

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
UNIVERSITY OF CENTRAL FLORIDA
June 27, 2024

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and its committees are accessible at <https://www.flbog.edu/>.*

1. Call to Order and Opening Remarks

Chairman Lydecker convened the meeting at 2:30 p.m.(ET) on June 27, 2024, with the following members present: Edward Haddock, Ken Jones, Brian Lamb, Amanda Phalin, and Eric Silagy. A quorum was established.

2. Minutes of Committee Meeting

Chairman Lydecker requested a motion to approve the minutes of the Facilities Committee meeting held on March 26, 2024. Governor Jones moved to approve, Governor Silagy seconded the motion, and the motion was carried.

3. Public Notice of Intent to Amend Board of Governors Regulation 14.001-
Construction Program Definitions

Chairman Lydecker presented the next item on the agenda, a Public Notice of Intent to amend Board Regulation 14.001 Construction Programs Definitions.

Chairman Lydecker recognized the Board of Governors' Assistant Vice-Chancellor of Finance and Facilities, Mr. Kevin Pichard, to provide a quick overview of the changes.

Mr. Pichard referred to the approval of House Bill 149, signed by the Governor on May 28, 2024, that amends sections 255.103 and 287.055, Florida Statutes, increasing the maximum dollar amount for continuing contracts for construction projects and professional services from \$4M to \$7.5M. It further stipulated that the new \$7.5M 'maximum' will be adjusted annually by the Department of Management Services beginning July 1, 2025, based on the consumer price index. The Board of Governor Regulation 14.001 is being amended to reflect the new maximum of \$7.5M per Florida statute.

The Chairman opened the floor to questions or comments from the committee, hearing none, requested a motion to approve the Public Notice of Intent to Amend Board of Governors Regulation 14.001 – Construction Program Definitions. Governor Lamb moved to approve, and Governor Jones seconded, carrying the motion.

4. Public Notice of Intent to Amend Board of Governors Regulation 17.001- Lease Authority

Chairman Lydecker presented the fourth item on the agenda, a public notice of intent to amend Board of Governors Regulation 17.001-Lease Authority. Chairman Lydecker recognized Mr. Pichard to provide a summary of the change.

Mr. Pichard shared with the committee that in January 2009, the Board amended Chapter 17 to simplify and consolidate it, eliminating 11 existing regulations and consolidating the remaining information as one regulation. Regulation 17.001 is now proposed for amendment, deleting paragraph (3) due to its inaccuracy and references to outdated documents from the Board of Regents system that is no longer in use.

Chairman Lydecker opened the floor to questions or comments from the committee; hearing none, the Chairman requested a motion to approve the Public Notice of Intent to Amend Board of Governors Regulation 17.001 – Lease Authority. Governor Silagy moved to approve, Governor Phalin seconded the motion, and the motion carried.

5. 2024-25 University Capital Improvement Trust Fund (CITF) Projects

Chairman Lydecker presented the next item on the agenda approval of the 2024-25 university CITF project funding allocations and projects. Chairman Lydecker recognized Mr. Pichard to provide additional details to the committee.

Mr. Pichard noted that this is an annual process and provided the committee with a high-level overview as required by Board Regulation 14.004 and section 1013.74, Florida Statutes.

Chairman Lydecker opened the floor to questions from the committee; hearing none, the Chairman requested a motion to approve the 2024-25 university CITF project funding allocations and projects, as described. Governor Lamb made a motion, and Governor Silagy seconded, and the motion was approved.

6. Amendment of University of Florida's 2023-24 Fixed Capital Outlay Budget

Chairman Lydecker presented the sixth item on the agenda, a request to amend the 2023-24 University of Florida Fixed Capital Outlay Budget. Chairman Lydecker referenced Board Regulation 14.003, governing FCO Budgets, which requires that an increase to the cost of a previously approved project or the addition of a new project more significant than \$5M must be approved by the university board of trustees and, subsequently, the Board of Governors.

The Board of Governors approved the University of Florida's (UF) 2023-24 Fixed Capital Outlay Budget late last year. This request to amend is being brought back before the board as UF needs to add a project of critical need, a roof replacement for the Stetson Medical Science Building, with a project cost of \$5.5M to be funded with Carryforward funds (\$4.2M) and funds from the UF Research Foundation (\$1.3M). The UF board of trustees approved the amended FCO Budget on June 13, 2024.

Chairman Lydecker requested a motion to Approve the amendment to the University of Florida's FY2023-24 Fixed Capital Outlay Budget, as described. Governor Jones made the motion, Governor Silagy seconded, and the motion passed.

7. Authorization to Issue Debt by Florida Atlantic University for Student Housing

Chairman Lydecker presented the seventh item on the agenda, a request for Authorization to Issue Debt by Florida Atlantic University for Student Housing. Chairman Lydecker explained that Florida Atlantic University is seeking authorization to finance the construction of a new student housing facility on its main campus. The Project will be funded with \$117.75M of debt issued by the FAU Finance Corporation (FAUFC), a direct service organization. Chairman Lydecker recognized Mr. Pichard to provide additional information on the housing project.

Mr. Pichard provided the committee with the details of the project and the results of the demand study supplied by the third-party consultants Brailsford & Dunlavey. Mr. Pichard stated that the request complies with state and debt management guidelines, has been reviewed by the Division of Bond Finance, and appears to align with the statute and Board Management Guidelines.

Governor Silagy noted a need for student housing in the university system, and he supports the project. Also, he noted that the construction cost is much higher than in previous years, but it is not surprising that, based on the cost of construction in Florida, he expects the price to continue to increase.

The committee and board members discussed the increase in construction costs and future housing plans in the State University System.

Chairman Lydecker requested a motion to adopt a resolution authorizing the issuance of tax-exempt debt in an amount not to exceed \$117.75M by Florida Atlantic University Finance Corporation will finance the design and construction of a new student housing facility on the university's main campus. Governor Lamb made a motion to approve, Governor Silagy seconded, and the motion passed.

8. Authorization to issue Debt by the University of Central Florida for Stadium Renovations

Chairman Lydecker presented the next item on the agenda, a request to authorize the issuance of taxable debt in an amount not to exceed \$100M by the University of Central Florida Stadium Corporation to finance the renovations to the football stadium on the main campus of the University of Central Florida. Chairman Lydecker recognized Mr. Pichard to provide additional details.

Mr. Pichard provided the committee with details of the project. The Project was Legislatively authorized under s. 1010.62(6), F.S., is included in the University's approved campus master plan as amended on May 26, 2022. The UCF Board of Trustees approved the Project on March 28, 2024. Mr. Pichard noted that Board staff and the Division of Bond Finance have reviewed the resolution and supporting documentation provided by UCF. Based upon this review, the proposed financing appears to comply with Florida Statutes and the SUS Debt Management Guidelines governing the issuance of university debt.

Chairman Lydecker requested a motion to adopt a resolution authorizing the issuance of taxable debt not to exceed \$100M by the University of Central Florida Stadium Corporation to finance the renovations to the football stadium on the University of Central Florida main campus. Governor Silagy made the motion, and Governor Jones seconded the motion, and the motion passed.

9. Educational Plant Survey for New College of Florida

Chairman Lydecker presented the ninth agenda item, the validation of the New College of Florida Educational Plant Survey. Chairman Lydecker recognized Mr. Pichard to provide details to the committee.

Mr. Pichard provided the board with an overview of the statutory process and Survey Team Recommendations. The Survey was approved by the Board of Trustees on June 13, 2024.

Chairman Lydecker requested a motion to approve and validate the completed Educational Plant Survey of New College of Florida. Governor Jones made a motion, and Governor Phalin seconded the motion, which carried the motion.

10. Educational Plant Survey for the University of Florida

Chairman Lydecker presented the next agenda item, the approval and validation of the New College of Florida Educational Plant Survey. Chairman Lydecker recognized Mr. Pichard to provide details to the committee.

Mr. Pichard provided the board with an overview of the statutory process and Survey Team Recommendations. The Survey was approved by the Board of Trustees on June 13, 2024.

Chairman Lydecker requested a motion to approve and validate the completed Educational Plant Survey for the University of Florida. Governor Silagy made a motion, and Governor Jones seconded the motion, which carried the motion.

11. Deferred Capital Replacement and Renewal Needs in Educational Facilities

Chairman Lydecker presented the last item on the agenda, a discussion piece only; no action is required. The chairman invited the committee to discuss the accrual of “deferred maintenance” in the State University System and the need for continued funding. Chairman Lydecker recognized Mr. Pichard to provide background information and current stats to assist in the conversation.

Mr. Pichard provided an update regarding deferred maintenance in the form of a presentation for the committee.

There was an open discussion on this topic between committee members, university representatives, and board members.

12. Concluding Remarks and Adjournment

With no further business, Chairman Lydecker adjourned the meeting at 3:45 p.m. (ET) on June 27, 2024.

Kevin Pichard, Assistant Vice Chancellor
Finance and Facilities

Charles Lydecker, Chairman