnbull. This has the capacity to get beyond our intent. I am not sure I am comfortable with the way you police it. Trustee Siders stated that we will proceed with caution. I do understand it can become an eminent threat and a liability to the University. In terms of doing this, we are not setting an undue precedent; other Universities have similar policies already in place.

Trustee Warren

- I would counter by saying we are not trying to be like anyone. We are trying to set a standard for them. I feel that there is no cause to follow just because others have led. If do this, we must be comfortable that we have the capacity to police it. We do not want to instead of hearing about hazing, start hearing about drunkenness on the campus. I hope we are not opening Pandora's Box. I do not want that to happen on my watch. Do you and the student body realize what a big decision this is? We need to approach this with apprehension. I am still not comfortable and have not heard any explanation as to how we police this.

Trustee White

- I don't want us to think of ourselves as a Student Body. This is a decision that the Board and the Institution has to make and we will all be responsible for the outcome. I really want to hear from the President. Whether this will be good or bad depends on the execution.

Chairman Montgomery (to Trustee White)

- Present your support of an option and then we will have the President respond.

Trustee McWilliams

- Turnbull's question was not answered. Is this an open thing or will it just be for special events?
- We need to proceed slowly and grow from there.
- I would suggest we look at this for special events.

Interim President Robinson

- Option I looks good from the perspective of special events. This Option adds additional sites to the list of Board approved sites to serve alcohol.
- Option II is tempting. We wanted to have a reception last year at the Black Archives and could not, because alcohol was not allowed to be served at this venue.
- I have no perception of a continuous consumption of alcohol in any place on campus. It might be best on a case by case basis that goes through the current process. That is the type of thing I had in mind and that is where I am. The mechanism we currently have in place has worked. There is no specific recommendation from staff. The timing of this item coming before the Trustees has not allowed adequate time to study the issue and come with up a concrete recommendation. The timing is questionable with all we have on our plate right now.

Trustee Persaud

- I don't want this to seem as an issue.
- I do not want it to appear as an opening of the flood gates for alcoholism on this campus.
- We (the faculty) would like to have the option for special events where we can serve alcohol. We have been struggling to find places to come together in groups and be allowed to consume alcohol at venues instead of going off campus. Parents have supported and been willing to pay in the past, but no venue has been available. Why should we be denied these kind of opportunities, not just students, but faculty, staff and parents?

Trustee Alston

- My preference is Option II. Remember the Governor and Lt. Governor asking for the Board to approve alcohol designation at the stadium. The Board was in approval and there is a current process in place for control. If this is not a continuous deal and it is for special events and controls are in place, this should not be a problem.
- This could bring in perspective donors and help decrease the athletic deficit.
- I do not want this to be viewed as a student request; it should be all of us.
- Option II will add to the 5 existing. I am comfortable with this option.

Trustee Lawson

- I agree with Dr. Robinson from a priority standpoint. This falls low on my priority list, but at the same time, I would recommend we carry to the Full Board.

Trustee White

- I am wondering whether we should be considering Option III where it needs to go through the existing process for approval.

Chairman Montgomery

- From a policy perspective, it is a recommendation brought to us from a non-member of this Committee.

Trustee Sidors respectfully requested that he be allowed to make a motion to approve the amendments with Option II as discussed. Permission was granted by Chairman Montgomery who entertained the Trustee's motion and Trustee Persuad made the motion to approve the addition of Option II and Trustee White seconded the motion. The motion carried.

****Note: At the Full BOT meeting held Thursday, August 8, 2013, the Law School (Orlando) was added to the list of new venues approved at the August 7, 2013 Budget and Finance Committee meeting.***

Approval of FY 2013-14 Final Operating Budget

The Committee heard from Ms. Ronica Mathis, Interim Director of the Budget Office who gave an overview of the FY 2013-14 Final Operating Budget for approval.

The Preliminary Budget was approved by the Board of Trustees at their June 6, 2013 meeting. The only change from the Preliminary Budget is the Increase in Risk Management and the inclusion of Carry Forward dollars that will be spent.

Ms, Mathis recommended that the Board of Trustees approve the FY 2014-15 Final Operating Budget.

Trustee White made a motion to approve the FY 2013-14 Final Operating Budget and it was seconded by Trustee Lawson. The motion carried.

Approval of FY 2013-14 State Bonus Plan

The Committee heard from Mr. Joseph Bakker, Interim CFO and Vice President of Administrative and Financial Services who gave an overview of the FY 2013-14 State Bonus Plan for approval.

The 2013 Florida Legislature appropriated funding to provide discretionary one-time lump sum bonuses of \$600 to eligible permanent University employees. The bonuses are limited to 35% of the employees. To implement and distribute the bonuses, the Board of Trustees is charged with adopting a Bonus Plan that is consistent with the statutory requirements in section 110.1245 (2), Florida Statutes. The Plan must then be submitted to the Board of Governors for review. The bonuses, which are scheduled for dissemination in June 2014, will be implemented as summarized below.

The Bonus Plan consists of a set of Eligibility Criteria consistent with the referenced statutory requirements, as well as two primary components, the Annual Employee Appraisal Component and the Peer Review Component. Both components require individual scoring/ranking to produce a final score for each. The two final scores are then combined to yield an overall rating for the employee. Employees who are ranked highest in the overall rating process within the respective division or organizational unit will be given first consideration in the distribution of bonus payments.

Mr. Chairman it is recommended that the Board of Trustees approve the plan for allocating the legislative bonuses for FY 2013-14.

State Bonus Plan Questions and Responses

Trustee Warren

- What happens if you do not reach the 35% employee limit? We have made sure the process is competitive and enough employees qualify.
- The employees that are eligible, do they have to be on board as of a certain date? Yes, the employee's work effective date must be July 1, 2012.

Trustee White made a motion to approve the FY 2013-14 State Bonus Plan and it was seconded by Trustee Warren. The motion carried.

Approval of FY 2014-15 Legislative Budget Request (LBR)

The Committee heard from Provost Rodner Wright who presented a summary of the FY 2014-15 Legislative Budget Request issues for approval. The University has determined three (3) key issues to pursue.

- Improve retention and four-year and six-year graduation rates for FTIC students.
Non-Recurring funds requested - \$3,400,000
- Increase first-time pass rates on professional licensure exams
Non-recurring funds requested - \$2,340,000
- Increase Percent of Course Sections offered via Distance and Blended Learning
Non-Recurring funds requested - \$1,000,000

Provost Wright recommended that the Board of Trustees approve the FY 2014-15 Legislative Budget Request.

LBR Question and Responses

Chairman Montgomery

- Is this the entire request? President Robinson responded yes to the BOG process.
- What is the likelihood of these initiatives passing? We have not been successful in getting our priorities funded in the past.

Trustee Lawson made a motion to approve the FY 2014-15 Legislative Budget Request and it was seconded by Trustee Moore. The motion carried.

Approval of the Athletic Department's Budget Deficit Reduction Plan

Chairman Montgomery tabled this item until it could be discussed by the Full Board on Thursday, August 8, 2013.

Information Items

Governmental Relations Overview

The Committee heard from Mr. Tola Thompson, Director of Legislative Affairs to summarize ongoing efforts.

Top Five Things Legislative Affairs is Working On

- eAdvocacy Program (Early Fall)

- FAMU Day @ Capitol Hill is past. I am not sure how this is a current issue unless you were talking about next year?
- Federal Plus Loans Issue
- Minimizing Impact of Sequestration on University Grant Program

Chairman Montgomery

- Is there a dollar amount associated with eAdvocacy? Who are you lobbying?
- Plus Loan is a Federal issue. Is your focus on the Federal side?
- Conversations with the U.S. Secretary and others is good.
- Sequestration – I am not sure FAMU will be involved on this issue.
- What is the status of every request that has been made by this Board over the last few meetings? To my knowledge none has been received. The eAdvocacy issue is a direct result of conversations with members of the Board.
- To Dr. Robinson – I would like the top 5 things in writing sometime within the next week. I would also like to know the status of all the requests by this Board. I would also like to receive a Legislative Report like all other University Boards receive. I have asked for this report in the past and have not received it yet.

Trustee Turnbull

- What sort of target lobbying are you doing this summer and early fall with the Legislature and how are you using this Board in that process? This summer we have had 5 Legislators visit our campus. Who were they and were they members of Appropriations or Education Committees? Two were members of Education Committees, Reginald Fulwood and Mia Jones from Jacksonville. I cannot name the others at this time. Have you done any District meetings? Not as yet. Have you designated certain members that would require precedence? Yes, we will set up some meetings in the fall.

Trustee Alston

- I think a natural constituency for our University is the Black Caucus, but we need to be much more expansive in our efforts as the Chairman stated. There is a whole other group of individuals we need to be reaching out to.
- Do we have a contract lobbyist at this time? We do not have a contract lobbyist at this time. We do have MWW who assists us from time to time on Federal issues.

Dr. Robinson

- We decided we needed to look around for a contract lobbyist. That is what I am doing now. MWW is an effective and a great resource on the Federal side.

Trustee Alston

- I want to make sure at the State level we are pressing the point. There will be a lot of institutions and people getting in line.

Chairman Montgomery

More specific to Trustee Alston's point, there are members of the majority party who make the final decisions. The Appropriations Chairs make final decisions, the Governor is involved, and the President of the Senate and the Speaker of the House are all in decision making positions. There are members of this Board who have relationships with many of these decision makers. The Speaker has been to nine (9) of the State Institutions and he has not been here. This is very concerning to me given that we would want to have a good relationship with individuals who can ultimately effect the process. This has been a source of frustration of mine. It would be prudent to invite some of the key people who make the

decisions to come and see this great institution that is FAMU. I don't think we as a Board want to be in the position of directing. Going forward, I would like to see a status report at every committee meeting on how we have engaged the people who make the decisions that affect this University.

Chairman Montgomery (to President Robinson)

- What have you done to make us more effective in the process going forward?
 1. I have created an additional position in the Governmental Relations office to allow us a bit more capacity in terms of effort on the ground. Recruitment will start very soon.
 2. I have also been working to add a State contract lobbyist.

Trustee Persaud

- You cannot lobby only at one level. We have seen a decline in recurring funding. The Legislature is more prone now to fund non-recurring issues. I do not think we have capitalized on that very well. We do not compare to other institutions.

Chairman Montgomery

This is Lobbying 101. At some point I will ask this Board how we want to proceed as to how we view Governmental Affairs from a policy perspective.

Trustee Gilzean

I am not a member of this Committee and cannot make a motion. However, is it possible to reschedule our next Board meeting since it is the week after the next Committee week to allow us time to make some visits to key Legislators?

Trustee Badger

There may be a conflict with the SACS visit. President Robinson stated that SACS was schedule some time in the last week of September.

Chairman Montgomery

Given our operating procedures this would be at the Chairman's discretion.

Trustee Gilzean

If the Full Board chooses not to meet, some of us could possibly meet with some of the Legislative members that week.

Chairman Montgomery (to Mr. Thompson)

- I encourage you to engage the decision makers. The people determine our fate should become a higher priority. Within 30 days provide a plan to this Committee in writing.
- Provide a very detailed summary of successes that have occurred in the previous fiscal year.

Chairman Montgomery

- President Robinson, is it safe to assume that if we are giving you more money and resources to hire an additional person that we as a Board should be correct in expecting more results? Yes.

Dining Services Amendment/RFP

Mr. Byron Williams, Director of Business & Auxiliary Services presented information on this item. Key points follow:

- The University hired two consultants to assist in the development of the RFP, Tom Britten Services, LLC and the Rochelle Group, LTD (RGL).
- Both companies evaluated our dining facilities on the main campus, the College of Law in Orlando and the FAMU/FSU College of Engineering.
- The RFP was advertised on June 25th and is located on the Office of Procurement Services' webpage and on the Department of Management Services' Vendor Bid System. The Evaluation Team is composed of faculty, staff and students.
- Dining Facility walk-throughs were conducted at the Main Campus and FAMU/FSU College of Engineering on July 9th and at the College of Law on July 11th.
- Proposals were due today August 7th at 2:00 PM. They will be evaluated and a recommendation brought to you at the October Meeting.

Question and Responses

Chairman Montgomery

- Did the hiring of the consultants significantly contribute to a better position for the Institution? Yes. It significantly helped us in the language specifications of the RFP. We have a much better document because we added some language that was not there.

Trustee Lawson

- Were we able to get any relief on the penalties? They are supposed to get back to us by this Friday.

Chairman Montgomery

- Explain the penalty for the new Trustee. The penalty over 3 years is \$2.1 million.
- So we are paying approximately \$38,000-\$39,000 a week for a bad contract.
- So in response to the procedure, we required the use of consultants. We as a Board may want to consider the use of consultants as a policy on our larger scale contracts.

Trustee Gilzean

- Will there be any interruptions of food service this semester...the Law School specifically? The College of Law had a separate contract and we were losing money on the contract so we had to cancel it. In the new RFP we are asking for services for the College of Law.
- Was the \$38,000 loss Institution-wide or on the main campus. The main campus.

Suggested BOT Policy Changes

Mr. Joseph Bakker, Interim CFO and Vice President of Administrative and Financial Services was recognized to present information on this item.

At the Committee's May Retreat we were asked to review the BOT Policies associated with this Committee and identify where we were not operating in compliance with them. We identified two (2) such policies and wanted to share our intent regarding these policies with you. We plan to bring our formal recommendations at the October BOT meeting. The two (2) policies are as follows:

- "Policy 2005-02 - Financial/Budget Administration Policy" requires the submittal of four quarterly reports. In your Board materials we identified the replacement of the referenced reports with two more meaningful quarterly reports which we are currently providing.
- "Policy 2005-18 – Athletics Booster Policy"

Dr. Haynes, Vice President of University Relations will comment on the second policy we identified. "Policy 2005-18 – Athletics Booster Policy"

Chairman Montgomery asked that Dr. Haynes forward a one page report to the Committee on this policy in lieu of the presentation. Dr. Haynes agreed.

Upcoming Contracts over \$100,000

The Committee heard from Ms. Stephany Fall, Director of the Purchasing Office who gave an overview of upcoming contracts over \$100,000. Ms. Fall stated that there are two (2) contracts over \$100,000 that are in various stages of development.

- **Short Summary: Image API, Inc. - \$138,413:** Image API, Inc. will provide document conversion and content management for the University's Registrar. There are approximately 100,000 folders and 120 rolls of microfilm documents to be converted to electronic data.
- **Short Summary: CedarCrestone - Planning for the iRattler Financial Management System Upgrade to v9.2 - \$1,200,000:** The Office of Enterprise Information Technology is in the process of working on a contract with CedarCrestone to upgrade the Financial Management System (FMS) PeopleSoft application from version 9.0 to version 9.2. The contract is valued at approximately \$1,200,000.00. The implementation period is nine months.

Contracts over \$100,000

The Chairman asked if there had been any contracts over \$100,000 approved since the last Committee meeting. Ms. Stephany Fall replied that there had not been any contracts approved.

There being no further business, the meeting adjourned at 6:00 P.M.

Rufus Montgomery
Committee Chairman

Transcribed by:
Darlene W. Garcia

III. Approval to Enter into Contract for Dining Services



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

Meeting Date October 3, 2013

Agenda Item

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment _____ Change Order _____
 Resolution _____ Contract X Grant _____ Other _____

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: Approval to Execute the Dining/Catering Services Contract

Rationale: On June 26, 2013, the University issued a Request For Proposal (RFP) # 0031-2013 – FAMU Dining Service operations to manage and operate the University’s dining/catering services. Responses were received from the following four (4) companies: **Aramark Higher Education, Gourmet Services, Metz Culinary Management, and Sodexo**. An Evaluation Team, appointed by the President, convened to review the RFP responses and presentations.

Based upon the financial and operational information presented in the proposals, the Evaluation Team, ranked the proposers in the following order (#1 being the highest ranked):

1. Aramark Higher Education
2. Metz Culinary Management
3. Sodexo
4. Gourmet Services

The University will conduct negotiations with the top two vendors, Aramark and Metz, and will make a recommendation to the BOT to enter into a contract with the successful vendor.

The negotiated contract would be effective January 2, 2014.

Recommendation: It is recommended that the Board of Trustees authorizes the President to:

- (a) Conclude contract negotiations with **Aramark Higher Education** and **Metz Culinary Management**; and
- (b) Execute a dining services contract with the successful proposer, subject to the review and approval of General Counsel’s Office.

Supporting Documents Included: None

Prepared By: Byron Williams, Director of Auxiliary Services
 Stephany Fall, Director of Procurement Services

Approved By: Joseph Bakker, Interim Vice President

**IV. Approval of Amendment to
BOT Policy 2005-2
Financial/Budget Administration**



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

Meeting Date October 3, 2013

Agenda Item _____

Item Origination and Authorization

Policy X Award of Bid _____ Budget Amendment _____ Change Order _____
 Resolution _____ Contract _____ Grant _____ Other _____

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: Approval to Amend Policy # 2005-02 (Financial/Budget Administration)

Rationale:

The current policy requires the submittal of four quarterly reports. The amendment to this policy would replace the four (4) existing reports with three (3) more meaningful quarterly reports. The proposed reports are as follows:

- Statement of Net Position (Balance Sheet) and Statement of Revenues, Expenses and Changes in Net Position
- Budget Status Report by Division (showing salaries and other expenditure activities for the quarter and year-to-date totals by object of expenditure)
- Report of the Investment and Cash Balances of University Funds

A copy of the amended policy is attached.

Recommendation: It is recommended that the Board of Trustees approves the amended Board of Trustees Policy Number: 2005-02.

Supporting Documents Included: A copy of the proposed amended policy.

Prepared By: Financial and Administrative Services

Approved By: Interim Vice President Joseph Bakker



**Florida Agricultural & Mechanical University
Board of Trustees Policy**

Board of Trustees Policy Number:
2005-02

Date of Adoption/Revision: February 25,
2005; October 3, 2013

Subject	FINANCIAL/BUDGET ADMINISTRATION POLICY
Authority	Chapter 1010 and Section 1001.74, Florida Statutes

I. Policy Statement

The Board of Trustees is charged with maintaining the financial health of the University and with safeguarding the financial integrity of the University. This policy is to ensure the Board of Trustees receives timely and pertinent information of the overall financial health of the University and financial policies; to ensure the reliability of the University's internal and external reporting; to examine the effectiveness and efficiency of the University's operations and use of resources; and to minimize the risks that affect the University's reputation.

II. Submission of Quarterly Financial Report

A. Commencing with the next regularly scheduled meeting of the Board of Trustees, the Vice President of Administrative and Financial Services shall prepare a quarterly report for presentation to the Board of Trustees during its regular meeting. The quarterly report shall consist of, but not be limited to:

1. ~~University Account Detail—The detail of all transactions which were recorded in the University accounts for the quarter.~~ Statement of Net Position (Balance Sheet) and Statement Revenues, Expenses, and Changes in Net Position.

2. ~~University Account Summary—Summary of activities for the quarter and year-to-date totals by object of expenditure.~~ Budget Status Report by Division showing salaries and other expenditure activities for the quarter and year-to-date totals by object of expenditure.

3. ~~Outstanding Encumbrances—A detailed list of all encumbrances outstanding as of the end of the quarter.~~

4. Report of the investment and reinvestment cash balances of University funds.

III. Preparation of Other Reports

The Vice President of Administrative and Financial Services shall make such official reports and furnish such other information as may be requested from time to time by the Board concerning University finances, investments, business or property.

IV. Establishment of Other Procedures

The University President shall establish procedures as appropriate to ensure this policy is carried out.

**V. Approval of PeopleSoft
Financial Management System
Upgrade**



Florida Agricultural and Mechanical University
Board of Trustees Action Item

Meeting Date October 3, 2013

Agenda Item _____

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment _____ Change Order _____
Resolution _____ Contract X Grant _____ Other _____

Action of Board

Approved _____ Approved w/ Conditions _____ Disapproved _____ Continued _____ Withdrawn _____

Subject: iRattler (PeopleSoft) Financial Management System Upgrade v9.2

Rationale: The University's iRattler (PeopleSoft) Financial Management System (FMS) v9.0 will be going out of support starting January, 2014. The new release of this application has several enhanced features such as a newly designed Work Center which will allow users to increase productivity by consolidating user tasks, exceptions, alerts, links, reports, and queries into a single, secure, role-based, cockpit style "command center" that can be personalized via end-user configuration.

Recommendation: It is recommended that the Board of Trustees authorize the Interim President to execute a \$1.2 million contract with CedarCrestone to upgrade the University's Financial Management System application to version 9.2

Supporting Documentation Included: None

Prepared by: Michael James

Approved by: Michael James

VI. Information Items

VI. (a) Fiscal Health of the University

FLORIDA A&M UNIVERSITY
Report of Financial Position
As of June 30, 2013

The following overview provides the financial position and results of operation for Florida A&M University as of and for the period ended December 31, 2013. The overview includes comparisons of the Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position for the periods ended June 30, 2013 and June 30, 2012. The statement of net position shows the assets, liabilities, and net position of the University. Net position represents the residual interest in the University's assets after deducting liabilities and is one indicator of an institution's current financial condition. The statement of revenues, expenses and changes in net position presents the University's revenue and expense activity.

SUMMARY

Based on the results of the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position as of June 30, 2013 and for the period there ended the University remains in a sound financial position.

ASSETS

As of June 30, 2013, the University's assets totaled \$711.7 million. This balance represents a \$20.0 million or 2.9% increase as compared to June 30, 2012. Total assets are comprised of current assets of \$136.2 million and noncurrent assets of \$575.5 million. Assets consist primarily of cash, investments, accounts receivable, receivable due from State, and depreciable capital assets.

Cash and Investments

As presented in Table 1 below, cash and investments totaled \$21.8 million and \$126.1 million, respectively, as of June 30, 2013. When compared to June 30, 2012, cash decreased \$39.8 million and investments increased \$57.4 million. The increase in investments is largely attributed to bond proceeds received to construct the new 800-bed student residential facility. Moreover, at year-end excess cash on hand was transferred to the investment account.

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DATE	CASH	INVESTMENTS	TOTAL
June 30, 2013	\$21,812,873	\$126,092,053	\$147,904,926
June 30, 2012	\$61,653,994	\$68,653,804	\$130,307,798

Table 1: Comparative analysis of cash and investment balances as of June 30, 2013 And June 30, 2012. *Source: AFS.*

Due From State Receivable

As of June 30, 2013, the due from State receivable decreased \$16.5 million or 36.9%. The \$28.2 million receivable represents allocations due the University from Public Education Capital Outlay (PECO) allocations to fund campus construction projects.

Noncurrent Assets

Noncurrent assets increased \$56.4 million or 10.9% as of June 30, 2013. The \$575.5 million balance is comprised primarily of net depreciable capital assets totaling \$468.1 million. This amount increased \$6.1 million or 1.3% as of June 30, 2013 as compared to June 30, 2012.

LIABILITIES

The University's liabilities totaled \$138.7 million as of June 30, 2013. Total liabilities are comprised of current (\$23.0 million) and noncurrent (\$115.6 million) components. This balance represents an increase of \$44.8 million or 47.7% as compared to June 30, 2012. The increase is primarily due to the increase in capital improvement debt of \$43.8 million to finance construction of the new 800 bed student residential facility.

NET POSITION

For the period ended June 30, 2013, the University's net position totaled \$573.1 million. As presented in Table2, this balance reflects a decrease of \$24.7 million or 4.1% when compared to June 30, 2012. The decrease is primarily due to decreases in the capital projects fund (\$12.2 million), unrestricted fund (\$19.2 million), and other restricted fund (\$625 thousand). The

FLORIDA A&M UNIVERSITY
Report of Financial Position
As of June 30, 2013

decreases are partially offset by increases in the capital assets (\$3.8 million) and debt service (\$3.8million) funds.

NET POSITION

FUND	UNAUDITED AS OF JUNE 30, 2013	AUDITED AS OF JUNE 30, 2012	INCREASE (DECREASE) NET ASSETS
Capital Assets	\$465,108,843	\$461,288,025	\$3,820,818
Debt Service	\$4,677,258	\$1,202,406	\$3,474,852
Loans	\$2,136,448	\$2,129,189	\$7,259
Capital Projects	\$36,852,900	\$49,098,289	(\$12,245,389)
Other Restricted	\$0	\$624,859	(\$624,859)
Unrestricted	\$64,291,062	\$83,458,983	(\$19,167,921)
	\$573,066,510	\$597,801,751	(\$24,735,241)

Table 2: Comparative analysis of net assets balances as of June 30, 2012 and June 30, 2013. *Source:* AFS.

The decrease of \$8.4 million in the net position of capital assets and capital projects (\$12,245,389-\$3,820,818) is primarily due to fixed asset additions and spending to fund construction projects. The \$19.2 million decrease in unrestricted net assets reflects the utilization of fund balance to fund current year operations. The Legislature decreased the University's base budget by \$19.9 million. Management decided to fund the reduction from existing carry-forward funds included in unrestricted net assets.

REVENUES AND EXPENSES

For the period ended June 30, 2013, operating revenues totaled \$163.2 million. This amount is offset by tuition allowance of \$34.5 million, resulting in net operating revenues of \$128.7 million. This amount represents a decrease of \$13.0 million or 9.2% in operating

FLORIDA A&M UNIVERSITY
Report of Financial Position
As of June 30, 2013

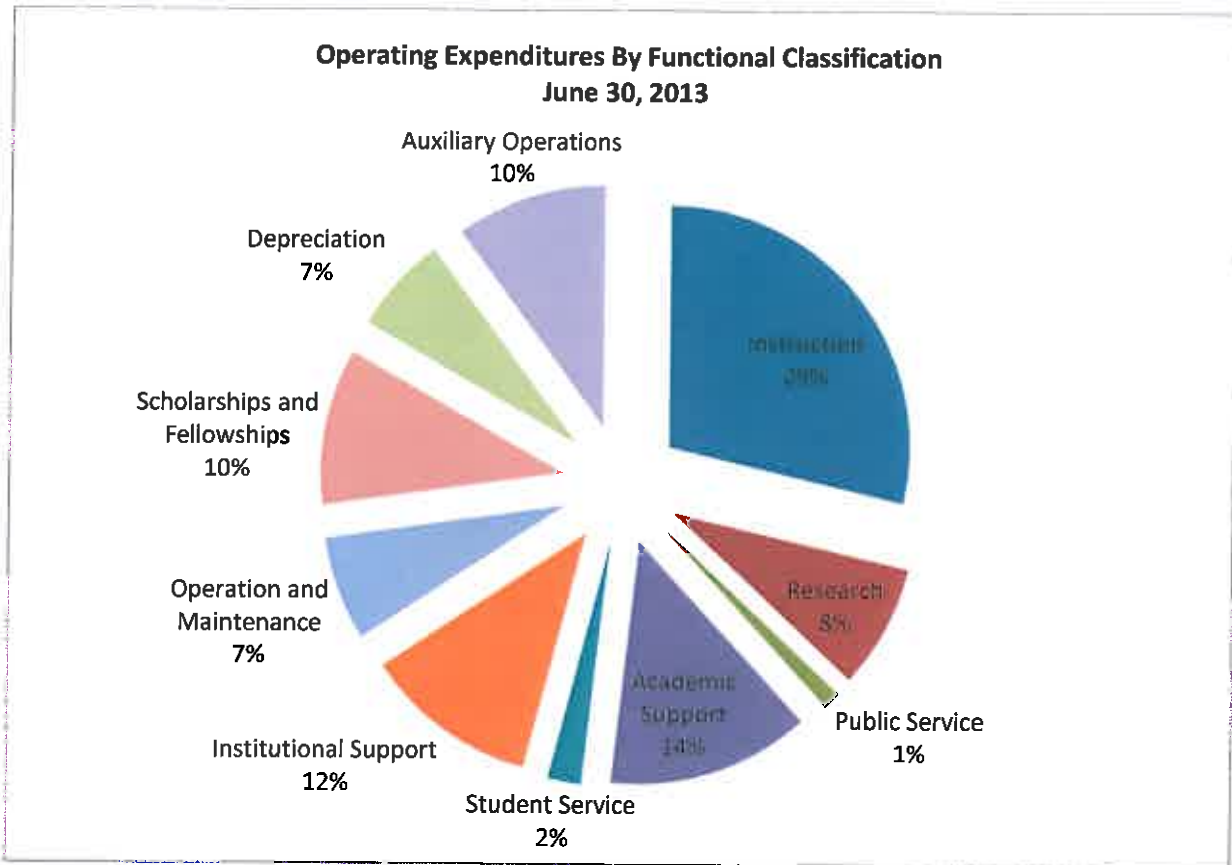
revenues compared to June 30, 2012. This decrease in operating revenue is due primarily to decreases in student tuition and fees, federal grants and contracts, sales and services of auxiliary enterprises, in addition to a reclassification of revenue to non-operating for funds received from the Foundation for scholarships.

Non-operating revenues consist primarily of State appropriations (\$77.5 million), federal and state student financial aid (\$38.8 million), noncapital grants, contracts and gifts (\$2.6 million), and net investment income (\$2.6 million). Net-operating revenues decreased from \$135.9 million at June 30, 2012 to \$116.9 million at June 30, 2013, a decline of \$18.9 million or 13.9%. The decrease is primarily related to the reduction in State appropriations and interest payments resulting from the delay in completing the new student residence hall.

University operating expenditures were \$271.3 million for the period ending June 30, 2013. Operating expenditures have decreased by \$4.7 million or 1.7% since June 30, 2012. The decrease is primarily related to a reduction in federal and state financial aid expenditures resulting from changes in federal regulations.

As shown in Graph 3 below, expenditures are primarily disbursed in the instruction category (29%), academic support (14%), followed by institutional support (12%), scholarships and fellowships (10%), research (8%), and operation and maintenance (7%).

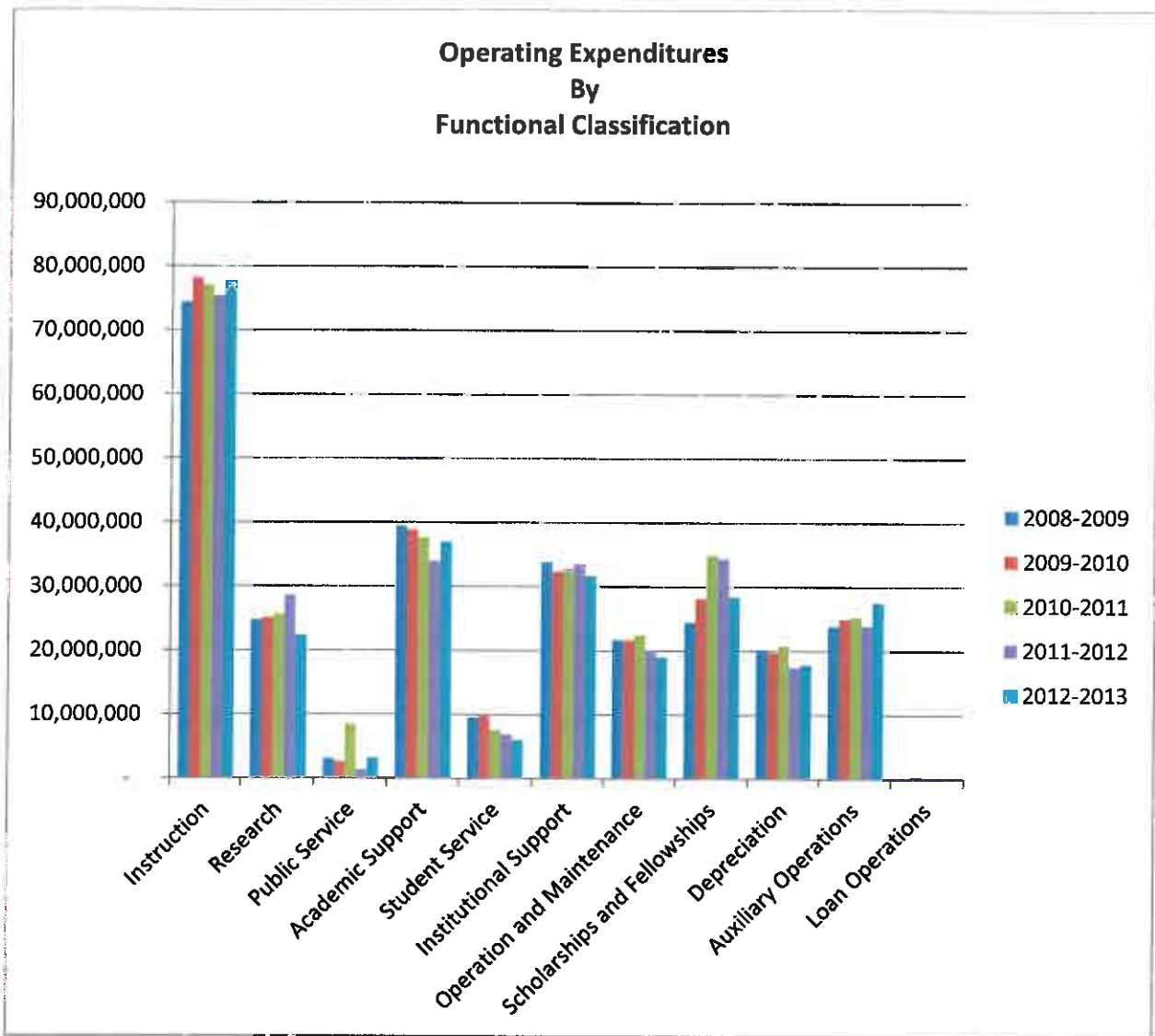
FLORIDA A&M UNIVERSITY
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Graph 3: Distribution of operating expenditures by to functional classification.
Source: AFS.

As presented in Graph 4 below, the distribution has been relatively constant over the past five years.

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Report of Financial Position
As of June 30, 2013



Graph 4: Chart of operating expenditures by functional classification.
Source: AFS.

FLORIDA A&M UNIVERSITY
Report of Financial Position
As of June 30, 2013

Florida A & M University
STATEMENT OF NET POSITION
For Fiscal Year Ended June 30, 2013

	UNAUDITED as of June 30, 2013	AUDITED as of June 30, 2012	Difference
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	11,990,083.51	40,241,171.46	(28,251,087.95)
INVESTMENTS	75,337,531.37	66,095,729.09	9,241,802.28
ACCOUNTS RECEIVABLE, NET	20,231,301.81	21,073,444.86	(842,143.05)
LOANS AND NOTES RECEIVABLE, NET DUE FROM STATE	28,900.91	28,259.49	641.42
	28,199,421.02	44,655,153.67	(16,455,732.65)
INVENTORIES	447,751.22	481,457.02	(33,705.80)
TOTAL CURRENT ASSETS	136,234,989.84	172,575,215.59	(36,340,225.75)
NON-CURRENT ASSETS:			
RESTRICTED CASH AND CASH EQUIVALENTS	9,822,789.54	21,412,823.20	(11,590,033.66)
RESTRICTED INVESTMENTS	50,754,521.74	2,558,074.68	48,196,447.06
LOANS AND NOTES RECEIVABLE, NET	2,200,533.57	2,121,327.69	79,205.88
OTHER NON-CURRENT ASSETS	601,060.25		601,060.25
DEPRECIABLE CAPITAL ASSETS, NET	468,059,744.33	461,938,994.59	6,120,749.74
NON-DEPRECIABLE CAPITAL ASSETS	44,065,298.09	31,083,772.58	12,981,525.51
TOTAL NON-CURRENT ASSETS	575,503,947.52	519,114,992.74	56,388,954.78
TOTAL ASSETS	711,738,937.36	691,690,208.33	20,048,729.03
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	711,738,937.36	691,690,208.33	20,048,729.03
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	5,799,729.72	4,524,649.27	1,275,080.45
CONSTRUCTION CONTRACTS PAYABLE	3,825,889.57	4,566,388.93	(740,499.36)
ACCRUED SALARIES AND WAGES PAYABLE	2,187,973.98	2,141,173.67	46,800.31
DEPOSITS PAYABLE	1,262,516.66	3,868,099.78	(2,605,583.12)
DUE TO STATE	110,486.21	118,187.51	(7,701.30)
UNEARNED REVENUE	4,774,253.23	5,273,241.55	(498,988.32)
LONG-TERM LIABILITIES - CURRENT PORTION:			
LOANS AND NOTES PAYABLE	83,334.00	83,333.00	1.00
CAPITAL LEASES PAYABLE	275,911.32	320,537.79	(44,626.47)
COMPENSATED ABSENCES PAYABLE	1,424,400.85	1,410,762.52	13,638.33
CAPITAL IMPROVEMENT DEBT PAYABLE	3,289,000.00	1,791,000.00	1,498,000.00
TOTAL CURRENT LIABILITIES	23,033,495.54	24,097,374.02	(1,063,878.48)

FLORIDA A&M UNIVERSITY
Report of Financial Position
As of June 30, 2013

Florida A & M University
STATEMENT OF NET POSITION
For Fiscal Year Ended June 30, 2013

NON-CURRENT LIABILITIES:			
LOANS AND NOTES PAYABLE		83,334.00	(83,334.00)
CAPITAL LEASES PAYABLE	14,386,905.02	14,714,014.24	(327,109.22)
COMPENSATED ABSENCES PAYABLE	17,646,174.22	18,237,740.87	(591,566.65)
OTHER NONCURRENT LIABILITIES	2,249,527.72	2,260,667.56	(11,139.84)
POSTEMPLOYMENT HEALTH CARE BENEFITS PAYABLE	9,747,000.00	7,231,000.00	2,516,000.00
CAPITAL IMPROVEMENT DEBT PAYABLE	71,609,324.45	27,264,326.17	44,344,998.28
TOTAL NON-CURRENT LIABILITIES	115,638,931.41	69,791,082.84	45,847,848.57
TOTAL LIABILITIES	138,672,426.95	93,888,456.86	44,783,970.09
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	138,672,426.95	93,888,456.86	44,783,970.09
 NET POSITION			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	465,108,843.10	461,288,024.76	3,820,818.34
RESTRICTED:			
EXPENDABLE:			
DEBT SERVICE	4,677,257.69	1,202,405.86	3,474,851.83
LOANS	2,136,447.60	2,129,189.15	7,258.45
CAPITAL PROJECTS	36,852,900.49	49,098,289.50	(12,245,389.01)
OTHER	-	624,858.72	(624,858.72)
UNRESTRICTED	64,291,061.53	83,458,983.48	(19,167,921.95)
TOTAL NET POSITION	573,066,510.41	597,801,751.47	(24,735,241.06)

FLORIDA A&M UNIVERSITY
Report of Financial Position
As of June 30, 2013

Florida A & M University
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For Fiscal Year Ended June 30, 2013

	UNAUDITED as of June 30, 2013	AUDITED as of June 30, 2012	Difference
OPERATING REVENUES			
STUDENT TUITION AND FEES	94,411,329.91	95,850,814.03	(1,439,484.12)
LESS: SCHOLARSHIP ALLOWANCES	(34,547,709.00)	(32,796,709.66)	(1,750,999.34)
NET STUDENT TUITION AND FEES	59,863,620.91	63,054,104.37	(3,190,483.46)
FEDERAL GRANTS AND CONTRACTS	37,324,152.03	40,663,481.99	(3,339,329.96)
STATE AND LOCAL GRANTS AND CONTRACTS	5,456,257.49	5,969,890.30	(513,632.81)
NONGOVERNMENTAL GRANTS AND CONTRACTS	1,323,297.07	1,429,932.54	(106,635.47)
SALES AND SERVICES OF AUXILIARY ENTERPRISES	21,137,166.34	22,511,282.44	(1,374,116.10)
INTEREST ON LOANS AND NOTES RECEIVABLE	77,688.23	74,770.76	2,917.47
OTHER OPERATING REVENUES	3,472,581.45	7,952,835.29	(4,480,253.84)
TOTAL OPERATING REVENUES	128,654,763.52	141,656,297.69	(13,001,534.17)
OPERATING EXPENSES			
COMPENSATION AND EMPLOYEE BENEFITS	158,401,089.90	161,391,300.19	(2,990,210.29)
SERVICES AND SUPPLIES	53,822,332.85	49,849,085.67	3,973,247.18
UTILITIES AND COMMUNICATIONS	12,759,318.24	12,843,486.01	(84,167.77)
SCHOLARSHIPS, FELLOWSHIPS AND WAIVERS	28,450,102.58	34,441,632.15	(5,991,529.57)
DEPRECIATION	17,850,577.78	17,465,086.20	385,491.58
TOTAL OPERATING EXPENSES	271,283,421.35	275,990,590.22	(4,707,168.87)
TOTAL OPERATING INCOME (LOSS)	(142,628,657.83)	(134,334,292.53)	(8,294,365.30)
NON-OPERATING REVENUES (EXPENSES)			
STATE APPROPRIATIONS	77,458,589.00	97,822,294.00	(20,363,705.00)
FEDERAL AND STATE STUDENT FINANCIAL AID	38,778,391.81	45,069,465.39	(6,291,073.58)
NONCAPITAL GRANTS, CONTRACTS AND GIFTS	2,604,353.21		2,604,353.21
INVESTMENT INCOME, NET	2,574,526.43	2,010,259.51	564,266.92
OTHER NONOPERATING REVENUES	177,884.38	256,184.22	(78,299.84)
GAIN/LOSS ON DISPOSAL OF CAPITAL ASSETS	16,443.91	(227,096.48)	243,540.39
INTEREST ON ASSET RELATED DEBT	(3,238,647.80)	(1,713,357.47)	(1,525,290.33)
OTHER NONOPERATING EXPENSES	(1,467,318.13)	(7,364,381.41)	5,897,063.28
TOTAL NON-OPERATING REVENUES (EXPENSES)	116,904,222.81	135,853,367.76	(18,949,144.95)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(25,724,435.02)	1,519,075.23	(27,243,510.25)
CONTRIBUTIONS AND TRANSFERS			
CAPITAL APPROPRIATIONS	783,023.00	1,130,324.66	(347,301.66)
CAPITAL GRANTS, CONTRACTS AND DONATIONS	206,171.02	1,168,391.32	(962,220.30)
CHANGE IN NET POSITION	(24,735,241.00)	3,817,791.21	(28,553,032.21)
TOTAL NET POSITION - BEGINNING	597,801,751.41	593,983,960.26	3,817,791.15
ADJUSTMENTS TO BEGINNING NET POSITION			
TOTAL NET POSITION - ENDING	573,066,510.41	597,801,751.47	(24,735,241.06)

VI. (b) Fiscal Update on 800-Bed Residence Hall



Florida Agricultural and Mechanical University
Board of Trustees Information Item

Meeting Date October 3, 2013

Agenda Item

Committee

Budget and Finance

Subject: 800-Bed Financial Health

Short Summary: At its November 1, 2012 meeting, the Board of Trustees authorized the Interim President to enter into contracts to complete the construction of the 800-bed Residence Hall within a budget \$53.6 million. The project is currently 50% completed and within its budget (see table below). The project is also expected to be completed on time.

Item	Budgeted Amount (\$Millions)	Projected Amount At Completion (\$Millions)
Architect/Engineer Fees	2.2	2.2
Pre-Construction/Construction (by Premier)	3.6	3.6
Construction (by Kokalakis)	40.0	40.0
Abatement and Demolition	0.4	0.4
Furniture and Equipment	2.5	2.5
Information Technology	1.2	1.2
Other Fees	0.4	0.6
Overall Project Contingency	3.3	3.1
TOTAL	53.6	53.6

**V. (c) Athletics Update
(to be provided at a later date)**

**VI. (d) Governmental Relations
(to be provided at a later date)**

**VI. (e) Upcoming Contracts
(to be provided at a later date)**