



FW: Creol Roof  
Gina Seabrook

to:  
Lashanda Brown-Neal  
05/28/2019 01:59 PM

Cc:  
Nester Garcia

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Hide Details

From: Gina Seabrook <Gina.Seabrook@ucf.edu>  
To: Lashanda Brown-Neal <Lashanda.Brown-Neal@ucf.edu>  
Cc: Nester Garcia <Nester.Garcia@ucf.edu>

Here is another email

Gina Seabrook  
Business Systems Analyst I  
407-823-5894



**From:** Frank Ballentine  
**Sent:** Monday, March 12, 2012 1:49 PM  
**To:** Gina Seabrook <Gina.Seabrook@ucf.edu>  
**Subject:** Creol Roof

The following items are what I suggest for Scope of Work to apply a spray coat over the existing single ply membrane roof system:

1. Check and tighten all drain collars prior to cleaning roof.
2. Clean roof with recommended product and procedures by Fibertite.
3. Check all roof area and identify any ponding areas and correct the discrepancy.
4. Remove large curb mounted sheet-metal caps, install iso-board(match existing) and single ply Fibertite membrane to match existing.
5. Remove existing coping stones. Install single ply membrane to extend up and over parapet and install brushed aluminum coping cap.
6. Remove all stucco and replace with Thermocromex. Provide alternate pricing to repair all stucco cracks, patch and paint to existing color with elastomeric paint.
7. Areas around curbs that roof system membrane is not adhered to curbs, apply new membrane in accordance with Fibertite details. Obtain details from Fibertite.
8. Check and repair all lightning protection cables, attachment devices, air terminals and down leads.
9. Check all sealant and backer rods for proper sealant and replace all areas as required.
10. Repair any gaps between mechanical equipment and curbs.
11. Remove any penetrations with improper approve sealant by Fibertite and re-seal with approved sealant by Fibertite.
12. Apply spray coating approved by Fibertite. This application must have a 10 year product warranty and a 5 year application NDL warranty.
13. Use Moisture Intrusion Evaluation completed by Gale Associates, Inc. dated December 16, 2011 (provided)

Frank Ballentine  
QA/QC  
O- 407-823-3579  
C- 407-529-8427  
F- 407-823-4394

BH_JOURN		4													
Account	Acct Description	Alt Acct	Dept	Project	D/P	D/P Description	VP ORG	Fund	Amount	Journal ID	Date	Ledger Grp	An Typ	Long Descr	Line Descr
781139	TSFR TO UNIV CONSTRUCTION	757000	02020710		02020710	FAC & SAF-CARRYFORWARD	Admin & Finance-Physical Plant	10001	57,200.00	0240052350	5/23/2012	ACTUALS		mharris - Facilities Improvements Project Fundin FI 12053006	
615001	TSFR FM E&G UNIVERSITY OPERATI	657000		91010070	91010070	FI PROJECT #12053006 N	Not Coded	51039	(57,200.00)	0240052350	5/23/2012	ACTUALS		mharris - Facilities Improvements Project Fundin FI 12053006	
112001	CASH INTERDEPARTMENTAL TFRS	112001	02020710		02020710	FAC & SAF-CARRYFORWARD	Admin & Finance-Physical Plant	10001	(57,200.00)	0240052350	5/23/2012	ACTUALS		mharris - Facilities Improvements Project Fundin CASH INTERDEPARTMENTAL TFRS	
112001	CASH INTERDEPARTMENTAL TFRS	112001		91010070	91010070	FI PROJECT #12053006 N	Not Coded	51039	57,200.00	0240052350	5/23/2012	ACTUALS		mharris - Facilities Improvements Project Fundin CASH INTERDEPARTMENTAL TFRS	

BH JOURN		118													
Account	Acct Description	Alt Acct	Dept	Project	D/P	D/P Description	VP ORG	Fund	Amount	Journal ID	Date	Ledger Grp	An Type	Long Descr	Line Descr
781139	TSFR TO UNIV CONSTRUCTION	757000	02800001		02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	1,365,232.00	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800002		02800002	FO-OPERATIONS RESERVE	Admin & Finance-Physical Plant	10001	20,505.87	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800004		02800004	FO-UTILITIES	Admin & Finance-Physical Plant	10001	27,674.46	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800005		02800005	FO-SERVICE BLANKETS	Admin & Finance-Physical Plant	10001	575.32	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800006		02800006	FO-POM CIVIC THEATRE	Admin & Finance-Physical Plant	10001	396.00	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800007		02800007	FO-BURNETT HOUSE	Admin & Finance-Physical Plant	10001	544.68	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800008		02800008	FO-FSEC	Admin & Finance-Physical Plant	10001	709.11	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800010		02800010	FO-BUILDING SERVICES	Admin & Finance-Physical Plant	10001	8,740.71	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800013		02800013	FO-SHARED FLEET	Admin & Finance-Physical Plant	10001	7,914.56	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800014		02800014	FO-TRANSPORTATION	Admin & Finance-Physical Plant	10001	1,651.48	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800015		02800015	FO-MAINTENANCE	Admin & Finance-Physical Plant	10001	11,454.30	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800016		02800016	FO-ROOFING & CONTRACTED REPAIR	Admin & Finance-Physical Plant	10001	1,767.02	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800018		02800018	FO-SPECIAL PROJECTS	Admin & Finance-Physical Plant	10001	174.96	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800019		02800019	FO-CENTRAL RECEIVING	Admin & Finance-Physical Plant	10001	8,017.82	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800020		02800020	FO-POSTAL SERVICES	Admin & Finance-Physical Plant	10001	12,094.69	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800024		02800024	FO-WORK CONTROL CENTER	Admin & Finance-Physical Plant	10001	2,066.31	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800025		02800025	FO-LAKE NONA OPERATIONS	Admin & Finance-Physical Plant	10001	3,867.93	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800027		02800027	FO-SOLID WASTE & RECYCLING	Admin & Finance-Physical Plant	10001	9,686.16	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800036		02800036	FO-FILM AND DIGITAL MEDIA	Admin & Finance-Physical Plant	10001	10,277.29	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800039		02800039	FO-RDWY MAINT AND TRAFFIC SIGN	Admin & Finance-Physical Plant	10001	0.99	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02800703		02800703	FO-CARRY FORWARD	Admin & Finance-Physical Plant	10001	18,977.67	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02801110		02801110	FO-ROSEN OPERATIONS	Admin & Finance-Physical Plant	10001	28,900.08	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02830002		02830002	UES-ENERGY PROJECTS	Admin & Finance-Energy Sustain	10001	21,136.29	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02830701		02830701	UES-CARRY FORWARD	Admin & Finance-Energy Sustain	10001	13,760.88	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02850001		02850001	LAND & NAT RES-OPERATIONS	Admin & Finance-Land & Nat Res	10001	40,175.19	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02850003		02850003	LAND & NAT RES-CAMPUS ENHANCE	Admin & Finance-Land & Nat Res	10001	3,633.73	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02850701		02850701	LAND & NAT RES-CARRY FORWARD	Admin & Finance-Land & Nat Res	10001	5,026.69	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02020020		02020020	FAC & SAF-BUSINESS OFC	Admin & Finance-Physical Plant	10001	70,589.36	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02030001		02030001	DSEM-OPERATIONS	Admin & Finance-General	10001	100,659.74	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02400001		02400001	FAC PLN-OPERATIONS	Admin & Finance-Facilities Pln	10001	11,425.35	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02200002		02200002	EHS-CHEMICAL WASTE MGMT	Admin & Finance-Env Hlth & Sft	10001	1,178.22	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02200003		02200003	EHS-AIR QUALITY	Admin & Finance-Env Hlth & Sft	10001	809.43	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02200004		02200004	EHS-BIOLOGICAL SAFETY	Admin & Finance-Env Hlth & Sft	10001	3,006.06	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02200008		02200008	EHS-FIRE EXTINGUISHER MAINT	Admin & Finance-Env Hlth & Sft	10001	467.83	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02200010		02200010	EHS-RADIATION CONTROL	Admin & Finance-Env Hlth & Sft	10001	2,901.11	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02200011		02200011	UN COMPL ETHICS-DEPT INSUR	President-Univ Compli & Ethics	10001	8,979.19	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02200012		02200012	UN COMPL ETHICS-PROPERTY INSUR	President-Univ Compli & Ethics	10001	0.56	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02300001		02300001	UN POL-OPERATIONS	Admin & Finance-Police	10001	10,821.00	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
781139	TSFR TO UNIV CONSTRUCTION	757000	02020710		02020710	FAC & SAF-CARRYFORWARD	Admin & Finance-Physical Plant	10001	729,722.50	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR TO UNIV CONSTRUCTION
615001	TSFR FM E&G UNIVERSITY OPERATI	657000		91010070	91010070	FI PROJECT #12053006 N	Not Coded	51039	(2,565,522.54)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	TSFR FM E&G UNIVERSITY OPERATI
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001		02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	(2,565,522.54)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02020020		02020020	FAC & SAF-BUSINESS OFC	Admin & Finance-Physical Plant	10001	(70,589.36)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02020710		02020710	FAC & SAF-CARRYFORWARD	Admin & Finance-Physical Plant	10001	(729,722.50)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02030001		02030001	DSEM-OPERATIONS	Admin & Finance-General	10001	(100,659.74)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02200002		02200002	EHS-CHEMICAL WASTE MGMT	Admin & Finance-Env Hlth & Sft	10001	(1,178.22)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02200010		02200010	EHS-RADIATION CONTROL	Admin & Finance-Env Hlth & Sft	10001	(2,901.11)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02200003		02200003	EHS-AIR QUALITY	Admin & Finance-Env Hlth & Sft	10001	(809.43)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02200004		02200004	EHS-BIOLOGICAL SAFETY	Admin & Finance-Env Hlth & Sft	10001	(3,006.06)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02200008		02200008	EHS-FIRE EXTINGUISHER MAINT	Admin & Finance-Env Hlth & Sft	10001	(467.83)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02200011		02200011	UN COMPL ETHICS-DEPT INSUR	President-Univ Compli & Ethics	10001	(8,979.19)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02200012		02200012	UN COMPL ETHICS-PROPERTY INSUR	President-Univ Compli & Ethics	10001	(0.56)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02300001		02300001	UN POL-OPERATIONS	Admin & Finance-Police	10001	(10,821.00)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02400001		02400001	FAC PLN-OPERATIONS	Admin & Finance-Facilities Pln	10001	(11,425.35)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800002		02800002	FO-OPERATIONS RESERVE	Admin & Finance-Physical Plant	10001	(20,505.87)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800004		02800004	FO-UTILITIES	Admin & Finance-Physical Plant	10001	(27,674.46)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800005		02800005	FO-SERVICE BLANKETS	Admin & Finance-Physical Plant	10001	(575.32)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800006		02800006	FO-POM CIVIC THEATRE	Admin & Finance-Physical Plant	10001	(396.00)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800007		02800007	FO-BURNETT HOUSE	Admin & Finance-Physical Plant	10001	(544.68)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800008		02800008	FO-FSEC	Admin & Finance-Physical Plant	10001	(709.11)	0240062802	6/28/2012	ACTUALS		jbutcher - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS

112001	CASH INTERDEPARTMENTAL TFRS	112001	02800010	02800010	FO-BUILDING SERVICES	Admin & Finance-Physical Plant	10001	(8,740.71)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800013	02800013	FO-SHARED FLEET	Admin & Finance-Physical Plant	10001	(7,914.56)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800014	02800014	FO-TRANSPORTATION	Admin & Finance-Physical Plant	10001	(1,651.48)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800015	02800015	FO-MAINTENANCE	Admin & Finance-Physical Plant	10001	(11,454.30)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800016	02800016	FO-ROOFING & CONTRACTED REPAIR	Admin & Finance-Physical Plant	10001	(1,767.02)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800018	02800018	FO-SPECIAL PROJECTS	Admin & Finance-Physical Plant	10001	(174.96)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800019	02800019	FO-CENTRAL RECEIVING	Admin & Finance-Physical Plant	10001	(8,017.82)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800020	02800020	FO-POSTAL SERVICES	Admin & Finance-Physical Plant	10001	(12,094.69)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800024	02800024	FO-WORK CONTROL CENTER	Admin & Finance-Physical Plant	10001	(2,066.31)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800025	02800025	FO-LAKE NONA OPERATIONS	Admin & Finance-Physical Plant	10001	(3,867.93)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800027	02800027	FO-SOLID WASTE & RECYCLING	Admin & Finance-Physical Plant	10001	(9,686.16)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800036	02800036	FO-FILM AND DIGITAL MEDIA	Admin & Finance-Physical Plant	10001	(10,277.29)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800039	02800039	FO-RDWY MAINT AND TRAFFIC SIGN	Admin & Finance-Physical Plant	10001	(0.99)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800703	02800703	FO-CARRY FORWARD	Admin & Finance-Physical Plant	10001	(18,977.67)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02801110	02801110	FO-ROSEN OPERATIONS	Admin & Finance-Physical Plant	10001	(28,900.08)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02830002	02830002	UES-EROSEY PROJECTS	Admin & Finance-Energy Sustain	10001	(21,136.29)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02830701	02830701	UES-CARRY FORWARD	Admin & Finance-Energy Sustain	10001	(13,760.88)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02850001	02850001	LAND & NAT RES-OPERATIONS	Admin & Finance-Land & Nat Res	10001	(40,175.19)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02850003	02850003	LAND & NAT RES-CAMPUS ENHANCE	Admin & Finance-Land & Nat Res	10001	(3,633.73)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02850701	02850701	LAND & NAT RES-CARRY FORWARD	Admin & Finance-Land & Nat Res	10001	(5,026.69)	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	91010070	91010070	FI PROJECT #12053006 N	Not Coded	51039	2,565,522.54	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	70,589.36	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	729,722.50	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	100,659.74	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	1,178.22	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	809.43	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	3,006.06	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	467.83	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	2,901.11	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	8,979.19	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	0.56	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	10,821.00	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	11,425.35	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	20,505.87	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	27,674.46	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	575.32	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	396.00	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	544.68	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	709.11	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	8,740.71	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	7,914.56	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	1,651.48	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	11,454.30	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	1,767.02	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	174.96	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	8,017.82	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	12,094.69	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	2,066.31	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	3,867.93	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	9,686.16	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	10,277.29	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	0.99	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	18,977.67	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	28,900.08	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	21,136.29	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	13,760.88	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	40,175.19	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	3,633.73	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS
112001	CASH INTERDEPARTMENTAL TFRS	112001	02800001	02800001	FO-OPERATIONS	Admin & Finance-Physical Plant	10001	5,026.69	0240062802	6/28/2012	ACTUALS	jbutter - Facilities Improvements Project Funding	CASH INTERDEPARTMENTAL TFRS





# Purchase Order

## University of Central Florida

Orlando Tech Center  
12479 Research Parkway  
Orlando FL 32826  
United States

**Vendor:** 0000068058  
Construction Moisture Consulting Inc  
4508 Oak Fair Blvd Suite 200  
Tampa FL 33610-7387

### Dispatch via Fax

Purchase Order	Date	Revision	Page
UCF01-0000249759	05/30/2012		1
Payment Terms	Freight Terms	Ship Via	
Net 30	Not Applicable	Best Way	
Buyer	Phone	Currency	
Luis Aviles Cintron	407/823-5889	USD	

**Ship To:** FACIL\_SAFE  
Bldg 16 Libra Drive  
Business Office  
Orlando FL 32816-3640  
United States

**Bill To:** 12424 Research Parkway, Suite 300  
Orlando FL 32826-3249  
United States

**Tax Exempt?** Y **Tax Exempt ID:** 85-8012703010C-9

**Replenishment Option:** Standard

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1- 1	FI #12053006		1.00	LOT	57,200.00	57,200.00	05/30/2012
<b>Schedule Total</b>						<u>57,200.00</u>	

Building 53, CREOL

Provide all labor, material, equipment, coordination and necessary supervision to investigate and evaluate/document existing roofing conditions to determine the appropriate course of work.

Affected areas will be returned to existing or better condition. All work shall be performed in accordance with UCF and as directed by a UCF representative. "As Built" drawings must be submitted upon completion of the project.

**Item Total** 57,200.00

Project ID: 91010070

\*\*\*\*\*

The following information is provided for the requesting department.

Project Manager: Larry Chmura

Phone Number: 407-467-3167

Building: Facilities & Safety

Dept. Name: Facilities Planning & Construction

FAX No: 407-823-5141

\*\*\*\*\*

In accordance with UCF Facilities & Safety Agreement For Building Envelope Services

**Total PO Amount** 57,200.00

Unauthorized



**CMC**  
Construction Moisture  
Consulting, Inc.  
*Roofing/Waterproofing/Exterior Walls/Glazing  
Complete Building Envelope Specialists*

## **CMC EXECUTIVE SUMMARY FOR ROOF CONDITION SURVEY**

**PREPARED FOR:**

### **UNIVERSITY OF CENTRAL FLORIDA**

**University of Central Florida  
Center for Research and Education in Optics and Lasers (CREOL)  
Building 53 Roof Renovation  
Orlando, Florida  
CMC Project No.: 12-05038**

Prepared by:  
Construction Moisture Consulting, Inc.  
Jon-Eric Macias, RRC, RRO, RCI - President  
May 17, 2012



**CMC**  
Construction Moisture  
Consulting, Inc.  
Roofing/Waterproofing/Exterior Walls/Glazing  
Complete Building Envelope Specialists

May 17, 2012

University of Central Florida  
Facilities Planning & Construction  
P. O. Box 163020  
Orlando, Florida 32816-3020

Attn: Mr. Frank Ballentine  
UCF QA/QC Manager

Project: University of Central Florida  
Center for Research and Education in Optics and Lasers (CREOL)  
Building 53 Roof Renovation  
Orlando, Florida  
CMC Project No.: 12-05038

Re: CMC Executive Summary Report  
for Roof Condition Survey

Dear Mr. Ballentine:

Construction Moisture Consulting, Inc. (CMC) recently completed a roof condition survey at the above referenced project in accordance with the University of Central Florida (UCF) directive to “inspect the roof system and recommend a roof system, renovation, or repair that meets UCF Standards and the Florida Building Code (FBC).” Accordingly, our survey included a detailed field investigation to evaluate roofing conditions, a nuclear moisture survey to determine the presence/ extent of subsurface moisture beneath the roof membrane and laboratory gravimetric analysis to determine the percentage of moisture within extracted roof core samples. CMC also reviewed the November 14, 2010 ICC Thermal Mapping & Surveying (ICC) report and applicable “Issued for Bid and Construction” drawings dated December 4, 1992 prepared by SchenkelShultz Architects (SSA). Additionally, areas of construction immediately adjacent to roof sections were reviewed to determine if conditions exist which are contributing to water intrusion within the facility. Further, CMC participated in a tour of the building interior and exterior led by Scott Wiles (UCF) who shared his knowledge of leak history and identified areas where water intrusion has occurred. Further, attachments include our roof moisture survey, the “2010 Florida Building Code, Energy Conservation” (FBC-EC) and a copy of an email correspondence from Sarnafil which are referenced within this summary.

## **1.0 SUMMARY**

### **1.1 Construction/History**

- 1.1.1 The existing low sloped roof sections are comprised of a single-ply thermoplastic roof membrane (FiberTite) mechanically fastened through rigid roof insulation (3 1/4" thick polyisocyanurate at non-tapered areas -

average R19) into structural concrete roof decks which are believed to be approximately 18 years old with 2 years remaining on the 20 roof warranty. The majority of the roof section's primary slope appears to be provided within the structural concrete deck in conjunction with tapered insulation to further divert surface water to drains. Emergency overflow drainage is typically provided via scuppers placed through perimeter cavity walls comprised of the base wall, an air space, dampproofing, brick cladding, etc. Perimeter roofing conditions along parapet walls, clerestory junctures, screen wall piers, etc., have integral wood blocking which are generally the full height of the roof membrane base flashing. The clerestory structure roof drainage is accomplished via slope to gutters. There are significant amounts of rooftop equipment, many of which are no more than 8" above the finished roof membrane surface and areas exist where new equipment has apparently been added since original construction impeding the original roof surface drainage scheme. Adjacent construction generally includes parapet walls capped with sheet metal flashing beneath precast concrete coping units, exterior walls and screen walls clad with standing seam metal panels and brick, windows, sealants within joint cavities, an access door leading to the main roof (threshold height is 5 1/2" above the roof membrane surface), and stucco wall cladding on the addition at the north elevation above the building expansion joint. Additionally, the small roof over the south elevation main entrance terminates into a glazed curtain wall sill condition and into surrounding metal wall panels resulting in base flashing heights ranging between 4 1/2" and 6". Further, the existing lightning protection system meanders throughout the main and clerestory roof levels, on rooftop equipment, on parapet walls, screen walls, etc. During our tour of the facility, Mr. Wiles (UCF) pointed out areas of repeated water leakage which correspond to rooftop equipment rather than the roof membrane assembly itself. Additional areas where water leakage has occurred typically correspond with clerestory windows, other windows within exterior walls and/or building sealants within various joint cavities.

## 1.2 Roof Condition and Adjacent Construction

- 1.2.1 As previously noted, CMC conducted a detailed field evaluation of all low sloped roof areas including visually inspecting the roof membrane, identifying current sources of water intrusion where possible, and conducting a nuclear moisture survey which entailed obtaining instrument readings at 5' grid intervals throughout each roof section. In summary, although the roof membrane system is nearing the end of its warranty period, it is generally performing well (no areas of membrane shrinkage or unusual deterioration observed) and there was <1% of overall roof area where moisture was identified beneath the roof membrane which is typically isolated to areas that appeared to have been mechanically damaged/

punctured. Additionally, several small areas were noted where the roof membrane and/or roof insulation has been damaged resulting in raised roof membrane attachment fasteners causing the membrane to "tent" and breach through the roof membrane (included within the aforementioned <1% areas). Reference the attached roof moisture survey for additional information. Further, several areas of ponding water exist on the roof surface which appears to be primarily resultant of rooftop equipment added since original construction.

1.2.2 Multiple areas of rooftop equipment include HVAC air handlers and ducts, laboratory fans, fan motors on vibration pads, perforated unistrut stands, etc., installed/fastened directly into galvanized sheet metal curb covers which solely rely on sealant/caulking for watertightness. Be advised, many of these areas have severely weather deteriorated sealant/caulking which correspond with locations of interior leakage as pointed out by UCF. Additionally, the sheet metal covers have been penetrated by tie-down eye bolts, conduit, pipes, fan motor fastening anchors, makeshift cuts/patches within sheet metal curb covers, etc., which also rely on sealant/caulking to prevent leakage. Further, sheet metal curb covers deflect when subjected to foot traffic often causing the sealant/caulking to shear resulting in seals failing and avenues for leakage. Also, tight conditions (<1") between the top of sheet metal curb covers and fan motors, etc., do not provide ample clearance for effective flashing and or sealing attempts. Further, until these conditions are redesigned and although repair attempts have been made (sealant/ caulking), UCF should anticipate such ongoing repairs whenever water leaks arise since these conditions do not allow for long term solutions (e.g., flashing, etc.). As such, replacing the adjacent roofing alone will not stop all the water leaks.

1.2.3 Other areas of adjacent construction observed in need of attention include weather deteriorated sealants within brick expansion joint cavities, windows and substantially fractured stucco along the north elevation above the building expansion joint. Although the precast concrete coping units have been set on sheet metal cap flashing on top of the brick for water penetration resistance, all coping joints have deteriorated sealant which need to be removed and replaced. Additionally, several areas around windows were pointed out by Mr. Wiles (UCF) as areas of water intrusion.

### 1.3 Conclusions/Recommendations

1.3.1 As noted within Report Item 1.2.2 above, the majority of water intrusion is related to rooftop equipment rather than the roof membrane itself. Additionally, the current conditions require structural and mechanical engineering design to incorporate the modifications needed to implement

long term solutions such as appropriate detailing, flashing, etc., rather than relying solely on mere sealant applications. More specifically, the sheet metal curb covers should be stainless steel and must be properly supported to eliminate deflection from foot traffic. Further, seal welded steel pipe stanchions of sufficient height with base plates and top plates must be provided to mount fan motors, tie-down eye bolts, etc., thin aluminum sheet metal duct cladding terminating directly onto sheet metal curb covers must be redesigned on elevated curbs, transition flashing between the sheet metal equipment curb cover and intersecting metal wall panels must be addressed, etc. Accordingly, it should be noted, damage to the roof membrane system should be expected as a result of construction traffic associated with these required modifications. Based on the above, we recommend this area of construction undergo an engineering study, redesign, etc., to ensure all such conditions are addressed and long term solutions are achieved before replacing the existing roof. Lastly, all redesign of rooftop mechanical equipment should be coordinated with future re-roofing design.

- 1.3.2 In our opinion, although the existing roof membrane assemblies are serviceable and should perform satisfactorily through the remaining duration of the warranty, damage to the existing main roof resulting from redesigned modifications to the rooftop equipment should be anticipated thus replacing the roof membrane system beforehand is not recommended. Once the roof system is replaced, adding an additional 3 1/4" of polyisocyanurate roof insulation appears to be generally required to meet the 2010 FBC requirements for thermal resistance of R-38 (reference attached FBC-EC "Envelope Prescriptive Measures for Renovations and Alterations"). Please note, Page 2 of the FBC-EC document reads "Renovations: Meet code for the components being changed where the work (over a one year period) exceeds 30% of the assessed value of the structure. Example: If the cost of the job is less than 30% of the assessed value of the building, the code is not applicable unless it is an addition, new building system, new conditioned space or change of occupancy type." As such, we interpret this to mean the current thermal resistance of R-19 is acceptable which should be reviewed with and confirmed by the building official. Accordingly, we believe this aspect of the roof renovation must be carefully considered since increasing the insulation thickness to achieve R-38 will require costly modifications such as addressing overflow scuppers within cavity wall construction with brick cladding, changing/raising the main roof access door height involving modifying the surrounding brick and the lintel above the door, raising fixed roof drains, increasing the height of most roof appurtenances, etc.

- 1.3.2.1 Once the existing roof is replaced, CMC recommends a high performance single-ply PVC roof membrane assembly due to the multiple roof appurtenances and since the original roof surface



drainage scheme has been impeded. During our research and in order to comply with the UCF Standard for a 25 year warranty with a 130 MPH "Wind Rider", the recommended replacement roof system is based on a 72 MIL Sarnafil mechanically fastened roof membrane system over 2 layers of 3 1/4" rigid polyisocyanurate insulation board (R-38) in accordance with the attached email message. Be advised, the PVC roof system is limited to the single roof manufacturer noted (Sarnafil) due to other PVC and KEE roof system manufacturers unwillingness to provide the aforementioned UCF standard roof warranty requirements. Lastly, we recommend applying a high performance fluid-applied coating over the small roof above the main entrance to avoid disrupting the intersecting glazed curtain wall and the adjacent metal wall panels.

Should you have any questions, please feel free to contact me directly at (813) 695-4048 at your convenience.

Respectfully,

CONSTRUCTION MOISTURE CONSULTING, INC.

A handwritten signature in black ink, appearing to read "Jon-Eric Macias", with a stylized flourish at the end.

Jon-Eric Macias, RRC, RRO, RCI  
President

Attachments



**CMC**  
**Construction Moisture**  
**Consulting, Inc.**  
*Roofing/Waterproofing/Exterior Walls/Glazing*  
*Complete Building Envelope Specialists*

# ATTACHMENTS



**CMC**  
Construction Moisture  
Consulting, Inc.  
*Roofing/Waterproofing/Exterior Walls/Glazing  
Complete Building Envelope Specialists*

## **CMC ROOF MOISTURE SURVEY REPORT**

**PREPARED FOR:**

### **UNIVERSITY OF CENTRAL FLORIDA**

**University of Central Florida  
Center for Research and Education in Optics and Lasers (CREOL)  
Building 53 Roof Renovation  
Orlando, Florida  
CMC Project No.: 12-05038**

Prepared by:  
Construction Moisture Consulting, Inc.  
Jon-Eric Macias, RRC, RRO, RCI - President  
Carey A. Hunt, LEED AP BD+C - Associate  
May 17, 2012

May 17, 2012



**CMC**  
Construction Moisture  
Consulting, Inc.  
Roofing/Waterproofing/Exterior Walls/Glazing  
Complete Building Envelope Specialists

University of Central Florida  
Facilities Planning & Construction  
P. O. Box 163020  
Orlando, Florida 32816-3020

Attn: Mr. Frank Ballentine  
UCF QA/QC Manager

Project: University of Central Florida  
Center for Research and Education in Optics and Lasers (CREOL)  
Building 53 Roof Renovation  
Orlando, Florida  
CMC Project No.: 12-05038

Re: CMC Roof Moisture Survey Report

Dear Mr. Ballentine:

Construction Moisture Consulting, Inc. (CMC) recently performed a roof moisture survey on existing low slope roofing assemblies utilizing a non-destructive nuclear roof moisture gauge to evaluate conditions beneath the roof membrane with respect to the presence and extent of subsurface moisture. CMC further extracted and analyzed roof core samples to qualify moisture gauge readings and to quantify moisture content (weight %) within underlying materials via laboratory gravimetric analysis. Our survey was performed on May 9, 2012 and May 10, 2012. A roof plan depicting moisture gauge readings/core locations and laboratory test results have all been included as attachments. We herein offer the following for your review and use.

## **1.0 ROOF MOISTURE SURVEY**

### **1.1 Approach and Purpose**

1.1.1 Our approach for identifying roof subsurface moisture combined both non-destructive and destructive test methods which included obtaining nuclear moisture gauge readings on a 5' grid pattern. Roof core samples were extracted for purposes of verifying roof assembly components, and conducting laboratory gravimetric analysis on insulation materials to qualify and quantify nuclear readings by obtaining weight percentage of moisture content within each core sample. The purpose of performing this roof moisture survey was to identify the potential extent and degree of roof subsurface moisture whereby an informed determination could be made with respect to locations of elevated moisture within the roofing assembly.

### **1.2 Nuclear Gauge Moisture Detection**

1.2.1 CMC obtained nuclear readings utilizing a Troxler Model 3216 gauge to

evaluate hydrogen content beneath the roof membrane surface. Once nuclear baseline readings or “counts” of the roof assembly’s normal hydrogen content contained within roof membranes, insulation, etc., are determined, higher nuclear counts will generally be associated with increased hydrogen associated with either subsurface moisture or increased amounts of membrane layers or underlying roofing materials of the type evaluated for this project. Reference attached Nuclear Moisture Survey Roof Plan.

- 1.2.2 Roof core samples were extracted at locations which produced low, medium and high nuclear gauge readings to evaluate moisture contents within underlying insulation materials over the range of nuclear readings obtained. This procedure entailed immediately placing each roof core sample in a sealed container followed by weighing the sample. The sample was then oven dried in a laboratory environment. Once the drying process had been completed, re-weighing the sample allowed for measuring and comparing the before and after drying weights whereby the percentage of moisture content (by weight) may be calculated. Reference attached Driggers Engineering Services, Incorporated (DES) report for results of gravimetric analysis and roof core information.

## 2.0 RESULTS

### 2.1 Roof Cores

<b>Core No. (Nuclear Reading)</b>	1 (33)	2 (30)	3 (11)	4 (14)
<b>Polyisocyanurate Moisture Content (Weight %)</b>	143.0	69.2	8.7	66.7
<b>Physical Condition at Structural Concrete Deck</b>	Wet	Wet	Damp	Dry
<b>Polyisocyanurate Base Layer Thickness (Flat)</b>	3 1/4"	3 1/4"	3 1/4"	3 1/4"
<b>Additional Polyisocyanurate Layers Thickness (Tapered)</b>	-	2 3/4"	1 1/2"	-
<b>Total Core Thickness</b>	3 1/4"	6"	4 3/4"	3 1/4"
<b>Roof Membrane Layers (Single Ply Membrane)</b>	1	1	1	1

Roof Cores (continued)

<b>Core No. (Nuclear Reading)</b>	<b>5 (18)</b>	<b>6 (19)</b>	<b>7 (5)</b>	<b>8 (13)</b>
<b>Polyisocyanurate Moisture Content (Weight %)</b>	94.3	57.6	.8	1.2
<b>Physical Condition at Structural Concrete Deck</b>	Dry	Dry	Dry	Dry
<b>Polyisocyanurate Base Layer Thickness (Flat)</b>	3 1/4"	3 1/4"	3 1/4"	3 1/4"
<b>Additional Polyisocyanurate Layers Thickness (Tapered)</b>	1 1/2"	-	-	-
<b>Total Core Thickness</b>	4 3/4"	3 1/4"	3 1/4"	3 1/4"
<b>Roof Membrane Layers (Single Ply Membrane)</b>	1	1	1	2

<b>Core No. (Nuclear Reading)</b>	<b>9 (12)</b>	<b>10 (5)</b>	<b>11 (13)</b>	<b>12 (14)</b>
<b>Polyisocyanurate Moisture Content (Weight %)</b>	.7	1.3	.7	1.4
<b>Physical Condition at Structural Concrete Deck</b>	Dry	Dry	Dry	Dry
<b>Polyisocyanurate Base Layer Thickness (Flat)</b>	3 1/4"	3 1/4"	3 1/4"	1"
<b>Additional Polyisocyanurate Layers Thickness (Tapered)</b>	1"	5 3/4"	-	-
<b>Total Core Thickness</b>	4 1/4"	9"	3 1/4"	1"
<b>Roof Membrane Layers (Single Ply Membrane)</b>	2	1	1	1

<b>Core No. (Nuclear Reading)</b>	<b>13 (10)</b>
<b>Polyisocyanurate Moisture Content (Weight %)</b>	1.1
<b>Physical Condition at Structural Concrete Deck</b>	Dry
<b>Polyisocyanurate Base Layer Thickness (Flat)</b>	3 1/4"
<b>Additional Polyisocyanurate Layers Thickness (Tapered)</b>	2 1/2"



May 17, 2012

Page 4

<b>Total Core Thickness</b>	5 3/4"
<b>Roof Membrane Layers (Single Ply Membrane)</b>	1

### 3.0 REVIEW OF DATA

- 3.1 Results of laboratory analysis revealed polyisocyanurate roof insulation cores ranged from .7% to 143.0% moisture content by weight. As published in "The Manual of Low-Slope Roof Systems, Third Edition", the equilibrium moisture content (EMC) for polyisocyanurate insulation is 2.9% when stabilized at 75°F and 90% RH. Based on our observations and experience, it is our opinion that moisture content of polyisocyanurate insulation equal to or less than 10% (by weight) will adequately decrease when exposed to ambient conditions and allowed "drying time" during re-roofing activities and therefore replacement of insulation is not necessary.
- 3.2 Elevated nuclear gauge readings were obtained at isolated locations which did not correlate to elevated moisture content of the underlying polyisocyanurate insulation, specifically Core Nos. 12, 11 and 8. Likely sources of elevated readings at these locations appeared to be resultant of a combination of increased roof membrane layers and/or varying insulation thicknesses.
- 3.3 Additionally, several small areas were noted where the roof membrane and/or roof insulation has been damaged resulting in raised roof membrane attachment fasteners causing the membrane to "tent" and breach through the roof membrane. This insulation will require replacement prior to new roofing installation should a roof recovery system ("roof over") be a desirable option.
- 3.4 Based upon nuclear readings and gravimetric analysis, suspect "wet" conditions potentially exist within a small percentage, less than 1%, of the total roof area which are generally confined to the main roof. Polyisocyanurate insulation replacement will be required during any future roof recovery work ("roof over") should this option be selected which would require removal/replacement of approximately 400 square feet (SF) of wet insulation. Be advised, this quantity may increase over time should future damage to the roof membrane occur or should adjacent construction deficiencies exist.

Should you have any questions or wish to further discuss any aspect of this report, please do not hesitate to contact our office at your convenience.

Respectfully,

CONSTRUCTION MOISTURE CONSULTING, INC.



Jon-Eric Macias, RRC, RRO, RCI  
President



Carey A. Hunt, LEED AP BD+C  
Associate



**CMC**  
**Construction Moisture**  
**Consulting, Inc.**  
*Roofing/Waterproofing/Exterior Walls/Glazing*  
*Complete Building Envelope Specialists*

# **MOISTURE SURVEY ROOF PLAN**



CMC  
Construction Moisture  
Consulting, Inc.  
Roofing/Waterproofing/Curtain Walls

Nuclear Moisture Survey Roof Plan  
UCF (CREOL) Building 53 Roof Renovation  
CMC Project No.: 12-05038

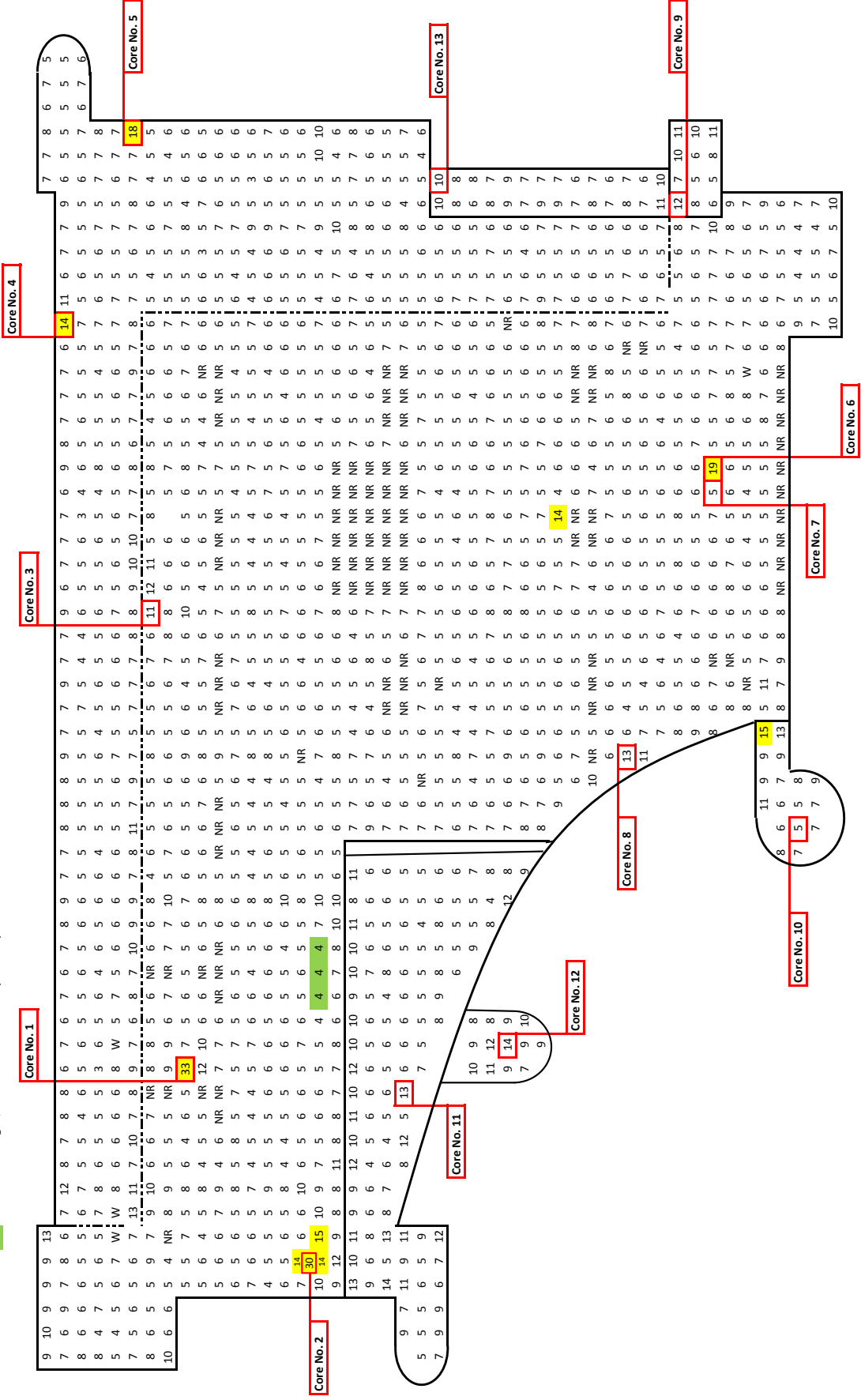


Legend:

- NR : No reading
- W : Standing Water
- Yellow box : Areas of Suspected Elevated Moisture Where Insulation Requires Replacement
- Green box : Areas of Damaged/Crushed Insulation Requires Replacement

Survey Dates:  
May 9-10, 2012

Technicians:  
William Cowart  
Carey Hunt





**CMC**  
Construction Moisture  
Consulting, Inc.  
*Roofing/Waterproofing/Exterior Walls/Glazing  
Complete Building Envelope Specialists*

# **DRIGGERS ENGINEERING SERVICES, INCORPORATED REPORT**

May 17, 2012

Construction Moisture Consulting, Inc.  
4508 Oak Fair Blvd., Suite 200  
Tampa, Florida 33610-7387

Attention: Mr. Carey A. Hunt, LEEP AP BD+C  
[Chunt@CMCFlorida.com](mailto:Chunt@CMCFlorida.com)

**RE: Gravimetric Analysis of Roof Samples obtained from  
UCF - Creol Building 53 - Roof Renovation  
Our File: L129088  
Report No. 01**

Dear Mr. Hunt:

As per your request, the roofing samples that you delivered to our office on May 11, 2012 were subjected to gravimetric analysis (moisture by weight testing) in accordance with ASTM Test Method D1864.

The components of each core sample were separated at the site and consisted of a layer of Polyiso foam insulation. Each component was individually placed in watertight plastic bags and delivered to our office for testing.

Each component was cleaned of debris and immediately weighed. "Wet" weights were recorded and tabulated in accordance with their respective labeling.

The samples were then oven dried for 48-72 hours at 100-110°F ±5°, reweighed, and the results recorded. After this weight measurement, all samples were placed back into their respective drying oven for one additional hour. At the completion of this one hour drying time, the dry weight was recorded and showed no additional loss of moisture.

Moisture by weight was determined for each component (see appended data sheet). Results from gravimetric analysis can be used to calibrate the nuclear readings taken during non-destructive testing.

**DRIGGERS ENGINEERING SERVICES, INC.** is pleased to have had the opportunity to assist you with this project. If you have any questions pertaining to this report, please do not hesitate to contact this office at your convenience.

Respectfully submitted,

**DRIGGERS ENGINEERING SERVICES, INC.**



Paul Cramer

Senior Technician



Nicholas T. Korecki, P.E.

Senior Geotechnical Engineer

FL Registration No. 45529

PC:NTK/ljm

Copies: (3) Construction Materials Consulting, Inc.



**Gravimetric Analysis (ASTM D1864)****UCF - Creol Building 53 - Roof Renovation**

Sample No.	Material	Nuclear Reading	Percent Moisture (%)
#1	Polyiso Foam Insulation	N-33	143.0
#2	Polyiso Foam Insulation	N-30	69.2
#3	Polyiso Foam Insulation	N-11	8.7
#4	Polyiso Foam Insulation	N-14	66.7
#5	Polyiso Foam Insulation	N-18	94.3
#5A	Polyiso Foam Insulation	N-18	79.2
#6	Polyiso Foam Insulation	N-19	57.6
#7	Polyiso Foam Insulation	N-5	0.8
#8	Polyiso Foam Insulation	N-13	1.2
#9	Polyiso Foam Insulation	N-12	0.7
#9A	Polyiso Foam Insulation	N-12	0.7
#10	Polyiso Foam Insulation	N-5	1.3
#10A	Polyiso Foam Insulation	N-5	0.7
#11	Polyiso Foam Insulation	N-13	0.7
#12	Polyiso Foam Insulation	N-14	1.4
#13	Polyiso Foam Insulation	N-10	1.1



# 2010 FLORIDA BUILDING CODE, ENERGY CONSERVATION<sup>1</sup>

There have been several changes to the energy code of Florida, beginning with its name. Once again it is printed as a separate volume of the Florida Building Code; it will now be referred to as the *Florida Building Code - Energy Conservation (FBC, EC)*. The most noticeable changes are as follows:

- Reorganization of the code. Based on the 2009 International Energy Conservation code (IECC), the document now addresses most residential in Chapter 4 while commercial and high-rise residential are covered in Chapter 5.
  - Code compliance methods previously described as Method A (Performance) or Method B (Prescriptive) are now designated by code section numbers.
    - Prescriptive code compliance (“cookbook” approach):
      - Residential: Section 402, Form 402-2010 or UA Alternative
      - Commercial: Section 502, Form 502-2010
    - Performance code compliance (computer energy simulation approach):
      - Residential: Section 405, Form 405-2010
      - Commercial: Section 506, Form 506-2010
- Florida specific amendments. Efficiencies specific to Florida’s climate and law have been integrated into the new base code, the most notable of which is an increase of 5% in mandated stringency above the 2007 code, making the Florida specific amendments 20% more stringent than the 2006 IECC.

Computer Software. The code no longer requires compliance with a specific program. All code

compliance software has to be approved by the Florida Building Commission.

## Reorganization of the Code

Since the current FBC, EC is based on the IECC, all of the previous formatting is gone. Accordingly, all design professionals, building officials, and inspectors alike need to be prepared to learn all new code references for evaluating plans and job inspections for code compliance. Below find the formatting for the FBC, EC and a breakdown of the changes in each chapter.

<i>Chapter</i>	<i>Title</i>
1	Administration
2	Definitions
3	Design Criteria
4	Residential Energy Efficiency
5	Commercial Energy Efficiency
6	Referenced Standards
<b>Appendix A</b>	Jurisdictional Data
<b>Appendix B</b>	Criteria for Computer Modeling
<b>Appendix C</b>	Forms

## Chapter 1 – Administration

Chapter 1 contains the applicability criteria of Florida law.

**Scope (101.2)** – This is primarily a numbering change. As with past editions of the Energy Code, as it applies to residential and commercial buildings, the FBC, EC is a "uniform" code and cannot be changed to make it either more efficient or more lenient.

**Existing Buildings (101.4.1):** Existing buildings shall meet the criteria in Table 101.4.1.

*1 DISCLAIMER – This piece is intended only to give the reader factual information that is current at the time of printing. This piece is not a substitute for professional advice and should not be used for guidance or decisions related to a specific design or construction project. This piece does not reflect the opinion of any of the entities, agencies or organizations identified in the materials and if any opinions appear they are those of the author and should not be relied upon in any event. Applicable to the 2010 Florida Building Code, Building, and Residential.*

- Renovations: Meet code for the components being changed where the cost of the work (over a one year period) exceeds 30% of the assessed value of the structure. Example:
  - If the cost of the job is less than 30% of the assessed value of the building, the code is not applicable unless it is an addition, new building system, new conditioned space or change of occupancy type.
- Building systems: Meet code where new products are installed for HVAC, water heating, lighting and motors. New requirements:
  - Equipment sizing required for total replacement of evaporators and condensing units using approved nationally recognized sizing method. Block sizing is okay; no audit required.
  - Accessible ducts (30 inch clearance) inspected and sealed where needed at time of total replacement of evaporators and condensing units. Signed certification by contractor that this was done. No testing or investigation of duct is required.

**Compliance (101.5)** - Residential buildings not more than three stories above grade in height shall meet the provisions of Chapter 4. Commercial buildings and residential buildings greater than three stories shall meet the provisions of Chapter 5.

## **Chapter 2 – Definitions**

The new edition of the code introduced some new terminology into the base code with which users of the Energy Code should become familiar.

**ABSORPTANCE** - The ratio of the total absorbed radiation to the total incident radiation; equal to 1 (unity) minus the transmittance.

**C-FACTOR (THERMAL CONDUCTANCE)** - The coefficient of heat transmission (surface to surface) through a building component or assembly, equal to the time rate of heat flow per unit area and the unit temperature difference between the warm side and cold side surfaces.

### **DAYLIGHT ZONE**

1. **Under skylights.** The area under skylights whose horizontal dimension, in each direction, is equal to the skylight dimension in that direction plus either the floor-to-ceiling height or the dimension to a ceiling height opaque partition, or one-half the distance to adjacent skylights or vertical fenestration, whichever is least.
2. **Adjacent to vertical fenestration.** The area adjacent to vertical fenestration which receives

daylight through the fenestration. For purposes of this definition and unless more detailed analysis is provided, the daylight *zone* depth is assumed to extend into the space a distance of 15 feet (4572 mm) or to the nearest ceiling height opaque partition, whichever is less. The daylight *zone* width is assumed to be the width of the window plus 2 feet (610 mm) on each side or the window width plus the distance to an opaque partition or the window width plus one-half the distance to adjacent skylight or vertical fenestration, whichever is least.

**F-FACTOR** - The perimeter heat loss factor for slab-on-grade floors expressed in (Btu/h x ft. x °F).

**HIGH-EFFICACY LAMPS** - Compact fluorescent lamps, T-8 or smaller diameter linear fluorescent lamps, or lamps with a minimum efficacy of:

- 60 lumens per watt for lamps over 40 watts,
- 50 lumens per watt for lamps over 15 watts to 40 watts, and
- 40 lumens per watt for lamps 15 watts or less

**MULTI-SCENE CONTROL** - A lighting control device or system that allows for two or more pre-defined lighting settings, in addition to all off, for two or more groups of Luminaires to suit multiple activities in the space, and allows the automatic recall of those settings.

**NORMATIVE** - Made an integral part of a standard or code.

**STOREFRONT** - A nonresidential system of doors and windows mullied as a composite fenestration structure that has been designed to resist heavy use. *Storefront* systems include, but are not limited to, exterior fenestration systems that span from the floor level or above to the ceiling of the same story on commercial buildings.

## **Chapter 3 - Design Criteria**

**General (301.1)** - While the table indicates that only three counties (Broward, Miami-Dade and Monroe) are in climate Zone 1, and all other counties are in Climate Zone 2, there is no difference in the prescriptive envelope compliance criteria by climate zone. The performance-based code compliance methods are based on climate data from weather data collection stations nearest the building's location.

**General (301.2)** - All Florida counties are considered **warm humid counties**.

**Insulation product rating (303.1.4)** - The *R*-value (thermal resistance) of insulation shall be determined in accordance with the U.S. Federal Trade Commission *R*-value rule, CFR Title 16, Part 460, May 31, 2005.

**Insulation Installation (303.2)** - Insulation materials shall comply with the requirements of their respective ASTM standard specification and shall be installed in accordance with their respective ASTM installation practice in Table 303.2 in such a manner as to achieve rated R-value of insulation. Open-blown or poured loose-fill insulation shall not be used in attic roof spaces when the slope of the ceiling is more than three in twelve. When eave vents are installed, baffling of the vent openings shall be provided to deflect the incoming air above the surface of the insulation.

**Exception:** Where metal building roof and metal building wall insulation is compressed between the roof or wall skin and the structure.

**Compressed insulation (303.2.1)** - Insulation that has been compressed to 85% or less of the manufacturer's rated thickness for the product shall use the R-values given in Table 303.2.1. These values are to be used except where data was developed by an independent testing laboratory.

**Substantial Contact (303.2.2)** - Insulation shall be installed in a permanent manner in substantial contact with the inside surface. Flexible batt insulation installed in floor cavities shall be supported by supports no greater than 24 inches on center.

**Exception:** Insulation materials that rely on airspaces adjacent to reflective surfaces for their rated performance.

**Recessed Equipment (303.2.3)** - Lighting fixtures; heating, ventilating, and air conditioning equipment, including wall heaters, ducts, and plenums; and other equipment shall not be recessed as to affect the insulation thickness unless:

1. The total combined area affected is less than one percent of the opaque area of the assembly, or
2. The entire roof, wall, or floor is covered with insulation to the full depth required, or
3. The effects of reduced insulation are included in calculations using an area weighted average method and compressed insulation values obtained from Table 303.2.1.1.

In all cases, air leakage through or around the recessed equipment to the conditioned space shall be limited in accordance with Section 404.2.5 or 502.3.8, as applicable.

**Insulation Protection (303.2.4)** - Exterior insulation shall be covered with a protective material to prevent damage from sunlight, moisture, landscaping operations, equipment maintenance, and wind. In *attics* and mechanical rooms, a way to access equipment that prevents damaging or compressing the insulation shall

be provided. Foundation vents shall not interfere with the insulation. Insulation materials in ground contact shall have a water absorption rate no greater than .3 percent when tested in accordance with ASTM C272.

### **Materials Testing and Thermal Properties (304)**

- 304.1 Building material thermal properties, general
- 304.1.1 Commercial and residential high rise
- 304.1.2 Residential one- and two-family
- 304.2 Testing of Building Materials Thermal Properties
  - 304.2.1 Single materials
  - 304.2.2 Assembly U-factors
  - 304.3 Calculation procedures and assumptions

## **Chapter 4 - Residential Energy Efficiency**

With the new changes to mirror the IECC, it also applies to the individual chapters. Previously known as Chapter 13-6, the new Chapter 4 of the FBC, EC has a new format. The new format is as follows:

<i>Section</i>	<i>Title</i>
401	General
402	Building Thermal Envelope
403	Systems
404	Electrical Power & Lighting Systems
405	Simulated Performance Alternative

## **RESIDENTIAL - What's NEW**

- **Air infiltration (402.4.2.1)** Blower door test to  $\leq 7$  ACH or checklist for inspection
- **Recessed lights (402.4.5)** Shall be IC-rated and labeled to meet ASTM E 283
- **Window limits (402.5)**
  - Prescriptive compliance: Maximum 20% of conditioned floor area; U-factor  $\leq 0.65$ ; SHGC  $\leq 0.30$
  - Performance compliance: Maximum weighted average SHGC 0.50 except if 4 ft. overhang
- **Heating, Ventilating and Air-Conditioning:**
  - **Equipment efficiencies and duct construction:** Referenced to Chapter 5
  - **Programmable thermostat:** Required for forced air furnaces. (403.1.1)
  - **Ducts.**
    - **Prescriptive compliance method:** Ducts must be in conditioned space, must be an R-6 (402.1.1), and tested by a Class 1 BERS Rater (403.2.2.1) to be substantially leak-free ( $Q_n=0.03$ ).
    - **Performance compliance method:** All supply and return

ducts not completely inside the building envelope shall be insulated to a minimum of R-6 (405.2).

- Supply ducts located in attics or on roofs shall be insulated to R-8 (403.2.1). Not applicable under prescriptive or performance method for new buildings.

- **Lighting:**

- A minimum of 50% of the lamps in permanently installed lighting fixtures shall be high efficacy lamps (404.1).

**Examples** of high efficacy lamps include:

- Compact fluorescent lamps, T-8 or smaller diameter
- Linear fluorescent lamps or lamps with a minimum efficacy of:
  - 60 lumens per watt for lamps over 40 watts,
  - 50 lumens per watt for lamps over 15 watts to 40 watts, and
  - 40 lumens per watt for lamps 15 watts or less

- **Residential Swimming Pools (403.9):**

- Shall have an accessible on-off switch outside the heater to allow shut off without adjusting thermostat. (403.9.1)
- Shall have time switches to allow for heaters and pumps to turn off on a preset schedule. (403.9.1.2)
- Gas pool heaters will have to meet a new national standard of 82% thermal efficiency on April 16, 2013.
- Heated pools shall have a vapor-retardant cover or a liquid cover or some other means to reduce heat loss.
- Pool filtration pump motors shall:
  - Not be split-phase, shaded-pole or capacitor start-induction
  - Motors with  $\geq 1$  hp shall have capability of operating at two or more speeds; low speed no more than  $\frac{1}{2}$  the motor's maximum rotation rate
  - Motor controls shall have capability to operate at  $\geq 2$  speeds; default residential filtration speed with higher speed override capability--except can be higher for not to exceed 24 hours

**Exception:** Solar pool heating systems during periods of usable solar heat gain.

- In addition to the requirements contained in 403.9 the energy requirements for residential pools and inground spas shall be as specified in ANSI/APSP-15. The energy requirements for portable spas shall be in accordance with ANSI/APSP-14.

### **Residential - What's NOT New**

- Florida "Standard Reference Design" (baselines) for mechanical equipment did NOT go to "same as Proposed Design" as in the IECC. The IECC does not give credit for higher efficiency systems. Florida follows federal law, which requires state codes with baselines to have equipment baselines at federal minimums.
- Florida's increase in overall stringency comes from a multiplier of 0.80 applied to the entire Standard Reference Design budget...which makes the code 20% more stringent overall than the baseline features.
- The requirements of Florida's prescriptive compliance method reflect a building that would minimally comply with Florida's performance-based code.
- Credits may be claimed as per previous performance-based code.

### **Chapter 5 - Commercial Energy Efficiency**

With the new changes to mirror the IECC, it also applies to the individual chapters. Previously known as Chapter 13-4, the new Chapter 5 of the FBC, EC has a new format. The new format is as follows:

<i>Section</i>	<i>Title</i>
501	General
502	Building Envelope Requirements
503	Building Mechanical Systems
504	Service Water Heating
505	Electrical Power and Lighting Systems
506	Total Building Performance

### **COMMERCIAL - What's NEW**

No prescriptive compliance method provided as an option to the performance compliance method. Performance compliance method must be used in all cases with exception to shell buildings, renovations and additions (see below).

### **Envelope Prescriptive Measures for Shell buildings (101.4.9)**

- The building envelope shall meet the requirements of Table 502.1.1.1(1)
  - Roof: Absorptance  $\leq 0.22$ , R-40

- Walls: Absorptance  $\leq 0.3$ , R-30
- Windows:  $U \leq 0.45$ ; SHGC  $\leq 0.25$  (0-40%WWR),  $\leq 0.19$  (40-50%WWR)
- OR Sec. 506, list all assumptions made about features not installed until later
- Either way, Sec. 506 must be submitted upon completion of the building

#### Envelope Prescriptive Measures for Renovations and Alterations (502.1.1.1(2))

- Changes to window SHGC to 0.25
- Roof: Absorptance  $\leq 0.22$ , R-value (U-value) to  $\geq R-38$  ( $\leq U-0.027$ )
- Above Grade Exterior Wall R-value to  $\geq R-19$  ( $\leq U-0.052$ )
- Below Grade Exterior Wall - No Requirement
- Raised Floor Insulation - R-value (U-value)  $\geq R-19$  ( $\leq U-0.052$ )

**Fan Power Limitation 2 (503.2.10.1(1))** - Added to clarify the intent of ASHRAE 90.1 Energy Cost Budget Method (ECBM) code compliance in case of fan power suggests this methodology to be the correct approach.

#### Pools (504.7)

- **Pool Heaters:** All pool heaters shall meet the minimum efficiency listed for that type of pool heater in Table 504.2 and shall have a readily accessible on-off switch that is mounted outside the heater to allow shutoff without adjusting thermostat (504.7.1).  
Additional Exception: Where pumps are powered exclusively from on-site renewable generation.
- **Pool Covers** - Heated swimming pools and inground permanently installed spas shall be equipped with a vapor retardant cover on or at the water surface or a liquid over or other means to reduce heat loss (504.7.3).  
**Exception:** Outdoor pools deriving over 70% of the energy for heating from site recovered energy or solar energy source computed over an operating season.

**Calculation Software Tools (505.6 B-2.3)** - Provision given to the FBC to approve additional software tools that can meet the provisions laid out in this chapter.

**Requirements specific to credit options (506.3.3)** - Credit claimed in the compliance calculation for technologies that meet the criteria for various options below.

- **Vegetative Roofs (506.3.3.1)** - Credit may be claimed in whole building performance method

calculations for the area of a proposed building's roof that is covered with a vegetative roof that is designed and installed in accordance with ANSI/SPRI VF-1, with a minimum growth media depth of 4 inches. The credit shall provide a 45% reduction in the heating and cooling roof heat flux rates for the roof area covered with the vegetative roof. Minimum roof/ceiling insulation levels shall be code minimums as per Section 506.2.1.

- **Enthalpy Recovery Ventilation System Credit (ERVs) (506.3.3.2)** - Credit may be claimed in whole building performance method calculations for Enthalpy Recovery Ventilation systems used in the proposed building. The credit for buildings in Climate Zone 1 is 6%; Climate Zone 2 gets 4% if:
  - Every HVAC system has a design supply air flow  $< 5,000$  cfm, or
  - One or more HVAC systems have a design supply flow  $\geq 5,000$  cfm but outdoor air  $< 70\%$  of design air flow for the system.

#### Resources:

2010 *Florida Building Code*, International Code Council, Inc.  
Accessible online at: [www.FloridaBuilding.org](http://www.FloridaBuilding.org)

Information on all aspects of the updated 2010 Florida Building Code is available at:  
<http://www.floridabuilding.org/fbc/thecode/resources.htm>

#### Energy Code Software:

Residential UA Alternative, US Department of Energy:  
RESNET <http://www.energycodes.gov/rescheck/>

Florida Building Commission approved Energy Code Compliance Software:  
[http://www.floridabuilding.org/fbc/committees/energy/Energy\\_Code\\_Compliance\\_Software.html](http://www.floridabuilding.org/fbc/committees/energy/Energy_Code_Compliance_Software.html)

Florida Solar Energy Center

Residential (405):

<http://www.energygauge.com/usares/default.htm>

Commercial (506):

<http://www.energygauge.com/flacom/default.htm>

Building Codes and Standards Office/Florida Building Commission: 850-487-1824 or [www.FloridaBuilding.org](http://www.FloridaBuilding.org)

**January 2012**



## ENERGY CODE GUIDELINES FOR EXISTING BUILDING REPLACEMENT SYSTEMS

SUBJECT	RENOVATION <sup>3</sup> /ALTERATION
BUILDING SYSTEMS <sup>1,2,3</sup>	
HVAC equipment replacement	
Duct sealing	<p><b><u>RESIDENTIAL:</u></b>  <b>At the time of total replacement of HVAC evaporators and condensing units</b>, all accessible (min. 30" clearance) joints and seams in the air distribution system shall be inspected and sealed where needed; certified by contractor.</p> <ol style="list-style-type: none"> <li>1. Inspection through observation.</li> <li>2. Not an inspection through investigation or testing</li> <li>3. Only joints and seams that are observed to need sealing (i.e. loose joints) should be sealed.</li> </ol> <p><b><u>COMMERCIAL/RESIDENTIAL:</u></b>  This provision does not apply to partial replacement of equipment (i.e. where the air distribution system is not unique to the partial replacement of equipment)</p>
Sizing calculation	<p>An a/c contractor or licensed Florida PE shall submit a nationally recognized method based sizing calculation to the code official at the time of permit application <b>for total replacement of the condensing and evaporator components of HVAC systems</b> in accordance with Florida law and the provisions of Sec. 403.6.2.2 or 403.6.2.3.</p> <p><b><u>RESIDENTIAL:</u></b></p> <ol style="list-style-type: none"> <li>1. Several "recognized" sizing calculation methods for existing buildings are available from HVAC equipment manufacturers and ACCA accredited software that are subject to approval by the code official.</li> <li>2. Per Section 101.5<sup>4</sup> of the <i>FBC-EB</i>, original systems installed on buildings constructed under the 1993 Energy Code or later have already been sized for the building and, without changes to the building, may be assumed to have been sized per code.</li> <li>3. If a copy of a previous sizing calculation is provided, it is deemed to meet code.</li> </ol> <p><b><u>COMMERCIAL/RESIDENTIAL:</u></b>  This provision does not apply to partial replacement of equipment (i.e. where the air distribution system is not unique to the partial replacement of equipment)</p>
Duct testing <sup>8</sup>	<b><u>RESIDENTIAL:</u></b> Replacement or extension of an existing air distribution system is not required to be tested.
RENOVATIONS <sup>1,5,7</sup>	
Windows	<p>If cost of job exceeds 30% of assessed value of structure, meet Sec. 402 requirements.</p> <p>If cost of job does not exceed 30% of assessed value of structure, don't have to meet Energy Code requirements.</p>
Pool filtration pumps <sup>6</sup>	<p>If cost of job exceeds 30% of assessed value of pool structure, meet Sec. 403.9.4 requirements</p> <p>If cost of job does not exceed 30% of assessed value of pool structure, don't have to meet Energy Code requirements.</p>

In general, Florida law trumps what's in the code. Florida law has been incorporated into the *FBC-Energy Conservation* in Table 101.4.1.

1. Section 553.903, *Florida Statutes*, Applicability, states: "This part shall apply to all **new and renovated buildings in the state, except exempted buildings**, for which building permits are obtained after March 15, 1979, **and to the installation or replacement of building systems and components with new products** for which thermal efficiency standards are set by the Florida Energy Efficiency Code for Building Construction." [NOTE: 2 clauses]
2. Section 101.4.7 of the *FBC-Energy Conservation*, states: "Thermal efficiency standards are set for the following building systems **where new products are installed or replaced in existing building** and for which a permit must be obtained. New products shall meet the minimum efficiencies allowed by this code for the following systems: Heating, ventilating or air conditioning systems; Service water or pool heating systems; Electrical systems and motors; Lighting systems."
3. Section 202 of the *FBC-EC* defines HVAC SYSTEM as "The equipment, distribution systems, and terminals that provide, either collectively or individually, the processes of heating, ventilating, or air conditioning to a building or portion of a building." It further defines a SYSTEM as "A combination of equipment and auxiliary devices (e.g., controls, accessories, interconnecting means, and terminal elements) by which energy is transformed so it performs a specific function such as HVAC, service water heating, or lighting". **Commercial buildings where the system is comprised of multiple air handlers, chillers, evaporators and/or condensers do not constitute "replacement of the building system with new products" unless the whole system is replaced.**
4. Sec.101.5, *FBC-Existing Building*, provides the following exception for repairs and alterations: "Subject to the approval of the code official, alterations complying with the laws in existence at the time building or the affected portion of the building was built shall be considered in compliance with the provisions of this code unless the building is undergoing more than a limited structural alteration.
5. Sec. 553.902, *Florida Statutes*, defines RENOVATED BUILDING as "a residential or nonresidential building undergoing alteration that varies or changes insulation, HVAC systems, water heating systems, or exterior envelope conditions, **provided the estimated cost of renovation exceeds 30 percent of the assessed value of the structure.**" Section 202 of the *FBC-Energy Conservation*, further clarifies that the cost shall be cumulative **over a 1 year period.**
6. Pool filtration pumps are not a pool heating system.
7. An existing building or portion thereof may not be altered such that the building becomes less energy efficient than its existing condition.
8. FORM 402 - 2010  
Ducts & AHU installed substantially leak free per Section 403.2.2.1. Test by Class 1 BERS rater required.  
**Exception:** Ducts installed onto an existing air distribution system as part of an addition or renovation; duct must be R-6 installed per Sec. 503.2.7.2

**From** "Robert Ganues" <ganues.robert@us.sika.com> **Date:** Tue 5/15/2012 1:11 PM  
**To** jmacias@cmcfloida.com **View:** [HTML](#) | [Text](#) | [Header](#) | [Raw Content](#)  
**Cc** chunt@cmcfloida.com  
**Subject** Re: UCF CREOL Bldg. #53 (TIME SENSITIVE!)  
**Attachments** [Attachment 1](#), [Attachment 2](#), [High Wind brochure.pdf](#), [Test of Time brochure.pdf](#)

This message was sent with High importance

Mr. Macias:

Sarnafil can provide a 25 year NDL, 130 mph Wind Warranty for the UFC CREOL Building. The Engineered system using minimum 72 mil S327 over fastened AC Foam IV insulation. The Sarnabars will be placed at in rows 5' apart in the field, 3' apart in the perimeters and 2' in the corners. Fasteners are to be spaced 12" oc through the Sarnabar into the concrete deck, a cover strip of membrane welded over the Sarnabar. This is provided the fastener pull test and the structure also meet the design standards needed to secure the roof system.

The Engineered specification will be sent in a separate email.

Please call me if you have any questions about the system.

Thank you for considering Sarnafil  
Robert Ganues  
Technical Sales Representative  
Sika Sarnafil  
A Division of Sika Corporation  
15275 Collier Blvd., #201-298  
Naples, FL 34119-6750

Tel: 239-348-2171  
Cell: 954-249-9192

Ganues.robert@us.sika.com

[www.sikacorp.com](http://www.sikacorp.com)



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[sika.com/experience](http://sika.com/experience)

**From:** "Jon Macias" <jmacias@cmcfloida.com>  
**To:** <ganues.robert@us.sika.com>  
**Cc:** <chunt@cmcfloida.com>  
**Date:** 05/08/2012 11:30 AM  
**Subject:** UCF CREOL Bldg. #53 (TIME SENSITIVE!)

Robert:

This is the project I discussed with you last week is the University of Central Florida (UCF) "CREOL" Building No. 53 in Orlando, FL. UCF has adopted the latest Florida Building Code and there are structural concrete roofs decks. UCF has "Design Standards" which mandate a 25 year "Full System No-Dollar-Limit Warranty" which must include a 130 mph "Wind Rider" and a min. 60 MIL membrane.

Please email Mr. Carey Hunt (see Cc) with what information you need to determine if you can provide the warranty with the mandates noted and what system is recommended. This is time sensitive so we need this information asap.

Thank you,

Jon-Eric Macias, RRC, RRO, RCI  
President

Construction Moisture Consulting, Inc.

4508 Oak Fair Blvd., Ste. 200 ~ Tampa, Florida 33610-7387

(813) 623-2323 Ext. 25 ~ Cell (813) 695-4048 ~ FAX (813) 626-2637

[jmacias@CMCFlorida.com](mailto:jmacias@CMCFlorida.com) ~ [www.CMCFlorida.com](http://www.CMCFlorida.com)

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# University of Central Florida

## Facilities Improvement Work Order

FI #:	12053006	Date Opened:	6/13/2012
Requester:	Frank Ballentine	Date Closed:	
Phone #:	407-823-3579	Department:	Facilities Operations
Project Manager:	Larry Chmura	Contractor:	Delphini
Building Name:	CREOL		
Description:	Replace roof		

Account #: SEE ATTACHED  
 Requisition #: UNKNOWN

Project Amount: \$1,820,000.00  
 PO #:

0240062802		Change Order 1	
PO Amount:	Account #:	PO Amount:	Account #:
\$1,820,000	910,0070		
FI Fee:	Account #:	FI Fee:	Account #:
Change Order 2		Change Order 3	
PO Amount:	Account #:	PO Amount:	Account #:
FI Fee:	Account #:	FI Fee:	Account #:

CONTINGENCY  
 \$725,522.54

# University of Central Florida

## Facilities Improvement Work Order

FI #: 12053006

Date Opened: 6/13/2012

Requester: Frank Ballentine

Date Closed:

Phone #: 407-823-3579

Department: Facilities Operations

Project Manager: Larry Chmura

Contractor: BCO

Building Name: CREOL

Description: Replace roof - Plans review

Account #: SEE ATTACHED  
BREAKDOWN

Project Amount: \$ 20,000

Requisition #:

PO #:

0240062802		Change Order 1	
PO Amount:	Account #:	PO Amount:	Account #:
\$20,000	91010070		
FI Fee:	Account #:	FI Fee:	Account #:
Change Order 2		Change Order 3	
PO Amount:	Account #:	PO Amount:	Account #:
FI Fee:	Account #:	FI Fee:	Account #:



240 Sunshine Lane,  
Altamonte Springs, FL 32714

407.830.7447  
407.830.7429

www.delphini.us

## PROPOSAL

To: The University of Central Florida  
Attn: Mr. Lawrence Chmura  
Date: Wednesday, June 13, 2012  
Re: UCF CREOL Building

We propose to furnish all materials, labor, and any other incidentals needed to perform the following scope of work:

### Scope:

1. Provide secure, exterior access to roof and temporary flag lines to keep the public away from operations.
2. Provide and install temporary fencing.
3. Test and remove existing lightning protection system as specified.
4. Test existing roof drains as specified.
5. Provide and install new retro-fit drains with extensions to accommodate new insulation heights as specified.
6. Raise mechanical curbs to accommodate code requirements as specified.
7. Remove existing roof system and insulation to existing concrete deck as specified.
8. Re-fasten wood blocking as specified.
9. Provide and install new R=38 minimum (6") insulation with cover board as specified.
10. Provide and install Sarnafil PVC as specified.
11. Provide and install Sarnafil PVC roof system accessories as specified.
12. Provide and install GeoGuard coating where specified.
13. Provide signed and sealed engineering for roof system by Florida Registered Engineer as specified.
14. Provide and install all associated flashings for a complete and watertight roof system as specified.
15. Provide and install a new aluminum lightning protection system with LPI certificate (UL certification is not included).
16. Provide and install new pre-manufactured, stainless steel coping and edge flashing as specified.
17. Provide caulking wet seals and stucco as specified.
18. Provide areal infrared roof scan report as specified.
19. Provide manufacturer's 25-year "No Dollar Limit" warranty (highest available for specified manufacturers), 130-mph wind-rider warranty, and 5-year installers warranty.

Total Price (Approximately 40,000sf of roof area).....\$ 1,820,000.00

**Price includes a 10% contingency of \$182,000.00, insurance, payment and performance bond, and all permitting fees.**

This proposal is based on being able to complete the work during regular business hours (M-F). Surge protection for lightning protection system will be by other if needed.

Exclusions: Surge protection for lightning protection and UL Certification for lightning protection.

Alternate #1: Provide a UL certification for the lightning protection system.....\$ 4,300.00

### Unit Prices

1. Wood repair.....\$ 6.00 / lf
2. Metal deck repair.....\$11.00 / sf

**Delphini Construction is a locally owned and operated, Service Disabled Veteran Owned Small Business (SDVOSB).**

From: Tom York – Senior Estimator and Aaron O'Connell – Vice President  
Please call if you have any questions, want value engineering ideas, or require any other estimates.



FW: CREOL Re-roof

Larry Chmura

to:

Lashanda Brown-Neal

06/19/2019 08:10 AM

This message may be forwarded to Google recipient(s)

Hide Details

From: Larry Chmura <lchmura@ucf.edu>

To: Lashanda Brown-Neal <Lashanda.Brown-Neal@ucf.edu>

## 2 Attachments



scan0004.pdf



CMC CREOL.PDF

Sent from [Mail](#) for Windows 10

---

**From:** Frank Ballentine

**Sent:** Tuesday, August 28, 2012 1:00:42 PM

**To:** Larry Chmura

**Subject:** FW: CREOL Re-roof

FYI

---

**From:** Frank Ballentine

**Sent:** Tuesday, August 28, 2012 11:59 AM

**To:** jmacias@CMCFlorida.com

**Subject:** CREOL Re-roof

Jon, Lee has decided that UCF will not be re-roofing this facility due to budget. We will still pursue the investigation of the phase II attachment upon issuance of a separate purchase order. In the meantime, please close out this project and keep your records on file in case budget becomes available in the future. Attached is Tecta America's invoice for their services on this project. Please add this to the final invoice for CREOL and issue them a check for the amount of the invoice. Please call me if you have any questions. Thank you for your excellent service and comprehensive report. Frank

Frank Ballentine

University of Central Florida

Facilities & Safety, QA/QC

O- 407-823-3579

C- 407-529-8427

F- 407-823-4394

592,525.11	Expenses related to CREOL roof
172,474.89	Transfer of excess unspent funds out of CREOL roof project to reflection pond project

ProjNum	Account	Account Desc	Amount	Voucher/C	SupplierNm/CustNm/JrnlHdrDesc	PO/Invoice/It	JournalID	DocLn	RecType	Invoice/De	TransDt	ActivityID	Fund	LineDesc	AltAcct	Prg	Supplier/Cusi	ChkDate	ChkNumbe	DistribLn	FYear	AcctPd	TransType	BudPd	AcctType	Dept/Proj	FundCd	De	Budget	Rel	AnalysisTy	ResourcCa	BusUnit
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	1,620.60		jbutcher - Minor Projects Proj		0240012601	00183	CON		1/26/2016	CONSTRUCTION	51039	15053003	722000	ZZ			0		2016		7	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	23,916.12		jbutcher - Minor Projects Proj		0240012601	00184	CON		1/26/2016	CONSTRUCTION	51039	15053003	722000	ZZ			0		2016		7	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	757102	FCO PERMITS AND INSPECTIONS	440.00		jbutcher - Minor Projects Proj		0240021004	00002	CON		2/10/2016	CONSTRUCTION	51039	MP# 15053	722000	ZZ			0		2016		8	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	757102	FCO PERMITS AND INSPECTIONS	374.00		jbutcher - Minor Projects Proj		0240051001	00001	CON		5/10/2016	CONSTRUCTION	51039	MP# 15053	722000	ZZ			0		2016		11	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	781139	TSFR TO UNIV CONSTRUCTION	172,474.89		NGarcia: UIMP Projections - Ma		0240053030	00001	CON		5/30/2018	CONSTRUCTION	51039	MP 182N3	757000	ZZ			0		2018		11	ACTUALS	2018	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	724101	REPAIRS AND MAINTENANCE	25,864.64		THintermeister - Transfer Expe		9079042801	00001	CON		4/28/2015	CONSTRUCTION	51039	xsfer exper	761000	ZZ			0		2015		10	ACTUALS	2015	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	13,993.76		jwilliams - Reallocate expense		9079042903	00001	CON		4/29/2016	CONSTRUCTION	51039	Reallocate	722000	ZZ			0		2016		10	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	724101	REPAIRS AND MAINTENANCE	(13,993.76)		jwilliams - Reallocate expense		9079042903	00002	CON		4/29/2016	CONSTRUCTION	51039	Reallocate	761000	ZZ			0		2016		10	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	714301	CONSTR OTHER EXPENSES	440.00		jwilliams - Reallocate expense		9079042903	00003	CON		4/29/2016	CONSTRUCTION	51039	Reallocate	722000	ZZ			0		2016		10	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	757102	FCO PERMITS AND INSPECTIONS	(440.00)		jwilliams - Reallocate expense		9079042903	00004	CON		4/29/2016	CONSTRUCTION	51039	Reallocate	722000	ZZ			0		2016		10	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	724101	REPAIRS AND MAINTENANCE	11,056.26	01137975	Construction Moisture Consulting Inc		0000310141	APA0167073	00340	AP	15-04043-C	10/20/2015	CONSTRUCTION	51039	FI # 15053	761000	ZZ	0000068058	10/20/2015	000083780	1	2016		4	ACTUALS	2015	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	724101	REPAIRS AND MAINTENANCE	600.00	01138142	Construction Moisture Consulting Inc		0000310141	APA0167073	00340	AP	15-04043-C	10/20/2015	CONSTRUCTION	51039	FI # 15053	761000	ZZ	0000068058	10/20/2015	000083780	1	2016		4	ACTUALS	2015	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	724101	REPAIRS AND MAINTENANCE	65.00	01138007	Construction Moisture Consulting Inc		0000310141	APA0167073	00340	AP	15-04043-C	10/20/2015	CONSTRUCTION	51039	FI # 15053	761000	ZZ	0000068058	10/20/2015	000083780	1	2016		4	ACTUALS	2015	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	724101	REPAIRS AND MAINTENANCE	2,272.50	01156007	Construction Moisture Consulting Inc		0000310141	APA0170484	00287	AP	15-04043-C	1/27/2016	CONSTRUCTION	51039	FI # 15053	761000	ZZ	0000068058			1	2016		7	ACTUALS	2015	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	72,161.66	01169614	Charles Perry Partners Inc		0000312801	APA0172989	00279	AP	PayApp#1-	3/16/2016	CONSTRUCTION	51039	FI# 150530	722000	ZZ	0000069444	3/15/2016		1	2016		9	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	75,450.97	01177659	Charles Perry Partners Inc		0000312801	APA0174681	00400	AP	PayApp#2-	4/19/2016	CONSTRUCTION	51039	FI# 150530	722000	ZZ	0000069444	4/19/2016	000085184	1	2016		10	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	724101	REPAIRS AND MAINTENANCE	957.25	01184727	Construction Moisture Consulting Inc		0000310141	APA0176216	00474	AP	15-04043-C	5/19/2016	CONSTRUCTION	51039	FI # 15053	761000	ZZ	0000068058	5/19/2016	000085378	1	2016		11	ACTUALS	2015	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	724101	REPAIRS AND MAINTENANCE	3,345.00	01181893	Construction Moisture Consulting Inc		0000310141	APA0176349	00283	AP	15-04043-C	5/23/2016	CONSTRUCTION	51039	FI # 15053	761000	ZZ	0000068058	5/19/2016		1	2016		11	ACTUALS	2015	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	248,139.10	01194999	Charles Perry Partners Inc		0000312801	APA0178208	00422	AP	PayApp#3-	6/27/2016	CONSTRUCTION	51039	FI# 150530	722000	ZZ	0000069444	6/27/2016	000085651	1	2016		12	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	33,285.37	01197656	Gaco Western LLC		0000326918	APA0179248	00549	AP	0026405	7/15/2016	CONSTRUCTION	51039	Provide Ga	722000	ZZ	0000083209	7/15/2016	000085751	1	2017		1	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	48,872.34	01254646	Charles Perry Partners Inc		0000312801	APA0190561	00445	AP	PayApp#5-	4/4/2017	CONSTRUCTION	51039	FI# 150530	722000	ZZ	0000069444	4/4/2017	000124847	1	2017		10	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	714201	CONSTR OTHER CONSTR CONTRACTS	44,099.30	01254489	Charles Perry Partners Inc		0000312801	APA0190561	00445	AP	PayApp#4-	4/4/2017	CONSTRUCTION	51039	FI# 150530	722000	ZZ	0000069444	4/4/2017	000124847	1	2017		10	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSITY	CONSTRU	ACT		UCF01
90790004	724101	REPAIRS AND MAINTENANCE	5.00		pngo FSBO Aim Work Order Billi		BI28120182	00185	ID5		12/1/2015	CONSTRUCTION	51039	WO #1009	761000	ZZ			0		2016		6	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	714301	CONSTR OTHER EXPENSES	957.25		MSutter: To reclassify account		MAS0630007	00003	IDF		6/30/2016	CONSTRUCTION	51039	Voucher #	722000	ZZ			0		2016		12	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	714301	CONSTR OTHER EXPENSES	3,345.00		MSutter: To reclassify account		MAS0630007	00004	IDF		6/30/2016	CONSTRUCTION	51039	Voucher #	722000	ZZ			0		2016		12	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	724101	REPAIRS AND MAINTENANCE	(957.25)		MSutter: To reclassify account		MAS0630007	00005	IDF		6/30/2016	CONSTRUCTION	51039	Voucher #	761000	ZZ			0		2016		12	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	
90790004	724101	REPAIRS AND MAINTENANCE	(3,345.00)		MSutter: To reclassify account		MAS0630007	00006	IDF		6/30/2016	CONSTRUCTION	51039	Voucher #	761000	ZZ			0		2016		12	ACTUALS	2016	Expenditur	UCF577-CR	UNIVERSIT	2015	GLE		UCF01	



## May 22, 2014 Board of Trustees Meeting Transcript

Speaker	Dialogue
<b>1:09:38 - 1:11:00</b>	
MARCHENA	That's true. Uh, the, the first item we have, uh, for, for action, uh, Madam Chairman, is the Colbourn Hall renovation. Uh, Mr. Merck, came, uh, to the committee with Lee Kernek and, uh, they recommended or discussed several options, the, uh, recommended option, uh, that we're here to present to you today is to build a new 75,000 square foot building adjacent to the current building. Uh, when it is complete, of course, we'll, uh, move the employees and departments housed in Colbourn Hall into that new building, and then revisit what possibilities there are with respect to Colbourn, the existing Colbourn building at that, at that time.
MERCK	Right, right.
MARCHENA	Um, you have anything to add to that, Bill?
MERCK	Only again that you, we talked this morning about no, uh, money coming from the state right now for construction, so we're basically having to take this out of our hide as well.
MARCHENA	But, but ...
MERCK	And it's something we need to do so ...
MARCHENA	But, but they have assured us we, we have identified the funding to be able to accomplish that, right? So I would uh, move, uh, the Board to approve moving forward with the Colbourn Hall renovation as described.
CALVET	Thank you.
UNIDENTIFIED SPEAKER	Second.
CALVET	Is there a second?
UNIDENTIFIED SPEAKER	Second.
CALVET	Thank you very much. We have a motion and a second. Does anybody have any further questions? If not, all in favor signify by saying aye.
MULTIPLE SPEAKERS	Aye.
CALVET	Anyone opposed? Motion carries.
<b>1:11:00 – 1:13:18</b>	
MARCHENA	I'm gonna ask Bill to go ahead and address the Global UCF facility.
MERCK	That was one, too, that you've heard about—the Global Academy and what we're doing.  One of the requirements for us to make available in the course of this project is to have small classrooms available for that—that first year, the pathway year. And so, since we are virtually—maybe not totally—but virtually maxed out on the classroom space around the campus, we need a new facility to handle that.  So what we are doing is—and I think I mentioned in the committee meeting this morning—we're taking 10 million that we realized, got in the form of realized gains from our transfer from active funds into the S&P 500, Vanguard S&P 500 Index Fund. That 10 plus another 5,

## May 22, 2014 Board of Trustees Meeting Transcript

Speaker	Dialogue
	<p>making the total of 15 million for the project. About 3 and a half of that will come out of some auxiliary money that we put aside in the event that we had another cut to our budget from the state this year, which we didn't. So we want to use that. And then about another million and a half out of other funds, probably—well, just some other funds. It could be auxiliary funds too, for the equipment when that comes due, to outfit the building, making the total of 15.</p> <p>So I'm pretty pleased with this. This gives us what we needed. We're planning it to be ready in January of 2016. Some of the utility work will happen this summer, getting ready for it. And we're working around the football schedule, so we shouldn't interrupt the tailgating activities in those parking lots over--</p>
CALVET	That's important.
MERCK	--the first part of the year. And that'll give us the building we need. And we will own it and control, so I feel good about that.
MARCHENA	Any questions in connection with that item? If not, we'll recommend that approval of that item as well.
CALVET	Thank you, we have a motion. Is there a second?
MULTIPLE	Second.
CALVET	We have a motion and a second. Any further discussion? If not, if you're in favor, signify by saying aye.
MULTIPLE SPEAKERS	Aye.
CALVET	Anyone opposed?
<b>[END OF TRANSCRIPTION]</b>	

**University of Central Florida  
Board of Trustees**

**SUBJECT:** 2011-12 Capital Outlay Budget

**DATE:** May 26, 2011

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**PROPOSED BOARD ACTION**

Approval of the university's 2011-12 capital outlay budget, and authorization for the president to make necessary adjustments to the 2011-12 capital outlay budget.

**BACKGROUND INFORMATION**

Pursuant to 1013.61, Florida Statutes, each university board of trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The attachment lists the projects approved during the legislative session and is subject to final approval by the governor. We request approval of the attached budget and authorization for the president to make changes to this budget as necessary during the year.

---

Supporting documentation: 2011-12 Capital Outlay Budget (Attachment A)

Prepared by: Lee Kernek, Associate Vice President for Administration and Finance

Submitted by: William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

## 2011-2012 Capital Outlay Budget Projects By Funding Source

**DRAFT**

Projects funded by Public Education Capital Outlay (PECO)		FY 2011-2012
Utilities/Infrastructure/Capital Renewal	\$	2,277,804
Classroom Building II		5,241,445
Interdisciplinary Research and Incubator Facility		6,328,564
Engineering Building I Renovation		3,620,723
Math and Physics Building Remodeling and Renovation		3,877,895
<b>TOTAL</b>	<b>\$</b>	<b>21,346,431</b>

Projects funded by donations and the Courtelis Facility Matching Grant Program		Cumulative FY 2011-2012	
		Donations	Courtelis
Laboratory Instructional Building	\$	1,584,079	-
Morgridge International Reading Center		10,500	-
Career Services and Experiential Learning		290	-
College of Optics and Photonics		50	-
Engineering III		612,040	-
Psychology Building		12,877	-
Alumni Center/John & Martha Hitt Library		500	-
		2,220,336	-

Maintenance, repair, renovation, and remodeling projects	FY 2011-2012
<b>TOTAL</b>	<b>\$ 605,157.60</b>

Projects constructed or acquired with proceeds from sale of bonds		FY 2011-2012
Special Purpose Housing and Parking Garage I	\$	25,000,000
Special Purpose Housing II		8,000,000
Parking Garage VII		20,000,000
Parking Decks		17,000,000
Strategic Land and Property Purchases		50,000,000
Graduate Housing		50,000,000
Refinance UCF Foundation Properties		37,410,000
Bookstore Expansion		8,000,000
Academic Center		12,000,000
Student Housing		50,000,000
Brighthouse Networks Tower Expansion		5,000,000
Athletics Facilities Expansion		10,000,000
Garage Expansion		5,000,000
Research Lab, Lake Nona		112,861,603
Classroom/Lab Building, Lake Nona		23,475,601
Life Sciences Incubator, Lake Nona		30,000,000
Facilities Building, Lake Nona		6,000,000
Expo Center Housing		16,000,000
Regional Campuses Multi-purpose Buildings		28,000,000
Partnership Garage		7,000,000
	<b>\$</b>	<b>520,747,204</b>

## 2011-2012 Capital Outlay Budget Projects By Funding Source

**DRAFT**

Projects constructed or acquired by a Direct Support Organization (DSO)		FY 2011-2012
Special Purpose Housing and Parking Garage I		\$ 25,000,000
Special Purpose Housing II		8,000,000
Parking Deck (Athletic Complex)		5,000,000
Strategic Land and Property Purchases		50,000,000
Graduate Housing		50,000,000
Refinance UCF Foundation Properties		37,410,000
N.E. Campus Property Mixed-use Development		50,000,000
Academic Center		12,000,000
Student Housing		50,000,000
Brighthouse Networks Stadium Tower Expansion		5,000,000
Athletics Facilities Expansion		10,000,000
Research Lab, Lake Nona		112,861,603
Classroom and Lab Building, Lake Nona		23,475,601
Life Sciences Incubator, Lake Nona		30,000,000
Expo Center Housing		16,000,000
		\$ 484,747,204

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
September 15, 2010**

**SUBJECT:** Approve Amendment of the Board's State University System Debt Management Guidelines

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**PROPOSED COMMITTEE ACTION**

Approve amendments to the Board's State University System Debt Management Guidelines and require University Adoption by January 19, 2011.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution and Section 1010.62 Florida Statutes

**BACKGROUND INFORMATION**

The Board of Governors adopted Debt Management Guidelines (the "Guidelines") for the university system on April 27, 2006. The purpose of the Guidelines is to confirm that the state universities and their DSOs engage in sound debt management and issuance practices. Section 1010.62, Florida Statutes became law on July 1, 2006, and works in parallel with the Guidelines.

The Board Office of Finance and Facilities held a debt management workshop on May 19, 2010. The purpose of the meeting was to review and discuss proposed changes to the Guidelines. The proposed amended guidelines have been shared with all 11 institutions.

The proposed changes are intended to provide clarification and better written guidance to the universities on matters concerning debt management and issuance. The proposed amendments do not alter existing Board policy. Accordingly, upon acceptance by the Facilities Committee, the full Board shall consider immediate adoption of the recommended revisions to the Guidelines.

University boards of trustees will be required to adopt the revised Board Debt Management Guidelines and notify the Chancellor of adoption no later than January 19, 2011.

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**Supporting Documentation Included:**

1. Draft-Revised Debt Management Guidelines
2. Functional Relationship Attachment A
3. Functional Relationship Attachment B
4. Draft-Checklist of Information Required

**Facilitators/Presenters:**

Ben Watkins, Director, State of Florida,  
Division of Bond Finance  
Chris Kinsley

**STATE OF FLORIDA  
FLORIDA BOARD OF GOVERNORS  
DEBT MANAGEMENT GUIDELINES**

**~~April 27, 2006~~**



## TABLE OF CONTENTS

I.	INTRODUCTION	
	The Need for and Purpose of Debt Management Guidelines .....	1
II.	DEBT AFFORDABILITY AND CAPITAL PLANNING	
	Concept of Affordability .....	2
	Debts That May Be Issued Without Board of Governors' Approval ...	2
III.	GENERAL DEBT ISSUANCE GUIDELINES	
	Process for Submitting Debt for Approval.....	3
	Purposes for Which Debt May Be Issued .....	6
	Committing University Resources for Debt Issued by DSOs.....	6
	Credit Ratings .....	7
	Tax Status .....	7
	Security Features .....	7
	Structural Features .....	9
	Interest Accrual Features .....	10
	Other Types of Financings.....	13
IV.	METHOD OF SALE AND USE OF PROFESSIONALS	
	Analysis of Method of Sale .....	14
	Allocation of Bonds.....	15
	Report on Sale of Bonds .....	15
	Selection of Financing Professionals .....	16
V.	DISCLOSURE	
	Primary Disclosure .....	16
	Continuing Disclosure.....	17
VI.	POST-ISSUANCE CONSIDERATIONS	
	Investment of Proceeds of Debt Issued by DSOs .....	17
	Arbitrage Compliance .....	17
VII.	EFFECT .....	17

# ***DEBT MANAGEMENT GUIDELINES FOR CAPITAL OUTLAY PROJECTS***

## ***I. INTRODUCTION***

### ***The Need for and Purpose of Debt Management Guidelines***

The state universities of Florida and their direct support organizations (“DSOs”) have funded significant investments in infrastructure, such as buildings, equipment, land, and technology, to meet the needs of a growing student population and to upgrade and maintain existing capital assets. A significant amount of the funding for this investment in infrastructure has been provided through the issuance of debt by the State for the benefit of the state universities and by the state universities’ direct support organizations (“DSOs”).

The purpose of these guidelines is to confirm that the state universities and their DSOs must engage in sound debt management practices and, to that end, the Board of Governors (“Board BOG”) has formalized guiding principles for the issuance of debt by the state universities and their DSOs. Each state university shall adopt a debt management policy which is consistent with these guidelines and which shall be approved by the Board BOG.

The following guidelines set forth guiding principles regarding state university and DSO debt-related decisions related to:

- a) The amount of debt which may prudently be issued.
- b) The purposes for which debt may be issued.
- c) Structural features of debt being issued.
- d) The types of debt permissible.
- e) Compliance with securities laws and disclosure requirements.
- f) Compliance with federal tax laws and arbitrage compliance.

These principles will facilitate the management, control and oversight of debt issuances, for the purpose of facilitating ongoing access to the capital markets which is critical to the financing of needed infrastructure.

In furtherance of this objective, the provisions of these guidelines shall be followed in connection with the authorization, issuance and sale of university and DSO debt. However, exceptions to the general principles set forth herein may be appropriate under certain circumstances. Also, additional guidelines and policies may be necessary as new financial products and debt structures evolve over time.

For purposes of these guidelines:

- i) “debt” means bonds, loans, promissory notes, lease-purchase agreements, certificates of participation, installment sales, leases, or any other financing mechanism or financial arrangement, whether or not a debt for legal purposes, for financing or refinancing, for or on behalf of a state university or a direct support organization, the acquisition, construction, improvement or purchase of capital outlay projects;
- ii) “capital outlay project” means (i) any project to acquire, construct, improve or change the functional use of land, buildings, and other facilities, including furniture and equipment necessary to operate a new or improved building or facility, and (ii) any other acquisition of equipment or software; and
- iii) “financing documents” means those documents and other agreements entered into by the state university or the DSO establishing the terms, conditions and requirements of the debt issuance.
- iv) “auxiliary enterprise” means any activity defined in section 1011.47(1), Florida Statutes, and performed by a university or a direct-support organization.

## **II. DEBT AFFORDABILITY AND CAPITAL PLANNING**

### ***Concept of Affordability***

One of the most important components of an effective debt management policy is an analysis of what level of debt is affordable given a particular set of circumstances and assumptions. More comprehensive than simply an analysis of the amount of debt that may be legally issued or supported by a security pledge, the level of debt should be analyzed in relation to the financial resources available to the university and its DSO’s on a consolidated basis, to meet its debt service obligations and provide for operating the university.

An analysis of debt affordability should address the impact of existing and proposed debt levels on an issuer’s operating budget and offer guidelines or ranges to policymakers for their use in allocating limited resources within the guidelines.

### *Debts That May Be Issued Without Board of Governors' Approval*

The following types of financings, subject to specific approval by the university board of trustees, may be engaged in by the state universities and their DSOs, as applicable, without Board approval:

- o Universities may finance the acquisition of equipment and software provided such financings are accomplished in accordance with the deferred-purchase provisions in Chapter 287, Florida Statutes.
- o DSOs may finance the acquisition of equipment and software financings provided the overall term of the financing, including any extension, renewal or refinancings, hereof, does not exceed five years or the estimated useful life of the equipment or software, whichever is shorter.
- o DSOs may issue promissory notes and grant conventional mortgages, in an amount not to exceed \$1 million, for the acquisition of real property, including improved real property. However, no mortgage or note shall exceed 30 years.
- o University and DSO debt secured solely with gifts and donations and pledges of gifts so long as the maturity of the debt, including extensions, renewals and refundings, does not exceed five years and so long as the facilities being financed have been included in the university's five-year capital improvement plan that has been approved by the Board.
- o Refundings for debt service savings where final maturities are not extended.
- o ~~Financing of any projects approved by the BOG or University Boards of Trustees prior to, or existing, as of January 26, 2006.~~
- o Fully collateralized lines of credit intended to be used for temporary cash flow needs.
- o Energy Performance-Based Contracts, in accordance with the provisions of section 1013.23, Florida Statutes, not to exceed \$10,000,000.
- o Universities may borrow up to \$20,000,000 from a university DSO on a non-recourse basis to finance a capital project. The term of the borrowing may not exceed thirty (30) years, and the interest rate, if any, may not exceed current market interest rates. The university retains legal title to any capital project financed in whole or in part by such loan irrespective of whether the loan is repaid. The DSO is prohibited from transferring the

note or any other instrument associated with the borrowing to any other entity.

### **III. GENERAL DEBT ISSUANCE GUIDELINES PROCESS FOR SUBMITTING DEBT FOR APPROVAL**

*Timing.* The submission of proposed debt for approval by the Board BOC shall be governed by the following process<sup>1</sup>:

- a) The university shall formally transmit to the Board Office a request for debt approval no later than 60 days prior to the next regularly scheduled meeting of Board. The university shall also provide a copy to the State Division of Bond Finance ("DBF"). The formal transmittal to the Board Office shall be in duplicate, hard copy, and bound in a three-ring binder, and include all the information required by these guidelines. Electronic copies of supporting documentation should be provided to the Board Office and the DBF, to the extent available. The formal letter of transmission must be signed by the official point of contact for the university, and any exceptions to these Debt Guidelines shall be noted and explained. If the university board of trustees has not yet formally approved the debt being requested, the proposed board of trustees meeting date shall be provided. No later than four weeks prior to the time agenda titles are due to the BOC, a copy of all information required to be submitted by these guidelines in support of the request to issue debt shall be provided to BOC staff for review.
- b) During the review four-week period prior to the agenda title due date, the Board BOC Office staff shall provide such information to the State Division of Bond Finance (the "DBF"), review the information submitted for compliance with these guidelines and State law, analyze general credit issues associated with the proposed indebtedness, and review any analysis provided by the DBF staff.
- c) Board BOC and DBF staff shall jointly discuss with the university or DSO any issues, concerns or suggestions resulting from the review during the four-week review period. As a result of these discussions, the university may amend the information submitted or explain give reasons why the suggestions were not incorporated. The Board BOC Office will advise the university if it believes that any amended information is so significant that re-authorization by the board of trustees and/or DSO is required. During this period, if the debt being requested for approval is to be issued by the DBF on behalf of a

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<sup>1</sup> Although not required, universities are encouraged to consult with the Board Office and the State Division of Bond Finance 30 days prior to formal approval of debt by the university board of trustees or the DSO, particularly for any debt with unusual features.

state university, DBF shall submit to the Board BOG Office a form of a resolution for adoption by the BOG requesting that DBF issue the debt.

- d) After the ~~four-week~~ review period, the Board BOG Office staff shall submit ~~the its agenda title,~~ agenda item with supporting documentation and all appropriate and required analyses to the Board BOG for consideration at its next meeting. Supporting documentation for the agenda item shall also include ~~the adopted resolution of the BOT and DSO, if applicable, and the~~ resolution to be adopted by the Board BOG requesting issuance of the debt by DBF or a resolution approving issuance of the debt by the DSO.

*Information Required for Submission.* The following information shall be submitted to the Board BOG Office staff in support of a request for approval of the issuance of debt. Additionally, the university or DSO shall complete the "Checklist of Information Required for Submission to the Board Pursuant to Debt Management Guidelines", and provide any additional information requested by the Board BOG Office or DBF staff in connection with review of any proposed debt issuance.

- a) A resolution of the DSO board of directors approving the debt issuances, if applicable, and a resolution of the university board of trustees BOT approving the debt issuance and authorizing the university to request Board BOG approval of the debt issuance. For debt to be issued by DBF, at the request of the university, DBF staff will work with the university to determine a not-to-exceed amount of debt to be included in the board of trustees BOT requesting resolution to the Board BOG and in preparing required debt service and source-and-use schedules.
- ~~b) A proposed agenda item.~~
- b) The project program, feasibility studies or consultant reports (if available), and an explanation of how the project being proposed is consistent with the mission of the university.
- ~~d) For debt issued by DSOs, a form of a resolution to be adopted by the BOG approving issuance of the debt.~~
- c) Estimated project cost, ~~draw schedule~~ with schedules drawn by month and including start and completion dates, estimated useful life, and the date bond proceeds are required.
- d) The sources-and-uses of funds, clearly depicting all costs, funding sources expected to be used to complete the project and the estimated amount of the debt to be issued.

- e) An estimated debt service schedule with the assumed interest rate on the debt clearly disclosed. If the proposed debt service is not structured on a level debt service basis, an explanation shall be provided which gives the reason why it is desirable to deviate from a level debt structure.
- f) One consolidated debt service schedules separately showing all outstanding debt related to or impacting the debt being proposed, the proposed debt and the new estimated total debt service.
- g) A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described. Furthermore, a description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must also be provided.
- h) If debt is to be incurred on a parity basis with outstanding debt, a schedule showing estimated compliance with any additional bonds requirement set forth in the documents governing the outstanding debt. The applicable provisions of the documents for bonds of DSOs should be provided.
- i) Financial statements for five years, if available, for the auxiliary, if auxiliary revenues are pledged.
- j) A five-year history, if available, and five-year projection of the revenues securing payment and debt service coverage. To the extent applicable, the projections must be shown on the individual project as well as the entire system. All revenue items securing repayment must be clearly set forth as separate line items. An explanation ~~should~~ must be provided with regard to growth assumptions, and to the amount and status of approval of any rate increases. The effect of the rate increases on the projections and expected revenues and expenses for the new facility should be clearly set forth as a separate line item. If rate increases are necessary, a commitment must be made to increase rates to the needed levels. Major categories of any operating expenses should be set forth as separate line items with an explanation of assumptions regarding increases or decreases.
- k) Evidence that the project is consistent with the university's master plan or a statement that the project is not required to be in the master plan.
- l) For variable rate debt proposals:
  - i) the expected reduction in total borrowing costs based on a comparison of fixed versus variable interest rates;

- ii) ~~the average monthly balance, over the last year, of the short-term investments which will be hedged or the other products, such as interest rate caps, which will be used to mitigate the effect of rising interest rates, or an explanation as to why such protections are not being provided; a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure. If interest rate risks are to be mitigated by the use of derivatives, then evidence that the counterparty has a long term rating of at least an A/ A2 and a swap management plan as set forth in the Board's Debt Management Guidelines must be submitted;~~
- iii) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points;
- iv) ~~the amount of debt proposed for approval as a percentage of the total amount of university and DSO debt outstanding; the total amount of variable rate debt including the proposed debt as a percentage of the total amount of university and DSO debt outstanding; and~~
- v) the individual or position that will be responsible for the reporting requirements for variable rate debt as set forth in these guidelines.
- m) If all or any portion of the financing is contemplated to be done on a taxable basis, then evidence demonstrating that the issuance of taxable debt is in the best interest of the university must be submitted.
- n) A statement explaining whether legislative approval is required, and if required, an explanation as to when legislative approval will be sought or evidence that legislative approval has already been obtained.
- o) A statement that the debt issuance is in accordance with the university's debt management policy or, if not, an explanation of the specific variances as well as the reasons supporting the variances.
- p) If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of these Guidelines.
- q) A description of the process used to select each professional engaged in the transaction, showing compliance with the competitive selection process required by these Guidelines. Specific contact information for each selected professional, must be included, and at a minimum, should disclose the



professional's name, firm name, address, email address, phone number and facsimile number.

r) The most recent annual variable rate debt report.

*Approval.* The Board ~~BOG~~ will consider the following factors in connection with its review and approval of university or DSO debt issuance.

- a) The debt is to provide funding for needed infrastructure of the university for purposes consistent with the mission of the university.
- b) The debt is being issued in compliance with the principles and guidelines set forth herein.
- c) The project information submitted is reasonable and supportable.
- d) The five-year projection of pledged revenues available to pay debt service should provide debt service coverage of at least 1.20x for both outstanding parity debt and for the proposed new debt for all years within the five-year projection period after giving credit for any capitalized interest and other revenues available for payment.
- e) Any requirements for the issuance of additional parity debt can be reasonably expected to be met.

### ***Purposes For Which Debt May Be Issued***

Debt may be issued only to finance or refinance capital outlay projects as defined in these guidelines, including equipment and software; debt may not be approved to finance or refinance operating expenses of a university or a DSO.

Refunding bonds may be issued to achieve debt service savings. Refunding bonds may also be issued to restructure outstanding debt service or to revise provisions of Financing Documents if it can be demonstrated that the refunding is in the best interest of the university.

### ***Committing University Resources for Debt Issued by Direct Support Organizations***

There may be occasions where the university considers committing its financial resources on a long-term basis in support of debt issued by a DSO or other component unit. While the nature of the commitment may not constitute a legal debt obligation of the university, it may affect the university's debt position and its available financial resources. Therefore, the university should evaluate the long-term fiscal impact upon the university's debt position and available resources before authorizing any such financial commitment. Additionally, the debt of any DSO may not be secured by an

agreement or contract with the university unless the source of payments under such agreement or contract is limited to revenues that the university is authorized to use for the payment of debt service. Any such contract or agreement shall also be subject to the requirements set forth under “Security Features – Pledged Revenues” herein.

### ***Credit Ratings***

In order to access the credit markets at the lowest possible borrowing cost, it is recognized that credit ratings are critical. Therefore, for all publicly offered debt:

- a) For existing bond programs, universities and DSOs shall strive to maintain or improve current credit ratings without adversely impacting the amount of debt which may be issued for any particular program.
- b) For all new financings, the university or DSO shall seek to structure the transaction to achieve a minimum rating of “A” from at least two nationally recognized rating agencies. Credit enhancement may be used to achieve this goal.

### ***Tax Status***

The universities have traditionally issued tax exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. Accordingly, all university and DSO debt should be issued to take advantage of the exemption from federal income taxes unless the university demonstrates that the issuance of taxable debt is in the university’s best interest. With respect to debt which has a management contract with a private entity as part of the security feature, the management contract should comply, to the greatest extent practical, with tax law requirements to obtain tax exemption for the debt.

### ***Security Features***

*Pledged Revenues.* The debt issued by universities and their DSOs may only be secured by revenues (including fund balances and budget surpluses) authorized for such purpose. The revenues which may secure debt include the following:

- a) Activity and Service Fee, subject to the limitation that annual debt service payable from these fees does not exceed five percent of the revenues derived therefrom.
- b) Athletic Fee, subject to the limitation that annual debt service payable from these fees does not exceed five percent of the revenues derived therefrom.
- c) Health Fee.

- d) Transportation Access Fee.
- e) Hospital Revenue.
- f) Licenses and Royalties for facilities that are functionally related to the university operation or DSO reporting such royalties and licensing fees.
- g) Gifts and Donations for debt not longer than five years.
- h) Overhead and indirect costs and other monies not required for the payment of direct costs of grants.
- i) Assets of University Foundations and DSOs and earnings thereon.
- j) Auxiliary Enterprise Revenues, e.g., housing, parking, food service, athletic, retail sales, research activities.

Revenues which are not enumerated above may not be pledged to secure debt unless authorized by law for such purpose. In the case of university-issued debt, the pledge of revenues which secures debt should specifically identify the sources pledged and not use general or vague terms such as “lawfully available revenues.” Specifically identifying revenues used to secure debt will provide certainty and transparency as to the revenues that are encumbered and avoid ambiguity or uncertainty as to the issuer’s legal liability and universities and their DSOs should take this into consideration when determining the nature of the security it will provide in connection with a debt issuance. The guidelines for pledging revenues and securing debt shall also apply to debt structures which involve an agreement, contract or lease with a university or its DSOs, i.e., the revenues being pledged to secure debt must be specifically identified and lawfully available for such purpose. It is preferable, whenever possible, to secure debt with system pledges comprised of multiple facilities within a system, e.g., housing and parking, rather than stand-alone project finances.

*Functional Relationships.* *See attached Versions A & B*

*Lien Status.* All bonds of a particular program should be secured by a first lien on specified revenues. Additionally, bonds should generally be equally and ratably secured by the revenues pledged to the payment of any outstanding bonds of a particular bond program. However, the creation of a subordinate lien is permissible if a first lien is not available or circumstances require.

*Reserve Fund.* Debt service reserve requirements may be satisfied by a deposit of bond proceeds, purchase of a reserve fund credit facility, or funding from available resources over a specified period of time. In the submission of a request for debt issuance, it is preferred, though not required, that the bond size for the proposed debt

include provisions for funding a reserve from bond proceeds. This will ensure that in the event the university is unable to obtain a reserve fund credit facility it will still have an authorized bond amount sufficient to fund its needs. Debt service reserve requirements may also be satisfied with cash balances.

*Credit Enhancement.* Credit enhancement is used primarily to achieve interest cost savings. Accordingly, the state universities and their DSOs should consider the cost effectiveness of bond insurance or other credit enhancements when evaluating a debt issuance and the overall cost thereof. Any bond insurance or credit enhancement should be chosen through a competitive selection process analyzing the cost of the insurance or credit enhancement and the expected interest cost savings to result from their use. The primary determinant in selecting insurance or other credit enhancement should be price and expected interest cost savings; however, consideration may also be given to the terms of any arrangement with the provider of insurance or other credit enhancement.

*Capitalized Interest.* Capitalized interest from bond proceeds is used to pay debt service until a revenue producing project is completed or to manage cash flows for debt service in special circumstances. Because the use of capitalized interest increases the cost of the financing, it should only be used when necessary for the financial feasibility of the project.

### ***Structural Features***

*Length of Maturity.* In addition to any restriction on the final maturity imposed by the constitution or laws of the State, as a general guideline, the final maturity on bonds should not exceed thirty years.

Debt secured by gifts and donations shall not be considered long-term financing but may be used as a temporary or construction loan to accelerate construction of facilities. Accordingly, the maturity of debt secured by gifts and donations shall not exceed five years, including roll-overs or refinancings except refinancings to implement permanent financing. Debt issued to finance equipment and software may not be longer than five years or the useful life of the asset being financed, whichever is shorter. Lastly, the final maturity of the debt should not exceed the estimated useful life of the assets being financed.

*Debt Service Structure.* Generally, debt should be structured on a level debt basis, i.e., so that the annual debt service repayments will, as nearly as practicable, be the same in each year. A deviation from these preferences is permissible if it can be demonstrated to be in the university's best interest, such as restructuring debt to avoid a default and not to demonstrate feasibility of a particular project.

*Redemption Prior to Maturity.* A significant tool in structuring governmental bonds is the ability to make the bonds callable after a certain period of time has elapsed after issuance. This provides the advantage of enabling the issuer to achieve savings

through the issuance of refunding bonds in the event interest rates decline. Although the ability to refund bonds for a savings is advantageous, there may be situations where a greater benefit of lower interest rates may be realized by issuing the bonds as non-callable. Accordingly, there is a strong preference that bonds issued by a university or DSO be structured with the least onerous call features as may be practical under then prevailing market conditions. Bonds of a particular issue may be sold as non-callable if it is shown to be in the best interest of the university or DSO.

*Debt Issued With a Forward Delivery Date.* Debt issued by a university or DSO may be issued ~~that has with~~ a delivery date significantly later than that which is usual and customary. This debt typically carries an interest rate penalty associated with the delay in delivery. There are also additional risks that delivery will not occur. Debt with a forward delivery date may be issued if the advantages outweigh the interest rate penalty which will be incurred and the university and DSO are protected from adverse consequences of a failure to deliver the debt.

### ***Interest Accrual Features***

*Fixed Rate, Current Interest Debt.* Fixed rate debt will continue to be the primary means of financing infrastructure and other capital needs. However, there may be circumstances where variable rate debt is more appropriate, in which case, the state university or DSO shall provide documentation as noted in these guidelines for such debt.

*Derivatives.* Alternative financing arrangements, generally referred to as derivatives, are available in the market as an alternative to traditional bonds. Under certain market conditions, the use of alternative financing arrangements may be more cost effective than the traditional fixed income markets. However, these alternative financing instruments, such as floating to fixed swap agreements, have characteristics and carry risks peculiar to the nature of the instrument which are different from those inherent in the typical fixed rate financing. Although the universities and their DSOs should normally continue issuing conventional fixed rate bonds, alternative financing instruments may be used when the inherent risks and additional costs are identified and proper provision is made to protect the Board of Governors, the university and the DSO from such risks. In determining when to utilize alternative financing arrangements, the availability of the requisite technical expertise to properly execute the transaction and manage the associated risks should be evaluated along with any additional ongoing administrative costs of monitoring the transaction. Also, a comprehensive derivatives policy should be established by the university or their DSOs and approved by the Board ~~BOG~~ prior to approving transactions using derivatives products.

*Capital Appreciation Bonds.* Normally capital appreciation bonds, which do not require current debt service payments, should not be used. However, when a

compelling university interest is demonstrated, capital appreciation bonds may be issued.

*Variable Rate Bonds.* Variable rate debt may be issued where, considering the totality of the circumstances, such bonds can reasonably be expected to reduce the total borrowing cost to the university or the DSO over the term of the financing. The availability of the requisite technical expertise to properly manage the risks and execution of the variable rate transaction should be evaluated along with any additional ongoing administrative costs of monitoring the transaction. There should be a solid understanding of the liquidity risk and interest rate risks associated with variable rate debt. Further, there should be a debt management plan that mitigates, to the extent possible, these risks over the life of the debt. The following guidelines should apply to the issuance of variable rate debt:

- a) *Expected reduction in total borrowing cost.* In determining reasonably expected savings, a comparison should be made between a fixed rate financing at then current interest rates and a variable rate transaction, based on an appropriate floating rate index. The cost of the variable rate transaction should take into account all fees associated with the borrowing which would not typically be incurred in connection with fixed rate bonds, such as tender agent, remarketing agent, or liquidity provider fees.
- b) *Limitation on variable rate debt.* The amount of variable rate debt and interest derivative exposure is dependent on several factors associated with these types of debts. Included in the factors associated with these instruments are the university's/DSO's operating flexibility and tightness of budget, access to short and long term capital, the likelihood of a collateral call or termination payment, and the university's/DSO's financial expertise. The level to which universities may utilize variable rate debt obligation (VRDO) and interest derivatives (like swaps, collars, and caps) is subject to an understanding of the risks associated and a debt policy that adequately addresses the additional risks.
- c) *Budgetary controls.* To avoid a situation in which debt service on variable rate bonds exceeds the annual amount budgeted, the following guidelines should be followed in establishing a variable rate debt service budget:
  - i) A principal amortization schedule should be established, with provisions made for payment of amortization installments in each respective annual budget;
  - ii) Provide for payment of interest for each budget year using an assumed budgetary interest rate which allows for fluctuations in interest rates on the bonds without exceeding the amount budgeted. The budgetary interest rate may be established by: (1) using an artificially high interest rate given current market conditions; or (2) setting the rate based on the last 12

months actual rates of an appropriate index plus a 200 basis point cushion or spread to anticipate interest rate fluctuations during the budget year. The spread should be determined by considering the historical volatility of short-term interest rates, the dollar impact on the budget and current economic conditions and forecasts; or, (3) any other reasonable method determined by the university or DSO and approved by the Board ~~BOG~~;

- iii) The amount of debt service actually incurred in each budget year should be monitored monthly by the university or DSO to detect any significant deviations from the annual budgeted debt service. Any deviations in interest rates which might lead to a budgetary problem should be addressed immediately; and
  - iv) As part of the effort to monitor actual variable rate debt service in relation to the budgeted amounts and external benchmarks, the university or DSO should establish a system to monitor the performance of any service provider whose role it is to periodically reset the interest rates on the debt, i.e., the remarketing agent or auction agent.
- d) *Establish a hedge with short-term investments.* In determining the appropriate amount of variable rate debt which may be issued by the universities or their DSOs, consideration should be given to mitigating the variable interest rate risk by creating a hedge with short-term investments. This “hedge” mitigates the financial impact of debt service increases due to higher interest rates because, as debt service increases, the university’s or DSO’s earnings on short-term investments also increases. Appropriate personnel should monitor the hedge monthly. Short-term investment as a hedge is one of several methods of mitigating interest rate risk. The ratio of such short-term investments to variable debt needs to be examined in conjunction with other interest rate risk hedging, striking an overall balance to minimize interest rate risk.
- e) *Variable interest rate ceiling.* The bond documents should include an interest rate ceiling of no greater than 12%.
- f) *Mitigating interest rate risks with derivatives.* Universities and DSOs are allowed to use various derivatives to mitigate the risk of rising interest rates on variable rate debt. However, the introduction of these derivatives also presents other risks for which the university must mitigate. These risks include rollover risk, basis risk, tax event risk, termination risk, counterparty credit risk and collateral posting risk. At a minimum, a university/DSO engaging in this type of interest rate risk mitigation must provide:
  - i) Evidence that the counterparty has a long term rating of at least ~~is rated at a minimum of~~ an A/A21; and

- ii) A swap management plan that details the following:
  - a) Why the university is engaging in the swap and what the objectives of the swap are.
  - b) The swap counterparty's rating.
  - c) An understanding by the issuer of the cash flow projections that detail costs and benefits for the swap.
  - d) The plan of action addressing the aforementioned risks associated with swaps.
  - e) The events that trigger an early termination (both voluntary and involuntary) under the swap documents, the cost of this event and how such would be paid.
  - f) The method for rehedging variable rate exposure should early termination be exercised.
  - g) A list of key personnel involved in monitoring the terms of the swap and counterparty credit worthiness.
- g) *Liquidity*. One of the features typical of variable rate debt instruments is the bondholder's right to require the issuer to repurchase the debt at various times and under certain conditions. This, in theory, could force the issuer to repurchase large amounts of its variable rate debt on short notice, requiring access to large amounts of liquid assets. There are generally two methods for addressing this issue. With the first method, issuers that do not have large amounts of liquid assets may establish a liquidity facility with a financial institution which will provide the money needed to satisfy the repurchase. The liquidity provider should have a rating of A1/P1 or higher. The liquidity agreement does not typically run for the life of long-term debt. Accordingly, there is a risk that the provider will not renew the agreement or that it could be renewed only at substantially higher cost. Similar issues may arise if the liquidity provider encounters credit problems or an event occurs which results in early termination of the liquidity arrangement; in either case the issuer must arrange for a replacement liquidity facility. With the second method, issuers with significant resources may choose to provide their own liquidity. This approach eliminates the costs that would be charged by a third party liquidity provider and could mitigate the renewal/replacement risk. If a university/DSO chose to provide its own liquidity, the institution must maintain liquid assets or facilities equal to 100% of the outstanding variable rate debt obligations ("VRDOs").



- h) *Submission of periodic reports.* The university will prepare and submit to the ~~BOT~~ board of trustees and the Board ~~BOG~~ an annual variable rate debt report showing the position during the previous period of the university or DSO variable rate debt with respect to the following measures:
- i) the total principal amount of variable rate debt to principal amount of total debt;
  - ii) the amount of debt service accrued during the reporting period in relation to the pro-rata amount of annual budgeted debt service for the reporting period. If the amount of debt service which accrued during the reporting period exceeded the pro-rata amount of annual budgeted debt service for the period, the university shall explain what actions were taken to assure that there would be sufficient revenues and budget authority to make timely payments of debt service during the subsequent years; and
  - iii) the amount of variable rate debt in relation to the amount of the university's and/or DSO's short-term investments, and any other strategies used to hedge interest rate risk.

### *Other Types of Financings*

*Refunding Bonds.* Generally, refunding bonds are issued to achieve debt service savings by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no similar limitation for tax-exempt current refunding bonds. The following guidelines should apply to the issuance of refunding bonds, unless circumstances warrant a deviation therefrom:

- a) Refunding bonds should be structured to achieve level annual debt service savings.
- b) The life of the refunding bonds should not exceed the remaining life of the bonds being refunded.
- c) Advance refunding bonds issued to achieve debt service savings should have a minimum target savings level measured on a present value basis equal to 5% of the par amount of the bonds being advance refunded. The 5% minimum target savings level for advance refundings should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of advance refunding bonds, the 5% target

should not prohibit advance refundings when the circumstances justify a deviation from the guideline.

- d) Refunding bonds which do not achieve debt service savings may be issued to restructure debt or provisions of bond documents if such refunding serves a compelling university interest.

*Certificates of Participation and Lease-Type Financing.* The universities or their DSOs may utilize these financing structures for all purposes, but it shall be considered as debt for the purposes of these guidelines and the universities shall always budget and make available monies necessary to pay debt service, notwithstanding the right to cancel the lease. Additionally, for lease purchase financings of equipment, universities and DSOs should consider using the State's consolidated equipment financing program if it will reduce costs and ensure a market interest rate on the financing.

Conversions of existing variable rate debt. A conversion between interest rate modes pursuant to the provisions of variable rate financing documents does not require Board approval. However, ten days prior to the conversion, the universities or their DSOs must notify the Board Office of a conversion and provide a summary of the terms of (i.e. interest rate, debt service schedule, etc.) and reasons for the conversion. The universities and DSOs should answer all questions and provide any additional information that the Board deems necessary to fully understand the conversion.

#### IV. METHOD OF SALE AND USE OF PROFESSIONALS

##### *Analysis of Method of Sale*

It is in the best interests of the universities and their DSOs to use the method of sale for their debt that is expected to achieve the best sale results. Based upon the facts and circumstances with regard to each individual financing, it may be more appropriate to sell debt through either a competitive sale or through negotiation. Accordingly, the universities and their DSOs may utilize either a competitive or negotiated sale. If, however, a request is made for a DSO to sell debt using a negotiated sale, the university must provide the Board BOG with an analysis showing that a negotiated sale is desirable. The analysis should include, but not necessarily be limited to, a consideration of the following factors:

- a) Debt Structure
  - i) pledged revenues – strong revenue stream vs. limited revenue base;
  - ii) security structure – conventional resolution, cash flow, rate and coverage covenants vs. unusual or weak covenants;

- iii) debt instrument – traditional serial and term bonds vs. innovative, complex issues requiring special marketing; and
  - iv) size – a smaller transaction of a size which can be comfortably managed by the market vs. a large size which the market cannot readily handle.
- b) Credit Quality
  - i) ratings – “A” or better vs. below single “A”; and
  - ii) outlook – stable vs. uncertain.
- c) Issuer
  - i) type of organization – well-known, general purpose vs. special purpose, independent authority;
  - ii) frequency of issuance – regular borrower vs. new or infrequent borrower; and
  - iii) market awareness – active secondary market vs. little or no institutional awareness.
- d) Market
  - i) interest rates – stable; predictable vs. volatile;
  - ii) supply and demand – strong investor demand, good liquidity vs. oversold, heavy supply; and
  - iii) changes in law – none vs. recent or anticipated

Bonds may also be sold through a private or limited placement, but only if it is determined that a public offering through either a competitive or negotiated sale is not in the best interests of the university or DSO.

### ***Allocation of Bonds***

In the event a negotiated sale by a DSO is determined by the university to be in the university’s best interest, syndicate rules shall be established which foster competition among the syndicate members and ensure that all members of the syndicate have an opportunity to receive a fair and proper allocation of bonds based upon their ability to sell the bonds.

### *Report on Sale of Bonds*

The university or DSO shall prepare a report on the sale of bonds or anytime it incurs debt. The report shall be prepared and provided to the Board BOG as soon as practicable but in no event later than one month ~~seven business days~~ after closing the transaction, in the format and manner provided by the Board, which at a minimum shall include the following: ~~including the following:~~

- a) The amount of the debt.
- b) The interest rate on the debt.
- c) A final debt service schedule or estimated debt service schedule if a variable rate debt or the interest rate is subject to adjustment.
- d) Any aspect of the transaction that was different from the transaction submitted for approval.
- e) Itemized list of all fees and expenses incurred on the transaction, including legal fees.
- f) For negotiated sale of bonds:
  - i) the underwriters' spread detailing the management fee;
  - ii) takedown by maturity and aggregate takedown;
  - iii) any risk component and an itemized list of the expense component;
  - iv) orders placed by each underwriter and final bond allocation;
  - v) total compensation received by each underwriter; and
  - vi) any report or opinion of the financial advisor.
- g) Final official statement for publicly offered bonds.
- h) Bond insurance or any other form of credit enhancement and the terms thereof.
- i) Credit rating reports.

### *Selection of Financing Professionals*

The use of underwriters for negotiated financings and the use of financial advisors for negotiated and competitive offerings is necessary to assist in the proper

structuring and sale of debt. To assure fairness and objectivity in the selection of professionals and to help select the most qualified professional, the selection of underwriters and financial advisors should be accomplished through a competitive selection process. A competitive selection process allows the universities and their DSOs to compare more professionals and obtain the best price and level of service.

## **V. DISCLOSURE**

### ***Primary Disclosure***

Universities and DSOs shall use best practices in preparing disclosure documents in connection with the public offer and sale of debt so that accurate and complete financial and operating information needed by the markets to assess the credit quality and risks of each particular debt issue is provided.

The disclosure recommendations of the Government Finance Officers Association's "Disclosure for State and Local Governments Securities," and the National Federation of Municipal Analysts' "Recommended Best Practices in Disclosure for Private Colleges and Universities" should be followed to the extent practicable, specifically including the recommendation that financial statements be prepared and presented according to generally accepted accounting principles.

### ***Continuing Disclosure***

DSOs shall fulfill all continuing disclosure requirements set forth in the transaction documents and as required under Rule 15c2-12 of the Securities and Exchange Commission.

## **VI. POST-ISSUANCE CONSIDERATIONS**

### ***Investment of Proceeds of Debt Issued by DSOs***

*Construction Funds.* Funds held for payment of debt service and all other funds held as required by the documents of any financing shall be invested consistent with the terms of the Financing Documents.

### ***Arbitrage Compliance***

The university will comply with federal arbitrage regulations. Any arbitrage rebate liabilities should be calculated and funded annually.

## *VII. EFFECT*

The foregoing guidelines shall be effective immediately and may be modified from time to time by the Board of ~~Governors~~ as circumstances warrant. The guidelines are intended to apply prospectively to all university and DSO debt, and not to adversely affect any university or DSO debt currently outstanding or projects approved by the Board ~~BOG~~ or board of trustees ~~University Boards of Trustees~~ prior to, or existing, as of January 26, 2006.

Authority: Section 7(d), Art. IX, Fla. Const., History: New 4-27-06, Amended \_\_\_\_\_.

## **Functional Relationships**

### **Version A – With Factors:**

*Functional Relationships.* Revenues from one auxiliary enterprise (a “Supporting Auxiliary Enterprise”) may not be used to secure debt of another auxiliary enterprise unless the Board, after review and analysis, determines that the facility being financed (the “Facility”) is functionally related to the Supporting Auxiliary Enterprise’s revenues being used to secure such debt. The Board must determine whether a functional relationship exists whenever revenues from a Supporting Auxiliary Enterprise will be used to pay or secure the debt of a Facility or when proceeds of bonds issued by a Supporting Auxiliary Enterprise will be used, directly or indirectly, to pay costs relating to a Facility. When a functional relationship is established between a Facility and a Supporting Auxiliary Enterprise, only that portion of the Supporting Auxiliary Enterprise’s revenues that exceed its operating requirements and debt service, if any, may be pledged to secure such debt; provided that such pledge may be on parity with outstanding debt if permitted by the covenants and conditions of the outstanding debt.

A functional relationship exists when a nexus is established between the Facility and the Supporting Auxiliary Enterprise’s revenues. Whether a Facility is functionally related to the Supporting Auxiliary Enterprise’s revenues must be determined on a case by case basis, taking into consideration the unique facts and circumstances surrounding each individual situation. The Board may consider, but is not limited to, the following factors in determining whether a functional relationship exists between a Facility and a Supporting Auxiliary Enterprise’s revenues; however, no single factor should be considered determinative of a functional relationship without an analysis of a totality of the circumstances:

- The Facility cannot be successfully operated without the benefit of the services provided or activities offered by the Supporting Auxiliary Enterprise.
- The Facility will directly enhance or augment the services, activities, or facilities of the Supporting Auxiliary Enterprise.
- The services, activities or facilities offered by the Supporting Auxiliary Enterprise will directly enhance or augment the services or activities to be offered by the Facility.
- The Facility will include infrastructure, such as utilities, roads, walkways, plazas or parking, that will afford cost savings to the Supporting Auxiliary

Enterprise or a reduction in environmental impact; or will otherwise be shared or jointly used by the both the Supporting Auxiliary Enterprise and the Facility. (For example, a reduction in the reliance on offsite facilities, reduced transportation costs and related emissions, or reduced public safety costs.)

- The Facility and Supporting Auxiliary Enterprise are operationally or administratively interrelated.
- Such other criteria as may be determined by the Board on a case by case basis.

Examples of functional relationships include, but are not limited to, a parking facility intended to provide parking to residents of a student housing facility and located within reasonably close proximity to a student housing facility; a food services facility intended to serve residents of a student housing facility and located within reasonably close proximity to a student housing facility; or shared infrastructure (e.g. water lines, sewer lines, utilities, plaza areas) located within reasonably close proximity to both the Facility and the Supporting Auxiliary Enterprise. While representations that a Facility will provide general benefits to or enhance the experience of the student body are desirable, this factor alone is not determinative in and of itself to establish a functional relationship between the Facility and the Supporting Auxiliary Enterprise's revenues.



## **Functional Relationships**

### **Version B – Without Factors:**

*Functional Relationships.* Revenues from one auxiliary enterprise (a “Supporting Auxiliary Enterprise”) may not be used to secure debt of another auxiliary enterprise unless the Board, after review and analysis, determines that the facility being financed (the “Facility”) is functionally related to the Supporting Auxiliary Enterprise’s revenues being used to secure such debt. The Board must determine whether a functional relationship exists whenever revenues from a Supporting Auxiliary Enterprise will be used to pay or secure the debt of a Facility or when proceeds of bonds issued by a Supporting Auxiliary Enterprise will be used, directly or indirectly, to pay costs relating to a Facility. When a functional relationship is established between a Facility and a Supporting Auxiliary Enterprise, only that portion of the Supporting Auxiliary Enterprise’s revenues that exceed its operating requirements and debt service, if any, may be pledged to secure such debt; provided that such pledge may be on parity with outstanding debt if permitted by the covenants and conditions of the outstanding debt.

A functional relationship exists when a nexus is established between the Facility and the Supporting Auxiliary Enterprise’s revenues. Whether a Facility is functionally related to the Supporting Auxiliary Enterprise’s revenues must be determined on a case by case basis, taking into consideration the unique facts and circumstances surrounding each individual situation.

Examples of functional relationships include, but are not limited to, a parking facility intended to provide parking to residents of a student housing facility and located within reasonably close proximity to a student housing facility; a food services facility intended to serve residents of a student housing facility and located within reasonably close proximity to a student housing facility; or shared infrastructure (e.g. water lines, sewer lines, utilities, plaza areas) located within reasonably close proximity to both the Facility and the Supporting Auxiliary Enterprise. While representations that a Facility will provide general benefits to or enhance the experience of the student body are desirable, this factor alone is not determinative in and of itself to establish a functional relationship between the Facility and the Supporting Auxiliary Enterprise’s revenues.

**Checklist of Information Required for  
Submission to the Board Pursuant to  
Debt Management Guidelines**

1. ☐ A resolution of the DSO board of directors approving the debt issuance, if applicable, and a resolution of the university Board of Trustees (the "BOT") approving the debt issuance and authorizing the university to request Board approval of the debt issuance. *For debt to be issued by DBF, at the request of the university, DBF staff will work with Board staff and the university to determine a not-to-exceed amount of debt to be included in the BOT requesting resolution to the Board and in preparing required debt service and source-and-use schedules.*
- ~~2. ☐ A proposed agenda item for BOC meeting.\*~~
32. ☐ The project program, feasibility studies or consultant reports (if available), and an explanation of how the proposed project is consistent with the university's mission.
- ~~4. ☐ For debt issued by DSOs, a form of a resolution to be adopted by the BOC approving issuance of the debt.\*~~
53. ☐ Estimated project cost, ~~draw schedule~~ with schedules drawn by month and including start and completion dates, estimated useful life, and date bond proceeds are required.
64. ☐ The sources-and-uses of funds, clearly depicting all costs, funding sources expected to be used to complete the project and the estimated amount of the debt to be issued. *This information must follow the Board model template and be provided in Microsoft Excel format to Board staff.*
75. ☐ An estimated debt service schedule with the assumed interest rate on the debt clearly disclosed. *If the proposed debt service is not structured on a level debt service basis, an explanation shall be provided which gives the reason why it is desirable to deviate from a level debt structure.*
86. ☐ One consolidated debt service schedules separately showing all any outstanding debt related to or impacting the proposed debt, the new debt and the new estimated total debt service.
97. ☐ A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described, and a

*\*BOC will prepare this item provided that the university submits sufficient information to Board staff for preparation of same.*

description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must also be provided.

108. ☐ If debt is to be incurred on a parity basis with outstanding debt, a schedule showing estimated compliance with any additional bonds requirement set forth in the documents governing the outstanding debt. The applicable provisions of the documents for bonds of DSOs should be provided.

119. ☐ Financial statements for five years, if available, for the auxiliary, if auxiliary revenues are pledged.

1210. ☐ A five-year history, if available, and five-year projection of the revenues securing payment. The 10 years must be shown on one table and debt service coverage ratios must be included. *The information should also be provided to Board staff in Microsoft Excel format* and:

- i) to the extent applicable, the projections must be shown on the individual project as well as the entire system;
- ii) all revenue items securing repayment must be shown as separate line items;
- iii) an explanation ~~must~~ should be provided with regard to growth assumptions, and to the amount and status of approval of any rate increases;
- iv) the effect of the rate increases on the projections and expected revenues and expenses for the new facility should be shown as a separate line item;
- v) if rate increases are necessary, a commitment must be made to increase rates to the needed levels; and
- vi) major categories of any operating expenses should be shown as separate line items with an explanation of assumptions regarding increases or decreases.

1311. ☐ Evidence that the project is consistent with the university's master plan or a statement that the project is not required to be in the master plan.

1412. ☐ For variable rate debt proposals:

- i) the expected reduction in total borrowing costs based on a comparison of fixed versus variable interest rates;
- ii) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure. *If interest rate risks are to be mitigated by the use of derivatives, then evidence that the counterparty has a long term rating of at least ~~is rated at a minimum of an A/A<sub>2</sub>~~ and a swap management plan as set forth in the Board's Debt Management Guidelines must be submitted;*
- iii) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points;
- iv) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of university and DSO debt outstanding; and
- v) the individual or position that will be responsible for the reporting requirements for variable rate debt as set forth in these guidelines.

1513. ☐ If the financing is contemplated to be done on a taxable basis, submit evidence demonstrating that the issuance of taxable debt is in the best interest of the university.
1614. ☐ A statement explaining whether legislative approval is required, and if required, an explanation as to when legislative approval will be sought or evidence that legislative approval has already been obtained.
1715. ☐ A statement that the debt issuance is in accordance with the university's debt management policy or, if not, an explanation of the specific variances as well as the reasons supporting the variances.
1816. ☐ If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of the Board Debt Management Guidelines.

19. ☐ ~~If a request is made to use revenues from one auxiliary enterprise to secure debt of another auxiliary enterprise, explain which of the functional relationship criteria are applicable.~~
2017. ☐ A description of the process used to select each professional engaged in the transaction, showing compliance with the competitive selection process required by the Board Debt Management Guidelines. Specific contact information for each selected professional, must be included, and at a minimum, should disclose the professional's name, firm name, physical and mailing address, email address, phone number and facsimile number. A financial advisor is required. Specific contact information for the financial advisor and bond counsel and how they were selected for the project must be included. The information must include their name, the name of their firm, address, e-mail address and phone number.
2418. ☐ The most recent annual variable rate debt report. ~~as provided to the university BOT.~~

**University of Central Florida  
Board of Trustees**

**SUBJECT:** Minor Amendment to 2010 Campus Master Plan

**DATE:** July 22, 2010

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**PROPOSED BOARD ACTION**

Approve a minor amendment to the University of Central Florida Campus Master Plan to add a new Combined Heat & Power (CHP) facility.

**BACKGROUND INFORMATION**

The purpose of the proposed amendment is to add the Combined Heat & Power facility to the Capital Improvements and Urban Design elements. This will allow the university to construct a new CHP facility adjacent to the South Utility Plant on Gemini Blvd. As more particularly outlined in the attached memorandum, the change would constitute a minor amendment that needs only Board of Trustees approval for adoption.

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**Supporting documentation:**

Memorandum from James Davis (Attachment A)  
Campus Map Site (Attachment B)  
Capital Improvements List (Attachment C)  
Urban Design Map (Attachment D)

**Prepared by:** James K. Davis, Assistant Director, UCF Facilities Planning

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

## MEMORANDUM

TO: Scott Cole

FROM: James Davis

SUBJECT: Minor Amendment to 2010 Campus Master Plan for Combined Heat and Power Plant

DATE: July 1, 2010

The University of Central Florida proposes a minor amendment to its 2010 Campus Master Plan to change the Urban Design and the Capital Improvements elements to support a new Combined Heat and Power (CHP) facility.

The proposed CHP facility will be erected adjacent to building 3 (South Utility Plant) and will provide for approximately 5,000 square feet that will house the engine, generator, and absorption chiller, with a mezzanine level for the control and electrical room. The intent of the project is to provide a facility that will produce approximately 5.2 mega-watts (1/3 the total campus demand) of power to be utilized by the campus. Additionally, the power generation equipment will be designed and furnished by Mitsubishi Power Systems.

Please find below an analysis of the statutory thresholds and university responses that reflect the nature of the amendment request as a minor amendment. The thresholds are referenced under section 1013.30(9), *F.S.*

An amendment to a campus master plan must be reviewed and adopted under subsections (6)-(8) if such amendment, alone or in conjunction with other amendments, would:

- (a) Increase density or intensity of use of land on the campus by more than ten percent;

University response: The proposed CHP facility is approximately 5,000 square feet. The total square footage for buildings on campus is approximately 8.9 million square feet, and therefore, the 5,000 square foot building is far less than ten percent.

- (b) Decrease the amount of natural areas, open space, or buffers on the campus by more than ten percent;

University response: The proposed amendment will not affect natural areas, open space or buffers by more than ten percent. Acreage on campus designated for natural areas, open space and buffers exceed 1,000 acres, therefore, the increase to 5,000 square feet will not trigger the 10% threshold.

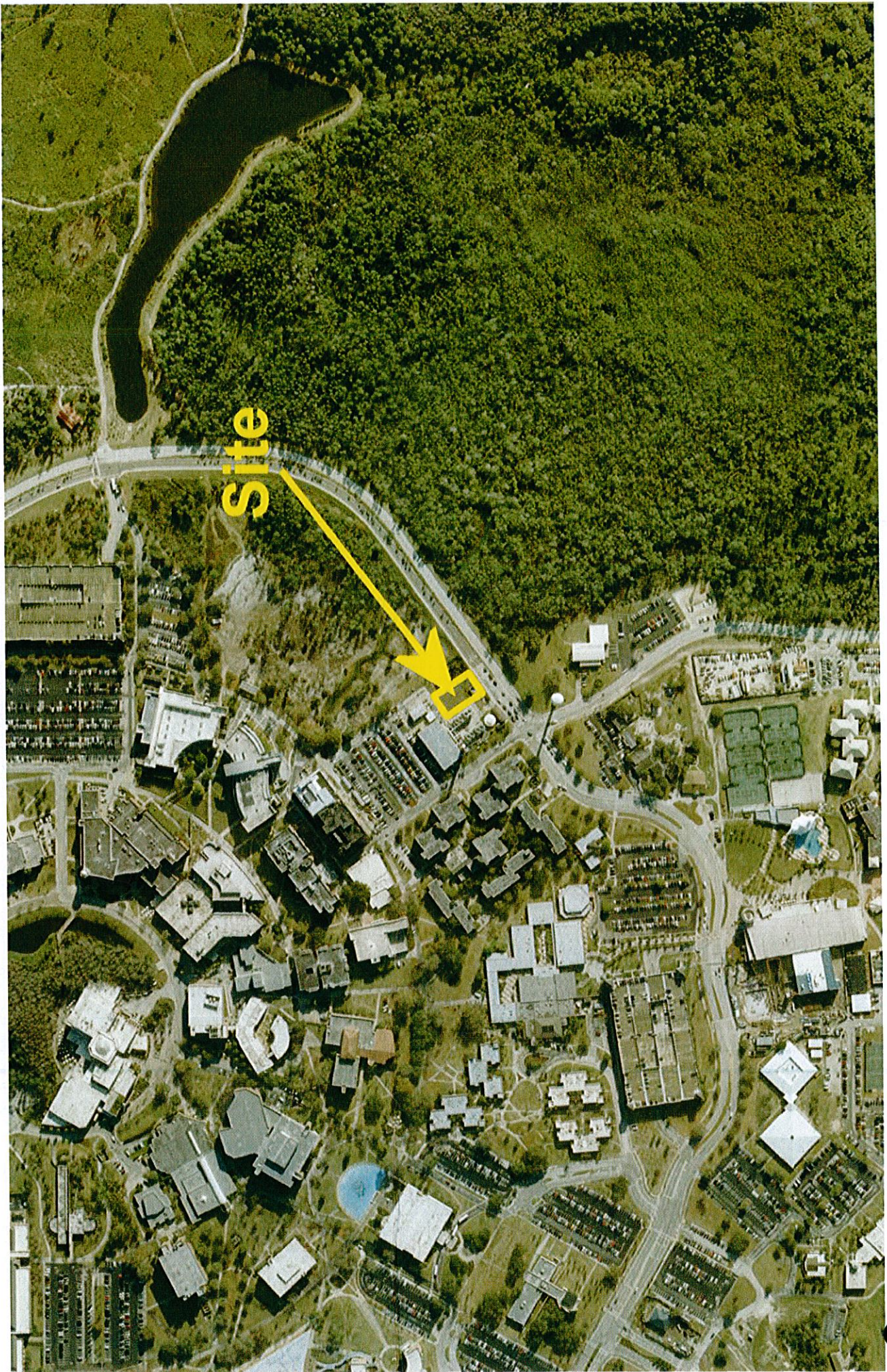
- (c) Rearrange land uses in a manner that will increase the impact of any proposed campus development by more than ten percent on a road or on another public facility or service provided or maintained by the state, the county, the host local government, or any affected local government.

University response: The proposed site is currently designated as Utility and does not require a land use change. Therefore, the addition of the CHP facility will not affect the impact by more than ten percent on a road or on another public facility or service provided or maintained by the above referenced entities.

In summary, the proposed land use change does not exceed the amendment threshold criteria in 1013.30(9), *F.S.* and may therefore be treated as a minor amendment.

Thank you for your time and attention to this matter. If you require additional information, please contact James Davis at (407) 823-3050.







Funding sources denote probable building completion year  
Projects in green denote projects planned off-campus.  
Projects in blue denote renovation and/or remodeling project



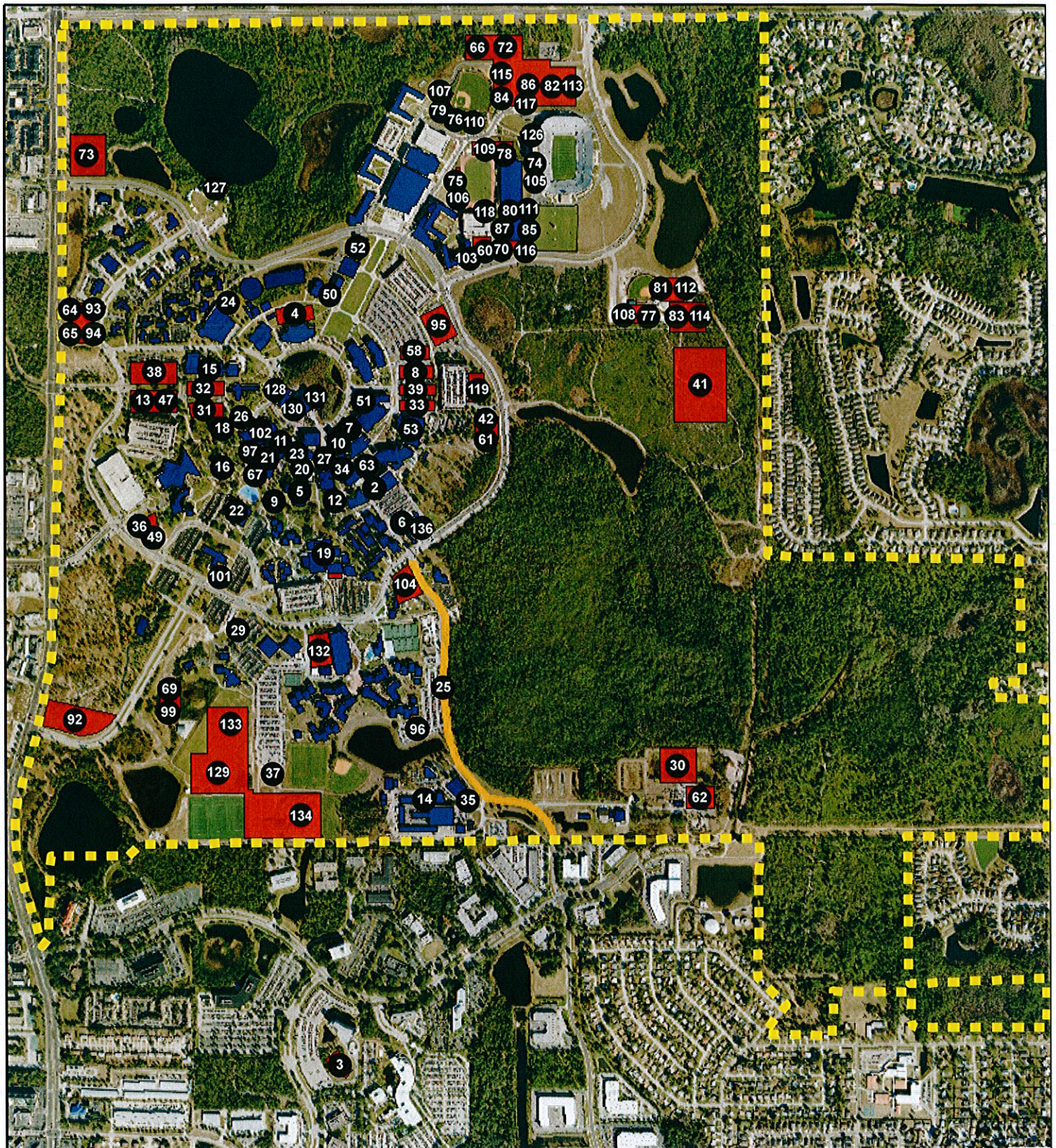


Figure 3-1  
Urban Design and Capital Improvements

Comprehensive Master Plan Update  
University of Central Florida  
Orlando, Florida  
2010-2020



All maps are diagrammatic and conceptual. The various areas shown are approximate and not to survey accuracy. The intent of these maps is to illustrate general areas of existing or potential use.

Rev. 20100701

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## CONTRACTUAL AGREEMENT

For

REQUEST FOR PROPOSAL (RFP) #: 1019LC

ENTITLED: Combined Heat & Power (CHP) Plant System Purchase

Between

THE UNIVERSITY OF CENTRAL FLORIDA

And

mitsubishi power systems americas, inc.

This Agreement is entered into upon signature of all parties, by and between the University of Central Florida, on behalf of its Board of Trustees ("University" or "UCF"), and Mitsubishi Power Systems Americas, Inc. ("Payee"). The parties agree as follows:

**1. ACKNOWLEDGMENT.** Payee acknowledges that:

- A.** The University is a public entity of the State of Florida;
- B.** The University is exempt from federal and Florida taxes;
- C.** UCF's liability is regulated by Florida law. Except for its employees acting within the course and scope of their employment, UCF shall not indemnify any entity or person and, then, such indemnification is limited to the express terms of §768.28, Florida Statutes. The State of Florida is self-insured to the extent of its liability under law and any liability in excess of that specified in statute may be awarded only through special legislative action. Accordingly, UCF's liability and indemnification obligations in this Agreement shall be effective only to the extent expressly required by §768.28, Florida Statutes. Any provision requiring UCF to provide insurance coverage other than the State of Florida self-insurance shall not be effective.

**2. DESCRIPTION OF SERVICES.** The Payee is an independent contractor pursuant to Florida law and assumes full responsibility for completion of the services/delivery of the goods, as described in detail in Attachment "A" to this Agreement, which is incorporated herein for all purposes. Units of deliverables, if any, for such services/goods are stated in Attachment "A". Such services/goods shall be rendered/delivered in accordance with the schedule and for the amounts set forth in Attachment "A".

**3. TOTAL AMOUNT OF AGREEMENT. (Confidential – Trade Secret Information)** The total amount of this Agreement shall not exceed \$6,238,661.00 for the purchase of a Combined Heat & Power Plant System.

**4. SOURCE OF PAYMENT.** If applicable, payments to Payee under this Agreement shall be paid out of the University's account N/A.

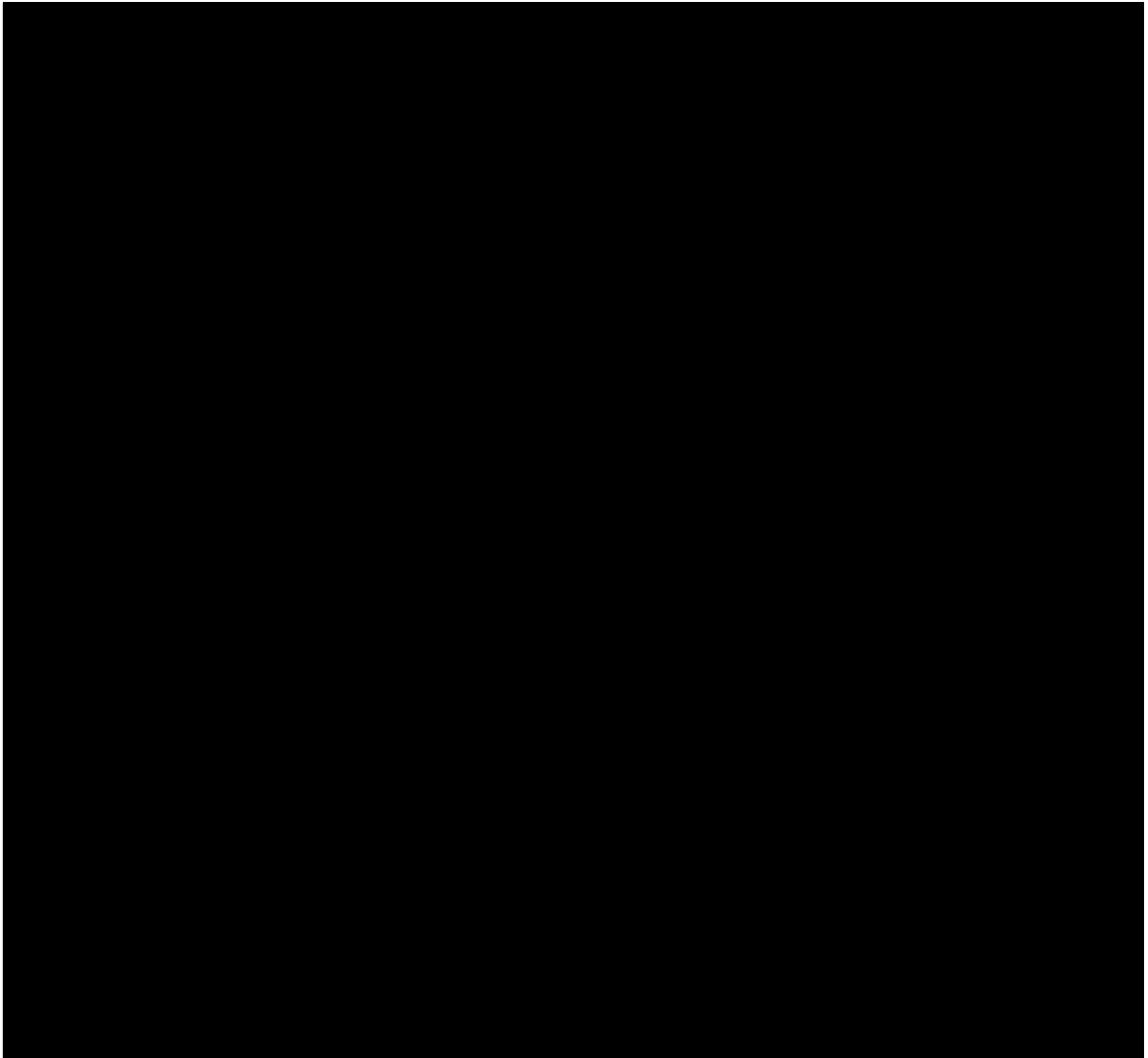
**5. PERFORMANCE CRITERIA.** Criteria, if any, and the final date(s) by which such criteria must be met to complete this Agreement are described in detail in Attachment "B," which is incorporated herein for all purposes. Such criteria, if any, shall be met in accordance with the schedule set forth in Attachment "B".

**6. PERIOD OF PERFORMANCE.** This Agreement is for the one time purchase and commissioning of a Combined Heat and Power Plant System. This Agreement shall be effective upon the fulfillment of the following events:

- a) execution of this Agreement by both the University and Payee; and

b) receipt by Payee of the initial milestone payment due upon signing of this Agreement.

**7. PAYMENT. (Confidential – Trade Secret Information)**



- 8. VENDOR OMBUDSMAN STATEMENT.** The University has established a Vendor Ombudsman who acts as an advocate for vendors who may be experiencing problems in obtaining timely payment(s). The Vendor Ombudsman may be contacted at (407) 882-1000. Further information may be found in University Policy 3-208, Prompt Payment Compliance.
- 9. ANNUAL APPROPRIATION.** The University's performance and obligations under this Agreement are subject to and contingent upon annual appropriations by the Florida Legislature and other funding sources. University shall give notice to Payee of the non-availability of such funds when University has knowledge thereof.
- 10. ASSIGNMENTS.** Under no circumstances shall the Payee or University assign to a third party any right or obligation of Payee or University pursuant to this Agreement without prior written consent of the other party. If Payee is, or during the term of this Agreement becomes, an individual on the payroll of the State of Florida, Payee represents that he or she has complied with all applicable provisions in the Florida Statutes and

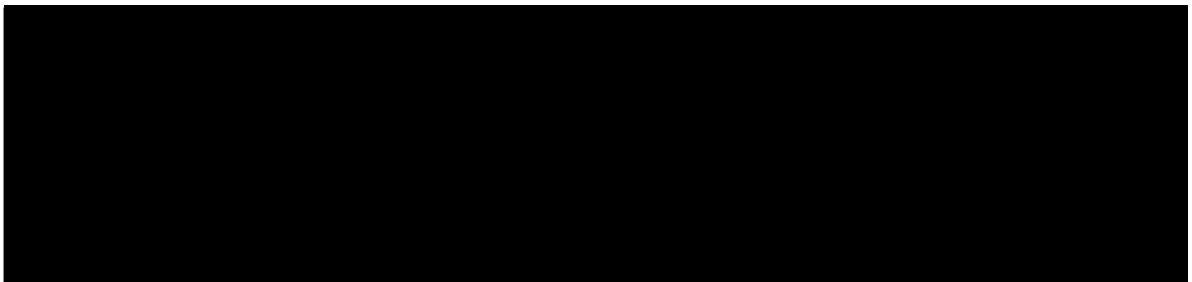
11. **BILLING.** The University shall only submit payment to the Payee, if Payee has provided the University with approved invoices. Mere statements in lieu of approved invoices will not be accepted by the University. All invoices must specifically describe the services and/or goods provided, the dates and/or hours that the services were rendered and/or goods delivered and the fee charged. Payee shall deliver the invoices to UCF's Finance and Accounting Department, unless Payee has been otherwise instructed in writing by the University. The Payee must display the applicable contract and/or purchase order number on the face of each of Payee's invoices to the University. Except for the goods and services provided under this Agreement, the University will not be responsible for any goods or services delivered without a properly completed University purchase order or other order provided in writing by a duly authorized University signatory or designee. If Payee's invoice lists any freight or cartage charges, such invoice must attach all of Payee's receipted transportation bills. It being understood that any freight or cartage charges incurred for the transportation of goods delivered pursuant to this Agreement are included in the contract price and Payee shall not be required to separately identify such charges in its invoice or attach any receipted transportation bills.

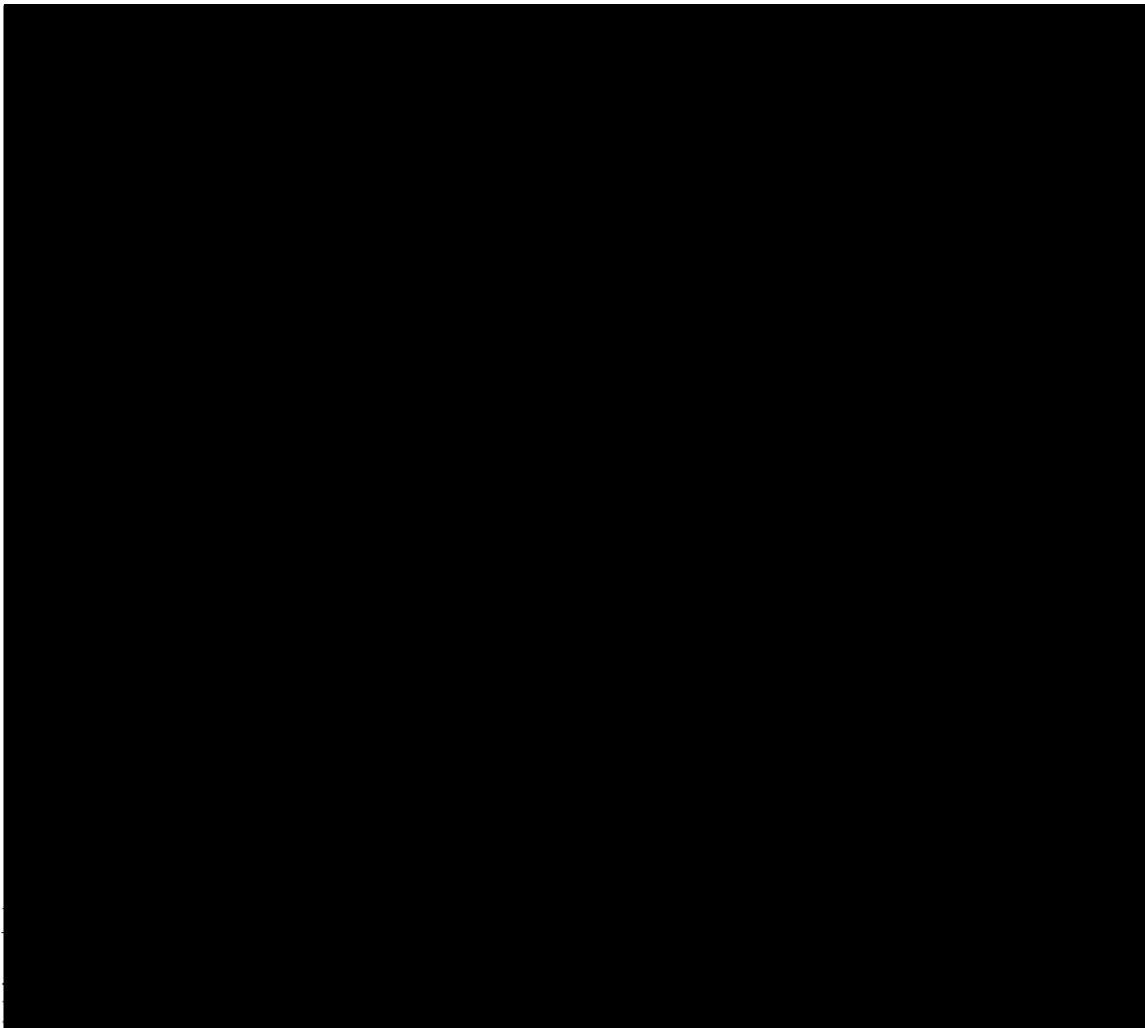
12. **CANCELLATION/TERMINATION. (Confidential – Trade Secret Information)**
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13. **COMPLIANCE.** The parties shall at all times comply with all applicable ordinances, laws, rules and regulations of local, state and federal governments, or any political

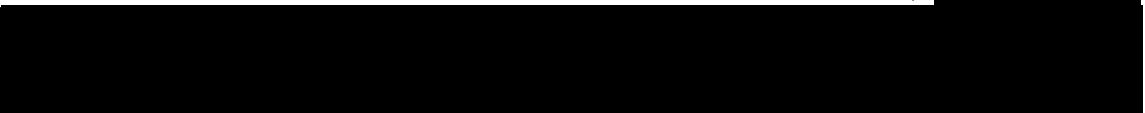
subdivision or agency, or authority or commission thereof, which may have jurisdiction to pass laws, ordinances, or make and enforce rules and regulations with respect to the parties in effect as of the date of the RFP. If any revisions, alterations or modifications are required by the University to cover compliance with new governmental restrictions, Payee shall be entitled to an equitable adjustment in the price, schedule and/or other provisions of this Agreement affected by the change. In the event of a violation of any laws applicable to emissions or noise, Payee shall pay any fines or penalties assessed by a government authority to the extent caused by any violation of such applicable laws by Payee in the performance of this Agreement. Notwithstanding anything to the contrary, in no event shall Payee have any obligation or liability with respect to the violation of any laws applicable to emissions or noise other than the payment of fines or penalties assessed by a government authority as set forth herein.

14. **CONFLICTS OF INTEREST.** Acceptance of this Agreement shall certify that Payee is aware of the requirements of Chapter 112, Florida Statutes and in compliance with the requirements of Chapter 112, Florida Statutes and other laws and regulations concerning conflicts of interests in dealing with entities of the State of Florida. Payee certifies that its directors and/or principal officers are not employed and/or affiliated with the University unless a current Conflict of Interest (Report of outside Activity/Employment) form has been completed, executed by such director or officer and approved in accordance with applicable University policies or rules. Violation of this article by Payee shall be grounds for cancellation of this Agreement.
15. **DELIVERY.** Delivery is to be made to "Ship To" location of this Agreement which is the University Combined Heat and Power Plant jobsite unless otherwise agreed to by the parties in writing. When delivery is specified to a location other than the University's Central Receiving Department, Payee shall direct its carrier to telephone the University's Central Receiving Department before unloading. Delivery of all shipments shall occur between 9:00 a.m. and 4:00 p.m., Mondays through Fridays only, except on State of Florida or U.S. holidays, unless otherwise agreed to by the parties in writing. The University of Central Florida is committed to sustainable practices. Palletized shipments should not exceed 1500 pounds per pallet and when possible, ship on a 40"x48" pallet. Include a packing list showing contents of shipment (if shipment is made in two or more containers). No boxing, packing, installation, assembly, or similar charges (not included in the item price) will be allowed unless expressly and specifically authorized in writing by the University on the face of this Agreement or in a separate purchase order. Payee shall deliver the goods furnished by Payee hereunder DDP University jobsite, Orlando, Florida, as that term is defined by INCOTERMS 2000.
16. **DELAY IN PERFORMANCE. (Confidential – Trade Secret Information)**





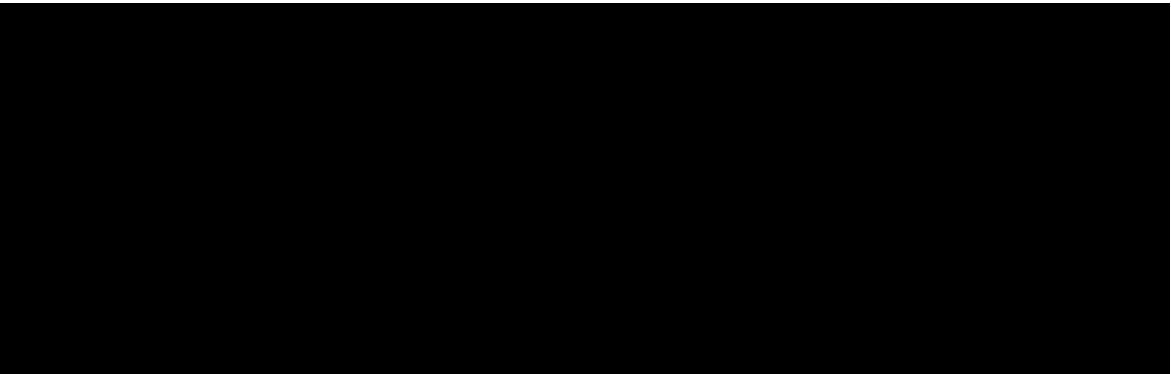
**17. NO HARM / NO FOUL. (Confidential – Trade Secret Information)**



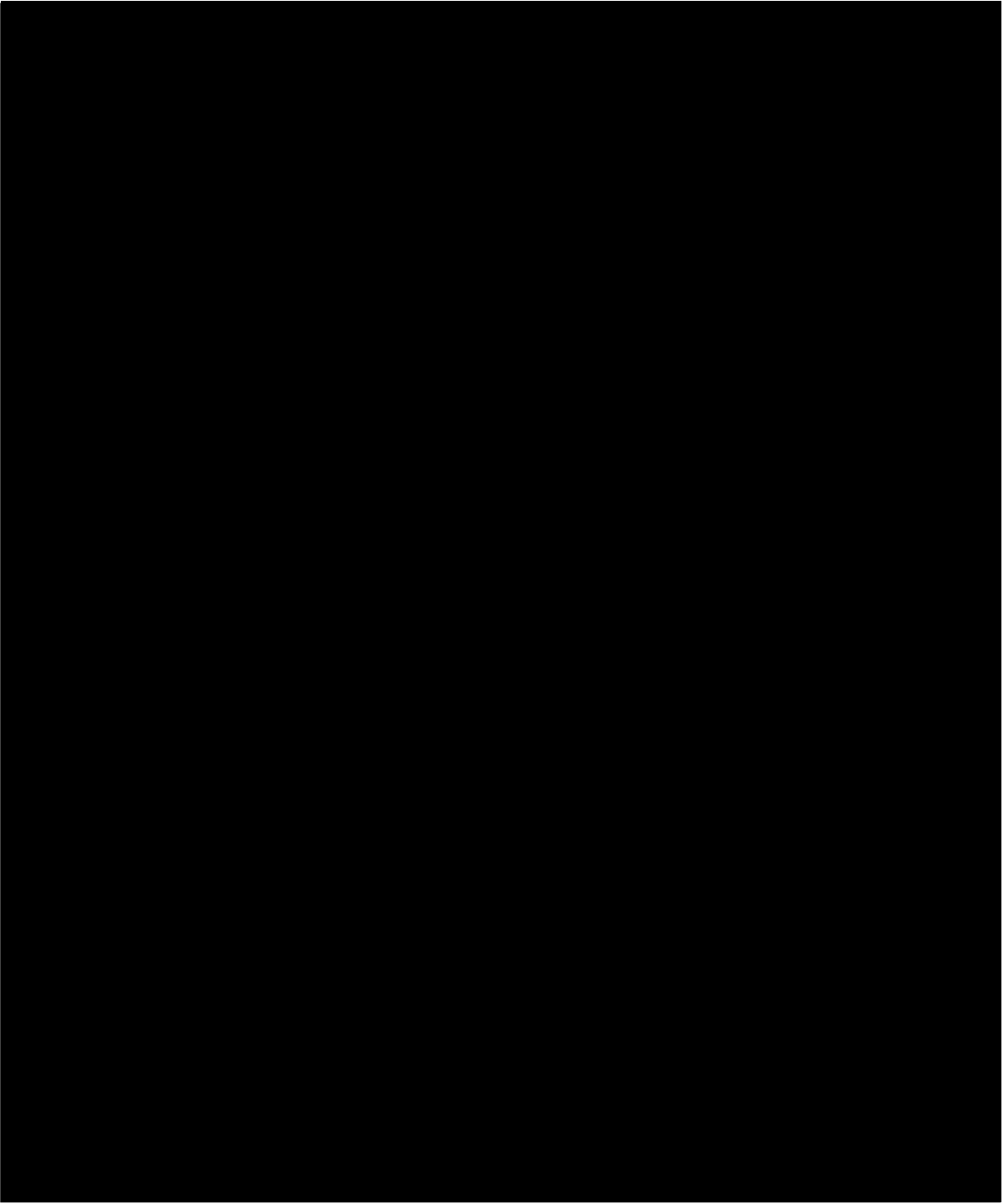
**18. EMPLOYMENT OF ALIENS.** Payee's employment of unauthorized aliens, if any, shall be considered a violation of §§274(e) of the Immigration and Nationality Act. If the Payee knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of the Agreement by the University.

**19. FORCE MAJEURE. (Confidential – Trade Secret Information)**

**A.**

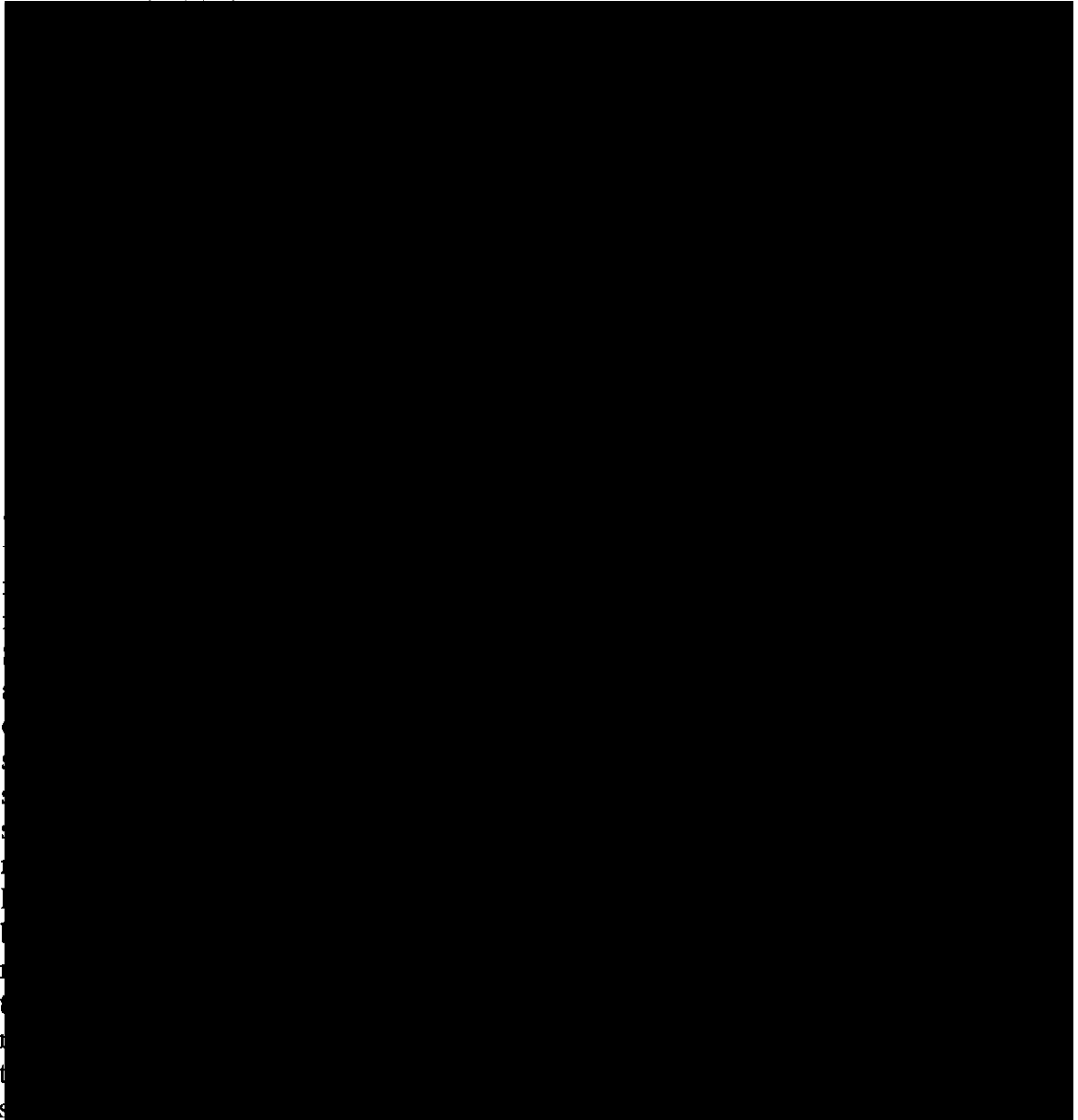




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20. **GOVERNING LAW.** This Agreement and any attachments and addenda hereto are subject to and governed by Florida laws including, without limitation, Florida Statutes, §§768.28 and 946.15, both of which are incorporated by reference into this Agreement. The University is entitled to the benefits of sovereign immunity, including immunities from taxation.

21. **HEADINGS.** Headings have been included in this Agreement for convenience only and shall not affect the interpretation of any terms found herein.

22. **INDEMNIFICATION. (Confidential – Trade Secret Information)**



23. **INDEPENDENT CONTRACTOR.** Each of the parties is an independent contractor and nothing contained herein shall constitute or designate any of the employees or agents of one party as employees or agents of the other party.

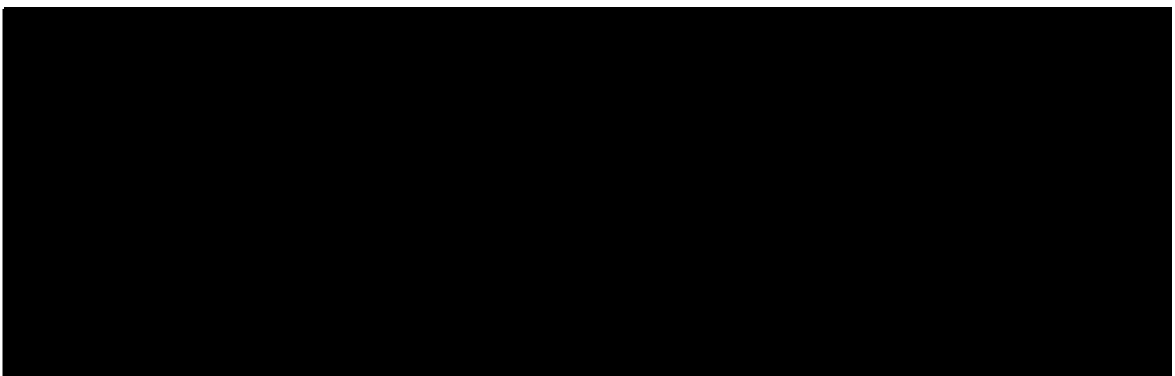
24. **LEASED EQUIPMENT.** The risk of loss or damage to leased equipment; goods or property shall not transfer to the University except as provided in §680.219, Florida Statutes. Any security interest in the leased equipment, goods or property granted to Payee contrary to AGO 79-72 and AGO 80-9 is null and void.

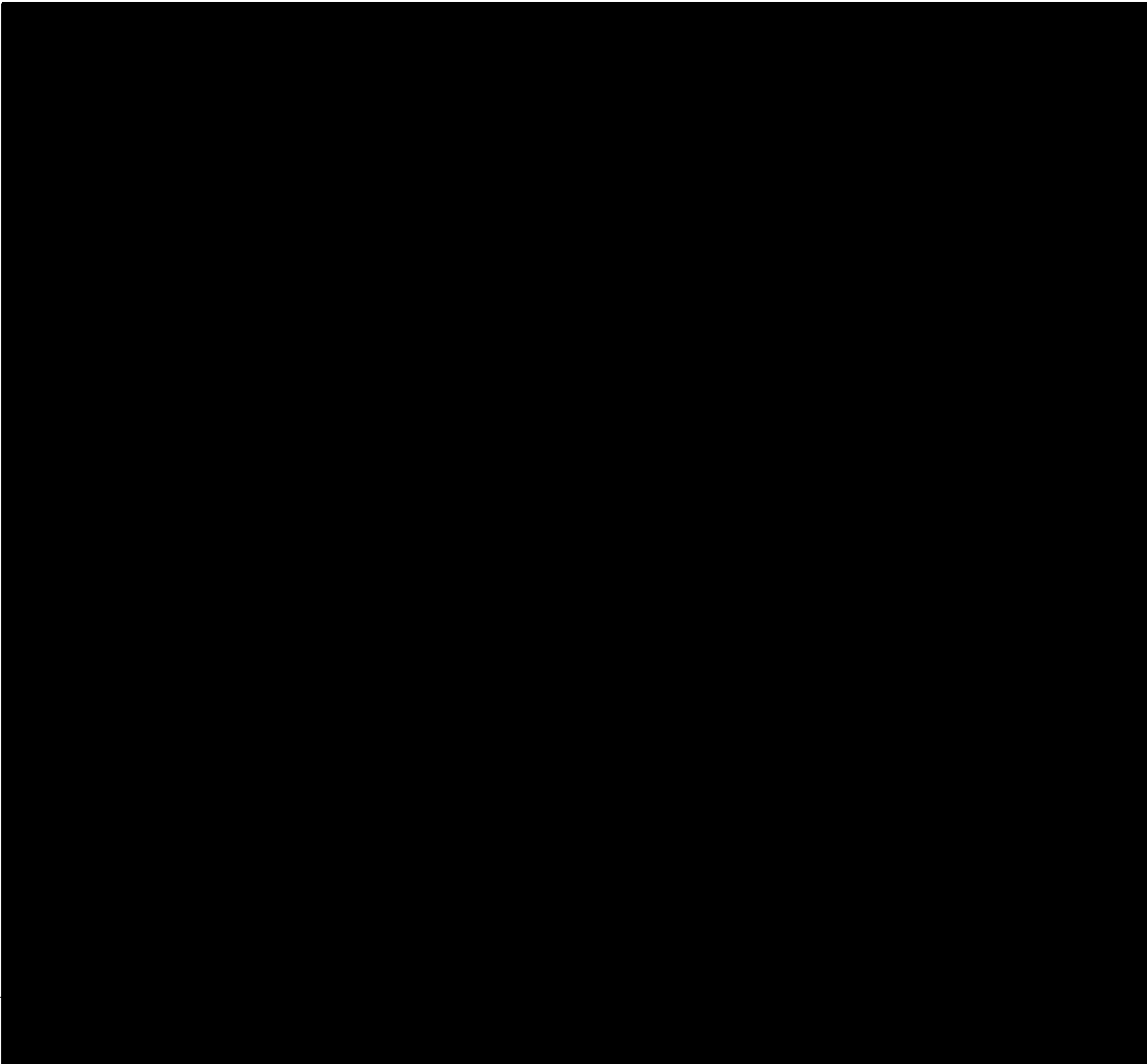
25. **MATERIAL SAFETY DATA SHEET (MSDS).** In compliance with Florida Statutes, Ch. 442, a Material Safety Data Sheet (MSDS) must accompany any applicable item delivered under this Agreement.

26. **NON-PERFORMANCE.** Except for the obligation to make payment for undisputed amounts related to work performed or goods furnished, less any setoff amounts, including but not limited to amounts relating to liquidated damages set forth herein, neither party shall be required to perform under this Agreement or any attachments or addenda hereto executed by the University's duly authorized signatory when such performance is delayed or prevented by any cause beyond the party's or parties' control. This Agreement and any attachments and addenda hereto executed by the University's duly authorized signatory may not be altered, amended, or assigned without the prior written agreement of all the parties.
27. **NOTICES.** All notices given to a party shall be in writing. Any written notices between the parties shall be hand delivered or sent by registered or certified U.S. mail to the following addresses, or other addresses of which the parties shall have notified each other.
- For UCF:       University of Central Florida  
                  Attn: Lee Kernek, Associate Vice President Facilities and Safety  
                  4000 Central Florida Blvd.  
                  Orlando, Florida 32816
- For Payee:      Mitsubishi Power Systems Americas, Inc.  
                  Attn: Stephen A. Burris  
                  100 Colonial Center Parkway, Suite 500  
                  Lake Mary, FL 32746  
                  (407) 688-6235
28. **PARKING.** The successful Payee shall ensure that all vehicles parked on campus for purposes relating to work resulting from this Agreement shall have proper parking permits. This applies to all personal vehicles and all marked and unmarked company vehicles that will be on any University campus for one (1) day or more or on a recurring basis. All such vehicles must be registered with University's Parking Services Department, and parking permits must be purchased by the Payee. Payee's vehicle(s) shall observe all parking rules and regulations. Failure to obtain parking permits, properly display them, and otherwise comply with all University's parking rules and regulations could result in the issuance of a parking ticket and/or towing at the expense of Payee or Payee's employee. For additional parking information or information regarding parking fees/rates, contact University's Parking Services Department at (407) 823-5812 or online at <http://parking.ucf.edu>.
29. **PUBLIC ENTITY CRIMES.** A person or affiliate who has been placed on Florida's convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded, or perform work as a contractor, supplier, subcontractor, or consultant under, a contract with any public entity, and may not transact business with any public entity in excess of the bid limit for that public entity, for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.
30. **PUBLIC RECORDS.** The Agreement may be canceled unilaterally by the University for refusal by the Payee to allow public access to all papers, documents, letters or other

material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the Payee in conjunction with the Agreement. Notwithstanding anything to the contrary, information marked as "Confidential", "Proprietary", "Trade Secret", or by words of similar import, shall be protected from public disclosure and shall not be used for any purpose nor disclosed to third parties, including but not limited to competitors of the Payee, to the full extent protected under Florida law and the exemptions to Chapter 119, Florida Statutes.

31. **TAXES.** The prices herein are exclusive of any present or future federal, state or municipal sales, use, property, gross receipts, gross income, excise or other similar taxes with respect to the goods and services furnished hereunder. If the Payee is required by applicable law or regulation to pay or collect any such taxes on the goods or services furnished hereunder, then such tax shall be paid by the University in addition to the contract price. Payee shall notify University if requested to pay or collect any such taxes on the goods or services furnished hereunder, and University shall have a reasonable opportunity to respond to such request before Payee pays or collects such taxes.
32. **VIETNAM ERA VETERANS READJUSTMENT ACT OF 1974.** The University and the Payee must comply with all provisions of: (i) §402:60-250.4 of the Vietnam Era Veterans Readjustment Act of 1974; (ii) §503:60-741.4 of the Rehabilitation Act of 1973; (iii) Executive Order 11246, as amended; and, (iv) the rules, regulations, and relevant orders of the U.S. Secretary of Labor.
33. **AMENDMENTS.** No changes or amendments to this Agreement are binding on the University unless made in legible writing that is signed by an attorney in the University's General Counsel's Office and the University's Purchasing Director or designee. Payee shall return this Agreement to the University's Purchasing Department at once with a written explanation if it is not acceptable in its entirety. No changes or amendments to this Agreement are binding on Payee unless agreed to in writing by Payee.
34. **USE OF CONTRACT BY OTHER GOVERNMENT AGENCIES.** At the option of the Payee, the use of the Agreement resulting from this solicitation may be extended to other governmental agencies, including the State of Florida, its agencies, political subdivisions, counties and cities. Each governmental agency allowed by the Payee to use this Agreement shall do so independent of any other governmental entity. Each agency shall be responsible for its own purchases and shall be liable only for goods or services ordered, received and accepted. No agency receives any liability by virtue of this bid and subsequent contract award.
35. **LIMITATION OF REMEDIES. (Confidential – Trade Secret Information)**



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36. **INSURANCE.** The Payee shall obtain, maintain, and pay for insurance in the categories listed in the following insurance schedule. It is not the intent of this schedule to limit the types of insurance otherwise required by this Agreement or that which the Payee may desire to obtain. The insurance coverage in each category shall meet or exceed the minimum limits set forth in the insurance schedule below. All such insurance policies must be with insurers qualified to do business in Florida. The insurance shall cover all of the Payee's operations under this Agreement and shall be effective throughout the effective period of this Agreement. UCF, its Board of Trustees, the Florida Board of Governors, and the State of Florida, shall be included as additional named insured on each of Payee's policies. The Payee shall furnish UCF proof of Payee's insurance coverage by original ACORD certificates of insurance no later than five (5) days after this Agreement is executed. Before commencement of work under this Agreement, the Payee shall submit evidence that it has obtained full insurance coverage set forth in the following schedule. UCF shall always be exempt from, and in no way be liable for, any sums of money which may represent a deductible in any of Payee's or Payee's subcontractors' insurance policies. The payment of such deductible shall be the sole responsibility of the Payee and/or Payee's subcontractor that obtained the insurance. The Payee shall always promptly notify UCF of any change in insurance coverage or carrier by it or any of its subcontractors.

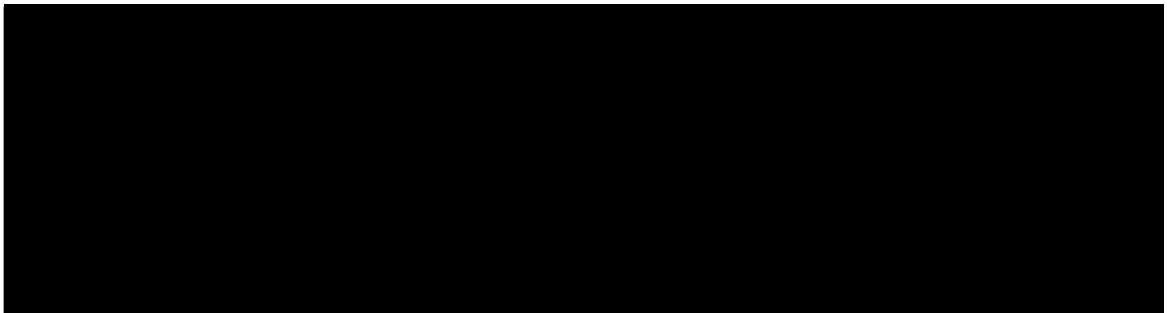
## SCHEDULE:

Policy	Coverage
(a) Worker's Compensation	Statutory
(b) *Comprehensive General Liability Insurance:	
(1) Bodily Injury Liability	\$1,000,000 each occurrence
(2) Property Damage Liability	\$1,000,000 each occurrence
(3) Aggregate	\$1,000,000
(c) Comprehensive Automobile Liability Insurance:	
(1) Bodily Injury Liability	\$1,000,000 each occurrence
(2) Property Damage Liability	\$1,000,000 each occurrence
(3) Combined Single Limit	\$1,000,000
(d) Excess Umbrella Liability	
(1) Combined Single Limit Bodily Injury	\$3,000,000 each occurrence
(2) Injury and/or Property Damage	\$3,000,000 aggregate
(e) *Comprehensive General Liability to include but not be limited to:	
(1) Products and Completed Operations	
(2) Existence of Vehicles, Equipment or Machines on Location	
(3) Contractual Liability Insurance	

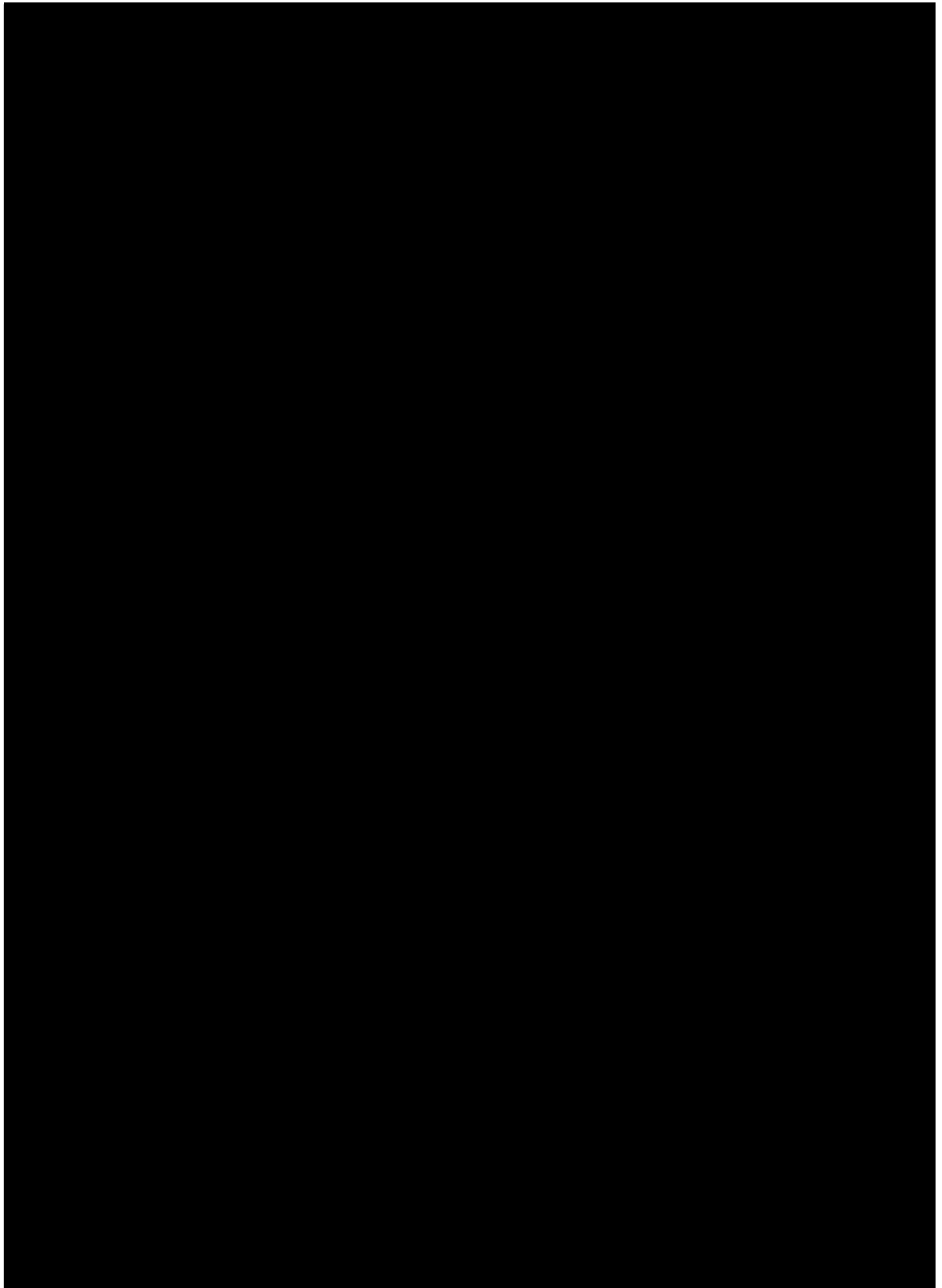
37. **WORKER'S COMPENSATION.** During the contract term, the Payee at its sole expense shall provide commercial insurance of such a type and with such terms and limits as may be reasonably associated with the contract, which, as a minimum, shall be: workers' compensation and employer's liability insurance in accordance with Chapter 440 of the Florida Statutes, with minimum employers' liability limits of \$100,000 per accident, \$100,000 per person, and \$500,000 policy aggregate. Such policy shall cover all employees engaged in any contract work. Employers who have employees who are engaged in work in Florida must use Florida rates, rules, and classifications for those employees. In the construction industry, only corporate officers of a corporation or any group of affiliated corporations may elect to be exempt from workers' compensation coverage requirements. Such exemptions are limited to a maximum of three per corporation and each exemption holder must own at least 10% of the corporation. Independent contractors, sole proprietors and partners in the construction industry cannot elect to be exempt and must maintain workers' compensation insurance.

38. **WARRANTY. (Confidential – Trade Secret Information)**

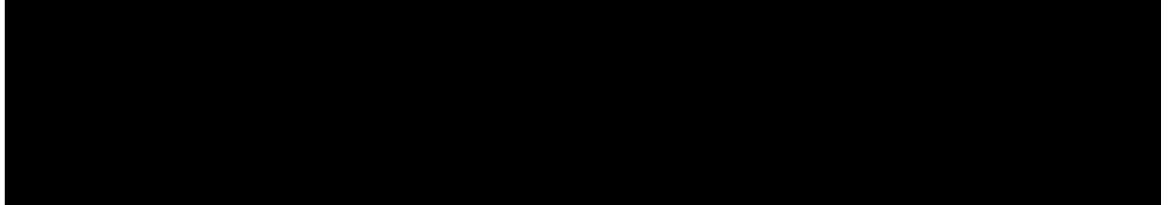
A.



**B.**



**C.**



D.

39. **WAIVER OF RIGHTS AND BREACHES.** No right conferred on either party by this Agreement shall be deemed waived and no breach of any such contract excused, unless such waiver of right or excuse of breach shall be in writing and signed by the respective party's signatory. Waiver or excuse of a breach by the other party shall not constitute a waiver or excuse of any other breach.
40. **SEVERABILITY.** If any provision of this Agreement is contrary to, prohibited by, or deemed invalid by applicable laws or regulations of any jurisdiction in which it is sought to be enforced, then said provision shall be deemed inapplicable and omitted and shall not invalidate the remaining provisions of this Agreement.
41. **ATTACHMENTS AND ENTIRE AGREEMENT.** This Agreement and any attachments and/or addenda hereto that are executed by the University's duly authorized signatory constitutes the entire and exclusive agreement between the parties. Attachments and/or addenda may include, but are not limited to, the University's ITB/RFP including all the University's ITB/RFP specifications, and the Payee's ITB/RFP response. This Agreement will be comprised of the following documents and in the event of a conflict or inconsistency between such documents, the order of precedence shall be:
- A. This Agreement;
  - B. Other documents agreed to by the parties at the time the Agreement is executed;
  - C. The University's RFP and RFP specifications; and
  - D. Payee's RFP response.



**UNIVERSITY OF CENTRAL FLORIDA**

**mitsubishi power systems  
americas, inc.**

**Signature:** \_\_\_\_\_

**Printed:** Raymond S. Puskas

**Title:** Director of Purchasing

**Date:** June 30, 2010

**Signature:** K Hasegawa

**Printed:** Koji Hasegawa

**Title:** President / CEO

**Date:** June 30, 2010

**Address:** 100 Colonial Center Pkwy

Suite 500

Lake Mary FL 32746

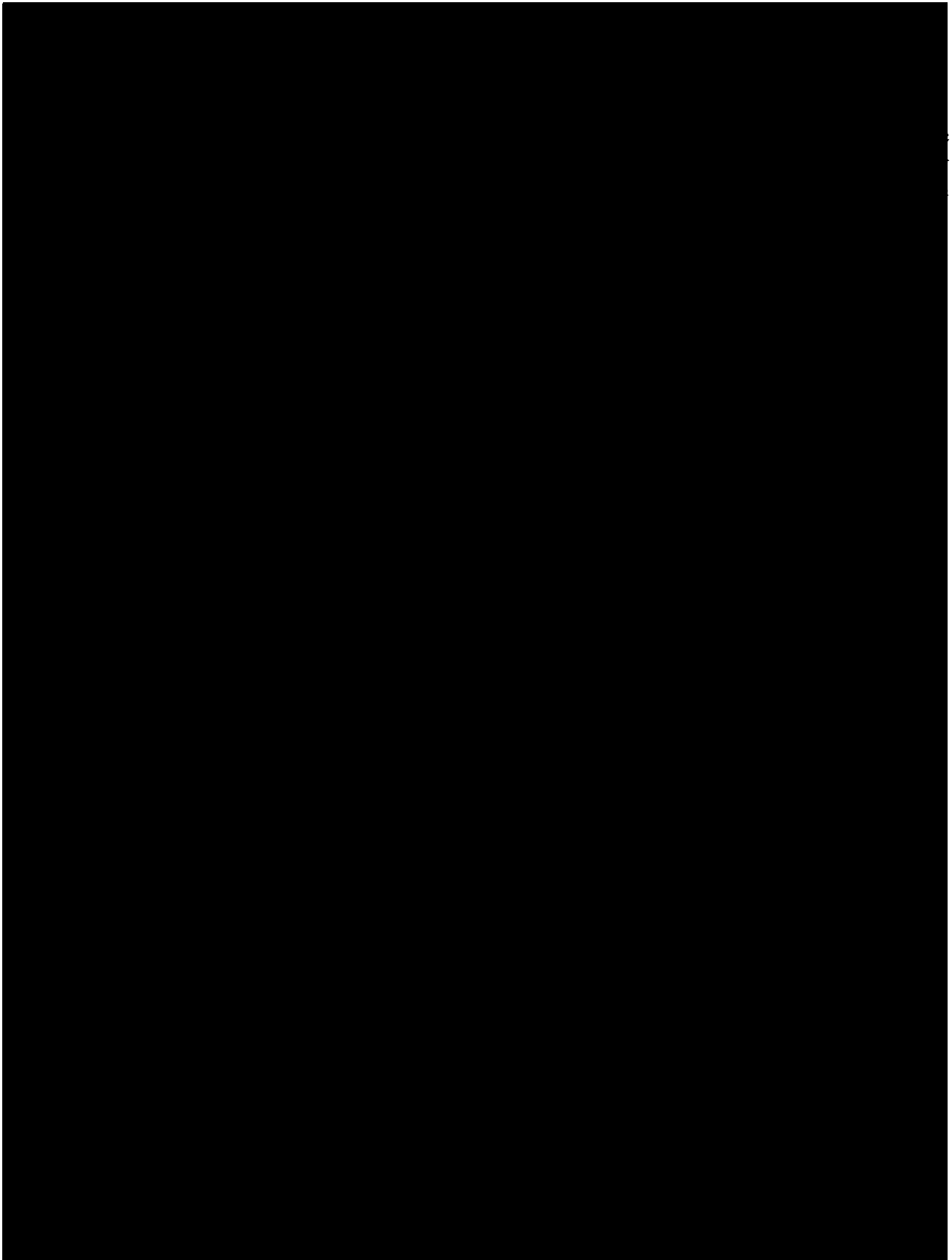
**Telephone:** (407) 688-6100

**Facsimile:** (407) 688-6487

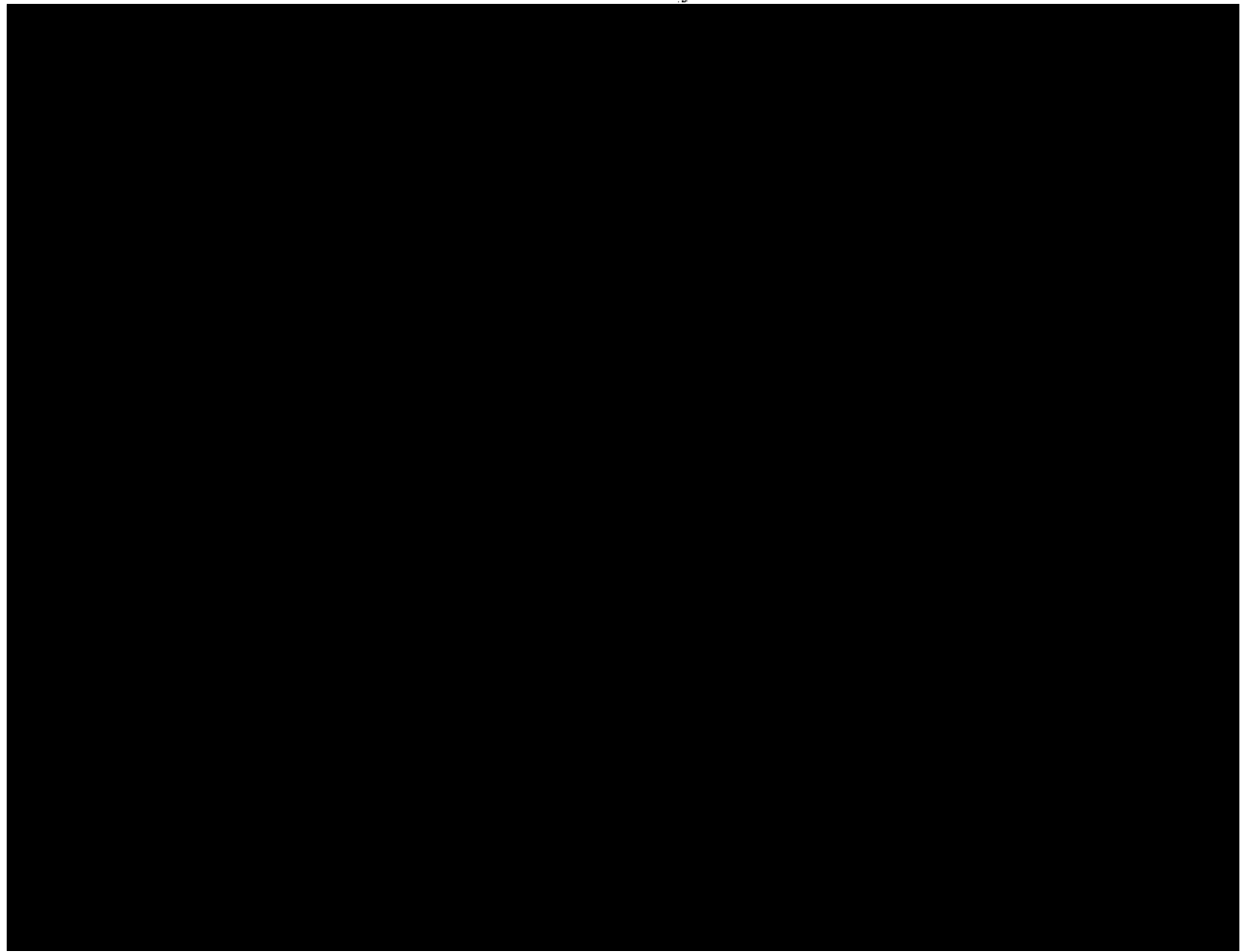
**FEID#:** 74-299-6020

**Legal Content Approved**

SGA, 6/30/10



**B.**





**University of Central Florida  
Board of Trustees**

**SUBJECT:** 2010-11 Capital Outlay Budget

**DATE:** May 20, 2010

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**PROPOSED BOARD ACTION**

- 1) Approval of the university's 2010-11 capital outlay budget
- 2) Authorization for the president to make necessary adjustments to the 2010-11 capital outlay budget

**BACKGROUND INFORMATION**

Pursuant to 1013.61, Florida Statutes, each university board of trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The attachment lists the projects approved during the legislative session and is subject to final approval by the governor. We request approval of the attached budget and authorization for the president to make changes to this budget as necessary during the year.

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Supporting documentation: 2010-11 Capital Outlay Budget (Attachment A)

Prepared by: Lee Kernek, Associate Vice President, Administration and Finance

Submitted by: William F. Merck II, Vice President, Administration and Finance  
and Chief Financial Officer

## 2010-11 Capital Outlay Budget Projects By Funding Source

Projects funded by Public Education Capital Outlay (PECO)		FY 2010-11
Utilities, Infrastructure, and Capital Renewal	\$	7,844,870
Physical Sciences phase II		1,714,500
Partnership III building		1,879,105
Math and Physics Bldg. Remodeling and Renovation		7,755,790
Interdisc. Research and Incubator Facility		5,924,183
Classroom Building II		16,234,156
Engineering Building I Renovation		7,241,445
<b>TOTAL</b>	\$	<b>48,594,049</b>

Projects funded by donations and the Courtelis Facility Matching Grant Program		Cumulative FY 2010-11	
	Donations	Courtelis	
Burnett Biomedical Science Research	\$ 90	-	
Laboratory Instructional building	2,952,277	-	
Morgridge International Reading Center	4,558	-	
Career Services and Experiential Learning	50	-	
Performing Arts Center	14,875	-	
College of Optics and Photonics	1,020	-	
Engineering III	612,040	-	
Psychology building	12,877	-	
Caracol in Belize	25,000		
	3,622,787	-	

Maintenance, repair, renovation, and remodeling projects	FY 2010-11
<b>TOTAL</b>	<b>\$ 3,912,540</b>

Projects constructed or acquired with proceeds from sale of bonds		FY 2010-11
Special Purpose Housing and Parking Garage I	\$	25,000,000
Special Purpose Housing II		8,000,000
Parking Garage VII		20,000,000
Parking Decks		17,000,000
Library Expansion		113,472,690
Strategic Land and Property Purchases		50,000,000
Graduate Housing		50,000,000
Refinance UCF Foundation Properties		37,410,000
Visitor Information Building		900,000
Bookstore expansion		8,000,000
Academic Center		12,000,000
Student Housing		50,000,000
Brighthouse Networks Tower Expansion		5,000,000
Athletics Facilities Expansion		10,000,000
Garage Expansion		5,000,000
Research Lab, Lake Nona		112,861,603
Classroom and Lab Building, Lake Nona		23,475,601
Life Sciences Incubator, Lake Nona		30,000,000
Facilities Building, Lake Nona		6,000,000
Expo Center Housing		16,000,000
Regional Campuses Multi-purpose Buildings		28,000,000

## 2010-11 Capital Outlay Budget Projects By Funding Source

Projects constructed or acquired by a Direct Support Organization (DSO)		FY 2010-11
Special Purpose Housing and Parking Garage I	\$	25,000,000
Special Purpose Housing II		8,000,000
Parking Deck (Athletic Complex)		5,000,000
Library Expansion		113,472,690
Strategic Land and Property Purchases		50,000,000
Graduate Housing		50,000,000
Refinance UCF Foundation properties		37,410,000
N.E. campus property mixed use development		50,000,000
Academic Center		12,000,000
Student Housing		50,000,000
Brighthouse Networks Stadium Tower Expansion		5,000,000
Athletics Facilities Expansion		10,000,000
Research Lab, Lake Nona		112,861,603
Classroom and Lab Building, Lake Nona		23,475,601
Life Sciences Incubator, Lake Nona		30,000,000
Expo Center Housing		16,000,000



University of Central Florida  
Board of Trustees Teleconference Meeting  
President's Board Room, Millican Hall

July 22, 2010

Agenda

12:15—4:00 p.m.

Conference phone #800-442-5794, pass code 463796

COMMITTEE MEETINGS:

12:15—12:30 p.m.

Facilities Planning, Micky Grindstaff, Chair

12:30 p.m.—1:00 p.m.

Educational Programs, Judy Albertson, Chair

BOARD MEETING: 1:00—4:00 p.m.

1. Minutes of May 20 and June 23 meetings Rick Walsh, Chair
2. Remarks and introductions John C. Hitt, President
3. Consent agenda Chair Walsh
  - COMP-1** Approval Compensation and Labor Committee Report and Recommendations (Yochum)
  - EP-1** Concurrence Conferral of Degrees (Hitt)
  - EP-2** Approval New Degree Program Proposals (Chase)
    - a. Conservation Biology, P.S.M.
    - b. Urban and Regional Planning, M.S.
  - FIN-1** Approval Revision to UCF-9.002 Tuition Remission for Graduate Assistants and Fellows (Merck)
  - FIN-2, FP-2** Approval Five-year Capital Improvement Plan (Merck)
  - FIN-4** Approval Direct Support Organizations' 2010-11 Budgets (Merck)

	<b>FP-1</b>	Approval	Rename the Campus Police Building the <i>Emergency Operations Center</i> (Merck)
	<b>FP-3</b>	Approval	Minor Amendment to 2010 Campus Master Plan (Merck)
4.	Advancement Committee report		Dan Webster, Chair
5.	Audit and Operations Review Committee report		Jim Atchison, Chair
6.	Compensation and Labor Ad Hoc Committee report		Tom Yochum, Chair
7.	Educational Programs Committee report		Judy Albertson, Chair
8.	Facilities Planning Committee report		Micky Grindstaff, Chair
9.	Finance Committee report		Olga Calvet, Chair
	<b>FIN-3</b>	Approval	Golden Knights Corporation Release of Reserves for FY 2010-11 to UCFAA (Merck)
10.	Governance Committee report		Phyllis Klock, Chair
11.	Strategic Planning Committee report		Phyllis Klock, Chair
11.	New business		Chair Walsh
12.	Announcements and adjournment		Chair Walsh

Next meetings: Board of Governors meeting— September 15-16  
(University of North Florida)

Board of Trustees meeting— September 23 (Live Oak Center)

**Minutes**  
**Board of Trustees Teleconference Meeting**  
**University of Central Florida**  
**July 22, 2010**

Chair Rick Walsh called the meeting of the Board of Trustees to order at 12:47 p.m. in the President's Board Room, Millican Hall, on the UCF Orlando campus.

The following members attended the meeting: Trustee Klock and Vice Chair and Trustee Yochum.

The following members attended the meeting via teleconferencing: Trustees Atchison, Calvet, Cook, Gilley, Grindstaff, Kilbride, Mantilla, and Rosen.

**WELCOME**

Chair Walsh welcomed the board members and called on Dr. Rick Schell, Vice President and Chief of Staff, to call roll. Schell determined that a quorum was present.

Chair Walsh called for approval of the May 20, 2010, and June 23, 2010, board meeting minutes, which were approved as written.

Chair Walsh called on President John Hitt for remarks and introductions.

**REMARKS**

President Hitt announced that final registration numbers for the summer term showed a 5.5 percent increase in headcount to 34,434. Credit hours for summer increased by 6.61 percent to 218,454. The fall enrollment headcount increased by 5.83 percent, and credit hours increased by 6.29 percent.

Hitt reported that contracts and grants for 2009-10 exceeded all expectations. M.J. Soileau, Vice President for Research and Commercialization, reported that the unaudited bookings were \$133.3 million compared to \$121.9 million last year, an increase of approximately 9.1 percent. Leading the way is the Florida Solar Energy Center with more than \$21 million in contract and grant activity.

Hitt noted that the NCAA Academic Progress Rates were released last month. UCF's football program ranked second in the state behind the University of Miami.

Hitt noted that the Council for Advancement and Support of Education had awarded UCF News & Information a first-place national award in the "Issues and Crisis Management" category for communications about state-mandated budget cuts during 2009-10.

Finally, Hitt announced that notice had been received from the Board of Governors to prepare for a budget cut of five percent in January. He reported that for the next fiscal year, the university will model a 15 percent cut.

## **CONSENT AGENDA**

A motion was made to accept the consent agenda, and members of the board approved or concurred with the following actions.

- **COMP-1 Compensation and Labor Committee Report and Recommendations** – Approval of the Compensation and Labor Committee’s report on the Performance Unit Plan and the recommendation to pay the balance owed to participants for the 2006-09 cycle.
- **EP-1 Conferral of Degrees** – Concurrence with the conferral of degrees at the Summer 2010 commencement ceremonies:

2,394 baccalaureate degrees  
515 master’s degrees  
145 doctoral and specialist degrees  
**3,054 Total**

- **EP-2 New Degree Program Proposals** – Approval of the following new program degree proposals:
  - a. Conservation Biology, P.S.M.
  - b. Urban and Regional Planning, M.S.
- **FIN-1 Revision to UCF-9.002 Tuition Remission for Graduate Assistants and Fellows** – Approval to revise UCF-9.002 Tuition Remission for Graduate Assistants and Fellows with a provision to award Peace Corps Fellowships with an out-of-state fee of \$0.00.
- **FIN-2 and FP-2 Five-year Capital Improvement Plan** – Approval of the Five-year Capital Improvement Plan for 2011-12 through 2015-16.
- **FIN-4 Direct Support Organizations’ 2010-11 Budgets** – Approval of the proposed 2010-11 budgets of the direct support organizations.
- **FP-1 Rename the Campus Police Building the Emergency Operations Center** – Approval to rename the Campus Police Building the Emergency Operations Center.
- **FP-3 – Minor Amendment to 2010 Campus Master Plan** – Approval of a minor amendment to the University of Central Florida Campus Master Plan to add a new heat and power facility.

## **ADVANCEMENT COMMITTEE REPORT**

There was no report for the Advancement Committee.

## **AUDIT AND OPERATIONS REVIEW COMMITTEE REPORT**

There was no report for the Audit and Operations Review Committee.

## **COMPENSATION AND LABOR AD HOC COMMITTEE REPORT**

There was no report for the Compensation and Labor Ad Hoc Committee.

## **EDUCATIONAL PROGRAMS COMMITTEE REPORT**

Trustee Ida Cook, Vice Chair of the Educational Programs Committee, reported the highlights from the committee meeting earlier in the day.

- The board approved two new degree proposals, the Professional Science Master's in Conservation Biology degree and the Master of Science in Urban and Regional Planning degree.
- The board concurred with the conferral of degrees at the Summer 2010 commencement ceremonies.
- Effective July 1, 2010, the Department of Criminal Justice and Legal Studies in the College of Health and Public Affairs will be two departments. The Department of Criminal Justice will be chaired by Dr. Robert Langworthy. Dr. Pamela Kirby will be interim chair of the Department of Legal Studies.

## **FACILITIES PLANNING COMMITTEE REPORT**

Trustee Micky Grindstaff, Chair of the Facilities Planning Committee, reported the highlights from the committee meeting earlier in the day.

- The committee approved the renaming of the Campus Police Building the Emergency Operations Center.
- The Five-year Capital Improvement Plan was approved for 2011-12 through 2015-16.
- A minor amendment to the 2010 University of Central Florida Campus Master Plan was approved to add a new heat and power facility.

## **FINANCE COMMITTEE REPORT**

William Merck, Vice President for Administration and Finance, reported the highlights from the Finance Committee meeting of June 23, 2010.

- Approval of the Five-year Capital Improvement Plan for 2011-12 through 2015-16.
- Terry Hickey, Provost and Executive Vice President, reported on the technology fee allocations.

Vice President Merck presented the following item for board approval.

- **FIN-3 2010-11 Golden Knights Corporation Release of Reserves for FY 2010-11 to UCFAA**  
– A motion was made and passed by the board approving the release of revenues above budgeted obligations from the Golden Knights Corporation to the UCF Athletics Association for FY 2010-11. The 2010-11 Golden Knights Corporation budget reflects projected unrestricted excess revenues of \$2,347,891 to be available for transfer to UCFAA as they become available.

Merck also reported that the Finance Committee met on July 7, 2010, to approve all of the proposed direct support organizations' 2010-11 operating budgets.

### **GOVERNANCE COMMITTEE REPORT**

There was no report for the Governance Committee.

### **STRATEGIC PLANNING COMMITTEE REPORT**

There was no report for the Strategic Planning Committee.

### **NEW BUSINESS**

Trustee Michael Kilbride reported that the Board of Governors held a workgroup meeting to discuss new fees. The Board of Governors workgroup suggested that new fee recommendations should include substantial student involvement. Merck indicated that UCF has a well-developed fee committee process whereby students make up half of the fee committee membership.

### **ANNOUNCEMENTS AND ADJOURNMENT**

Chair Walsh made the following announcements.

The next Board of Governors meeting is scheduled for September 15-16 at the University of North Florida, Jacksonville.

The next Board of Trustees meeting will be September 23 in the Live Oak Center on the UCF Orlando campus.

Chair Walsh adjourned the board meeting at 1:07 p.m.

Respectfully submitted: \_\_\_\_\_ Date: \_\_\_\_\_

John C. Hitt  
Corporate Secretary

**MEMORANDUM OF UNDERSTANDING  
USE OF FUNDS**

The following memorandum ("MOU") sets forth the understanding between the University President at the University of Central Florida ("President") and the Vice President for Administration and Finance and Chief Financial Officer at the University of Central Florida ("VP Administration") regarding the use of funds to be made in support of the University of Central Florida purchase of a Combined Heat & Power (CHP) Plant System from Mitsubishi.

1. **Use of Funds:** The Administration hereby expresses its intent to make available for the University's President's use, in connection with the purchase of a Combined Heat & Power (CHP) Plant System from Mitsubishi, the amount of Six Million Eight Hundred thousand dollars (\$6,800,000.00).
2. **Repayment:** The Division of Administration and Finance will repay the funds from savings generated from its energy account in the amount of Six Million Eight Hundred thousand dollars (\$6,800,000.00) plus interest which shall accrue at a fixed rate of two percent (2.00%) per annum for each separate release of funds provided the project. Payments shall be made in annual installments of principal and interest with the first payment due on December 31, 2012, and each additional payment due December 31, of each consecutive year. The maturity of the outstanding principal and additional accrued interest is payable in full December 31, 2016. The outstanding balance may be prepaid in whole or at any time without penalty. Administration, in its sole discretion, may accept a lesser amount of interest as full satisfaction for the use of funds.
3. **Purpose:** The use of funds will assist with the completion of a CHP Plant System and will benefit the University of Central Florida allowing the generation of electricity at a lower cost and with less greenhouse gas emissions.
4. **Applicable Law:** This MOU will be construed in accordance with, and the administration of the contribution received herein shall be pursuant to the laws of the State of Florida.

IN WITNESS WHEREOF, each of the undersigned as duly authorized and validly existing representatives of the University of Central Florida have executed this MOU on the date as indicated below.

**PRESIDENT**

By: \_\_\_\_\_

Name: John C. Hitt

Title: University President

Date: \_\_\_\_\_

1/25/11

**ADMINISTRATION**

By: \_\_\_\_\_

Name: William F. Merck II

Title: Vice President for Administration  
and Finance and Chief Financial Officer

Date: \_\_\_\_\_

1-25-11

# Summary of CHP Funding Plan as of 10/1/11

Budget		Source of Funding	
Original Budget	8,732,000	Original Aux Loan	7,232,000
		Additional Aux Loan - interest	655,000
		Additional Aux Loan - costs	3,463,000
		<b>Total Auxiliary Loan - P &amp; I</b>	<b>11,350,000</b>
<b>Project Details:</b>		<b>Aux cash contribution</b>	<b>1,500,000</b>
Expenditures to date	6,943,664		
Current Encumbrances	1,695,838		
Estimated Future Exp	2,886,467		
Final Mitsubishi Pymt	623,891		
Interest on Loan - FY11	44,877		
Interest FY12-FY16	654,956		
<b>Total Project Budget</b>	<b>12,849,693</b>	<b>Total funding</b>	<b>12,850,000</b>

**Additional Budget** 4,117,693

**Additional Loan** 4,118,000

Amortization Schedule:		*Qtly Pmts	Interest 2%	Balance	
10/1/2011	10,695,000	-	53,475	10,748,475	12/31/2011
	10,748,475	-	53,742	10,802,217	3/31/2012
	10,802,217	(540,000)	51,311	10,313,528	6/30/2012
	10,313,528	(540,000)	48,868	9,822,396	9/30/2012
	9,822,396	(540,000)	46,412	9,328,808	12/31/2012
	9,328,808	(540,000)	43,944	8,832,752	3/31/2013
	8,832,752	(540,000)	41,464	8,334,216	6/30/2013
	8,334,216	(540,000)	38,971	7,833,187	9/30/2013
	7,833,187	(540,000)	36,466	7,329,653	12/31/2013
	7,329,653	(540,000)	33,948	6,823,601	3/31/2014
	6,823,601	(540,000)	31,418	6,315,019	6/30/2014
	6,315,019	(540,000)	28,875	5,803,894	9/30/2014
	5,803,894	(540,000)	26,319	5,290,214	12/31/2014
	5,290,214	(540,000)	23,751	4,773,965	3/31/2015
	4,773,965	(540,000)	21,170	4,255,135	6/30/2015
	4,255,135	(540,000)	18,576	3,733,710	9/30/2015
	3,733,710	(540,000)	15,969	3,209,679	12/31/2015
	3,209,679	(540,000)	13,348	2,683,027	3/31/2016
	2,683,027	(540,000)	10,715	2,153,742	6/30/2016
	2,153,742	(540,000)	8,069	1,621,811	9/30/2016
	1,621,811	(540,000)	5,409	1,087,220	12/31/2016
	1,087,220	(540,000)	2,736	549,956	3/31/2017
	549,956	(550,000)	(0)	(44)	6/30/2017
		<b>(11,350,000)</b>	<b>654,956</b>		

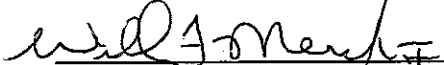
\*Note: Payment amounts will vary, based on the fluctuations in price of natural gas

## Funding and Repayment

Auxiliary funds used	\$ 1,500,000
<b>Auxiliary funds loaned</b>	
Original auxiliary loan	\$ 6,800,000
Additional loan (08/11)	432,000
Additional request	3,463,000
	10,695,000
Interest	655,000
	\$ 11,350,000
<b>Total</b>	<b>\$ 12,850,000</b>

<b>Repayment</b>	
Year ending 6/30/2012	\$ 540,000
Year ending 6/30/2013	2,160,000
Year ending 6/30/2014	2,160,000
Year ending 6/30/2015	2,160,000
Year ending 6/30/2016	2,160,000
Year ending 6/30/2017	2,170,000
<b>Total</b>	<b>\$ 11,350,000</b>

Approval to transfer \$3,463,000 in additional auxiliary funds  
(Increases total auxiliary funds loaned to \$10,695,000)

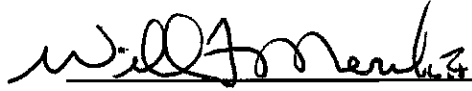
 10-3-11  
William F. Merck, II



Summary of CHP Funding Plan as of 10/1/11

Budget		
Original Budget	8,732,000	
Project Details:		
Expenditures to date	6,943,664	
Current Encumbrances	1,695,838	
Estimated Future Expenditures	2,886,467	
Final Mitsubishi Pymt	623,891	
Interest on Loan - FY11	44,877	
Interest FY12-FY16	654,956	
Total Project Budget	<u>12,849,693</u>	

Souce of Funding	
Original Aux Loan	7,232,000
Additional Aux Loan - interest	655,000
Additional Aux Loan - costs	<u>3,463,000</u>
Total Auxiliary Loan - P & I	<u>11,350,000</u>

Aux cash contribution	<u>1,500,000</u>	Approval to transfer \$1,500,000 in auxiliary funds for contribution towards the CHP Plant Funding Plan
		 10-5-11
		William F. Merck II Date
Total funding	<u>12,850,000</u>	

Additional Budget	<u>4,117,693</u>
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Additional Loan	<u>4,118,000</u>
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Amortization Schedule:		*Quarterly Payments	Interest 2%	Balance	
10/1/2011	10,695,000	-	53,475	10,748,475	12/31/2011
	10,748,475	-	53,742	10,802,217	3/31/2012
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	8,334,216	(540,000)	38,971	7,833,187	9/30/2013
	7,833,187	(540,000)	36,466	7,329,653	12/31/2013
	7,329,653	(540,000)	33,948	6,823,601	3/31/2014

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1,621,811	(540,000)	5,409	1,087,220	12/31/2016
1,087,220	(540,000)	2,736	549,956	3/31/2017
549,956	(550,000)	(0)	(44)	6/30/2017
	<u>(11,350,000)</u>	<u>654,956</u>		

\*Note: Payment amounts will vary, based on the fluctuations in price of natural gas

**Transaction detail in project 92010007 activity through 02/05/13:**

	Account	Amount:
10/25/2011 Funding from Auxiliary Overhead	615050	(1,500,000.00)
9/26/2012 Support for CHP from E&G	615001	(10,853,000.00)
Various Dates Various funding journals from Facilities Operations?	615001	(284,182.52)
Various Dates of interest from Interest accrual 01/25/11 - 06/30/12	615350	198,637.15

**Total Funding for the project:**

2/16/2011 Original funding for CHP project from 10050	5,000,000.00
4/12/2011 Increased funding amount for CHP from 10050	1,800,000.00
8/5/2011 Additional funding for CHP from 10050	432,000.00
5/31/2012 Additional funding for CHP from 10050	2,000,000.00
<b>Total:</b>	<u>9,232,000.00</u>
FY2011 Interest	44,876.71
FY2012 interest	153,760.44
Total Principal, plus accrued Interest:	<u>9,430,637.15</u>
10/25/2011 Funding Provided by Mr. Merck	<u>1,500,000.00</u>
Funding from E&G	10,853,000.00
Funding from Mr. Merck from fund 10050	1,500,000.00
	<u>12,353,000.00 *</u>

\* amount does not include future interest costs for the project.

# University of Central Florida

## 2012-13 E&G Budget, Summary of Allocations and Reserve

					Allocation Across Divisions and Medical School						
	Recurring	Institutional Investments	Non-Recurring	Total	Academic Affairs	Admin & Finance	President's Division	SMCA	University Relations	Medical School	Total
<b>Allocation of state funding, effective July 1, 2012</b>											
Florida Retirement System adjustment	\$ (3,476,930)	\$ -	\$ -	\$ (3,476,930)	\$ (2,934,727)	\$ (62,421)	\$ (166,539)	\$ (81,828)	\$ (10,788)	\$ (220,627)	\$ (3,476,930)
Plant operation and maintenance for new space	981,209	-	-	981,209	-	981,209	-	-	-	-	981,209
Decrease in allowable excess hours	(1,831,672)	-	-	(1,831,672)	(1,478,556)	(239,374)	(48,224)	(56,172)	(9,346)	-	(1,831,672)
Medical school - Year 6 phase in funds	1,000,000	-	-	1,000,000	-	-	-	-	-	1,000,000	1,000,000
Lou Frey Institute of Politics and Government	400,000	-	-	400,000	400,000	-	-	-	-	-	400,000
High-tech corridor	-	-	2,000,000	2,000,000	2,000,000	-	-	-	-	-	2,000,000
Base budget adjustment	-	-	(52,613,031)	(52,613,031)	(42,470,098)	(6,875,801)	(1,385,196)	(1,613,473)	(268,463)	-	(52,613,031)
	(2,927,393)	-	(50,613,031)	(53,540,424)	(44,483,381)	(6,196,387)	(1,599,959)	(1,751,473)	(288,597)	779,373	(53,540,424)
<b>University designated allocations, effective July 1, 2012</b>											
Faculty promotional increases	\$ 1,686	\$ -	\$ -	\$ 1,686	\$ 1,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,686
Market adjustment for lower paid employees	143,691	-	14,279	157,970	59,432	87,733	3,276	7,529	-	-	157,970
Writing and Rhetoric	-	534,000	-	534,000	534,000	-	-	-	-	-	534,000
University Compliance and Ethics Office	108,300	-	-	108,300	-	-	108,300	-	-	-	108,300
Graduate tuition waiver return to Research	1,000,000	-	-	1,000,000	1,000,000	-	-	-	-	-	1,000,000
National Merit/ Provost Scholars Program.	500,000	-	-	500,000	-	-	-	500,000	-	-	500,000
Soldiers to Scholars	20,000	-	-	20,000	-	-	-	-	20,000	-	20,000
PBS Partnership	-	-	2,626,680	2,626,680	-	-	-	2,626,680	-	-	2,626,680
Allocation to offset state budget reduction	35,295,863	-	13,625,424	48,921,287	39,934,975	6,202,815	1,272,226	1,260,204	251,067	-	48,921,287
Reverse 10/11 transfer	-	-	-	-	25,991	-	-	-	-	(25,991)	-
Tuition and fees increase - University	6,645,947	-	-	6,645,947	174,092	-	-	6,471,855	-	-	6,645,947
Tuition and fees increase - College of Medicine	3,450,482	-	-	3,450,482	-	-	-	-	-	3,450,482	3,450,482
	47,165,969	534,000	16,266,383	63,966,352	41,730,176	6,290,548	1,383,802	10,866,268	271,067	3,424,491	63,966,352
Total allocations, effective July 1, 2012	\$ 44,238,576	\$ 534,000	\$ (34,346,648)	\$ 10,425,928	\$ (2,753,205)	\$ 94,161	\$ (216,157)	\$ 9,114,795	\$ (17,530)	\$ 4,203,864	\$ 10,425,928
<b>Permanent allocations to be recorded during the year</b>											
National Merit	\$ -	\$ 1,340,000	\$ -	\$ 1,340,000	\$ -	\$ -	\$ -	\$ 1,340,000	\$ -	\$ -	\$ 1,340,000
Faculty promotions	500,000	-	-	500,000	500,000	-	-	-	-	-	500,000
TIP, RIA, SoTL	500,000	-	-	500,000	500,000	-	-	-	-	-	500,000
Estimated E&G interest allocation	4,000,000	-	-	4,000,000	-	4,000,000	-	-	-	-	4,000,000
Total to be allocated from recurring funds	\$ 5,000,000	\$ 1,340,000	\$ -	\$ 6,340,000	\$ 1,000,000	\$ 4,000,000	\$ -	\$ 1,340,000	\$ -	\$ -	\$ 6,340,000
<b>Planned allocations from non-recurring funds</b>											
<u>Recurring allocations from non-recurring funds:</u>											
Undergraduate education pilot projects	\$ -	\$ -	\$ 189,000	\$ 189,000	\$ 189,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,000
Matching funds for C&G proposals	-	-	1,000,000	1,000,000	1,000,000	-	-	-	-	-	1,000,000
PO&M - FSEC, NTSC	-	-	596,800	596,800	-	596,800	-	-	-	-	596,800
Health Sciences Campus Boggy Creek assessment	-	-	37,380	37,380	-	37,380	-	-	-	-	37,380
Health Sciences Campus property taxes	-	-	3,000	3,000	-	3,000	-	-	-	-	3,000
Health Sciences Campus PO&M	-	-	252,836	252,836	-	252,836	-	-	-	-	252,836
Convocation Center rent	-	-	1,000,000	1,000,000	-	1,000,000	-	-	-	-	1,000,000
Development	-	-	800,000	800,000	-	-	800,000	-	-	-	800,000
Gift Fees- Health Sciences Buildings	-	-	200,000	200,000	-	-	200,000	-	-	-	200,000
Conference fees	-	-	300,000	300,000	-	300,000	-	-	-	-	300,000
Legal fees - Development	-	-	200,000	200,000	-	-	200,000	-	-	-	200,000
Performance plan payments	-	-	458,000	458,000	161,000	49,500	162,000	45,000	40,500	-	458,000
Subtotal - recurring items	-	-	5,037,016	5,037,016	1,350,000	2,239,516	1,362,000	45,000	40,500	-	5,037,016

# University of Central Florida

## 2012-13 E&G Budget, Summary of Allocations and Reserve

	Recurring	Institutional Investments	Non-Recurring	Total	Allocation Across Divisions and Medical School					
					Academic Affairs	Admin & Finance	President's Division	SMCA	University Relations	Medical School
<b>Non-recurring items:</b>										
COM scholarships	-	-	199,000	199,000	199,000	-	-	-	-	-
Regional campuses	-	-	1,500,000	1,500,000	1,500,000	-	-	-	-	-
SEMATECH	-	-	500,000	500,000	500,000	-	-	-	-	-
Development	-	-	2,200,000	2,200,000	-	-	2,200,000	-	-	-
Anniversary events (50th)	-	-	200,000	200,000	-	-	200,000	-	-	-
Pegasus Magazine	-	-	375,000	375,000	-	-	-	375,000	-	-
Subtotal - non-recurring items	-	-	4,974,000	4,974,000	2,199,000	-	2,400,000	375,000	-	-
Total to be allocated from non-recurring funds	\$ -	\$ -	\$ 10,011,016	\$ 10,011,016	\$ 3,549,000	\$ 2,239,516	\$ 3,762,000	\$ 420,000	\$ 40,500	\$ -

### Composition of Reserve

	Recurring 2012-13	2012-13 Institutional Investments	Non-recurring 2012-13 Central Carryforward
3% Hold back	\$ 7,100,000	\$ -	\$ -
Earmarked to address faculty ratio	3,728,433	-	-
2012-13 Tuition rate increase (excluding 30% differential)	15,295,863	-	-
Projected enrollment growth	7,865,910	-	-
Projected enrollment growth - 30% differential	489,595	-	-
Permanent allocations to be recorded during the year	5,000,000	1,340,000	-
Available recurring reserve	11,202,566	879,764	-
2012-13 Carryforward funds (Estimate)	-	-	57,861,312
Subtotal - reserve balance	50,682,367	2,219,764	57,861,312
Less: Non recurring use of reserves	(35,295,863)	-	(13,472,598)
Reserve remaining as of July 1, 2012	15,386,504	2,219,764	44,388,714
Permanent allocations to be recorded during the year	(5,000,000)	(1,340,000)	-
Planned allocations from non-recurring funds	-	-	(10,011,016)
Available reserves as of July 1, 2012 <sup>1</sup>	\$ 10,386,504	\$ 879,764	\$ 34,377,698

<sup>1</sup> The university's 2012-13 statutory reserve requirement is approximately \$21 million. The recurring reserve for 2013-14 is estimated to be \$46.5 million. This estimate consists of the available recurring reserve of \$11.2 million, plus \$35.3 million of recurring funds allocated on a non recurring basis to offset the budget reduction. This estimate includes \$8.3 million based on projected enrollment growth of 3%. Actual enrollment growth may differ from this estimate.

Recommended for Approval:

Tony Waldrop, Provost and Executive Vice President

8-15-12  
Date

Approval:

John C. Hitt, President

8/15/12  
Date

**University of Central Florida**  
**Education and General**  
**2012-2013 Operating Budget - Beginning Fund Balance Composition**

	Total E&G	University	Medical School
<b><u>I. 2012-2013 E&amp;G Beginning Fund Balance :</u></b>	\$ 141,453,227	\$ 131,302,411	\$ 10,150,816
Beginning Fund Balance Composition Line Items:			
1. Statutory E&G 5% Reserve*	\$ 22,309,715	\$ 20,752,537	\$ 1,557,178
2. UBOT- Directed Institutional Reserves**	\$ -		
3. Prior Period Issues (provide detail list)	\$ -		
4. Pass-Through Funds (provide detail list)	\$ -		
5. Legislatively Earmarked Funds***	\$ -		
6. Enterprise Resource Planning Systems	\$ -		
7. Campus Security - Safety Issues	\$ -		
8. Information Technology Issues	\$ 2,000,000	\$ 2,000,000	
9. Building Maintenance and Repairs	\$ 850,000	\$ 850,000	
10. Deferred Maintenance Projects	\$ 4,000,000	\$ 4,000,000	
11. Utilities Cost Increase Reserve	\$ 3,227,000	\$ 3,227,000	
12. Other Facilities Requirements (provide detail list)	\$ -		
13. I&R Centers (provide detail list)	\$ -		
14. Faculty / Instructional Cost Requirements	\$ 44,348,729	\$ 42,372,874	\$ 1,975,855
15. Leave Payout Reserve	\$ 2,317,783	\$ 2,200,000	\$ 117,783
16. Trust Fund Commitments (provide detail list)	\$ -		
17. Vacant Faculty Lines	\$ -		
18. Tuition Differential	\$ -		
19. Use of carryforward funds to offset budget reduction	\$ 43,700,000	\$ 43,700,000	
20. Faculty Ratio	\$ 3,800,000	\$ 3,800,000	
21. Public/ Community Support	\$ 5,200,000	\$ 5,200,000	
22. Research matching funds	\$ 1,500,000	\$ 1,500,000	
23. Academic/ University Enhancements	\$ 1,700,000	\$ 1,700,000	
24. Accreditation Requirements			\$ 6,500,000
Other Issues (add lines and titles as needed)	\$ -		
<b>Total - Beginning E&amp;G Fund Balance Composition:</b>	<b>\$ 141,453,227</b>	<b>\$ 131,302,411</b>	<b>\$ 10,150,816</b>
Check: (should equal zero)	\$ -	\$ -	\$ -
<b><u>II. Additional Information :</u></b>			
<b>Unexpended E&amp;G Carry Forward Balance as of 08-17-2012:****</b>	\$ -	\$ -	\$ -
Deduct - Statutory E&G 5% Reserve*	\$ 22,309,715	\$ 20,752,537	\$ 1,557,178
Deduct - (Add Title)	\$ -	\$ -	\$ -
Deduct - (Add Title)	\$ -	\$ -	\$ -
<b>Adjusted Unexpended E&amp;G Fund Balance as of 08-17-2012:</b>	<b>\$ (22,309,715)</b>	<b>\$ (20,752,537)</b>	<b>\$ (1,557,178)</b>

**Notes:**

- \* 5% reserve calculation based on beginning 2012-2013 UBOT approved operating budget (Section 1011.40(2) F.S.).
- \*\* Please describe UBOT reserve requirement : percentage amount or specific items (please list).
- \*\*\* Please provide details of earmark reserve balances (specific issue name, appropriation year, amount).
- \*\*\*\* UCF is unable to determine this amount as of August 17th due to the timing of the internal allocation of funds.

The SUS Education and General budget entity includes the following funds for FY 2012-2013 :

- General Revenue
- Educational Enhancement (Lottery) Trust Fund
- Student and Other Fees Trust Fund
- Phosphate Research Trust Fund - (Florida Polytechnic University only)
- University Carryforward - Education & General

**From:** [Harris, Kristie](#)  
**To:** [#SUS Budget Officers](#)  
**Subject:** Carryforward Balance Data Request - Forthcoming  
**Date:** Wednesday, September 12, 2012 5:10:25 PM  
**Attachments:** [image001.png](#)  
[E&G Monthly FB Template draft.xlsx](#)  
**Importance:** High

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Budget Directors,

In preparation for the upcoming Legislative session, our office will begin collecting unexpended E&G carryforward balance information beginning with the September 30, 2012, amounts.

For the first two quarters of the fiscal year, unexpended balance reports will be collected as follows :

1. As of September 30, 2012 : Unexpended E&G carryforward amount at the end of 2012-2013 quarter one, report will be due on October 5, 2012.
2. As of December 31, 2012 : Unexpended E&G carryforward amount at the end of 2012-2013 quarter two, report will be due on January 7, 2013.

Then, for the balance of fiscal year 2012-2013 :

3. Subsequent reports will be requested for each month end, for the periods January 31, 2013 through June 30, 2013.

We will ask that you submit this information to [SUS-Submissions@flbog.edu](mailto:SUS-Submissions@flbog.edu) no later than five (5) business days after the last day of the reporting month. A draft version of the report template is attached for your review and comments.

**No information is due at this time. This correspondence is only intended to put you on alert and to give you the opportunity to ask questions or provide any feedback that you may have. In a few weeks, there will be a memorandum forthcoming from Tim Jones through Gene Kovacs that will officially request this information. In the meantime, if you have any questions or comments, please contact us by September 21, 2012.**

**\*Important note** : The unexpended carryforward balance at the end of the reporting period should be calculated as the beginning E&G fund balance amount (as of July 1, 2012) provided by your university as a component of your annual operating budget submission, less any expenditures from university carryforward (only) funds through the reporting date. Do not include any effect of the current year's (2012-2013) appropriations on the balance, such as anticipated additions to your E&G carryforward balance at June 30, 2013.

Thank you, and please contact me or Dale Bradley ([dale.bradley@flbog.edu](mailto:dale.bradley@flbog.edu), 850-245-9392) if you have any questions regarding this data request.

**Kristie L. Harris**

**Budget Director**

State University System of Florida

Board of Governors

325 W. Gaines Street, Suite 1652

Tallahassee, Florida 32399

(850) 245-9757 | (850) 245-9959

[kristie.harris@flbog.edu](mailto:kristie.harris@flbog.edu) | [www.flbog.edu](http://www.flbog.edu)



STATE UNIVERSITY  
SYSTEM *of* FLORIDA  
Board of Governors





FW: Carry forward expenditures and allocations from reserve  
Tracy Clark

to:

Christina Tant, Vanessa Fortier

09/20/2012 01:40 PM

This message may be forwarded to Google recipient(s)

Hide Details

From: Tracy Clark <Tracy.Clark@ucf.edu>

To: Christina Tant <Christy.Tant@ucf.edu>, Vanessa Fortier <Vanessa.Fortier@ucf.edu>

The Carryforward dept's to use for these budget transfers are 02500710 for \$375,000 and 02800703 for \$10,853,000 for the Combined Heat and Power Plant. Glen will give you the back-up for the \$10,853,000, which includes the final costs expected to complete to project, as well as the current outstanding amounts.

Thanks.

Tracy Clark, CPA

Assistant Vice President for Finance and Controller

UCF Finance and Accounting

12424 Research Parkway, Ste 300

Orlando, Florida 32826

Phone: 407-882-1006

Fax: 407-882-1102

[Tracy.Clark@ucf.edu](mailto:Tracy.Clark@ucf.edu)

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**From:** Vanessa Fortier

**Sent:** Thursday, September 20, 2012 10:13 AM

**To:** Tony Waldrop; Lynn Gonzalez

**Cc:** William Merck; Tracy Clark; Christina Tant

**Subject:** Carry forward expenditures and allocations from reserve

**Importance:** High

Tony, Lynn:

During one of our budget meetings several weeks ago, we discussed using carry forward funds for the following items:

- The Combined Heat and Power Plant (CHP)
- E&G salaries in F&A that are currently funded by late fees

Bill and I discussed these items this morning and would like to move forward with recording these expenditures so they will be reflected in the September 30 carry forward balance we must report to the BOG in early October. Tracy will send an email requesting authorization to move budget for these expenditures. She will provide the exact amounts involved, but the CHP is approximately \$9.7 million and the F&A salaries for the first quarter are around \$377K. The CHP expenditures will be replenished with energy savings over several years. The late fees that would have been used for the E&G salaries in F&A will be recorded as part of university resources available for future use.

Please let me know if you have any questions.

Thanks.

Vanessa

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**From:** Budget office <Budget@ucf.edu>  
**Sent:** Friday, September 21, 2012 11:03 AM  
**To:** Budget office  
**Subject:** FW: RV RSV 13024 Journal 128322 9/21/12 CFWD to A&F CFWD then to 02800703  
Temporary - CHP  
**Attachments:** Budget transfer back-up for CHP.XLSX

---

**From:** Christina Tant  
**Sent:** Friday, September 21, 2012 9:16 AM  
**To:** Budget office  
**Subject:** FW: Budget Transfer Request - CHP

Budget Office - Please post from central reserve to A&F reserve and then from A&F reserve to F&A dept noted below. When posted, please notify Tracy, Vanessa, and John Pittman. Tracy will communicate to Facilities.

Please include the attachment with original email to Dr. Waldrop with the journal backup.

Thanks!

---

**From:** Tony Waldrop  
**Sent:** Friday, September 21, 2012 7:57 AM  
**To:** Christina Tant  
**Cc:** Vanessa Fortier; William Merck; Lynn Gonzalez  
**Subject:** RE: Budget Transfer Request - CHP

I approve with the understanding that these funds will be replaced with dollars from energy savings over several years.

---

**From:** Christina Tant  
**Sent:** Friday, September 21, 2012 6:06 AM  
**To:** Tony Waldrop  
**Cc:** Lynn Gonzalez; Tracy Clark; Budget office; Donna DuBuc  
**Subject:** Budget Transfer Request - CHP  
**Importance:** High

Dr. Waldrop,

Please approve the transfer of \$10,853,000 from the central carry forward (department 00010107) to A&F (department 02800703). This amount relates to the Combined Heat and Power Plant (CHP).

This will be recorded as a temporary increase to A&F's base budget.

Thank you,

**Christy Tant, CPA**  
*Senior Associate Controller, Finance & Accounting*



University of Central Florida  
Finance and Accounting  
12424 Research Pkwy, Suite 300  
Orlando, FL 32826-3249  
[christy.tant@ucf.edu](mailto:christy.tant@ucf.edu)  
Phone 407.882.1029  
Fax 407.882.1102

Item #	Description	Amount
1	09/20/12 Budget Position Report & 06/30/12 Loans and Interest DT/DF balance - Outstanding amount due to Aux. OH-351050 (Principal & Interest)	\$ 9,430,637.15
2	09/20/12 Budget Position Report - Accounts 112000 & 112001 negative cash balance	302,719.35
3	09/20/12 Budget Position Report - Outstanding Encumbrances	283,883.93
4	09/20/12 Budget Position Report account 311000 & 09/19/12 DataMart query outstanding Accounts Payable for Clancy & Theys Construction Company	211,561.09
5	Outstanding amount for final payment to Mitsubishi - obtained verbally from Lashanda Brown-Neal	623,891.00
	<b>\$ 10,852,692.52</b>	
	Round budget amount to	10,853,000







**Budget Position**  
As of: September 20, 2012  
92010007 UCF555-COMBINED HEAT/PWR PLNT

Account	Description	Current Period Expenditures	Budget Control	Life to Date Expenditures***	Encumb	Pre-Encumb	Balance Available
<b>SubTotal</b>	<b>Salary</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>SubTotal</b>	<b>OPS</b>	0.00	0.00	0.00	0.00	0.00	0.00
713401	CONSTRUCTION CONTRACTS	0.00	0.00	272.14	0.00	0.00	(272.14)
714201	CONSTR OTHER CONSTR CONTRACTS	232,502.95	0.00	5,349,968.06	283,883.93	0.00	(5,633,851.99)
722104	TELEPHONE EQ INSTALLATION	3,698.43	0.00	3,698.43	0.00	0.00	(3,698.43)
736301	PARTS AND FITTINGS	8,383.42	0.00	8,383.42	0.00	0.00	(8,383.42)
749999	OTHER MISC EXP NON-COMMODITIES	0.00	0.00	125.00	0.00	0.00	(125.00)
755157	DATA COMM DEVICES \$1000-\$4999	7,828.27	0.00	7,828.27	0.00	0.00	(7,828.27)
781101	TSFR TO E&G UNIVERSITY OPERATI	0.00	0.00	283,546.00	0.00	0.00	(283,546.00)
<b>SubTotal</b>	<b>Other Expenses</b>	252,413.07	0.00	5,653,821.32	283,883.93	0.00	(5,937,705.25)
756101	INSTALLED OR FIXED EQUIPMENT	0.00	0.00	5,725,716.60	0.00	0.00	(5,725,716.60)
757101	FCO BLDG AND FIXED EQUIP	0.00	0.00	0.00	0.00	0.00	0.00
757102	FCO PERMITS AND INSPECTIONS	0.00	0.00	28,277.00	0.00	0.00	(28,277.00)
<b>SubTotal</b>	<b>Equipment</b>	0.00	0.00	5,753,993.60	0.00	0.00	(5,753,993.60)
<b>SubTotal</b>	<b>Overhead</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>		252,413.07	12,356,534.48	11,407,814.92	283,883.93	0.00	664,835.63
615001	TSFR FM E&G UNIVERSITY OPERATI	0.00	0.00	161,534.48	0.00	0.00	0.00
615050	TSFR FM AUXILIARY OVERHEAD	0.00	0.00	1,500,000.00	0.00	0.00	0.00
615350	TSFR CONTRA AUXILIARY OVERHEAD	0.00	0.00	(198,637.15)	0.00	0.00	0.00
	<b>Revenues</b>	0.00	0.00	1,462,897.33	0.00	0.00	0.00
311000	ACCOUNTS PAYABLE	(211,561.09)	0.00	(211,561.09)	0.00	0.00	0.00
351050	DUE TO AUXILIARY OVERHEAD	0.00	0.00	(9,430,637.15)	0.00	0.00	0.00
	<b>Other Balance Sheet Accounts</b>	(211,561.09)	0.00	(9,642,198.24)	0.00	0.00	0.00
112000	CASH IN BANK	(20,941.86)	0.00	(282,809.23)	0.00	0.00	0.00
112001	CASH INTERDEPARTMENTAL TFRS	(19,910.12)	0.00	(19,910.12)	0.00	0.00	0.00
	<b>Cash</b>	(40,851.98)	0.00	(302,719.35)	0.00	0.00	0.00

\*\*\*May not agree with online budget inquiry page

1	<b>UNIVERSITY OF CENTRAL FLORIDA</b>			
2	<b>Division of Finance &amp; Accounting</b>			
3	<b>Loans and Interest Due From and Due To</b>			
4	<b>For period ending 06/30/12</b>			
5			Prepared By: M. Garmon	
6			Reviewed By: D. Murdock 7/10/12	
7	<b>LOANS WITHIN UCF:</b>			
26	<b>OCA 050 Due From OCA 039 - Acct 161039 - 02010301</b>	<b>OCA 039 Due To OCA 050 - Acct 351050</b>		
27	<b>Combined Heat and Power Plant - DF 92010007 (51039)</b>			
29	06/30/11 Beginning Balance	6,844,876.71	06/30/11 Beginning Balance	6,844,876.71
30	08/05/11 Principal increase	432,000.00	08/05/11 Principal increase	432,000.00
31	09/30/11 Interest accrual	35,605.04	09/30/11 Interest accrual	35,605.04
32	12/31/11 Interest accrual	36,457.21	12/31/11 Interest accrual	36,457.21
33	03/31/12 Interest accrual	35,664.66	03/31/12 Interest accrual	35,664.66
34	05/31/12 Principal Increase	2,000,000.00	05/31/12 Principal Increase	2,000,000.00
35	06/30/12 Interest accrual	46,033.53	06/30/12 Interest accrual	46,033.53
36	<b>Principal &amp; Interest Balance:</b>	<b>\$9,430,637.15</b>	<b>Principal &amp; Interest Balance:</b>	<b>9,430,637.15</b>

DataMart Query Results (Actuals)					Criteria Used: Dept/Proj = 92010007 and Account = 311000 and TransDate = 09/19/2012														
   					Period: Active Projects														
First Previous Next Last					Total Records Found: 10					Records Displayed: 1-10					<a href="#">View Total Amount</a>				
Line Num	Proj Number	Account	Amount	Voucher#	Vendor Nm/ Jml Header Desc	PO#	Journal ID	Invoice Number	Transaction Date	Fund	Vchr/Jml Line Description	Alt Acct	Prg	Vendor ID					
1	92010007	311000	-27,875.00	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
2	92010007	311000	-1,205.37	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
3	92010007	311000	-74,287.95	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
4	92010007	311000	-25,719.77	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
5	92010007	311000	-1,408.83	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
6	92010007	311000	-20,555.94	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
7	92010007	311000	-12,364.90	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
8	92010007	311000	-5,695.00	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					
9	92010007	311000	-9,934.13	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#S-F110003003	09/19/2012	51039	Accounts Payable	311000 ZZ		0000002397					

10	92010007	311000	-32,217.20	00892297	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
Line Num	Dept/Proj Number	Account	Amount	Voucher#	Vendor Name	PO#	Journal ID	Invoice Number	Transaction Date	Fund	Description	Alt Acct	Prg	Vendor ID
<a href="#">First</a> <a href="#">Previous</a> <a href="#">Next</a> <a href="#">Last</a> Total Records Found: 10 Records Displayed: 1-10 <a href="#">View Total Amount</a>														

Total accounts payable from above for Clancy & Theys dated 09/19/12:

DataMart-Total Amount - Windows Internet E...

Actuals DataMart

Criteria Used: Dept/Proj = 92010007 and Account = 311000 and TransDate = 09/19/2012

Expenditures	0.00
Liabilities	-211,561.09
Revenue	0.00
Assets	0.00
Equities	0.00
TOTAL	-211,561.09

Close

Print

Proposed Entry to charge the budget of \$10,853,000 in dept. 02800703 to dept. 92010007 and payoff the DT/DF balances between 92010007 and 02010301.

Fund CHP plant in dept. 92010007 from dept. 02800703 and payoff DT/DF between 92010007 & 02010301. for the project.

02800703	781139	10,853,000.00
	112001	(10,853,000.00)
92010007	615001	(10,853,000.00)
	112001	10,853,000.00



Payoff DT/DF between 92010007 and 02010301 for balance through 06/30/12.

92010007	351050	9,430,637.15
	112001	(9,430,637.15)
02010301	161039	(9,430,637.15)
	112001	9,430,637.15



**Budget Position**  
As of: September 26, 2012  
02010301 AF VP-OH AUX OPERATIONS

-10050

Account	Description	Current Period Totals	PO Rollover Budget	Budget Control****	Year to Date Totals***	Encumb	Pre- Encumb	Balance Available
SubTotal	Salary	0.00	0.00	0.00	0.00	0.00	0.00	
749999	OTHER MISC EXP NON-COMMODITIES	0.00	0.00	0.00	13.05	0.00	0.00	
781139	TSFR TO UNIV CONSTRUCTION	88,277.46	0.00	0.00	176,554.92	0.00	0.00	
789201	INVESTMENT EXPENSE ST	(2,269.97)	0.00	0.00	(4,515.62)	0.00	0.00	
SubTotal	Other Expenses	86,007.49	0.00	0.00	172,052.35	0.00	0.00	
SubTotal	Equipment	0.00	0.00	0.00	0.00	0.00	0.00	
713112	PROF SVCS-BANKING SERVICES	0.00	0.00	0.00	0.00	27,500.00	0.00	
SubTotal	Sub contract	0.00	0.00	0.00	0.00	27,500.00	0.00	
	Total	86,007.49	0.00	1,109,347.00	172,052.35	27,500.00	0.00	909,794.65
605002	INTEREST - INVESTMENTS	54,885.30	0.00	0.00	86,774.99	0.00	0.00	
	Revenues	54,885.30	0.00	0.00	86,774.99	0.00	0.00	
153000	INTEREST RECEIVABLE	0.00	0.00	0.00	0.00	0.00	0.00	
161021	DUE FM PEGASUS HEALTH	0.00	0.00	0.00	7,581,299.44	0.00	0.00	
161039	DUE FM UNIV CONSTRUCTION	(88,277.46)	0.00	0.00	11,372,741.19	0.00	0.00	
161051	DUE FM INVESTMENT IN PLANT	0.00	0.00	0.00	3,341,731.91	0.00	0.00	
257000	NONCURR DUE FM COMPONENT UNITS	0.00	0.00	0.00	10,533,048.86	0.00	0.00	
311000	ACCOUNTS PAYABLE	0.00	0.00	0.00	0.00	0.00	0.00	
560700	NET ASSETS - UNRESTRICTED	0.00	0.00	0.00	(8,170,459.41)	0.00	0.00	
	Other Balance Sheet Accounts	(88,277.46)	0.00	0.00	24,658,361.99	0.00	0.00	
112000	CASH IN BANK	0.00	0.00	0.00	(24,810,401.58)	0.00	0.00	
112001	CASH INTERDEPARTMENTAL TFRS	57,155.27	0.00	0.00	66,762.23	0.00	0.00	
	Cash	57,155.27	0.00	0.00	(24,743,639.35)	0.00	0.00	
	Investments	0.00	0.00	0.00	0.00	0.00	0.00	

**Budget Information:**

Less PO Rollover Transferred to Next Fiscal Year

0.00

0.00

**Total Available Budget**

909,794.65

\*\*\*May not agree with online budget inquiry page

\*\*\*\*Including PO Rollover

909,794.65  
+ 15,300,000.00  
16,209,794.65



**Budget Position**  
**As of: September 26, 2012**  
**92010007 UCF555-COMBINED HEAT/PWR PLNT**

- 57039

Account	Description	Current Period Expenditures	Budget Control	Life to Date Expenditures***	Encumb	Pre- Encumb	Balance Available
<b>SubTotal</b>	<b>Salary</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>SubTotal</b>	<b>OPS</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
713401	CONSTRUCTION CONTRACTS	<u>0.00</u>	<u>0.00</u>	<u>272.14</u>	<u>0.00</u>	<u>0.00</u>	<u>(272.14)</u>
714201	CONSTR OTHER CONSTR CONTRACTS	<u>232,502.95</u>	<u>0.00</u>	<u>5,349,968.06</u>	<u>283,883.93</u>	<u>0.00</u>	<u>(5,633,851.99)</u>
722104	TELEPHONE EQ INSTALLATION	<u>3,698.43</u>	<u>0.00</u>	<u>3,698.43</u>	<u>0.00</u>	<u>0.00</u>	<u>(3,698.43)</u>
736301	PARTS AND FITTINGS	<u>8,383.42</u>	<u>0.00</u>	<u>8,383.42</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,383.42)</u>
749999	OTHER MISC EXP NON-COMMODITIES	<u>0.00</u>	<u>0.00</u>	<u>125.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(125.00)</u>
755157	DATA COMM DEVICES \$1000-\$4999	<u>7,828.27</u>	<u>0.00</u>	<u>7,828.27</u>	<u>0.00</u>	<u>0.00</u>	<u>(7,828.27)</u>
781101	TSFR TO E&G UNIVERSITY OPERATI	<u>0.00</u>	<u>0.00</u>	<u>283,546.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(283,546.00)</u>
<b>SubTotal</b>	<b>Other Expenses</b>	<u>252,413.07</u>	<u>0.00</u>	<u>5,653,821.32</u>	<u>283,883.93</u>	<u>0.00</u>	<u>(5,937,705.25)</u>
756101	INSTALLED OR FIXED EQUIPMENT	<u>0.00</u>	<u>0.00</u>	<u>5,725,716.60</u>	<u>0.00</u>	<u>0.00</u>	<u>(5,725,716.60)</u>
757101	FCO BLDG AND FIXED EQUIP	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
757102	FCO PERMITS AND INSPECTIONS	<u>0.00</u>	<u>0.00</u>	<u>28,277.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(28,277.00)</u>
<b>SubTotal</b>	<b>Equipment</b>	<u>0.00</u>	<u>0.00</u>	<u>5,753,993.60</u>	<u>0.00</u>	<u>0.00</u>	<u>(5,753,993.60)</u>
<b>SubTotal</b>	<b>Overhead</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total</b>		<b>252,413.07</b>	<b>12,356,534.48</b>	<b>11,407,814.92</b>	<b>283,883.93</b>	<b>0.00</b>	<b>664,835.63</b>
615001	TSFR FM E&G UNIVERSITY OPERATI	<u>0.00</u>	<u>0.00</u>	<u>161,534.48</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
615050	TSFR FM AUXILIARY OVERHEAD	<u>0.00</u>	<u>0.00</u>	<u>1,500,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
615350	TSFR CONTRA AUXILIARY OVERHEAD	<u>0.00</u>	<u>0.00</u>	<u>(198,637.15)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<b>Revenues</b>	<u>0.00</u>	<u>0.00</u>	<u>1,462,897.33</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
311000	ACCOUNTS PAYABLE	<u>(211,561.09)</u>	<u>0.00</u>	<u>(211,561.09)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
351050	DUE TO AUXILIARY OVERHEAD	<u>0.00</u>	<u>0.00</u>	<u>(9,430,637.15)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<b>Other Balance Sheet Accounts</b>	<u>(211,561.09)</u>	<u>0.00</u>	<u>(9,642,198.24)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
112000	CASH IN BANK	<u>(20,941.86)</u>	<u>0.00</u>	<u>(282,809.23)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
112001	CASH INTERDEPARTMENTAL TFRS	<u>(19,910.12)</u>	<u>0.00</u>	<u>(19,910.12)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<b>Cash</b>	<u>(40,851.98)</u>	<u>0.00</u>	<u>(302,719.35)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

\*\*\*May not agree with online budget inquiry page

+ 10,853,000.00  
 < 9,430,637.15  
1,119,643.50





**Budget Position**  
As of: September 26, 2012  
**02800703 FO-CARRY FORWARD**

10001

Account	Description	Current Period Totals	PO Rollover Budget	Budget Control****	Year to Date Totals***	Encumb	Pre- Encumb	Balance Available
<b>SubTotal</b>	<b>Salary</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
724101	REPAIRS AND MAINTENANCE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(558.17)</u>	<u>0.00</u>	<u>0.00</u>	
727301	UTILITIES WATER AND SEWAGE	<u>0.00</u>	<u>833.00</u>	<u>0.00</u>	<u>0.00</u>	<u>833.00</u>	<u>0.00</u>	
736301	PARTS AND FITTINGS	<u>0.00</u>	<u>840.00</u>	<u>0.00</u>	<u>0.00</u>	<u>840.00</u>	<u>0.00</u>	
<b>SubTotal</b>	<b>Other Expenses</b>	<u>0.00</u>	<u>1,673.00</u>	<u>0.00</u>	<u>(558.17)</u>	<u>1,673.00</u>	<u>0.00</u>	
<b>SubTotal</b>	<b>Equipment</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
<b>SubTotal</b>	<b>Sub contract</b>							
	<b>Total</b>	<u>0.00</u>	<u>1,673.00</u>	<u>10,854,673.00</u>	<u>(558.17)</u>	<u>1,673.00</u>	<u>0.00</u>	<u>10,853,558.17</u>
	<b>Revenues</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
355000	DT OTHER GOVERNMENTAL UNITS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(3,750,000.00)</u>	<u>0.00</u>	<u>0.00</u>	
560700	NET ASSETS - UNRESTRICTED	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,750,000.00</u>	<u>0.00</u>	<u>0.00</u>	
	<b>Other Balance Sheet Accounts</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
112001	CASH INTERDEPARTMENTAL TFRS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>558.17</u>	<u>0.00</u>	<u>0.00</u>	
	<b>Cash</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>558.17</u>	<u>0.00</u>	<u>0.00</u>	
	<b>Investments</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	

**Budget Information:**

Less PO Rollover Transferred to Next Fiscal Year

0.00

0.00

**Total Available Budget**10,853,558.17

\*\*\*May not agree with online budget inquiry page

\*\*\*\*Including PQ Rollover:

< 10,853,000.00 >  
 ( 10,853,000.00 )

Item #	Description	Amount
1	09/20/12 Budget Position Report & 06/30/12 Loans and Interest DT/DF balance - Outstanding amount due to Aux. OH-351050 (Principal & Interest)	\$ 9,430,637.15
2	09/20/12 Budget Position Report - Accounts 112000 & 112001 negative cash balance	302,719.35
3	09/20/12 Budget Position Report - Outstanding Encumbrances	283,883.93
4	09/20/12 Budget Position Report account 311000 & 09/19/12 DataMart query outstanding Accounts Payable for Clancy & Theys Construction Company	211,561.09
5	Outstanding amount for final payment to Mitsubishi - obtained verbally from Lashanda Brown-Neal	623,891.00
		<u>\$ 10,852,692.52</u>
	Round budget amount to	10,853,000



**Budget Position**  
**As of: September 20, 2012**  
**92010007 UCF555-COMBINED HEAT/PWR PLNT**

Account	Description	Current Period Expenditures	Budget Control	Life to Date Expenditures	Encumb	Pre-Encumb	Balance Available
<b>SubTotal</b>	<b>Salary</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>SubTotal</b>	<b>OPS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
713401	CONSTRUCTION CONTRACTS	0.00	0.00	272.14	0.00	0.00	(272.14)
714201	CONSTR OTHER CONSTR CONTRACTS	232,502.95	0.00	5,349,968.06	283,883.93	0.00	(5,633,851.99)
722104	TELEPHONE EQ INSTALLATION	3,698.43	0.00	3,698.43	0.00	0.00	(3,698.43)
736301	PARTS AND FITTINGS	8,383.42	0.00	8,383.42	0.00	0.00	(8,383.42)
749999	OTHER MISC EXP NON-COMMODITIES	0.00	0.00	125.00	0.00	0.00	(125.00)
755157	DATA COMM DEVICES \$1000-\$4999	7,828.27	0.00	7,828.27	0.00	0.00	(7,828.27)
781101	TSFR TO E&G UNIVERSITY OPERATI	0.00	0.00	283,546.00	0.00	0.00	(283,546.00)
<b>SubTotal</b>	<b>Other Expenses</b>	<b>252,413.07</b>	<b>0.00</b>	<b>5,653,821.32</b>	<b>283,883.93</b>	<b>0.00</b>	<b>(5,937,705.25)</b>
756101	INSTALLED OR FIXED EQUIPMENT	0.00	0.00	5,725,716.60	0.00	0.00	(5,725,716.60)
757101	FCO BLDG AND FIXED EQUIP	0.00	0.00	0.00	0.00	0.00	0.00
757102	FCO PERMITS AND INSPECTIONS	0.00	0.00	28,277.00	0.00	0.00	(28,277.00)
<b>SubTotal</b>	<b>Equipment</b>	<b>0.00</b>	<b>0.00</b>	<b>5,753,993.60</b>	<b>0.00</b>	<b>0.00</b>	<b>(5,753,993.60)</b>
<b>SubTotal</b>	<b>Overhead</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total</b>	<b>252,413.07</b>	<b>12,356,534.48</b>	<b>11,407,814.92</b>	<b>283,883.93</b>	<b>0.00</b>	<b>664,835.63</b>
615001	TSFR FM E&G UNIVERSITY OPERATI	0.00	0.00	161,534.48	0.00	0.00	
615050	TSFR FM AUXILIARY OVERHEAD	0.00	0.00	1,500,000.00	0.00	0.00	
615350	TSFR CONTRA AUXILIARY OVERHEAD	0.00	0.00	(198,637.15)	0.00	0.00	
	<b>Revenues</b>	<b>0.00</b>	<b>0.00</b>	<b>1,462,897.33</b>	<b>0.00</b>	<b>0.00</b>	
311000	ACCOUNTS PAYABLE	(211,561.09)	0.00	(211,561.09)	0.00	0.00	
351050	DUE TO AUXILIARY OVERHEAD	0.00	0.00	(9,430,637.15)	0.00	0.00	
	<b>Other Balance Sheet Accounts</b>	<b>(211,561.09)</b>	<b>0.00</b>	<b>(9,642,198.24)</b>	<b>0.00</b>	<b>0.00</b>	
112000	CASH IN BANK	(20,941.86)	0.00	(282,809.23)	0.00	0.00	
112001	CASH INTERDEPARTMENTAL TFRS	(19,910.12)	0.00	(19,910.12)	0.00	0.00	
	<b>Cash</b>	<b>(40,851.98)</b>	<b>0.00</b>	<b>(302,719.35)</b>	<b>0.00</b>	<b>0.00</b>	



# UNIVERSITY OF CENTRAL FLORIDA

Division of Finance & Accounting  
Loans and Interest Due From and Due To  
For period ending 06/30/12

Prepared By: M. Garmon  
Reviewed By: D. Murdock 7/10/12

## LOANS WITHIN UCF:

OCA 050 Due From OCA 039 - Acct 101039 - 02010301

OCA 039 Due To OCA 050 - Acct 301050

Combined Heat and Power Plant - DF 92010007 (51039)

06/30/11 Beginning Balance	6,844,876.71	06/30/11 Beginning Balance	6,844,876.71
08/05/11 Principal increase	432,000.00	08/05/11 Principal increase	432,000.00
09/30/11 Interest accrual	35,605.04	09/30/11 Interest accrual	35,605.04
12/31/11 Interest accrual	36,457.21	12/31/11 Interest accrual	36,457.21
03/31/12 Interest accrual	35,664.66	03/31/12 Interest accrual	35,664.66
05/31/12 Principal increase	2,000,000.00	05/31/12 Principal increase	2,000,000.00
06/30/12 Interest accrual	46,033.53	06/30/12 Interest accrual	46,033.53
Principal & Interest Balance	9,430,637.15	Principal & Interest Balance	9,430,637.15

DataMart - Summary - Accounts Payable

Criteria Used: Dept/Proj = 92010007 and Account = 311000 and TransDate = 09/19/2012

Line Item	Dept/Proj	Account	Amount	TransDate	Description	PO#	Invoice ID	Invoice Number	Invoice Date	Amount	Vendor Line Description	Alt. Acct	Pay	Vendor ID
1	92010007	311000	-27,876.00	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
2	92010007	311000	-1,205.37	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
3	92010007	311000	-74,287.95	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
4	92010007	311000	-25,719.77	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
5	92010007	311000	-1,408.63	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
6	92010007	311000	-20,659.84	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
7	92010007	311000	-12,364.90	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
8	92010007	311000	-6,886.00	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
9	92010007	311000	-9,934.13	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397
10	92010007	311000	-32,217.20	09/19/2012	Clancy & Theys Construction Co		APA0128238	PayApp#8-FI10003003	09/19/2012	51039	Accounts Payable	311000	ZZ	0000002397

Total accounts payable from above for Clancy & Theys dated 09/19/12:

Actuals DataMart	
Criteria Used: Dept/Proj = 92010007 and Account = 311000 and TransDate = 09/19/2012	
Expenditures	0.00
Liabilities	-211,561.09
Revenue	0.00
Assets	0.00

Equibes

0.00

TOTAL

-211,561.09

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**EXTRA WORK AUTHORIZATION FORM**CUSTOMER: University of Central FloridaCHANGE NOTICE #: 0SITE: CHP PlantUNIT: Gas EngineDATE: 5/29/2015

PO #: \_\_\_\_\_

PROJECT # TBDTotal Firm Billing Amount \$                     **EXTRA-WORK OR DELAY DESCRIPTION:****EW DESCRIPTION: MPSA-QTO-11430-rev 4 Contract Extension****WORK-SCOPE:**

This serves as a one (1) time contract extension to MPSA-QTO-11430-rev4 to provide parts, service and RMC support to the UCF CHP Plant Gas Engine. This extension shall commence June 1, 2015 and expire on the earlier of either the execution of the 24,000 hour service or May 31st, 2016. The terms and conditions shall remain the same as outlined in MPSA-QTO-11420-rev4. This extension is to include four (4) quarterly payments                      (shown in 2015 dollars for estimating purposesd, to be escalated per MPSA-QTO-11430-rev4).

IMPACT TO SCHEDULE ? : YES ☐ NO ☐ HOURS: \_\_\_\_\_

IF YES DESCRIBE: \_\_\_\_\_

**CRITICAL PATH ITEM(S) AFFECTED:**

TASK#: \_\_\_\_\_

DESCRIPTION: \_\_\_\_\_

TASK#: \_\_\_\_\_

DESCRIPTION: \_\_\_\_\_

TASK#: \_\_\_\_\_

DESCRIPTION: \_\_\_\_\_

SIGNATURES: \_\_\_\_\_ MHPSA

DATE: \_\_\_\_\_

\_\_\_\_\_ CUSTOMER

DATE: \_\_\_\_\_

Approval is granted to MHPSA to execute above extra work. Signer acknowledges they have the appropriate contractual authority to authorize this scope and expense.

This Extra Work Authorization is governed by the MHPSA terms and conditions (including prices unless otherwise set forth herein) of the original Contract and / or P.O. Acknowledgement. Approval of the EWA is recognized by signing the Form.

Company Confidential and Proprietary

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3/17/15



# MITSUBISHI HITACHI POWER SYSTEMS

OSC-F900-FS Rev 8.0

## EXTRA WORK AUTHORIZATION FORM

CUSTOMER: University of Central Florida

CHANGE NOTICE #: 0

SITE: CHP Plant

UNIT: Gas Engine

DATE: 5/29/2015

PO #: \_\_\_\_\_

PROJECT # TBD

Total Firm Billing Amount \$                     

### EXTRA-WORK OR DELAY DESCRIPTION:

**EW DESCRIPTION:** *MPSA-QTO-11430-rev 4 Contract Extension*

#### WORK-SCOPE:

This serves as a one (1) time contract extension to MPSA-QTO-11430-rev4 to provide parts, service and RMC support to the UCF CHP Plant Gas Engine. This extension shall commence June 1, 2015 and expire on the earlier of either the execution of the 24,000 hour service or May 31st, 2016. The terms and conditions shall remain the same as outlined in MPSA-QTO-11420-rev4. This extension is to include four (4) quarterly payments                      (shown in 2015 dollars for estimating purposes, to be escalated per MPSA-QTO-11430-rev4).

IMPACT TO SCHEDULE ? : YES ☐ NO ☐ HOURS: \_\_\_\_\_

IF YES DESCRIBE:

### CRITICAL PATH ITEM(S) AFFECTED:

TASK#: _____	DESCRIPTION: _____
TASK#: _____	DESCRIPTION: _____
TASK#: _____	DESCRIPTION: _____

SIGNATURES:  MHPSA

DATE: 9-15-15

 CUSTOMER

DATE: 9-15-15

Approval is granted to MHPSA to execute above extra work. Signer acknowledges they have the appropriate contractual authority to authorize this scope and expense.

This Extra Work Authorization is governed by the MHPSA terms and conditions (including prices unless otherwise set forth herein) of the original Contract and / or P.O. Acknowledgement. Approval of the EWA is recognized by signing the Form.

Company Confidential and Proprietary

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**Combined Heat & Power Plant  
Contract #MPSA-QTO-11420-rev4  
March 22, 2016**

**Background:**

The department of Sustainability and Energy Management (now Utilities & Energy Services) entered into an agreement with Mitsubishi Power Systems Americas (MPSA), *contract #MPSA\_QTO-11430-rev 4*, in 2012 to cover a proprietary parts and service maintenance to UCF's cogeneration plant. The 56-page contract covers T&C's, schedules, parts and labor for both planned and unplanned maintenance. The term of the contract is three years, or 24,000 run hours of scheduled service, whichever occurs first.

Since execution of the contract in May 2012, the plant suffered a catastrophic generator failure (September 2012) during functional testing. This event occurred while still under construction and contract direction with our installation and supply contractor, MPSA. As a result, this failure delayed turnover of the plant to UCF until January 18, 2013, causing a seven-month delay from our service contract start.

Furthermore, the plant suffered two more catastrophic failures since turnover (January 18, 2013) including failure of the engine's turbo charger in December of 2014. As a result, the plant was down for two (2) months; followed by a second catastrophic generator failure (June 26, 2015) which took the plant down for four (4) additional months. While the OEM honored the generator failure with a new stator, at no cost to UCF with the June 26<sup>th</sup> 2015 incident; UCF lost "time" on the contract with the plant not running. UCF also lost generation revenue during the plant's downtime.

The department also lost significant recovery opportunity with the Traveler's Insurance claim to the turbo charger failure in 2014. The department paid in excess of \$590K from our auxiliary utility account (revenue) to restore the unit back to service with no re-imbursement coverage from the insurance, or funding request support from administration.

Today, the engine has 20,500 run hours on the plant. Since parts and supply chain are produced and shipped from Yokohama, Japan, MHPSA keeps an inventory of emergent and long lead time capital spares, and scheduled outage replacements parts on hand to cover up to the 24,000-hour plant outage. In order to move forward with the remainder of the contract items set forth in the original contract, Mitsubishi Hitachi Power Systems America (MHPSA), formally MPSA, issued an Extra Work Order in September 2015, to amend the remainder of the contract outage term (24,000 run hours) with the same terms and conditions of MPSA-QTO-11430-rev 4, with the understanding we were going to be down for a period of time with the latest generator failure. By doing so, allowed the department to keep the outage installations moving forward until the new contract could be written for the next 24,000-hour contract interval. *This contract is currently in underwriting by Mitsubishi Hitachi Power Systems America (MHPSA) and will be provided to purchasing in the next 30-45 days for review and comment.*

Per the MPSA contract pg. 13/56

**Outage Assumptions and Delays:**

*"The pricing included in this proposal assumes a minimum of 8000 hours of operation per year, and the completion of 4 scheduled outages per year. In the event of limited operation to the CHP plant, that results in a delay to the scheduled inspections beyond the assumptions above, MPSA reserves the right to invoice for any Planned Engine Parts delivered to the MPSA facility for the upcoming scheduled inspections."*

The generator is excluded from the scope of contract service and therefore delays were not a result of MHPSA this past fall.

To illustrate further, each FY the department of UES opens two blanket PO's to cover MHPSA's scheduled and unscheduled maintenance (UCF01-000031678) with a beginning balance of \$1000 respectively. This is large in part due to the monthly cash flows supported by the auxiliary, as this account was also used to pay all of UCF's campuses' electric and gas bills. All campus utilities overseen by UES, including the CHP, are operated as a campus auxiliary. All associated costs are debited and credited from this same account. Up until late 2015, F&A had allowed each utility auxiliary account to open the FY with a balance and budget tolerance based on the previous year's revenue at FY end.

In addition, UES had also entered a MOU with Mr. Merck's office to payback the plant loan with annual installments of \$1MM+. This transfer is completed in August each year. To date, UES has paid back \$2.3MM on the loan.

Encumbering the entire scheduled value of \$433,785.32 up front in July of 2015, would have restricted the cash flow available to have successful operations and paying utility bills on time in the beginning of the FY; until a month of generation revenue was available in the new FY. This was not possible as the CHP generator failed on 6/26/15 and was down for four months without a revenue generation source.

This has since been addressed by UES in conjunction with the F&S BO. For this reason, the blanket PO for scheduled and unscheduled work was created for diversified billing purposes.

Additionally, changes were made within the UES utility budget:

1. F&A is now going to issue all utility budgets for the 04' account up front at the beginning of each FY, starting FY 16-17' – cash flow will no longer be a constraint in the first operating month, as we can now encumber the entire year up front for planned maintenance intervals.
2. F&A provided the remainder of the FY 15-16' utility budget in late 2015. This enabled the department (without generation) a vehicle to process plant maintenance cost.



3. UES and F&S BO supported justification to F&A to provide a natural gas utility account to reduce cash flow constraints, as each utility bill rendered had different billing cycles between natural gas and electric. This was also granted this FY. The utility gas account number is 02830325.

Under the circumstances listed above, it was our department's understanding that by having an approved contract by UCF's General Counsel and Purchasing Department in conjunction with an open blanket PO, and the department was complying with purchasing guidelines. We had a PO in place prior to the work being executed (in our case scheduled draws) and work was conducted within guidelines of the contract. The change ordered amount requested in REQ 000375079 in the amount of \$325,338.99 was greater than the value of \$1,000 on the FY blanket PO. However, the verbiage from the PO states:

*"Exempt from competition due to proprietary equipment, service and labor (FY15-16). This blanket PO will be used for scheduled preventive maintenance of the Combined Heat and Power Plant (CHP). Reference MPS-UCF contract MPSA-QTO-11430-rev 4 (attached). The Utilities and Energy Services Department will submit change orders as required for the proprietary labor and materials to maintain the purchased equipment. See attached Contract dated 5/29/2015 for further justification."*

Our position stands that we disagree this work was conducted "after the fact," which implies wrong-doing, negligence, and / or malicious intent without a purchasing mechanism. None of which occurred. The issue was related to an internal process and business paradigm that did not match the cash flow at the beginning of the FY required to support the operation; coupled with a plant generator catastrophic failure. There is no question, the utility business model here at UCF is very dynamic with many variables, that are subject to change. The utility was established in 2013 and together, with BO and F&A, we have made great strides and improvements for operational efficiency and sustainable operations.

#### **Contract Extension:**

Due to the fact the contract expired in May of 2015, and the engine had not achieved the run hours outlined in the original contract of 24,000 run hours, combined with yet another generator failure; we could not meet the outage requirements of the contract term. UCF's plant had ~17,000 run hours at this point in May 2015, coupled with the generator failure of 6/26/15, the department submitted a blanket PO requisition in the amount of \$1000 with an unsigned contract extension in September of 2015 to purchasing, to cover the draw amounts per the contract T&C's up to 24,000 run hours or May 31<sup>st</sup>, 2016, whichever occurred first. Since the agreement did not change the T&C's and referenced the existing contract, the department was under the impression this was a valid approach until a new contract would be executed for the next 24,000 run-hour cycle. Purchasing stated since this was not reviewed by legal and did not have proper signature authority that this is now an unauthorized purchase.

**Moving Forward:**

As a reminder, any time the plant is off line or generating below 5.5megawatts, the university pays a significant premium in penalty to the utility for standby energy and demand charges, in addition to the loss of revenue. UES needs to be able to carry out work 24/7 – 365 days a year. Each day the plant is down cost UCF \$14-20K.

Conversely, UES is also seeking to partner with UCF's Purchasing department to comply with same day turn around on all related change order requests. This will prevent delays in work execution for unscheduled work.

Consequently, the university will incur additional penalties and lost revenue if this will not be a service provided to UES, if only offered on university working days.

As a final point, the director is seeking signature authority for all of the MHPSA EWA's. Reason for this request is to allow work to commence after hours, weekends and holidays when pertinent staff, decision makers or administration are not here to process requests. We are minimally requesting this authority to be the department director level. All domestic and travel rates for labor, material, holiday schedules are provided in the contract and further outlined in **Appendix F**. In addition, this is a proprietary contract and exempt from competition.

In summary, the amount we are seeking to change order to PO #31658 is \$325,338.99 of the remaining FY contract term. Funding is available to support the request. A new contract and proposed term is forthcoming.

## Table of Contents

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<b><i>Introduction</i></b>	<b>1</b>
Quality Statement	2
<b><i>Authorized Individuals</i></b>	<b>3</b>
<b><i>Offer Letter</i></b>	<b>4</b>
<b><i>Payment Terms/Schedule</i></b>	<b>5</b>
Service Program Milestone Payment – Year 2 and Year 3 Payments	5

PROPRIETARY INFORMATION

This document and any attachments contain proprietary information and are the sole and exclusive property of Mitsubishi Power Systems Americas, Inc., "MPSA". Your receipt of this information is an acknowledgement of a confidential relationship between you and MPSA. This information is to be used solely by you for the purpose for which it is furnished. Neither these documents, nor any information obtained there from is to be reproduced, transmitted, disclosed, discussed with any third party, or used otherwise, in whole or in part, without first receiving the express written authorization of MPSA.

## Introduction

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Mitsubishi Heavy Industries has been providing integrated power generation design and manufacturing for over 120 years. A world leader in energy systems, aerospace, and industrial equipment, Mitsubishi has designed, manufactured, delivered, installed, commissioned and serviced power generating equipment (fossil and nuclear) throughout the world. Mitsubishi gas and steam turbines have continued to operate and perform at the highest industry levels for reliability and efficiency.

Mitsubishi Power Systems Americas (MPSA, MPS) is a wholly owned subsidiary of Mitsubishi Heavy Industries with corporate headquarters located in Lake Mary, Florida. In 2002, MPSA established a large turbine service and component manufacturing center located in Orlando, Florida, just 10 miles west of the Orlando International Airport. The Orlando Service Center (OSC) is dedicated to servicing the Americas turbine and generator market. The OSC is the newest, most modern facility of its kind in the Americas. It is equipped with all new “state-of-the-art” manufacturing equipment and a broad array of advanced turbine repair and maintenance services. The Orlando Service Center offers a high level of outage support services and selected component manufacturing. In June 2008, MPSA opened an additional 100,000 square feet facility for manufacturing and office space, effectively doubling the size of the facility. It includes more new manufacturing and a separate repair facility for gas turbines. There is also a remote monitoring center at OSC that continuously monitors the operation of approximately eighteen (18) combined cycle power plants around the world and generates indicative trending feedback to the plant operators on a 24/7 basis.

MPSA also provides a full spectrum of field services from the Orlando Service Center, as well as from the Houston Service Operations facility, to assist our customers in maintaining their power generating equipment. MPSA's field service operation maintains personnel with a broad knowledge base of turbine technologies to provide world-class field maintenance and inspection services. In addition, we can tap into the design knowledge and operating experience of Mitsubishi Heavy Industries for overnight analysis and evaluation of engineering issues. As a licensee of the former Westinghouse Electric since the 1970's, Mitsubishi has extensive design and engineering knowledge on Westinghouse steam and gas turbine designs, we have provided replacement components and performed retrofits on several units worldwide.

MPSA's newest expansion effort in Savannah, Georgia serves as the company's next step in providing world class power generation services and products for the gas and steam turbine market. This state of the art facility, which broke ground in 2009, has been designed to support combustor component manufacturing, rotor servicing/balancing, valve repair, and other large component repairs and upgrades for both North and South America and new manufactured gas and steam turbines worldwide.

***Quality Statement***

Through Mitsubishi's pursuit to improve customer satisfaction with dependable products and superior field service, Mitsubishi has obtained and maintains ISO 9001:2000 certification. MPSA also maintains the environmental certification ISO 14001:2004.

*A copy of the MPS Quality System or audit records can be made available upon request.*

## Authorized Individuals

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**Craig Malobicky***Service Sales Manager*

2287 Premier Row

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2287 Premier Row

Orlando, FL 32809

Tel: (407) 688-6802

Fax: (407) 688-6988

scott.witter@mpshq.com

## Offer Letter

---

**Curt Wade**  
*Coordinator of Utilities & Energy Management*  
University of Central Florida  
P.O. Box 163600  
Orlando, FL, FI 32816  
Tel: 407-823-2053  
Curtis.Wade@ucf.edu

October 16th, 2012

Subject: Modification to Payment Terms to MPSA-QTO-11,430 Rev 4)

Dear Mr. Curt Wade,

Mitsubishi Power Systems Americas (MPSA) is pleased to provide the above reference proposal to modify the payment terms from the existing Parts and Service agreement between MPSA and UCF for the Combined Heat and Power (CHP) Plant. Except as expressly amended by this letter, all other terms and conditions in the agreement between Mitsubishi Power Services Americas, Inc., and the University of Central Florida dated May 9<sup>th</sup>, 2012 shall remain unchanged.

Thank you for the opportunity to provide this quotation. If you have any further questions regarding this proposal, or require further information, please do not hesitate to contact us.

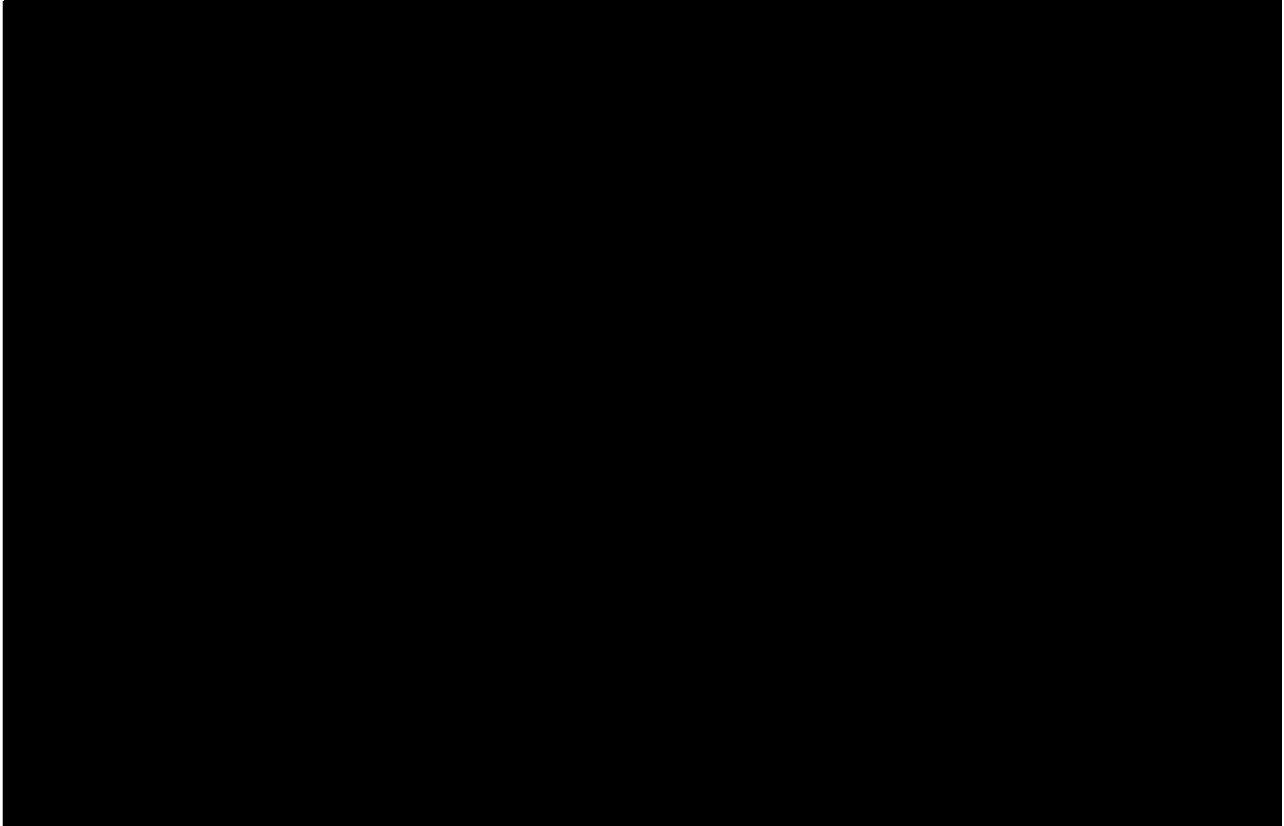
Best Regards,

---

**Craig Malobicky**  
*Service Sales Manager*  
2287 Premier Row  
Orlando, FL 32809  
Tel: 407-688-6938  
Fax: 407-688-6988  
cmalobicky@mpshq.com

## ***Payment Terms/Schedule***

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### **Assumptions & Clarifications**

1. Pricing is in 2013 dollars and subject to escalation described herein. Escalation will apply to all payments beginning December 1, 2014.

Approved as to Form and Legality  
*J. Clark* 10/18/13



## CHP Historical Monthly Savings

2013	July	\$ 192,242.19
	August	\$ 146,082.33
	September	\$ 156,136.84
	October	\$ 164,968.03
	November	\$ 103,247.68
	December	\$ 125,832.83
2014	January	\$ 137,556.35
	February	\$ 121,097.31
	March	\$ 149,829.10
	April	\$ 145,158.95
	May	\$ 207,319.31
	June	\$ 205,623.00
	July	\$ 265,956.13
	August	\$ 208,008.26
	September	\$ 259,015.12
	October	\$ 259,519.29
	November	\$ 163,643.81
	December	\$ 1,102.87
2015	January	\$ 79,106.59
	February	\$ 198,162.89
	March	\$ 185,736.08
	April	\$ 209,278.16
	May	\$ 98,718.78
	June	\$ 126,511.67
	July	\$ -
	August	\$ -
	September	\$ -
	October	\$ 297.72
	November	\$ 162,739.81
	December	\$ 230,452.84
2016	January	\$ 241,844.71
	February	\$ 144,680.54
	March	\$ 234,399.21
	April	\$ 210,622.80
	May	\$ 157,314.90
	June	\$ 200,180.92
	July	\$ 183,196.50
	August	\$ 135,173.24
	September	\$ 153,566.51
	October	\$ 208,039.67
	November	\$ 181,117.59
	December	\$ 216,889.43
	January	\$ 168,644.67

2017	February	\$ 156,970.60
	March	\$ 112,979.02
	April	\$ 112,560.26
	May	\$ 155,548.28
	June	\$ 167,337.19
	July	\$ 148,339.77
	August	\$ 204,076.27
	September	\$ 44,841.65
	October	\$ 138,637.49
	November	\$ 155,323.01
	December	\$ 225,692.21
2018	January	\$ 166,781.95
	February	\$ 104,658.31
	March	\$ 240,575.66
	April	\$ 183,167.13
	May	\$ 236,741.28
	June	\$ 229,155.15
	July	\$ 190,896.01
	August	\$ 127,842.10
	September	\$ 32,503.97
	October	\$ 223,951.22
	November	\$ 52,097.07
	December	\$ 112,204.04

Provided by UCF

CHP MOU PAYMENTS

Start Date	Balance Due	Payment					
10/1/2012	\$ 10,853,000.00						
Payment Date		Payments Made	Interest	Principal	Paid	JID #	
6/30/2014	\$ 10,214,568.42	\$ 1,000,000.00	\$ 361,568.42	\$ 638,431.58	F&A	MM06301401	
7/29/2014	\$ 9,248,710.26	\$ 1,000,000.00	\$ 34,141.84	\$ 965,858.16	UES	0283072955	
6/23/2015	\$ 8,102,770.98	\$ 1,300,000.00	\$ 154,060.72	\$ 1,145,939.28	UES	0283062355	
7/25/2016	\$ 7,271,906.78	\$ 1,000,000.00	\$ 169,135.80	\$ 830,864.20	UES	0283072555	
7/27/2017	\$ 6,423,963.20	\$ 1,000,000.00	\$ 152,056.42	\$ 847,943.58	UES	0283072756	
7/20/2018	\$ 5,590,607.77	\$ 1,000,000.00	\$ 135,097.57	\$ 864,902.43	UES	0283072056	
6/3/2019	\$ 4,678,715.34	\$ 1,000,000.00	\$ 88,107.57	\$ 911,892.43	UES	0283060355	

Internal analysis

ORIGINAL AMORTIZATION SCHEDULE

Date	Amount due	Difference b/w original schedule and actuals?
6/30/2014	1,000,000	None
8/31/2014	1,000,000	Paid one month early
8/31/2015	1,000,000	Paid two months early and \$300k greater
8/31/2016	1,000,000	Paid one month early
8/31/2017	1,000,000	Paid one month early
8/31/2018	1,000,000	Paid one month early
8/31/2019	1,000,000	Paid three months early
8/31/2020	1,000,000	
8/31/2021	1,000,000	
8/31/2022	1,000,000	
8/31/2023	1,000,000	
8/31/2024	1,000,000	
8/31/2025	331,800	

transfer from 02830321 to '02010350 acct. code 615073

**Memorandum of Understanding  
Use of Funds**

The following memorandum ("MOU") sets forth the understanding between the Interim Provost and Vice President of Academic Affairs at the University of Central Florida ("Interim Provost") and the Vice President for Administration and Finance and Chief Financial Officer at the University of Central Florida ("VP Administration") regarding the use of funds provided to support the purchase of a Combined Heat & Power (CHP) Plant System from Mitsubishi for the University of Central Florida.

1. **Use of Funds:** The Administration hereby expresses its intent to make available for the University's use, in connection with the purchase of a Combined Heat and Power (CHP) Plant System from Mitsubishi, the amount of Ten Million, Two Hundred Thirty-One Thousand, Three Hundred Fifty-Nine dollars (\$10,231,359.00).
2. **Repayment:** The Division of Administration and Finance will repay the funds from savings generated from its energy account in the amount of Ten Million, Two Hundred Thirty-One Thousand, Three Hundred Fifty-Nine dollars (\$10,231,359.00) plus interest which shall accrue at a fixed rate of two percent (2.00%) per annum. Payments shall be made in annual installments of principal and interest with the first payment due on August 31, 2014, and each additional payment due August 31, of each consecutive year. The maturity of the outstanding principal and interest is payable in full August 31, 2025. The outstanding balance may be repaid in whole at any time without penalty. The Provost's office, in its sole discretion, may accept a lesser amount of interest as full satisfaction for the use of funds.
3. **Purpose:** The use of funds assisted with the establishment of a CHP Plant System and benefits the University of Central Florida allowing the generation of electricity at a lower cost and with less greenhouse gas emissions.
4. **Applicable Law:** This MOU will be construed in accordance with, and the administration of the contribution received herein shall be pursuant to the laws of the State of Florida.

IN WITNESS WHEREOF, each of the undersigned as duly authorized and validly existing representatives of the University of Central Florida have executed this MOU on the date as indicated below.

**INTERIM PROVOST**

By: \_\_\_\_\_

Name: Diane Chase

Interim Provost and Vice President of Academic Affairs

Date: \_\_\_\_\_

**ADMINISTRATION**

By: \_\_\_\_\_

Name: William F. Merck II Title:

Title: Vice President for Administration and Finance and Chief Financial

Date: \_\_\_\_\_

Repayment Terms:	
Principal Amount:	10,853,000
Original Loan Date:	October-12
Interest Rate:	2% - Simple Interest
\$1M payment by the 31st of	
Repayment Plan per MOU: August each year	
to be entered by Lashanda	
Monthly Int Journal Entry: Brown	

Combined Heat and Power Plant - DF Facilities Operations Dept /DT 02010350 - AV VP-OH UNIVERSITY RESOURCES (10050)

Start Date	Days	Rate	Principal	Interest	Total Payment	Principal	Interest	Accumulated Interest	Loan Balance	Outstanding Principal Balance
10/1/2012									10,853,000.00	10,853,000.00
10/31/2012	31	2%	10,853,000.00	18,435.23	-	-	-	18,435.23	10,871,435.23	10,853,000.00
11/30/2012	30	2%	10,853,000.00	17,840.55	-	-	-	36,275.78	10,889,275.78	10,853,000.00
12/31/2012	31	2%	10,853,000.00	18,435.23	-	-	-	54,711.01	10,907,711.01	10,853,000.00
1/31/2013	31	2%	10,853,000.00	18,435.23	-	-	-	73,146.24	10,926,146.24	10,853,000.00
2/28/2013	28	2%	10,853,000.00	16,651.18	-	-	-	89,797.42	10,942,797.42	10,853,000.00
3/31/2013	31	2%	10,853,000.00	18,435.23	-	-	-	108,232.65	10,961,232.65	10,853,000.00
4/30/2013	30	2%	10,853,000.00	17,840.55	-	-	-	126,073.20	10,979,073.20	10,853,000.00
5/31/2013	31	2%	10,853,000.00	18,435.23	-	-	-	144,508.43	10,997,508.43	10,853,000.00
6/30/2013	30	2%	10,853,000.00	17,840.55	-	-	-	162,348.98	11,015,348.98	10,853,000.00
7/31/2013	31	2%	10,853,000.00	18,435.23	-	-	-	180,784.21	11,033,784.21	10,853,000.00
8/31/2013	31	2%	10,853,000.00	18,435.23	-	-	-	199,219.44	11,052,219.44	10,853,000.00
9/30/2013	30	2%	10,853,000.00	17,840.55	-	-	-	217,059.99	11,070,059.99	10,853,000.00
10/31/2013	31	2%	10,853,000.00	18,435.23	-	-	-	235,495.22	11,088,495.22	10,853,000.00
11/30/2013	30	2%	10,853,000.00	17,840.55	-	-	-	253,335.77	11,106,335.77	10,853,000.00
12/31/2013	31	2%	10,853,000.00	18,435.23	-	-	-	271,771.00	11,124,771.00	10,853,000.00
1/31/2014	31	2%	10,853,000.00	18,435.23	-	-	-	290,206.23	11,143,206.23	10,853,000.00
2/28/2014	28	2%	10,853,000.00	16,651.18	-	-	-	306,857.41	11,159,857.41	10,853,000.00
3/31/2014	31	2%	10,853,000.00	18,435.23	-	-	-	325,292.64	11,178,292.64	10,853,000.00
4/30/2014	30	2%	10,853,000.00	17,840.55	-	-	-	343,133.19	11,196,133.19	10,853,000.00
5/31/2014	31	2%	10,853,000.00	18,435.23	-	-	-	361,568.42	11,214,568.42	10,853,000.00
6/30/2014	30	2%	10,214,568.42	16,791.07	1,000,000.00	638,431.58	361,568.42	16,791.07	10,231,359.49	10,214,568.42
7/31/2014	31	2%	10,214,568.42	17,350.77	-	-	-	34,141.84	10,248,710.26	10,214,568.42
8/31/2014	31	2%	9,248,710.26	15,710.14	1,000,000.00	965,858.16	34,141.84	15,710.14	9,264,420.40	9,248,710.26
9/30/2014	30	2%	9,248,710.26	15,203.36	-	-	-	30,913.50	9,279,623.76	9,248,710.26
10/31/2014	31	2%	9,248,710.26	15,710.14	-	-	-	46,623.64	9,295,333.90	9,248,710.26
11/30/2014	30	2%	9,248,710.26	15,203.36	-	-	-	61,827.00	9,310,537.26	9,248,710.26
12/31/2014	31	2%	9,248,710.26	15,710.14	-	-	-	77,537.14	9,326,247.40	9,248,710.26
1/31/2015	31	2%	9,248,710.26	15,710.14	-	-	-	93,247.28	9,341,957.54	9,248,710.26
2/28/2015	28	2%	9,248,710.26	14,189.80	-	-	-	107,437.08	9,356,147.34	9,248,710.26
3/31/2015	31	2%	9,248,710.26	15,710.14	-	-	-	123,147.22	9,371,857.48	9,248,710.26
4/30/2015	30	2%	9,248,710.26	15,203.36	-	-	-	138,350.58	9,387,060.84	9,248,710.26
5/31/2015	31	2%	9,248,710.26	15,710.14	-	-	-	154,060.72	9,402,770.98	9,248,710.26

Combined Heat and Power Plant - DF Facilities Operations Dept /DT 02010350 - AV VP-OH UNIVERSITY RESOURCES (10050)

Start Date	Days	Rate	Principal	Interest	Total Payment	Interest	Principal	Accumulated Interest	Loan Balance	Outstanding Principal Balance
6/30/2015	30	2%	9,248,710.26	15,203.36	-	-	-	169,264.08	9,417,974.34	9,248,710.26
7/31/2015	31	2%	9,248,710.26	15,710.14	-	-	-	184,974.22	9,433,684.48	9,248,710.26
8/31/2015	31	2%	8,433,684.48	14,325.71	1,000,000.00	184,974.22	815,025.78	14,325.71	8,448,010.19	8,433,684.48
9/30/2015	30	2%	8,433,684.48	13,863.59	-	-	-	28,189.30	8,461,873.78	8,433,684.48
10/31/2015	31	2%	8,433,684.48	14,325.71	-	-	-	42,515.01	8,476,199.49	8,433,684.48
11/30/2015	30	2%	8,433,684.48	13,863.59	-	-	-	56,378.60	8,490,063.08	8,433,684.48
12/31/2015	31	2%	8,433,684.48	14,325.71	-	-	-	70,704.31	8,504,388.79	8,433,684.48
1/31/2016	31	2%	8,433,684.48	14,325.71	-	-	-	85,030.02	8,518,714.50	8,433,684.48
2/29/2016	29	2%	8,433,684.48	13,401.47	-	-	-	98,431.49	8,532,115.97	8,433,684.48
3/31/2016	31	2%	8,433,684.48	14,325.71	-	-	-	112,757.20	8,546,441.68	8,433,684.48
4/30/2016	30	2%	8,433,684.48	13,863.59	-	-	-	126,620.79	8,560,305.27	8,433,684.48
5/31/2016	31	2%	8,433,684.48	14,325.71	-	-	-	140,946.50	8,574,630.98	8,433,684.48
6/30/2016	30	2%	8,433,684.48	13,863.59	-	-	-	154,810.09	8,588,494.57	8,433,684.48
7/31/2016	31	2%	8,433,684.48	14,325.71	-	-	-	169,135.80	8,602,820.28	8,433,684.48
8/31/2016	31	2%	7,602,820.28	12,914.38	1,000,000.00	169,135.80	830,864.20	12,914.38	7,615,734.66	7,602,820.28
9/30/2016	30	2%	7,602,820.28	12,497.79	-	-	-	25,412.17	7,628,232.45	7,602,820.28
10/31/2016	31	2%	7,602,820.28	12,914.38	-	-	-	38,326.55	7,641,146.83	7,602,820.28
11/30/2016	30	2%	7,602,820.28	12,497.79	-	-	-	50,824.34	7,653,644.62	7,602,820.28
12/31/2016	31	2%	7,602,820.28	12,914.38	-	-	-	63,738.72	7,666,559.00	7,602,820.28
1/31/2017	31	2%	7,602,820.28	12,914.38	-	-	-	76,653.10	7,679,473.38	7,602,820.28
2/28/2017	28	2%	7,602,820.28	11,664.60	-	-	-	88,317.70	7,691,137.98	7,602,820.28
3/31/2017	31	2%	7,602,820.28	12,914.38	-	-	-	101,232.08	7,704,052.36	7,602,820.28
4/30/2017	30	2%	7,602,820.28	12,497.79	-	-	-	113,729.87	7,716,550.15	7,602,820.28
5/31/2017	31	2%	7,602,820.28	12,914.38	-	-	-	126,644.25	7,729,464.53	7,602,820.28
6/30/2017	30	2%	7,602,820.28	12,497.79	-	-	-	139,142.04	7,741,962.32	7,602,820.28
7/31/2017	31	2%	7,602,820.28	12,914.38	-	-	-	152,056.42	7,754,876.70	7,602,820.28
8/31/2017	31	2%	6,754,876.70	11,474.04	1,000,000.00	152,056.42	847,943.58	11,474.04	6,766,350.74	6,754,876.70
9/30/2017	30	2%	6,754,876.70	11,103.91	-	-	-	22,577.95	6,777,454.65	6,754,876.70
10/31/2017	31	2%	6,754,876.70	11,474.04	-	-	-	34,051.99	6,788,928.69	6,754,876.70
11/30/2017	30	2%	6,754,876.70	11,103.91	-	-	-	45,155.90	6,800,032.60	6,754,876.70
12/31/2017	31	2%	6,754,876.70	11,474.04	-	-	-	56,629.94	6,811,506.64	6,754,876.70
1/31/2018	31	2%	6,754,876.70	11,474.04	-	-	-	68,103.98	6,822,980.68	6,754,876.70
2/28/2018	28	2%	6,754,876.70	10,363.65	-	-	-	78,467.63	6,833,344.33	6,754,876.70
3/31/2018	31	2%	6,754,876.70	11,474.04	-	-	-	89,941.67	6,844,818.37	6,754,876.70
4/30/2018	30	2%	6,754,876.70	11,103.91	-	-	-	101,045.58	6,855,922.28	6,754,876.70
5/31/2018	31	2%	6,754,876.70	11,474.04	-	-	-	112,519.62	6,867,396.32	6,754,876.70
6/30/2018	30	2%	6,754,876.70	11,103.91	-	-	-	123,623.53	6,878,500.23	6,754,876.70
7/31/2018	31	2%	6,754,876.70	11,474.04	-	-	-	135,097.57	6,889,974.27	6,754,876.70
8/31/2018	31	2%	5,889,974.27	10,004.89	1,000,000.00	135,097.57	864,902.43	10,004.89	5,899,979.16	5,889,974.27
9/30/2018	30	2%	5,889,974.27	9,682.15	-	-	-	19,687.04	5,909,661.31	5,889,974.27
10/31/2018	31	2%	5,889,974.27	10,004.89	-	-	-	29,691.93	5,919,666.20	5,889,974.27
11/30/2018	30	2%	5,889,974.27	9,682.15	-	-	-	39,374.08	5,929,348.35	5,889,974.27
12/31/2018	31	2%	5,889,974.27	10,004.89	-	-	-	49,378.97	5,939,353.24	5,889,974.27
1/31/2019	31	2%	5,889,974.27	10,004.89	-	-	-	59,383.86	5,949,358.13	5,889,974.27
2/28/2019	28	2%	5,889,974.27	9,036.67	-	-	-	68,420.53	5,958,394.80	5,889,974.27
3/31/2019	31	2%	5,889,974.27	10,004.89	-	-	-	78,425.42	5,968,399.69	5,889,974.27

Combined Heat and Power Plant - DF Facilities Operations Dept /DT 02010350 - AV VP-OH UNIVERSITY RESOURCES (10050)

Start Date	Days	Rate	Principal	Interest	Total Payment	Interest	Principal	Accumulated Interest	Loan Balance	Outstanding Principal Balance
2/38/2023	28	2%	2,254,175.09	3,458.46	-	-	-	26,185.48	2,280,360.57	2,254,175.09
3/31/2023	31	2%	2,254,175.09	3,829.01	-	-	-	30,014.49	2,284,189.58	2,254,175.09
4/30/2023	30	2%	2,254,175.09	3,705.49	-	-	-	33,719.98	2,287,895.07	2,254,175.09
5/31/2023	31	2%	2,254,175.09	3,829.01	-	-	-	37,548.99	2,291,724.08	2,254,175.09
6/30/2023	30	2%	2,254,175.09	3,705.49	-	-	-	41,254.48	2,295,429.57	2,254,175.09
7/31/2023	31	2%	2,254,175.09	3,829.01	-	-	-	45,083.49	2,299,258.58	2,254,175.09
8/31/2023	31	2%	1,299,258.58	2,206.96	1,000,000.00	45,083.49	954,916.51	2,206.96	1,301,465.54	1,299,258.58
9/30/2023	30	2%	1,299,258.58	2,135.77	-	-	-	4,342.73	1,303,601.31	1,299,258.58
10/31/2023	31	2%	1,299,258.58	2,206.96	-	-	-	6,549.69	1,305,808.27	1,299,258.58
11/30/2023	30	2%	1,299,258.58	2,135.77	-	-	-	8,685.46	1,307,944.04	1,299,258.58
12/31/2023	31	2%	1,299,258.58	2,206.96	-	-	-	10,892.42	1,310,151.00	1,299,258.58
1/31/2024	31	2%	1,299,258.58	2,206.96	-	-	-	13,099.38	1,312,357.96	1,299,258.58
2/29/2024	29	2%	1,299,258.58	2,064.58	-	-	-	15,163.96	1,314,422.54	1,299,258.58
3/31/2024	31	2%	1,299,258.58	2,206.96	-	-	-	17,370.92	1,316,629.50	1,299,258.58
4/30/2024	30	2%	1,299,258.58	2,135.77	-	-	-	19,506.69	1,318,765.27	1,299,258.58
5/31/2024	31	2%	1,299,258.58	2,206.96	-	-	-	21,713.65	1,320,972.23	1,299,258.58
6/30/2024	30	2%	1,299,258.58	2,135.77	-	-	-	23,849.42	1,323,108.00	1,299,258.58
7/31/2024	31	2%	1,299,258.58	2,206.96	-	-	-	26,056.38	1,325,314.96	1,299,258.58
8/31/2024	31	2%	325,314.96	552.59	1,000,000.00	26,056.38	973,943.62	552.59	325,867.55	325,314.96
9/30/2024	30	2%	325,314.96	534.76	-	-	-	1,087.35	326,402.31	325,314.96
10/31/2024	31	2%	325,314.96	552.59	-	-	-	1,639.94	326,954.90	325,314.96
11/30/2024	30	2%	325,314.96	534.76	-	-	-	2,174.70	327,489.66	325,314.96
12/31/2024	31	2%	325,314.96	552.59	-	-	-	2,727.29	328,042.25	325,314.96
1/31/2025	31	2%	325,314.96	552.59	-	-	-	3,279.88	328,594.84	325,314.96
2/28/2025	28	2%	325,314.96	499.11	-	-	-	3,778.99	329,093.95	325,314.96
3/31/2025	31	2%	325,314.96	552.59	-	-	-	4,331.58	329,646.54	325,314.96
4/30/2025	30	2%	325,314.96	534.76	-	-	-	4,866.34	330,181.30	325,314.96
5/31/2025	31	2%	325,314.96	552.59	-	-	-	5,418.93	330,733.89	325,314.96
6/30/2025	30	2%	325,314.96	534.76	-	-	-	5,953.69	331,268.65	325,314.96
7/31/2025	31	2%	325,314.96	552.59	-	-	-	6,506.28	331,821.24	325,314.96
8/31/2025	31	2%	21.24	0.04	331,800.00	6,506.28	325,293.72	0.04	21.28	21.24

Total Expense: #####



**Board of Trustees  
Finance Committee Meeting Minutes  
September 20, 2007**

Trustee Conrad Santiago, chair of the Finance Committee, called the meeting to order in the Live Oak Room, in Ferrell Commons at 10:15 a.m. The following committee members were present:

The Honorable Manoj Chopra

The Honorable Phyllis Klock

The Honorable Richard Nunis

The Honorable Tom Yochum

**MEETING MINUTES APPROVAL**

The minutes of the July 26, 2007, meeting were approved as submitted.

**FINANCE**

**Budgets:**

Operating Budget Status

William F. Merck II, Vice President, Administration and Finance, reported that both revenue and expenditures are within the expected ranges for this point in the budget year. Regarding the proposed budget reduction, once the state makes a decision on budget reductions, the budget will be revised and brought to the committee for review.

There was a brief discussion about budget reduction activities and Merck reported that we are working on energy savings opportunities and looking at the staffing and reorganization of some departmental budgets for more efficiency. Terry Hickey, Provost and Executive Vice President, briefly reported that the hiring freeze, which includes an exemption process, is the primary cost savings measure at the university. Hickey added that Information Technologies and Resources will be implementing programs that put various computers in sleep mode when they are not being used.

Greek Housing

Maribeth Ehasz, Vice President, Student Development and Enrollment Services, reported that a master plan for student housing is currently being developed. The plan will explore all aspects of current and future housing needs and how they fit with the mission of the university.

Currently, there are twenty thousand student beds in a two-mile radius of campus with approximately ten thousand of those being UCF beds. Ehasz pointed out that the student success measures for retention and graduation are much higher for students who live on campus in their first year. There are unmet housing demands from special interest groups such as second year sophomores, transfer students, graduate students, and international students. Trustee Hollinger briefly added that she gets requests from graduate students for housing help and has hired a graduate coordinator to assess graduate student needs.



Chair Santiago confirmed that there will be a workshop scheduled to review the specifics and the process for developing a strategic plan for housing, which will include the possibility of two Greek housing purchases within the context of the entire campus housing plan to meet the overall needs of our students.

**Other:**

Support Agreement Fund Balances Report

William Merck reported that the support agreement fund balances are in good shape. Trustee Christiansen had pointed out that approximately \$11 million in internal debt was not reflected in the report. Merck commented that this will be adjusted in the next report. Merck added that taking into consideration this adjustment, the coverage ratio required is still very healthy. The bond insurers require that we keep two times the amount of legally available funds to replenish the debt service reserve if needed for projects. This report shows that we have 7.3 times rather than the 2 times required.

Draft Investment Policy and statutes

Merck explained that the draft investment policy and the two governing statutes were provided for the board members review and comment. With devolution, we have the opportunity to invest our cash. In the past, the state managed our investments. In the absence of a board approved policy, we are restricted to SPIA and SBA to earn interest on our cash balances. A board approved policy will give us an opportunity to continue to use those but to expand beyond that should we decide to do so. Merck will work with Chair Santiago to further develop the policy and then provide it to the board members for their review.

**FACILITIES**

UCF construction projects

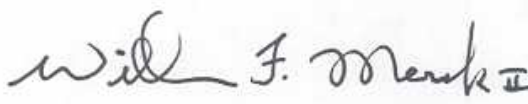
William Merck reported that in the Finance Committee materials there was a status report on all projects and pointed out that the first item listed mentioned a five-acre reduction in the Lake Nona property. He explained that this did not happen, so therefore the item is to be deleted.

Merck then gave a presentation of campus projects specifically highlighting the successful grand openings for the new UCF Arena and the Bright House Networks Stadium, along with the unveiling of the Knight statue, compliments of our Board of Trustees' Chair, Rick Walsh.

**CLOSING COMMENTS**

Since there were no further items for discussion, Chair Santiago adjourned the Finance Committee meeting at 11:25 a.m.

Respectfully submitted:

  
William F. Merck II  
Vice President  
Administration and Finance

10/30/2007  
Date

**Minutes  
Board of Trustees Meeting  
University of Central Florida  
May 22, 2008**

In the absence of Chair Richard Walsh and Vice Chair Tom Yochum, Corporate Secretary John Hitt called the meeting of the Board of Trustees to order in the Live Oak Center on the University of Central Florida campus at 1:26 p.m. The following members attended the meeting:

The Honorable Judith A. Albertson  
The Honorable Logan Berkowitz  
The Honorable Olga M. Calvet  
The Honorable Manoj Chopra  
The Honorable Patrick Christiansen

The Honorable Alan Florez  
The Honorable Micky Grindstaff  
The Honorable Phyllis Klock  
The Honorable Harris Rosen  
The Honorable Conrad Santiago

**WELCOME**

Corporate Secretary Hitt welcomed the board members and called for approval of the minutes of the March 18, 2008, board meeting. The minutes were approved as written.

Hitt called on Dan Holsenbeck, Vice President for University Relations, to introduce Dan Webster, State Senate Majority Leader, and the 2008 UCF Legislative Scholar interns: DeOnte Brown, Justin Collins, Jamie Moellentine, Victoria Paterson, Robert Putnam, Raymond Stephens, and Jillian Strong.

Hitt welcomed new trustee, Logan Berkowitz, and presented him with a gold Pegasus pin. Berkowitz replaces Trustee Brandie Hollinger on the board and serves by virtue of his office as the president of the Student Government Association.

**REMARKS AND INTRODUCTIONS**

Corporate Secretary Hitt announced the Pegasus Professors for 2008: Dr. Eduardo Salas and Dr. Mary Lou Sole. The Pegasus Professor Award is the highest honor UCF bestows upon a faculty member. It recognizes those who consistently demonstrate excellence in teaching, research, and service to the students, the community, and to the profession. Dr. Salas is a member of the UCF Psychology Department, the Institute for Simulation and Training, and holder of a trustee chair in industrial and organizational psychology. He helps organizations improve teamwork and develop procedures for making effective decisions in stressful environments. He designs tools and strategies to minimize human errors in aviation, law enforcement, and medical environments, including the UCF College of Medicine. Salas is known as a leader within national and international research communities and, since 1999, has earned about \$20 million in external grants and contracts. In 2002, he was named UCF Researcher of the Year.

Dr. Sole, a professor in the UCF College of Nursing since 1991, specializes in critical care. Her research contributions include studies of ventilator-associated pneumonia, airway management, and mechanical ventilation. Sole was influential in establishing the master's and doctoral programs in the UCF College of Nursing. Today, she coordinates the Clinical Nurse Specialist graduate program, and she recently helped found the Clinical Nurse Leader graduate program. Sole has received numerous UCF honors, including the Excellence in Undergraduate Teaching Award, the Excellence in Professional Service Award, and the Excellence in Research Award, which she has won twice. Hitt congratulated these two Pegasus Professors for 2008.

Hitt also announced that Dr. Michael Leuenberger, assistant professor of theoretical physics in the UCF NanoScience Technology Center, has received the prestigious Young Faculty Award from the Defense Advanced Research Projects Agency, the central research and development organization for the Department of Defense. Hitt congratulated Dr. Leuenberger on this achievement and wished him success in this new endeavor.

Hitt introduced the following outstanding students: Paul Stokes, a graduate research assistant with the NanoScience Technology Center and the Physics Department, who was selected as one of 60 participants from the U.S. who will attend the 58<sup>th</sup> meeting of Nobel Prize winners in physics at the Lindau Nobel Laureate meeting in Lindau, Germany, June 29-July 4, 2008; James Martin, a junior majoring in physics and a member of the Research Experiences for Undergraduates program, who will receive a gold Congressional Award medal in June at the Capitol Building in Washington, D.C.; Ashley Ewh, a junior mechanical engineering major who maintains a 3.88 G.P.A., who works in the lab of Dr. Yongho Sohn, plans to pursue a Ph.D. in materials science and engineering, and was recognized as a 2008 Goldwater Scholar; and Christopher Estoch, a junior majoring in political science, who was recently awarded a Pickering Undergraduate Foreign Affairs Fellowship. Estoch is a member of the Burnett Honors College and an Honors in the Major student working with Dr. Houman Sadri on a research project investigating strategic weapons in the 21st century. He is also an intern in the Global Perspectives office.

Hitt recognized the UCF women's softball team for its winning season and great performance at the recent NCAA Gainesville Regional softball tournament. Although the team lost the second of two games to number one-ranked University of Florida, it broke the Gators' long winning streak, upsetting them 1-0 in the first game of the tournament. The Knights finished the 2008 season with 49 wins, a program record. He extended his sincere congratulations to the team and to its coaches, Renee Gillespie, Beth Watson, and Tracy Coffman.

Hitt introduced the Employee of the Month for March, Carmen Afonso, an executive secretary in the Office of Diversity Initiatives, and the Employee of the Month for April, Valda Ramdial, a recruiting coordinator with Career Services. He asked the audience to join him in congratulating all of these outstanding members of the UCF family.

And finally, Hitt announced that after 40 years with the university, and 15 years working with him, Beth Barnes, Vice President and Chief of Staff, will be retiring on December 18. Hitt thanked Barnes for her dedicated and excellent service to the university, the board, and to his office and told her she would truly be missed. He also announced that her replacement will be Dr. John Schell (not present), who is currently vice provost for academic affairs. Schell received his Ph.D. from Vanderbilt University and came to the university in 1987 from the University of Arkansas to serve as the chair of the English Department. More recently, he served as dean of undergraduate studies and was instrumental in developing the UCF undergraduate research initiative.

### **BUSINESS MEETING**

Members of the board of trustees voted Trustee Patrick Christiansen acting chair to serve in the absence of Chair Rick Walsh.

### **CONSENT AGENDA**

Acting Chair Pat Christiansen called for approval of the consent agenda. A motion was made by Trustee Logan Berkowitz and members of the board concurred. The approved consent agenda included the following items:

- **BOT-2 2009 BOT Meeting Dates** – The 2009 Board of Trustees’ meetings are scheduled as follows, but are subject to change pending revisions of the Board of Governors’ meeting schedule:
  - January 22, 2009 – Thursday
  - March 19, 2009 – Tuesday [correction—Thursday]
  - May 21, 2009 – Thursday
  - July 23, 2009 – Thursday
  - September 17, 2009 – Thursday
  - November 19, 2009 - Thursday
- **BOT-3 Equity Accountability Program** – Approval of the Equity Accountability Plan Narrative Progress Report and Update 2006-2007. The Office of Equal Opportunity/Affirmative Action Programs submitted a report on the progress made toward improving diversity during 2006-07 and the steps taken to achieve 2007-08 employment goals.
- **BOT-4 Revision in University of Central Florida Parking Rules** – Approval of amendments to existing university rules regarding campus parking, including a 5% increase in parking fees and an increase in the campus transportation access fee to \$7.59 per credit hour.

- **EP-1 2009-2010 Proposed Academic Calendar** – Approval of UCF’s 2009-2010 proposed academic calendar. Calendars are reviewed and approved by the Board of Governors’ staff to ensure that the university has followed the guidelines established in Rule 6C-8.001. The provost approved the 2009-2010 calendar developed by the UCF Academic Calendar Committee and the board of trustees granted final approval.
- **EP-2 Educational Programs Committee Charter** – Approval of the charter for the Educational Programs Committee of the board of trustees.
- **EP-3 Tenure Recommendations** – Approval of the 2008 faculty tenure nominations.
- **FIN-1 Tuition Waiver and Rate Policy for Graduate Assistants and Fellows**– Approval to replace the tuition policy approved May 25, 2006, for graduate assistants and graduate fellows with a new policy to be effective Fall 2009. The proposed policy changes will apply to all graduate assistants and graduate fellows who are enrolled full-time in graduate study and receiving competitive stipends.
- **NOM-1 Trustee Emeritus Policy** – Approval of a policy to confer *trustee emeritus* status on selected former trustees of the University of Central Florida in recognition of their distinguished service to the university.

## **GENERAL BUSINESS**

- **BOT-1 University of Central Florida Board of Trustees’ Committee Appointments** – The board may establish committees to assist in carrying out its responsibilities. The board chair has determined the membership of the committees and their chairs. For information only, the board received a list of 2008 committee assignments.

## **ADVANCEMENT COMMITTEE REPORT**

Trustee Alan Florez, chair of the Advancement Committee, reported that the committee had no action items to consider and reported the following:

- Philanthropy year-end projections were presented by Robert Holmes, Vice President for Alumni Relations & Development.
- The UCF Foundation reported \$42 million in booked gifts from 14,000 donors, approximately \$1 million behind the total this same time last year.
- Holmes anticipated reaching \$45 to \$46 million in gift-giving and 16,000 donors by year-end.
- The Foundation retained the firm of Marts & Lundy to assess its alumni relations and development operations.

- Alumni support was up over last year for the academic annual fund.
- Alumni Association membership is increasing because of a new program involving graduation regalia. When students rent their caps and gowns, their rental automatically includes a one-year Alumni Association membership.
- Annual support for Athletics is \$300,000 ahead of this time last year.
- Holmes reported that the number of donors continues to track on a par with last year and that the state of the economy has yet to show an overall negative impact on broad-based giving.
- Dan Holsenbeck, Vice President for University Relations, reported that the differential tuition bill was passed in the House and Senate and was in the hands of the governor. UCF qualified for differential tuition.
- UCF Centers for Excellence were not funded by the legislature; instead, energy efficiency centers were funded for five state universities.
- Holsenbeck reported that a strong case was made to the legislature for the Partnership III Building, which is on the UCF 2008-2009 PECO project list.
- Trustee Florez thanked Holsenbeck for his outstanding work with the legislature.

### **AUDIT AND OPERATIONS REVIEW COMMITTEE REPORT**

Trustee Olga Calvet, chair of the Audit and Operations Review Committee, reported on the discussions in the April 17, 2008, committee meeting:

- Following a request from Trustee Pat Christiansen, a copy of the university's operational audit report from the Auditor General was given to the UCFAA, Inc., board members prior to its April 22 meeting.
- Fraud prevention training for college budget staff has begun and will be ongoing.
- A management self-assessment tool is being developed in accordance with the Sarbanes Oxley Act, which outlines control requirements for public companies. The tool will be used to understand the controls in place across campus and help ensure that all staff and departments are following appropriate procedures and guidelines.
- Amy Voelker, Director of Audit, gave a brief report on the Auditor General's operational, federal financial, financial, and Bright Futures audits. Trustees will receive copies of each audit report directly from the Auditor General.
- Voelker discussed the various management assessment activities and the internal audit plan. The five-year plan will be presented to the committee members for comments in May.
- Trustee Pat Christiansen informed the committee of a new filing requirement for the IRS 990 form. This includes Form 990T that is prepared by the university. Either the Finance or the Audit Committee should review the form before being presented to the full board. The board will also be responsible for reviewing the 990 forms for the university's direct support organizations. These forms do not have to be filed until 2009.

## **EDUCATIONAL PROGRAMS COMMITTEE REPORT**

Trustee Judy Albertson, chair of the Educational Programs Committee, reported on the discussions in the committee meeting:

- The Board of Governors is expected to devolve graduate admissions criteria to the university boards of trustees.
- One proposed exception to the admission policy would be removing the GRE and GMAT requirements from master's degree programs. Doctoral programs would also be able to waive the GRE or GMAT requirements for students with a master's degree.
- These exceptions would allow UCF to recruit and retain more high-quality graduate students by offering them competitive financial support packages to include full tuition coverage for all graduate fellows and graduate assistants who have individual appointments of at least 20 hours per week. In addition, the university plans to provide a health insurance subsidy for all graduate assistants.

## **FACILITIES PLANNING COMMITTEE REPORT**

Trustee Pat Christiansen, chair of the Facilities Planning Committee, presented the following item for board approval and reported on the discussions in the committee meeting:

- **FP-1 & FIN-5 2008-2009 Capital Outlay Budget** – A motion was made by Trustee Santiago and passed by the board to approve the university's 2008-2009 capital outlay budget and to authorize the president to make adjustments as necessary during the year to the 2008-2009 capital outlay budget.
- The former Pi Kappa Alpha fraternity house on campus has been demolished. Plans include building one or more Greek houses in its place.
- William Merck, Vice President for Administration and Finance, and Lee Kernek, Associate Vice President for Administration and Finance, gave a master plan process update. The revised master plan for 2010 will be brought before the board in 2009 for approval.
- The Burnett Building for Biomedical Sciences at the College of Medicine's Lake Nona campus is proceeding on time and under budget.
- Foundation excavation is expected to begin on the College of Medicine building in the next few weeks. Students will move into that building in 2010. Both buildings are designed to meet Leadership in Energy and Environmental Design standards.
- The committee approved its Facilities Planning Committee Charter with revisions. The revised charter will be brought back to the board for approval at the next meeting.

## **FINANCE COMMITTEE REPORT**

Trustee Conrad Santiago, chair of the Finance Committee, reported on the discussions in the committee meeting and presented the following items for board approval:

- Vanessa Fortier, Associate Vice President for Administration and Finance, gave a budget and tuition update and an overview of comparative tuition information with peer universities.
- Merck also gave a support agreement fund balances report, stating that the fund balances are in good shape, with a coverage ratio of 7.5 times coverage compared to the required 2.5 times coverage.
- Merck also reviewed all outstanding debt for the university. Trustee Santiago requested that John Pittman, Director of Financial Services, review UCF's revenue bonds to determine if there are any favorable options for refinancing.
- Trustee Christiansen suggested adding a column in the debt report to show an amount available for draws under any lines of credit, and the committee requested that this addition become a part of the quarterly report, as well.
- **FIN-2 Investment Policy** – A motion was made by Trustee Santiago and passed by the board to approve an investment policy for the university and for university direct support organizations that do not have an investment policy. With devolution, the state universities were given the responsibility of investing funds that are being held to meet current expenses, as well as the excess funds required to meet current expenses. Florida statutes limit the universities' options for investing funds in the absence of a board of trustee-approved investment policy. This policy will allow the university greater flexibility in investing its funds.
- **FIN-3 College of Medicine Faculty Practice Plan** – A motion was made by Trustee Santiago and passed by the board to approve the implementation of the College of Medicine Faculty Practice Plan and to authorize allocation of funds to support that activity. The estimated external funding needed to supplement the plan over the next seven years is \$7 million. The university plans to use funds that will be available from the lease of university-held broadband rights to fund this program.
- **FIN-4 College of Medicine Faculty Practice Plan Self-Insurance Plan** – A motion was made by Trustee Santiago and passed by the board to establish and fund a self-insurance program to cover the risks of professional liability that arise in operating a faculty practice plan. Approximately \$3 million will be needed over the next three years to establish capital reserves for the self-insurance program.



- **FIN-6 Fall 2008 Tuition, Out-of-State Fees & Financial Aid Fees** – The Board of Governors and the legislature have established a 6% tuition increase for undergraduate resident students, effective Fall 2008. In addition, differential tuition of up to \$6.96 per credit hour may be charged to undergraduate students. Tuition and out-of-state fees for graduate and non-resident students may be set by each university board of trustees as delegated by the Board of Governors.

A motion was made by Trustee Santiago and passed by the board to approve the following tuition, differential tuition, non-resident fees, and financial aid fees for undergraduate and graduate students for Fall 2008:

	<u>Current</u>	<u>Fall 2008 (Proposed)</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Undergraduate tuition	\$ 77.39	\$ 82.03	\$ 4.64	6.0%
Undergraduate differential tuition	-	2.32	2.32	-
Undergraduate out-of-state fee	450.84	491.41	40.57	9.0%
Graduate tuition	217.95	237.56	19.61	9.0%
Doctor of Physical Therapy tuition	374.00	407.66	33.66	9.0%
Graduate out-of-state fee	692.63	754.96	62.33	9.0%
Undergraduate resident financial aid fee	3.86	4.10	0.24	6.2%
Undergraduate non-resident financial aid fee	22.54	24.57	2.03	9.0%
Graduate resident financial aid fee	10.89	11.87	0.98	9.0%
Doctor of Physical Therapy financial aid fee	10.89	20.38	9.49	87.1%
Graduate non-resident financial aid fee	34.63	37.74	3.11	9.0%

These increases are subject to approval of the appropriate legislation by the governor and adoption of revised differential tuition language by the Board of Governors.

**FIN-7 Distance Learning Course Fee** – A motion was made by Trustee Santiago and passed by the board to approve establishing a distance learning course fee. During the 2008 legislative session, the legislature amended Section 1009.24, F.S., providing explicit authorization for state universities to charge a per-credit hour distance learning course fee. The recommended fee of \$18 per credit hour for a distance-learning course was based on the development and delivery costs of UCF's fully online and blended learning courses during FY 2007-2008, and the total student credit hours generated through these delivery modalities.

- **FIN-8 2008-2009 Operating Budget** – A motion was made by Trustee Santiago and passed by the board to approve the university's 2008-2009 operating budgets for the Educational and General, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, and Concessions areas. The Educational and General budget reflects the amounts proposed by the legislature and is subject to approval by the governor. All other budgets were compiled using requests from individual departments and a review of expected revenue, expenditures, and fund balances for each area.
- **FIN-9 Finance and Purchase of Sigma Alpha Epsilon and Sigma Phi Epsilon Fraternity Houses** – Until financing has been finalized, this item has been deferred to a future meeting.

### **NOMINATING COMMITTEE REPORT**

Trustee Phyllis Klock, chair of the Nominating Committee, reported on the discussions in the April 29, 2008, committee meeting:

- The *Trustee Emeritus* policy was adopted by the committee and approved by the board in the consent agenda.
- The committee continued discussions on a set of critical success factors it will develop as part of a presidential search.
- The committee will use this set of critical success factors as a springboard to begin development of a leadership statement defining the qualities the search committee would seek in a presidential candidate.
- The committee also turned its attention to the development of the process statement, which confirmed that, when needed, a search consultant and search firm would be engaged for the presidential search.
- Discussions also took place regarding the size and composition of the search committee with particular emphasis on the challenge of balancing the desire for broad representation of all the constituencies with timeliness, efficiency, and confidentiality needed to attract the optimum candidate.
- Trustee Klock reported that committee discussions will be continued in June.
- Klock also referenced the committee charge of providing input for the consideration of reappointments to the board of trustees by the governor. Currently, staff is tracking participation of members of committees. As a help to the nominating committee, Klock requested that those involved in maintaining records for committee participation begin tracking participation of non-members, as well.

## **NEW BUSINESS**

Acting Chair Pat Christiansen gave a report on the National Meeting of the Association of Governing Boards' trustees meetings in Boston. He reported he was very pleased with the materials that were provided and with the seminars he attended.

## **ANNOUNCEMENTS AND ADJOURNMENT**

President Hitt announced that freshman enrollment has been frozen for Fall 2008. Even so, he reported, the anticipated enrollment for the fall should be approximately 700 more than last year for a total approximate enrollment of 49,300 students. He also reported that there should be some improvement in average SAT scores and that the total number of National Merit Scholars should reach 60-66, as compared to 43 last year. "In terms of quality, it appears we will have another good year," stated Hitt.

The next Board of Governors' meeting will be June 18-19, 2008, in the UCF Live Oak Center, and the next Board of Trustees' meeting will be Thursday, July 24, 2008, in the Cape Florida Ballroom of the UCF Student Union.

The 2008 Educational Programs Committee Program Review Workshop will be held July 21, 2008, 9:00-12:00 a.m., in Millican Hall, Room 395E.

With no further business to discuss, Acting Chair Christiansen adjourned the board meeting at 2:58 p.m.

Respectfully submitted: \_\_\_\_\_ Date: \_\_\_\_\_

John C. Hitt  
Corporate Secretary

<b>SUBJECT:</b> Investment Policy	<b>Effective Date:</b>	<b>Policy Number:</b>	
	<b>Supersedes:</b>	<b>Page</b> <b>1</b>	<b>Of</b> <b>12</b>
	<b>Responsible Authority:</b> Vice President Administration and Finance and Chief Financial Officer		

#### APPLICABILITY:

This policy is applicable to the University of Central Florida (University) funds being held to meet current expenses and the excess of funds required to meet current expenses. This policy is also applicable to the University's various Direct Support Organizations (DSOs) that do not have a DSO Board-approved investment policy.

#### POLICY STATEMENT:

The University establishes its investment parameters in accordance with sections 1011.42(5) and 218.415, Florida Statutes, and complies with all applicable state ordinances and covenants. The vice president for administration and finance (vice president) or designee will consolidate, where practicable and allowable, cash balances and investments from all funds covered by this policy to minimize risk exposure and maintain liquidity while maximizing investment earnings.

### I. Investment Objectives

As required by F. S. 218.415, the investment objectives of the University for invested funds shall be to provide for safety of capital, liquidity of funds, and investment income, in that order. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Funds may be divided in four different pools of funds as follows: Pool I will be designated as cash reserves for operational expenses, based on specific criteria to be determined by the Finance Committee; Pool II will be designated to cover the University's medium term requirements such as debt service for the next year; Pool III will be considered excess cash reserves that may be invested in longer term investments (up to five years). Pool IV will be designated for long term investments such as the UCF Foundation, Inc. Safety and optimization of investment returns may be the investment objectives of funds invested in Pool IV only (liquidity is secondary).

1. Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks the preservation of capital in the overall portfolio. The objective will be to limit credit risk and interest rate risk to a level commensurate with the risks associated with prudent investment practices and the performance benchmarks stated herein, if applicable.

2. Credit Risk - The University will limit credit risk (the risk of loss due to the failure of the security issuer or backer) by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings.
3. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). The portfolio may be placed in local government investment pools, money market mutual funds or similar funds that perform similar to money market funds that offer same-day liquidity for short-term funds.
4. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return, as measured by specified benchmarks, throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
  - A. A security with declining credit risk may be sold early to minimize loss of principal.
  - B. A security swap that would improve the quality, yield, or target duration in the portfolio.
  - C. Liquidity needs of the portfolio require that the security be sold.
  - D. Adverse market or economic conditions.
5. Transparency - The University shall operate its portfolio in a transparent manner, making its periodic reports both available for public inspection and designed in a manner which communicates clearly and fully information about the portfolio, including market pricing, adjusted book value, and yields.

## **II. Performance Measurement**

As a benchmark for investment returns, the University's investment portfolio, net of fees, should strive to equal or exceed the returns provided by the State Treasurer's Special Purpose Investment Account (SPIA). However, achieving this benchmark is secondary to the requirements for safety and liquidity.

## **III. Prudence and ethical standards**

1. Prudence - The standard of prudence to be used by investment officials shall be the Prudent Person Rule and shall be applied in the context of managing an overall portfolio. University personnel, acting in accordance with this investment policy shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to the University's governing board in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The Prudent Person Rule states that: "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and

intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

2. **Ethics and Conflicts of Interest** - The Vice President and other authorized personnel shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. These investment officials shall disclose annually, in a written statement, any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. They shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the University.
3. **Delegation of Authority** - Authority to manage the investment program is granted to the Vice President. The Vice President may delegate authority to the Administration & Finance Associate Vice Presidents or the Treasurer. Additional authorized personnel include any other person or position approved by the University's governing board. The University may seek professional advice and therefore may contract with a federally registered investment advisory firm that specializes in public funds fixed income management, and it may also seek advice and counsel from the Finance Committee to assist with investment decisions. The Finance Committee will approve and, from time to time as they deem necessary, amend this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy. The Vice President shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### **IV. Broker Dealers, Safekeeping and Custody**

1. **Authorized Financial Dealers and Institutions** – The University shall list financial institutions consisting of banks and other depository institutions authorized to provide depository and investment services. In addition, a list will be maintained of security broker/dealers consisting of "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule) that are providing services to the University or that the University contemplates using. Both lists shall be reviewed by the Finance Committee and the Vice President at least annually.
2. **Annual Review** - An annual review of the financial conditions and registration of qualified financial institutions and broker/dealers will be conducted by the Vice President or Investment Advisor under the direction of the University. The distribution of trading among the approved broker/dealers of securities which at the time of purchase had maturities greater than 7 days shall be reported annually to the Finance Committee.
3. **Delivery vs. Payment** - Securities transactions between a broker-dealer and the safekeeping agent or custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.
4. **Safekeeping, Custody & Perfection of Interest** - Securities shall be held with a third party; and all securities purchased by, and all collateral obtained by, the University should be properly designated as an asset of the University. No withdrawal of securities, in whole or in part, shall be made from safekeeping or custody, except by an authorized staff member of the University.

## **V. Authorized Investments**

This investment policy is authorized by the University's Board of Trustees. The following investments are authorized to be utilized in achieving the objectives of this policy. Investments not listed are prohibited. The investment portfolio must be structured in such manner as to provide sufficient safety and liquidity to pay obligations as they come due. Investment maturities should anticipate cash flow requirements.

Prior to conducting transactions as authorized by this policy the Vice President shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investments, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the bid deemed to best meet the investment objectives shall be selected.

Investments shall be limited to securities selected from the following types:

1. The United States Treasury and Agency securities - Securities that are issued by the United States Treasury or those for which the full faith and credit of the United States government guarantees fully all principal and interests payments.
  - A. Credit Ratings  
Ratings are not required for U.S. Treasury securities. Agencies backed by the full faith and credit of the United States government, such as Government National Mortgage Association (GNMA), must have at least two AAA/Aaa/AAA long-term credit ratings from Standard & Poor's, Moody's or Fitch respectively. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.
  - B. Interest Rate Risk Restrictions  
The United States Treasury and Agency securities backed by the full faith and credit of the United States government - At the time of purchase, securities must have a maturity no greater than five years from the date of settlement to the maximum possible maturity date. The forward delivery period on such securities may not exceed 60 days.
2. Government Sponsored Enterprises (GSE) - Securities issued by the Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Federal National Mortgage Association, or the Federal Agricultural Mortgage Corporation. Any other GSE shall be considered as corporate debt for the purposes of this Policy and shall be authorized under the criteria set forth in section V-7, Corporations.
  - A. Credit Ratings  
Authorization of the listed GSE in section V-7 is predicated upon these institutions maintaining at least two AAA/Aaa/AAA long-term credit ratings from Standard & Poor's, Moody's or Fitch respectively. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.
  - B. Interest Rate Risk Restrictions

At the time of purchase, securities must have a maturity no greater than five years from the date of settlement to the maximum possible maturity date. The forward delivery period on such securities may not exceed 60 days.

3. The State Board of Administration's Local Government Investment Pool (SBA), the State Treasurer's Special Purpose Investments Account (SPIA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.

A. Credit Rating

Local Government Investment Pools - At the time of purchase, local government investment pool must carry a AAA rating from Standard & Poor's (if applicable). The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

B. Interest Rate Risk Restrictions

At the time of purchase, shares in the local government investment pool must be fully redeemable on the next business day.

4. Money Market Mutual Funds - Shares of any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended.

A. Credit Rating

At the time of purchase, money market funds must carry a AAA rating from Standard & Poor's. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

B. Interest Rate Risk Restrictions

At the time of purchase, shares in the money market fund must be fully redeemable on the next business day.

5. Interest-bearing time deposits or savings accounts in Qualified Public Depositories (QPD) as defined in s. 280.02.

A. Credit Rating or Limitations

Bank deposits for the University must comply with Chapter 280.16 Florida Statutes. Such deposits in QPD's must be collateralized according to the statutory requirements.

6. Repurchase Agreements - Securities referred to in section 4 or 5 and that can otherwise be purchased under this Policy may be subject to a Repurchase Agreement. Such securities subject to this agreement must have a coupon rate that is fixed from the time of settlement until its maturity date, and must be marketable. Such securities must be delivered to the University or to a third-party custodian or third-party trustee for safekeeping on behalf of the public entity. The collateral securities of any repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.



A. Credit Ratings

At the time of purchase the counter-party to any such agreements must carry short-term credit ratings which conform to those required by section V-7.

B. Interest Rate Risk Restrictions

For repurchase agreements, at the time of purchase such agreements must have a maturity no greater than one year from the date of settlement. The forward delivery period on such securities may not exceed 60 days.

7. Corporations - United States dollar denominated debt instruments issued by a corporation or bank which is organized and operated within the United States.

A. Credit Ratings

At the time of purchase, all non-money market instruments must carry at least two long-term credit ratings from Standard & Poor's, Moody's or Fitch's of at least AAA/Aaa/AAA respectively. For money market instruments, which comply with rule 2a7 at the time of purchase, such securities must carry at least two short-term credit ratings and no short-term credit rating may fall below A1+ from Standard & Poor's, P1 from Moody's, or F1+ from Fitch. The Finance Committee may direct the University to use other ratings that may be more appropriate for the prevailing economic situation.

Should a security's credit rating drop below these standards after purchase, the University's authorized personnel shall act as Prudent Persons in managing the risks associated with this security, and shall timely notify the Finance Committee of such an event.

B. Interest Rate Risk Restrictions

At the time of purchase, such securities must have a maturity no greater than three years from the date of settlement to the maximum possible maturity date. The forward delivery period on such securities may not exceed 60 days.

8. Other investments authorized by law or by ordinance for a county or a municipality.
9. Other investments authorized by law or by resolution for a school district or a special district.
10. Direct Support Organizations (DSO) duly authorized by the University's Board of Trustees. An agreement or memorandum of understanding must be executed prior to the placement of funds with any DSO.
11. Mutual funds, unit investment trusts or professionally managed securities or other investment vehicles specifically authorized by the Finance Committee.

## **VI. Portfolio Composition**

The portfolio managed by the University, as opposed to funds placed with the Foundation, shall be maintained as a short-term maturity portfolio. The following restrictions apply in the management and investment of the University portfolio:

1. The effective maturity of floating rate securities shall be considered as the time until the next full reset of the coupon. The maximum effective duration of a floating rate security shall be five years from the date of purchase.
2. To provide sufficient liquidity and stability of principal, at least 25% of the Fund shall have an effective duration of one year or less.

## **VII. University Endowment**

The preferred recipient of gifts for the University is the UCF Foundation, Inc. However, there may be special circumstances whereby a monetary gift or other asset is received by the University directly, or the University may choose to establish a quasi-endowment with funds available for such purpose from other sources. In these instances, the University may choose to enter into an agreement with the UCF Foundation, Inc. to manage the investment of a portion or all of a particular University endowment or quasi-endowment. The Foundation has several investment options. The decision as to which of the options to be utilized for University funds would be specified in an contractual document between the University and the Foundation, with specific instructions as to the authorization and manner in which receipts and disbursements would be processed. The University's assets may be pooled with Foundation assets for investment purposes, but with procedures in place for detailed accounting and reporting of the University's shares in the pool. These investments may deviate from the balance of this policy's direction to limit investments to no more than five years duration.

## **VIII. Risk and Diversification**

The University portfolio shall be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. The diversification strategies laid out in this policy shall be reviewed and revised periodically, as deemed necessary by the Vice President and any revisions shall require the approval of the Finance Committee.

Investments that vary in length to maturity will be made to correlate with the University's cash flow projections. The correlation will be made conservatively, considering the University's projected need for liquidity. As the University develops a history with these guidelines, it is anticipated that the Finance Committee will refine and further define the maturity risks and diversification requirements. It is anticipated that the University Controller will provide annual cash flow projections, taking into consideration revenue receipt timing, payroll disbursements, debt service schedules and other historical operational expenditures. This information will be used as a basis for informed decisions regarding the allocation of cash balances into categories of investments with varying maturities. The investment vehicles used in the four categories will be determined by the Vice President in consultation with an investments consultant, the chair of the Finance Committee and other appropriate University staff.

In order to ensure liquidity and diversify risk to principal, multiple depository banks, in addition to the bank(s) currently under contract with the University to provide treasury services, may be utilized to hold and invest short term cash.

## **IX. Qualified public depositories, Investment Institutions and Dealers**

The University Treasurer will maintain an approved list of qualified public depositories (as defined in Florida Statute 280.02), investment institutions and dealers for the purchase and sale of securities.

## **X. Third Party Custodial Agreements**

Securities will be held with a third party; and all securities purchased by, and all collateral obtained by the University will be properly designated as an asset of the University. If a bank serves in the capacity of Investment Manager, said bank could also perform the required custodial and reporting services. No withdrawal of securities, in whole or in part, shall be made from safekeeping, except by those designated within the Investment Management and Custodial Agreement between the Custodian and the University. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

## **XI. Master Repurchase Agreement**

The University Treasurer or the Investment Manager, if applicable, will maintain a master repurchase agreement and require all approved institutions and dealers transacting repurchase agreements to adhere to the requirements of the master repurchase agreement. The master repurchase agreement is a separate document.

## **XII. Bid Requirement**

The University shall require purchases and sales to be executed in a competitive bid environment wherein a least three (3) offers or bids are obtained for each security. Exceptions to this approach may be made when (1) prices for purchases or sales are compared to systems providing current market prices and deemed reasonable, (2) when the security to be purchased is unique to one institution or (3) the security has recently been issued and is trading at the same price by all financial institutions.

## **XIII. Internal Controls**

The University Treasurer shall establish a system of internal controls and operational procedures, which will be documented in writing. The internal controls will be reviewed by the University Audit staff and are subject to audit by the Auditor General of the State of Florida. The controls will be designed to prevent losses of public funds arising from fraud, employee error, imprudent actions by employees and misrepresentation by third parties. The internal controls and operational procedures is a separate document.

## **XIV. Continuing Education**

The Vice President and the University Treasurer will annually (during each calendar year) complete 8 hours of continuing education in subjects or course of study related to investment practices and products.

## **XV. Reporting**

1. **Methods** - The Vice President, or designee, shall or shall have prepared and provide to the Finance Committee an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. An outside investment advisor or other third party may be utilized to prepare the report. The management summary will be prepared in a manner that will allow the University to ascertain whether investment activities during the reporting period have conformed to the investment policy. This investment report shall include a list of securities in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.
2. **Performance Standards** - The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The appropriate benchmark against which the portfolio performance shall be the 90-day Treasury Bill rate. At a minimum, portfolio performance shall be measured by comparing its year-to-date earnings to budgeted year-to-date earnings and its monthly "effective rate of return" to the 90-day Treasury Bill rate of return. Benchmarks may change over time based on the portfolio's weighted average maturity.
3. **Marking to Market** - The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. Information will be included in the report provided to the Finance Committee during scheduled meetings.

## **XVI. Implementation Considerations**

1. **Exemption** - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
2. **Amendments** - This policy shall be reviewed on an annual basis. Any changes must be approved by the Finance Committee.

### **DEFINITIONS:**

**Benchmark.** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**Bid.** The price offered by a buyer of securities.

**Collateral.** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Delivery vs. Payment.** Delivery versus payment is delivery of securities to a third party with an exchange of money for the securities. The transaction is not complete until both parties provide their commitments.

**Diversification.** Dividing investment funds among a variety of securities offering independent returns.

**DSO.** Direct Support Organization, pursuant to Section 1004.28 Florida Statutes, as certified by the University Board of Trustees.

**Federal Deposit Insurance Corporation (FDIC).** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**Federal Farm Credit Bank (FFCB).** The Federal Farm Credit Banks Funding Corporation issues debt securities as fiscal agent for the Farm Credit System, which is a nationwide network of borrower-owned lending institutions and service organizations specializing in agricultural and rural America. The mission of this government-sponsored enterprise is to ensure the availability of sound, dependable funding for agricultural producers, cooperatives, and certain farm related business.

**Federal home Loan Bank (FHLB).** Government sponsored wholesale banks that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**Federal Home Loan Mortgage Corporation (FHLMC).** FHLMC, commonly referred to as Freddie Mac, is a government sponsored enterprise that provides liquidity to the mortgage markets, much like FNMA and FHLB.

**Federal National Mortgage Association (FNMA).** FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The Corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**LIBOR.** London Interbank Offer Rate.

**Liquidity.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Market Value.** The price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement.** A written contract covering all future transactions between the parties to repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity.** The date upon which the principal or stated value of an investment becomes due and payable.

**Portfolio.** Collection of securities held by an investor.

**Prudent Person Standard.** An investment standard in which investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**Qualified Public Depository.** Any bank, savings bank, or savings association that is organized under the laws of the United States or the State of Florida; has its principal place of business or a branch office to receive deposits in Florida; has deposit insurance under the provisions of the Federal Deposit Insurance Act; meets the requirements of Chapter 280, Florida Statutes (Florida Security for Public Deposits Act); and has been designated by the Chief Financial Officer of the State of Florida as a qualified public depository.

**Repurchase agreement (REPO).** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use REPOs extensively to finance their positions. Exception: When the Fed is said to be doing REPOs, it is lending money that is increasing bank reserves.

**Safekeeping.** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Spread.** (1) The yield or price difference between the bid and offer on an issue. (2) The yield or price difference between different issues.

**State Board of Administration's Local Government Investment Pool (SBA).** The aggregate of all funds from political subdivisions that are placed in the custody of the State Board of Administration for investment and reinvestment.

**State Treasury Special Purpose Investment Account (SPIA).** The aggregate of all funds from governmental entities that are placed in the custody of the State Treasury for investment and reinvestment.

**Treasury Bills.** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in one month, three months, or six months.

**Yield.** The rate of annual income return on an investment, expressed as a percentage.

(1) Income yield is obtained by dividing the current dollar income by the current market price for the security. (2) Net yield or yield to maturity is the current income yield minus any premium

above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

INITIATING AUTHORITY: Vice President for Administration and Finance



**Board of Trustees  
Finance Committee Meeting Minutes  
August 26, 2008**

Trustee Conrad Santiago, Chair of the Finance Committee, called the meeting to order in the President's Boardroom at 1:03 p.m. In addition to Chair Santiago, committee members Trustees Manoj Chopra and Micky Grindstaff were present. Committee members Trustees Pat Christiansen, Tom Yochum, and Rick Walsh attended via teleconference. Trustee Logan Berkowitz also attended via teleconference.

**APPROVAL OF MINUTES**

The minutes of the July 8, 2008, meeting were approved with two corrections in the Support Agreement Fund Balances Report section. The first sentence should read "keep 2.0 times the amount" and the last sentence should read "to the required 2.0 times coverage."

**OLD BUSINESS**

Fraternity houses purchases update

Maribeth Ehasz, Vice President for Student Development and Enrollment Services, briefly reported that at its meeting on August 7, 2008, the Board of Governors approved the financing plan for the purchase of two fraternity houses. Ehasz commented that we have signed an agreement with a third appraisal consultant to review the two appraisals we have received on the Sigma Alpha Epsilon house. Plans are to resolve this in order to have the houses ready for occupancy by Fall 2009.

**NEW BUSINESS**

Operating budget status

Vanessa Fortier, Associate Vice President for Administration and Finance, reported on the status of the budget as of June 30, 2008. Education and General expenditures appear well under budget. The medical school's revenue and expenditures are close to its budget, which includes some carry-forward funds. Auxiliaries did well compared to last year; revenues increased and expenditures were below budget. Sponsored Research continues to grow. Student Activities are within budget. Concessions expenditures are at expected levels and are consistent with the prior year.

Support Agreement Fund Balances Report

William Merck, Vice President for Administration and Finance, gave a brief overview of the support agreement fund balances report, noting that the bond insurers require that we maintain at least 2.0 times the amount of legally available funds to replenish the annual debt service reserve, if necessary. We currently have 8.1 times the amount required. After some discussion, the members suggested that future reports should include footnotes for explanations of the various auxiliaries included in the report.



#### Stadium projections and *pro forma* review

Brad Stricklin, Associate Athletic Director, Business and Finance, UCFAA, reported on the stadium projections and *pro forma* review. In the review of the Golden Knights Corporation Proposed 2008-09 Budget, Trustee Christiansen suggested that the column titled “Projected 2007-08” be changed to “Actuals 2007-08,” once the actuals are final. Trustee Christiansen also requested that the “Sources to pay taxable debt” line be clarified. For the next presentation, Stricklin will provide the information on the sources of funds to pay down the taxable debt on the schedule that was provided at the March 21, 2008, UCFAA, Inc., meeting.

#### Investments review

Merck reported that there had been discussions at prior meetings about the university’s cash balances. He noted that until last year we had only two places in which we could place this cash, Florida Special Purpose Investment Account (SPIA) and the State Board of Administration (SBA) account. Because the Board of Trustees has now adopted an investment policy that allows us more flexibility in investing our cash balances, we will develop an investment plan that gives us more diversity. The members of the workgroup who will develop this plan are Tom Yochum, Manoj Chopra, Olga Calvet, and Conrad Santiago, along with senior staff members.

#### Participation in Certificate of Deposit Account Registry Service (CDARS)

Chair Santiago explained that the CDARS program allows an institution to insure with the FDIC up to \$50 million in certificates of deposit. This insurance is accomplished by distributing the certificates in \$100,000 increments at multiple banks participating in the CDARS program. Merck recommended that the UCF Purchasing Department prepare a bid document for the seven local banks that participate in CDARS, specifying several scenarios of interest to us. Chair Santiago concurred with this strategy for investing up to \$50 million initially. He further asked that Merck consult both the president and him before awarding the bid.

#### **CLOSING COMMENTS**

Since there were no further items for discussion, Chair Santiago adjourned the Finance Committee meeting at 3:16 p.m.

Respectfully submitted: \_\_\_\_\_  
William F. Merck II  
Vice President, Administration and Finance  
and Chief Financial Officer

\_\_\_\_\_  
Date

**Board of Trustees**  
**Finance Committee Work Group**  
**Minutes**  
**September 9, 2008**

The noticed meeting was held in Conrad Santiago's conference room beginning at 10:00 a.m. Trustees present were chair Conrad Santiago, Manoj Chopra, and Tom Yochum. Trustee Olga Calvet participated by telephone. The staff members present were Bill Merck, Vanessa Fortier, and Tracy Clark.

The first order of business was a review of an earlier noticed meeting that was the precursor to the establishment of the working group. At that earlier meeting, the CDARS program had been discussed. Subsequently, staff members had acquainted themselves with the program and were prepared to issue a request for bids to place \$50 million of \$250 to \$270 million of UCF cash balances in the program as an alternative to SPIA.

The working group discussed the proposed action and decided to ladder the proposed \$50 million investment in increments of \$10 million with maturities of 3, 6, 9, 12, and 15 months. At the maturity of the first 3 months CD's, that principal would be reinvested for 15 months. At the end of the first 5-increment cycle, all principal would be invested with 15-month maturities, with an increment maturing every 3 months.

When the bids are received, the results will be reviewed with Chair Santiago and President Hitt. If the results seem to be favorable, then the investment plan will be activated.

Discussion ensued regarding four investment pools that had been identified earlier:

1. Cash reserves--\$80 million minimum (current average operating expenses)
2. Debt service due in one year--\$20 million
3. Debt service due in two to five years--\$80 million
4. Remainder, not to exceed 20% of the total cash available

The initial plan is to keep funds in pool #1 invested in SPIA. Any funds invested in the CDARS program would be part of pools #2 and #3. The levels in the respective pools will be revisited as the overall cash balance changes.

The group discussed issuing an RFP for an investment advisor for the remaining funds to be invested in pools #2 and #3, as well as the funds in pool #4. University staff members will develop an RFP and circulate it to the group for review. Once an RFP is issued, as many as five to seven of the respondents will be interviewed and the next steps will be determined.

Throughout the meeting, the purpose of the working group was discussed. The group agreed to continue working with staff members to develop a structure, or model, for investment of the cash balances of the university. This model would work within the parameters of the university investment policy adopted earlier by the Board of Trustees. The working group would also constitute the core of a selection committee for review of the investment advisor proposals.

The meeting was adjourned at 10:30 a.m.

Submitted by: \_\_\_\_\_  
William F. Merck II

\_\_\_\_\_  
Date



**Board of Trustees  
Finance Committee Meeting  
President's Boardroom  
July 8, 2009  
MINUTES**

**CALL TO ORDER**

Trustee Conrad Santiago, chair of the Finance Committee, called the meeting to order at 8:01 a.m. Committee members Micky Grindstaff and Rick Walsh were present. Committee member Al Weiss attended via teleconference.

**MINUTES APPROVAL**

The minutes of the May 21, 2009, meeting were approved as submitted.

**NEW BUSINESS**

College of Medicine Faculty Practice Plan FY 2010 budget (FINC-1)

Deborah German, Dean of the College of Medicine, presented the College of Medicine's Faculty Practice Plan budget for fiscal year 2010. Scott Sumner, Associate Dean for Administration and Finance for the College of Medicine, reviewed the budget's revenues and expenses projected for the February 1, 2010, start-up and operations of the Faculty Practice Plan. After some discussion, Dr. German's team agreed to report on the financial status of the faculty practice plan at least twice each year to the committee. The budget for fiscal year 2010 was approved by the committee.

College of Medicine Self-Insurance Program FY 2010 budget (FINC-2)

Dr. German presented the College of Medicine's self-insurance program budget for fiscal year 2010. Sumner explained that the UCF self-insurance program to be managed by the University of Florida's Self-Insurance Program will be initially capitalized with a \$1 million gift to the College of Medicine from the City of Orlando. The proposed budget of \$318,000 for the first year of premiums and operating expenses will be funded by the College of Medicine. The budget was approved by the committee.

Tuition remission for graduate assistants and fellows (FINC-3)

Patricia Bishop, Vice Provost and Dean of Graduate Studies, reported that the Florida legislature amended state statutes 1009.21 and 1009.24, governing tuition for graduate assistants and fellows effective for the fall 2009 semester. She presented changes necessary to bring UCF's regulations into alignment with the amended statutes, which were approved by the committee.

Five-year Capital Improvement Plan (FINC-4)

Lee Kernek, Associate Vice President for Administration and Finance, reviewed the five-year capital improvement plan for 2010-11 through 2014-15. The plan, required to be updated each year and submitted to the Board of Governors, identifies projects that will be included in the Three-year

Public Education Capital Outlay (PECO) list, identifies projects that may be included in future Courtelis Facilities Enhancement Challenge Grant lists, and provides information to the State Board of Education for capital project funding for 2010-11. The five-year capital improvement plan was approved by the committee.

#### Parking Garage VI (“I”) (FINC-5)

William Merck, Vice President for Administration and Finance and Chief Financial Officer, presented a resolution requesting the Florida Board of Governors to authorize the Division of Bond Finance of the Florida State Board of Administration to issue bonds for the purpose of financing the construction of a new parking garage. The resolution requires the project cost not to exceed \$19.5 million and the interest rate not to exceed 6.5 percent. As 6.5 percent is above market cost at this time, the committee directed that the final numbers be reviewed with the chair of the Finance Committee and the president before execution. The project’s financing comes from the net proceeds of fixed-rate, tax-exempt revenue bonds, secured by the net revenues of the UCF Parking System. There is an additional debt service reserve requirement of approximately \$1.8 million plus bond issuance costs.

#### Extending online course delivery modalities eligible to charge the distance-learning course fee (FINC-6)

Joel Hartman, Vice Provost for Information and Technologies and Resources, requested approval to make online streaming video courses eligible for the distance-learning course fee at the currently-established level of \$18 per credit hour effective January 1, 2010. The request was approved by the committee.

#### Draft Finance Committee charter review

Merck reviewed the draft Finance Committee charter. Chair Conrad Santiago recommended changing the required minimum number of meetings from three to four. The committee approved the charter with this recommendation.

#### Financial dashboard indicators

Merck presented five financial ratios to be used in the future as indications of the university’s financial health and to be incorporated in some form in the universities “dashboard” indicators. Merck gave each member of the committee a copy of the book Strategic Financial Analysis, which is the source document for the ratios. The five ratios are the primary reserve ratio, net operating revenues ratio, return on net assets ratio, viability ratio, and debt burden ratio. Additionally, Merck provided a composite financial index that aggregated the first four of the five ratios. Trustee Walsh asked Merck and his team to distill these ratios into something appropriate for the university dashboard.

#### UCFAA, Inc., proposed university loan payment schedule

Brad Stricklin, Associate Athletic Director for Business and Finance, reported on a proposed repayment schedule by Athletics for loans received from the university. The schedule lists a loan balance of \$10,552,769 as of July 1, 2009, with a repayment plan that shows complete repayment by 2022. There were no objections to the plan. Stricklin asked that, in order to assist with cash flows, the withholding of \$300,000 from the expendable funds of UCFAA, Inc., be discontinued

once all annual debt service obligations are met. The committee agreed to drop the requirement under that condition.

Operating budget status

Vanessa Fortier, Associate Vice President for Administration and Finance, reported that as of May 31, 2009, expenditures were well within budget, and revenues were on track. She further reported that departments were frugal in their spending in this difficult budget climate.

Support Agreement Fund Balances report

Merck reviewed the Support Agreement Fund Balances report which showed that the balance is well above the 2x trigger point. The coverage ratio is currently 9.2x the maximum annual debt service.

Investment consultant RFP update

Merck reported that the Bogden Group was selected as the investment consultant for the university's cash balances. While the contract with Bogden is being finalized, the university controller and Bogden are preparing detailed annual cash flow schedules to guide investment discussions with Bogden.

Direct support organization's quarterly financial reports

A representative from each of the direct support organizations gave a brief report on the quarterly financial reports provided to the board.

**CLOSING COMMENTS**

Chair Santiago adjourned the Finance Committee meeting at 10:48 a.m.

Respectfully submitted: \_\_\_\_\_  
William F. Merck II  
Vice President for Administration and Finance  
and Chief Financial Officer  
Date \_\_\_\_\_



**Board of Trustees  
Finance Committee Meeting  
President's Boardroom  
October 28, 2009  
MINUTES**

**CALL TO ORDER**

Trustee Conrad Santiago, chair of the Finance Committee, called the meeting to order at 8:01 a.m. Committee members Pat Christiansen and Micky Grindstaff were present. Tom Yochum attended via teleconference.

**MINUTES APPROVAL**

The minutes of the August 26, 2009, meeting were approved as submitted.

**NEW BUSINESS**

Supplement to the UCF investment policy (FINC-1)

Dave West and Troy Brown from The Bogdahn Group reviewed the operating funds supplement to the UCF investment manual that further describe operating pools 1, 2, 3, and 4. The pools will be reviewed with the Finance Committee on a regular basis. The frequency of the reviews will be determined later. The committee unanimously approved the supplement to the UCF investment policy.

The Finance Committee was interrupted at 9:00 a.m. for a joint meeting with the Educational Programs Committee to discuss budget recommendations.

Budget alignment recommendations

Terry Hickey, Provost and Executive Vice President, noted that at its July 2009 meeting the Board of Trustees requested that all non-recurring funds be removed from university budgets by July 1, 2011. The Finance Committee and Educational Program Committee met in joint session on October 28 to consider a request by Provost Hickey that non-recurring funds be removed from unit budgets by July 1, 2014. Specifically, the request is that 20 percent of the non-recurring funds be removed each year, beginning with a 40 percent reduction on July 1, 2011. Both committees approved the plan and asked for annual updates on the five-year budget projections.

The Finance Committee resumed its regular meeting.

Tuition Waivers for Specified Online Graduate Programs (FINC-2)

David Harrison, Vice Provost for Regional Campuses, requested that the Division of Continuing Education have the authority to waive a portion of the out-of-state fee charged to students in

online graduate programs. This option will allow the university to better serve out-of-state students.

The second paragraph of the new tuition waiver regulation will be changed from “A nonresident graduate student **will** be awarded a partial waiver” to “A nonresident graduate student **may** be awarded a partial waiver.” A motion to approve the new tuition waiver regulation was approved by the Finance Committee.

#### UCFAA revised loan agreement with the university (FINC-3)

Brad Stricklin, Associate Athletic Director for Business and Finance, requested that UCFAA be allowed to consolidate its multiple loans from the university. Stricklin also presented a plan to repay the consolidated debt over a 14-year schedule. Trustee Christiansen commented that there should be a trustee workshop to review a strategic plan for Athletics. The committee approved the UCFAA revised loan agreement with the recommended minimum annual payment. The committee asked for an annual review of the debt repayment with the intent to accelerate the debt repayment as financial conditions improve. Trustee Yochum voted against the motion.

Chair Santiago left early and appointed Trustee Christiansen to serve as acting chair.

#### UCFAA operational line of credit (FINC-4)

Stricklin reviewed a UCFAA request to establish an operational line of credit from Fifth Third Bank to be used to smooth out fluctuations between revenue collections and expenditures. The committee approved the operational line of credit. Trustee Christiansen abstained from voting due to a conflict of interest.

#### UCFAA construction line of credit for the track and soccer complex (FINC-5)

Acting Chair Christiansen recommended deferring this item to the full board meeting. The committee agreed to defer this item to the November 19, 2009, board meeting.

#### UCF Foundation refinancing (FINC-6)

Rocky Yearwood, CFO and Associate Vice President for Alumni Relations and Development, reported that the UCF Foundation proposes to refinance multiple debt instruments on the Research Pavilion, the Orlando Tech Center (which includes four buildings), and the IST Building, located in the Research Park, into a single loan. Due to a conflict of interest, acting chair Christiansen appointed Trustee Grindstaff to serve as acting chair. The committee approved the refinancing of these Research Park buildings by the UCF Foundation. Trustee Christiansen abstained from voting. Trustee Christiansen resumed as chair.

#### Key financial ratio update

Fortier reported on the key financial ratios for UCF. Trustee Christiansen recommended that future reports have clarifying footnotes.

#### Parking Garage VI update

Merck reported that Parking Garage VI parking spaces will cost approximately \$10,000-\$12,000 per space. The Division of Bond Finance plans to sell the bonds in December 2009 or January 2010.



Draft university financial statements review

Fortier responded to questions regarding the UCF draft financial statements, which are currently being reviewed by the state auditors.

U. S. Department of Education's Emergency Management for Higher Education grant update

Merck reported that UCF received a grant to develop an emergency management plan, hold workshops, and conduct emergency drills. One of the requirements of the grant is to inform the board of trustees of the grant.

University debt report

Merck reviewed the university and DSO debt report with the committee.

Support Agreement Fund Balances report

Merck reported that the actual coverage ratio has improved from 8.6 to 10.4. Trustee Christiansen requested that future reports show prior years' data to get a sense of the trend on these reports.

Operating budget status

Fortier reviewed the status of the budget as of August 31, 2009. No anomalies were reported.

**ADJOURNMENT**

Acting Chair Christiansen adjourned the Finance Committee meeting at 11:30 a.m.

Respectfully submitted: \_\_\_\_\_

William F. Merck II  
Vice President for Administration and Finance  
and Chief Financial Officer

\_\_\_\_\_  
Date