



Board of Trustees
Budget, Finance and Facilities Committee Meeting
January 24, 2019

PRESENTED BY

Finance and Administration

Florida Agricultural and Mechanical University



ACTION ITEM IV:

Approval of Revised Carryforward Budget

PRESENTED BY

Ronica Mathis, Director, Office of Budgets

Florida Agricultural and Mechanical University



Approval of Revised Carryforward Budget

Rationale:

The carryforward funds are unexpended E&G balances from all prior-period appropriations. The Board of Governors' Regulation 9.007(3)(a)2 indicates Universities shall accumulate these funds for activities such as, but not limited to a contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in university operations, and prior year encumbrances. Attached you will find Florida A&M University's revised 2018 Carryforward Spending Plan that will be submitted to the Board of Governors for review.

Recommendation:

It is recommended that the Board of Trustees approve the revised 2018 Carryforward Spending Plan.



Education and General 2018-19 Operating Budget –
Beginning Carryforward Fund Balance Composition, January 2019

	<u>University E&G</u>	<u>Special Unit or Campus (Title)</u>
A. Beginning E&G Carryforward Fund Balance - July 1, 2018 :		
Cash	\$ 31,800,000	\$ -
Investments	\$ -	\$ -
Accounts Receivable	\$ 17,100,000	\$ -
Less: Accounts Payable	\$ 10,000,000	\$ -
Less: Deferred Fees	\$ -	\$ -
Beginning E&G Fund Balance Before Encumbrances :	\$ 38,900,000	\$ -
B. Expenditures to Date :	\$ 4,257,220	\$ -
C. Encumbrances to Date :	\$ 1,117,795	\$ -
D. E&G Carryforward Fund Balance - as of August 21, 2018 :	\$ 33,524,985	\$ -
E. <u>Restricted/ Contractual Obligations</u>		
5% Statutory Reserve Requirement	\$ 8,869,385	\$ -
Restricted By Appropriations		\$ -
World Class Faculty and Scholar Program	\$ 728,728	
Professional and Graduate Degree Excellence Program	\$ 785,392	
University Board of Trustee Reserve Requirement	\$ 8,869,385	\$ -
Restricted by Contractual Obligations:	\$ -	\$ -
Compliance Program Enhancements	\$ -	\$ -
Audit Program Enhancements	\$ -	\$ -
Campus Security and Safety Enhancements	\$ -	\$ -
Tuition Differential	\$ 1,500,000	
Student Services, Enrollment, and Retention Efforts	\$ -	\$ -
Student Financial Aid	\$ 3,500,000	\$ -
Faculty / Staff Instructional and Advising Support and Start-Up Funding	\$ -	\$ -
Faculty Research and Public Service Support and Start-Up Funding	\$ -	\$ -
Library Resources	\$ -	\$ -
Infrastructure, Capital Renewal, Roofs, Renovation, Repair	\$ -	\$ -
FAMU/FSU Engineering Building C	\$ 1,500,000	
Research Laboratory Build Out	\$ 2,000,000	
Utilities	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ -	\$ -
Total Restricted Funds :	\$ 27,752,890	\$ -



Education and General 2018-19 Operating Budget (continued)
Beginning Carryforward Fund Balance Composition, January 2019

F.	<u>Commitments</u>		
	Compliance, Audit, and Security		
	Compliance Program Enhancements	\$ 500,000	\$ -
	Audit Program Enhancements	\$ 300,000	\$ -
	Campus Security and Safety Enhancements	\$ 1,000,000	\$ -
	Academic and Student Affairs		
	Student Services, Enrollment, and Retention Efforts	\$ 1,000,000	\$ -
	Student Financial Aid	\$ 1,500,000	\$ -
	Faculty / Staff Instructional and Advising Support and Start-Up Funding	\$ -	\$ -
	Faculty Research and Public Service Support and Start-Up Funding	\$ -	\$ -
	Library Resources	\$ 500,000	\$ -
	Facilities, Infrastructure, and Information Technology		
	Infrastructure, Capital Renewal, Roofs, Renovation, Repair due to Hurricane Micheal	\$ 500,000	\$ -
	Utilities		\$ -
	Information Technology (ERP, Equipment, etc.)	\$ 472,095	\$ -
	Total Commitments :	\$ 5,772,095	\$ -
G.	Available E&G Carryforward Balance as of August 21, 2018 :	\$ -	\$ -
	* Please provide details of earmark reserve balances (specific issue name, appropriation year, amount).		
	Disclosure Notes:		





ACTION ITEM V:

Approval of Parking Services Budget Amendment

PRESENTED BY

Ronica Mathis, Director, Office of Budgets

Florida Agricultural and Mechanical University



Approval of Parking Services Budget Amendment

Rationale:

Fund 603 Auxiliary R&R Fund –Additional budget authority of \$375,000 is requested for the replacement of portable radios, digital pedestrian crosswalks, and the replacement of gravel in various parking lots across campus. These items were inadvertently paid from the University Parking Services' general operating budget and need to be transferred to the Replacement and Reserve Fund.

Recommendation:

It is recommended that the Board of Trustees approve the additional budget authority for the University Parking Services' R&R operating budget.





ACTION ITEM VI:

Approval of Centennial Building Access License

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities and Safety

Florida Agricultural and Mechanical University



Approval of Centennial Building Access License

Subject:

Agreement and License for Access, Ingress, Egress, and Parking between The Florida Agricultural and Mechanical University Board of Trustees, (“FAMU”) and The Florida State University Board of Trustees (“FSU”)

Rationale:

FAMU holds a leasehold interest in, among other lots within Innovation Park, vacant Lots 1G, 2G, and 3G, as well as Lot 4G, upon which the Centennial Building is situated and operated by FAMU.

FSU holds a leasehold interest in Lots 3A through 11A, inclusive, Lots 2B & 3B, Lots 1C through 5C, inclusive, Lot 3F, and Lot 6G-1, all within Innovation Park.

FSU desires to construct upon the FAMU Property, at the sole cost and expense of FSU, a parking lot in accordance with such plans as are mutually agreeable to FAMU and FSU for the mutual use and benefit of FAMU and FSU.





Approval of Centennial Building Access License

Rationale (Continued):

In consideration of FSU constructing the Parking Lot, FAMU will grant and convey unto FSU a non-exclusive, limited and revocable license to construct, and, right-to-use the Parking Lot, together with a non-exclusive license and right-of-access for ingress and egress for vehicular and pedestrian traffic over, across, and upon the existing roadways and parking lots on Lot 4G of the FAMU Property, such rights are to be enjoyed in common with FAMU, its tenants, visitors and invitees and others properly having the right to utilize the FAMU Property.

The FAMU License shall begin on the date of execution of this Agreement by the last of the parties and shall continue in effect for as long as FSU maintains and operates the Parking Lot, unless earlier terminated in accordance with the terms of this Agreement.





Agreement and License for Access, Ingress, Egress, and Parking



Recommendation:

The staff at FAMU recommends this Board to consider and approve the request for license substantially as set forth in the agreement (copy of which is attached in the material) and subject to review and approval by the FAMU Office of General Counsel.





Information Item VII:

Overview: Audit Findings (re: Budget, Finance, Facilities)

PRESENTED BY

Dr. Wanda Ford, Vice President, Finance and Administration

Florida Agricultural and Mechanical University



Audit Finding Follow-up

- Proposed solutions, validation process, tracking
- Continuous monitoring





**Information Item VIII:
Brooksville Solar Farm Initiative**

PRESENTED BY

Attorney David Self

Florida Agricultural and Mechanical University



Preface

PREFACE

Dr. Larry Robinson, President of Florida A&M University, appointed a representative committee of staff, faculty, students and stakeholders with the task of determining if the Brooksville Agricultural and Environmental Research Station would be a suitable site for the location of a solar farm. The Committee organized itself and discussed at length the task before it; and how should it proceed toward the ultimate goal of making a value added and well researched list of recommendations that would be acceptable to President Robinson and the University's Board of Trustees. The Committee demonstrated remarkable brilliance and focus as it processed the potential benefits that would accrue from a solar farm on behalf of students, faculty and the University.

After much discussion with possible vendors and product users, the Committee has come to make the best value added recommendation to President Robinson and the Board of Trustees. We, the Committee, wish to express our thanks and appreciation to President Robinson for his absolute support in making this a red letter day for Florida A&M University.





USDA Approval

USDA APPROVAL

Attached are copies of e-mails between Dr. Robert Taylor and the United States Department of Agriculture regarding the use of land at the Brooksville Agricultural and Environmental Research Station for a solar farm. As the response indicates, the answer is yes. Solar farming is indeed classified as agricultural. In November 2018, the Branch Chief for Real Property Management, Dr. Linda Wurzberger, Agriculture Research Service (ARS) was presented the same question. The Branch Chief confirmed the answer previously given to Dr. Robert Taylor, Dean of the College of Agriculture and Food Science.





Solar Farm Committee Members

Solar Farm Committee Members

Name	Current Employment	Area of Expertise
• Dr. Robert Taylor	Dean CAFS	Soil Chemistry
• Dr. Stephen Leong	Associate Dean CAFS	Agricultural Economics
• Dr. Aavudai Swamy	Assistant Professor	Civil Engineering
• Dr. Pedro Moss	Assistant Professor FAMU-FSU College of Engineering	Electrical Engineering
• Mr. Jeffrey Rogers	Deputy County Administrator (Hernando County)	Civil Engineering P.E.
• Mr. Davis G. Moye	Ph.D. Student	Electrical Engineering
• Mr. Ruben Nelson	Ph.D. Student	Electrical Engineering
• Mr. Tolulope Fasakin	Masters Degree Student	Electrical Engineering
• Dr. Fred Gainous	Executive Director (BAERS)	Agriculture Education/ Curriculum and Instruction

The above are members of the Florida A&M University Solar Farm Committee as appointed by President Larry Robinson. The Committee was tasked to ultimately make a recommendation(s) to President Robinson as to if a solar farm would accrue benefits to Florida A&M University, its students and faculty all while providing resources necessary to operate the 3800-acre research station in Brooksville, Florida. Committee members consisted of three graduate level engineering students (one MS and two Ph.D. students), one faculty person from the College of Engineering, two civil engineers, one soil chemist, one agricultural economist and one agricultural educator. Although not an appointed member of the Solar Farm Committee, Attorney David Self attended committee meetings providing legal advice throughout the process. He also reviewed all documents and negotiated the final draft of the ground lease contract. Committee members participated throughout the process and were involved in every aspect of the decision making process.



Responses At A Glance

Provider	Land Requirement Acres	Due Diligence Time Frame	Construction Time Frame	Initial Lease Length	Lease Option	Lease Rate Per Acre In Dollars	Lease Rate Annual Increase	Mega Wattage Produced
Gil Berry and Associates	150-500 acres	5 ---	2 years	30-40 years	Two 5-year Options	500.00	1.5 percent	25
RAI Energy International	450 acres	60 days				850.00		74.5
Origo Energy	350-400 acres			25 years				75
ESA Renewables	653.4 acres	2-3 years		35 years	One 5-year Option	25,000.00 (1) 800.00 (1)	1.0 percent	
Duke Energy	800 acres	2 years	2 years	25 years	Two 5-year Options	40.00 (1) 400.00 (2) 850.00 (3)	2.5 percent	74.9
Team of Sustainability, LLC			1136 days 3.11 years	25 years		20,000.00 85,000.00	2.0 percent	25
Oscar Fields*								

* Never Submitted a Proposal or Interview Schedule

- (1) Due Diligence Period
- (2) Construction
- (3) Operational





Abstract of Proposed Ground Lease

FLORIDA A&M UNIVERSITY

as Landlord

DUKE ENERGY

as Tenant

1. Effective Date:	
2. Tenant/Provider:	Duke Energy
3. Property:	800 acres of the 2,100 acre tract in Brooksville (Bankhead Jones Donation 2)
4. Due Diligence Period:	Not to exceed 24 months (Expires February 28 2021)
5. Due Diligence Period Rent:	\$40.00 per acre (\$32,000.00) per year
6. Construction Period:	Not to exceed 24 months after the Due Diligence Period (Deadline would be February 28, 2023)
7. Construction Period Rent:	\$400.00 per usable acre (est \$240,000.00 -- \$320,000.00) per year
8. Operational Period:	25 years (Expires February 28, 2048)
9. Operational Period Rent:	\$850.00 per usable acre (est \$510,000.00 -- \$680,000.00) per year
10. Annual Rent Escalation	2.5%
11. Renewal Options:	Two options to renew – each for a 5-year period (Expiration: February 28, 2058)





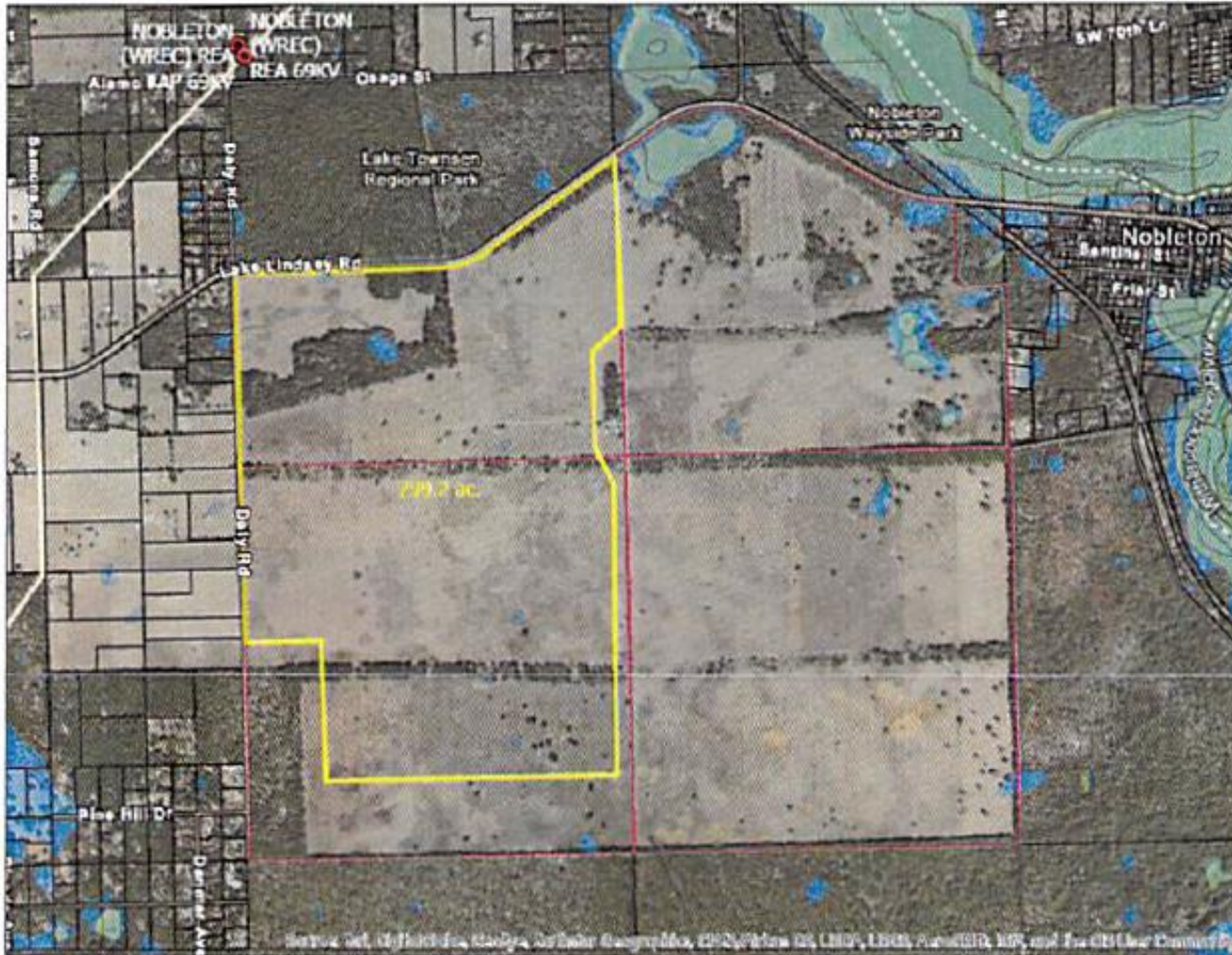
Educational & Research Components

At the August 30, 2018 meeting of the FAMU Solar Farm Committee, Duke Energy Florida was in attendance for the purpose of continuing the discussion regarding the establishment of a multifaceted relationship. Representing Duke Energy were Mr. Thomas Lawery, Wholesale Renewables Manager; Ms. Vanessa Goff, Business Development Manager; and Mr. Larry Watson, Director of Customer Solutions. During the discussion, it was asked of Duke Energy if they would allow for its solar farm data to be used in teaching and learning environments. The response given was yes. The question, after much discussion, was put in the form of a recommendation. The discussion yielded two recommendations: 1) that there be a Center for Advanced Renewable Energy Research established at Florida A&M University; 2) that Florida A&M University enter into an agreement with Duke Energy that would allow the Center for Advanced Renewable Energy Research to receive all agreed upon data and that the data shall be available for teaching and research. Duke Energy was unable to commit to a building at this time, but felt that data from all of their solar farm ventures could be made readily available to access and copy by Florida A&M University. The build-out for this concept and relationship is a pending assignment of the University President, Dr. Larry Robinson.





Exhibit A



Legend

- Substations
- Duke Energy Transmission
- ▭ Lease Area
- ▭ NWC Wetlands
- ▭ Parcel: FAPU
- ▭ Parcel Boundaries
- ▭ FEMA 100-YR Flood Zone
- ▭ A
- ▭ AE





Information Item IX:

Honeywell – Energy Savings Performance Contract

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities

Florida Agricultural and Mechanical University



Energy Savings Performance Contract



FLORIDA **A&M** UNIVERSITY



Felicia McDade & Alfred Guerrero
December 4th, 2018

PRELIMINARY AUDIT EXECUTIVE SUMMARY
Energy Savings Performance Contract

Honeywell
THE POWER OF CONNECTED



Energy Savings Performance Contract

Project Objectives

1. To reduce energy and/or water consumption...and/or energy-related operating cost of FAMU through one or more energy, water, wastewater or renewable efficiency measures
2. Contract must comply with Florida statutory provisions contained in F.S. 489.145
3. Project must address campus deferred maintenance costs
4. Build a “Showcase” project...

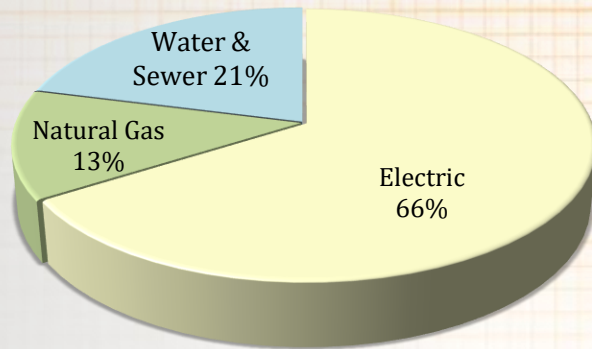
Factors to Consider

- “Preliminary feasibility” assessment - designed as a roadmap for both FAMU and HON to:
 - Assess the viability of a Performance Contract
 - Select an Audit Scope for a Proposed Performance Contract
 - Advance to Investment Grade Audit
- Energy savings - preliminary estimates





Energy Savings Performance Contract



Energy Type	2017 Expenditures
Electric	\$4,100,612
Gas	\$799,906
Water & Sewer	\$1,305,139
Total	\$6,205,657

Utility Baseline Analysis

- 2017 total energy spend for campus is approx. \$6.2M or roughly \$1.82 per square foot
- Building inventory = 160+ Buildings
- 3.4M sq. ft. of building space





Energy Savings Performance Contract

Energy Conservation Measures (ECMs) to be Explored during the Investment Grade Audit (IGA)

Mechanical & HVAC Energy Conservation Measures

1. Combined Heat, Power and Cooling Systems (CHP)

Mechanical Improvements

2. HVAC Improvements

- a. Centralization of Cooling Infrastructure
- b. Secondary Chilled and hot water Pumps

3. Variable Air Volume Fume Hood Exhaust Systems

Central Chilled Water Plant Measures

4. Low Delta T Improvement

5. Thermal Energy Storage System

Distribution

6. Steam Trap Audit

7. Building Automation Controls

- Above ECM's are a starting point
- Honeywell process is flexible allowing for additional ECM's to be added throughout the IGA process

Non-Mechanical Related Energy Conservation Measures

8. Interior Building Lighting

9. Parking, Pedestrian and Sports Lighting

10. Water Conservation

11. Energy Efficient Transformers

12. Solar Photovoltaic System

Building Envelope Improvements

13. Weatherization

14. Window Replacements

15. Roof Replacements



ECM's highlighted in yellow will not be included as part of the Investment Grade Audit

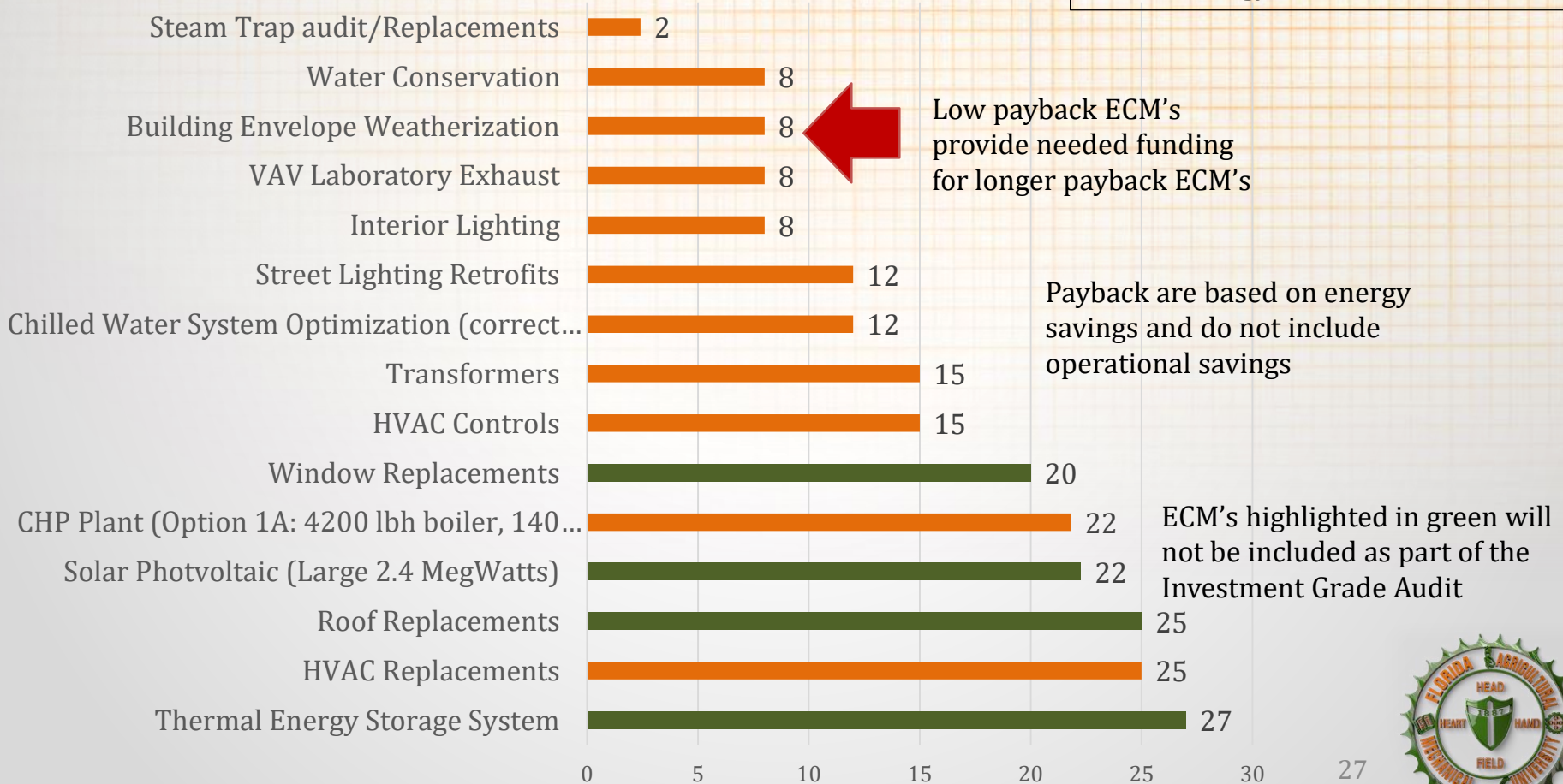




Energy Savings Performance Contract

Preliminary Estimated Simple Payback Comparisons

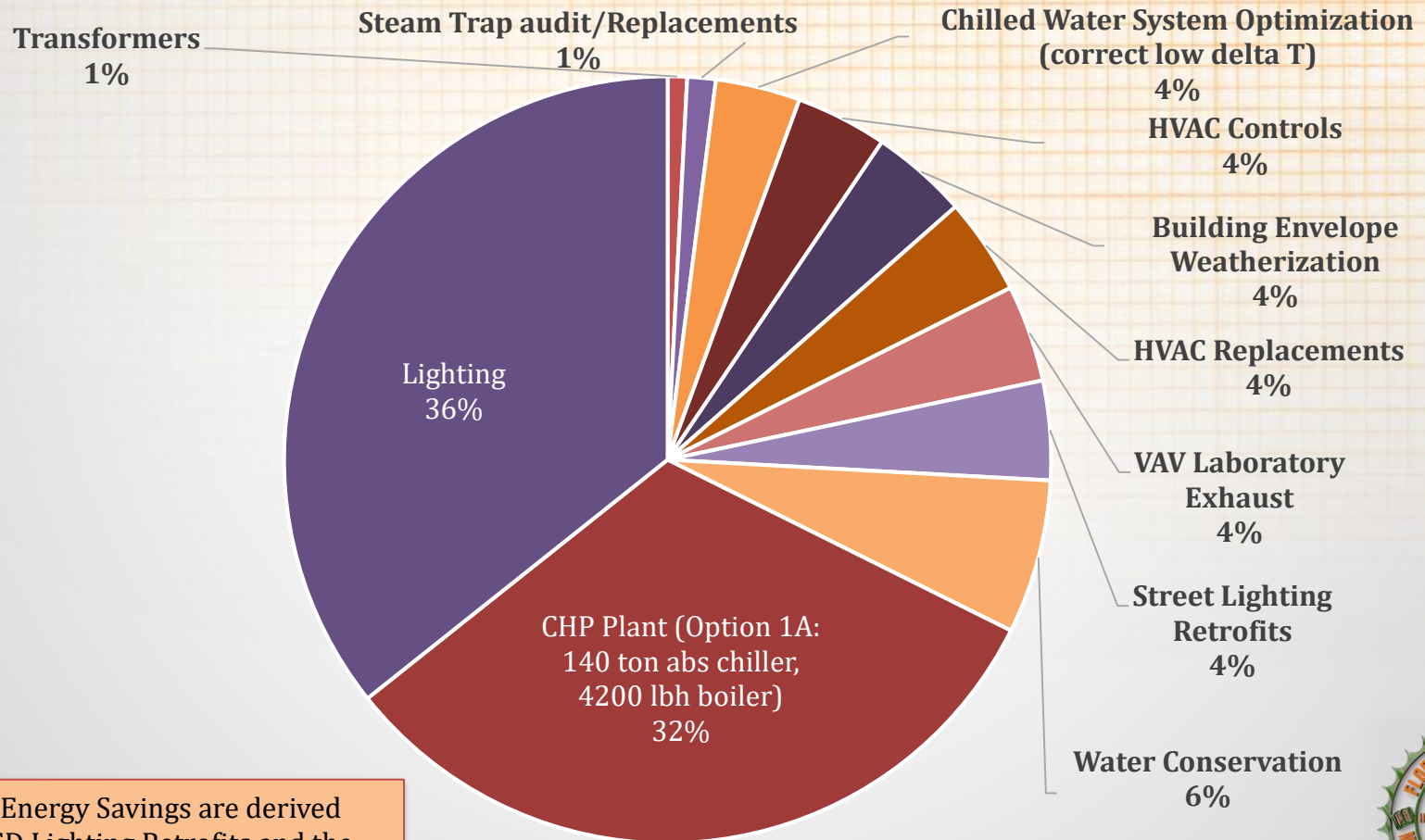
ECMs = Energy Conservation Measures





Energy Savings Performance Contract

Energy Savings by Energy Conservation Measure



68% of Energy Savings are derived from LED Lighting Retrofits and the Combined Heat and Power Plant

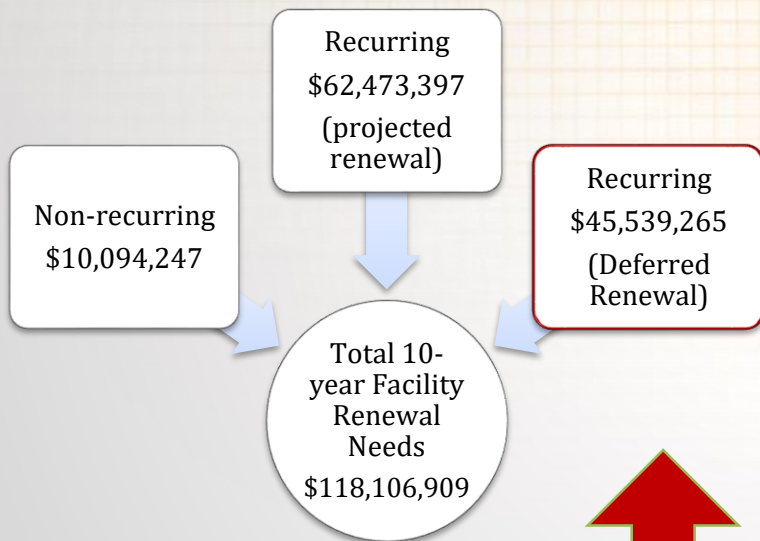




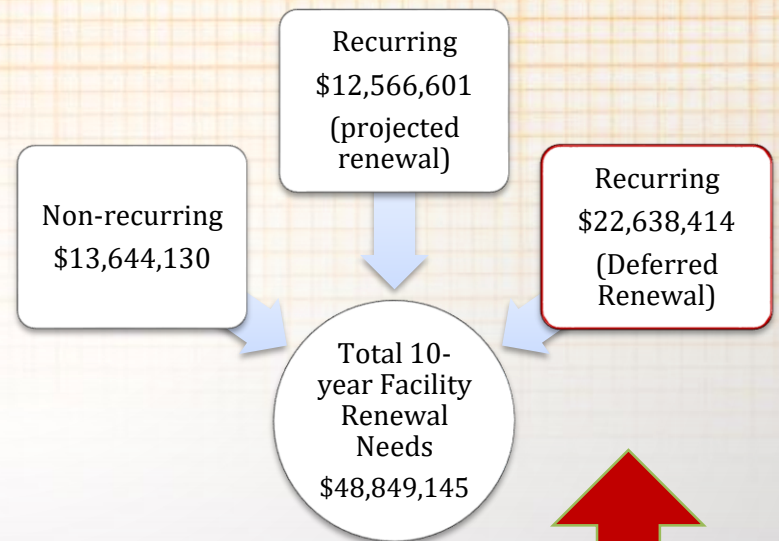
Energy Savings Performance Contract

Current FAMU Infrastructure Renewal Costs

Total E&G 10-year Renewal Costs



Total Housing 10-year Renewal Costs



\$68M in maintenance needs that are past due for completion







Energy Savings Performance Contract

Performance Contract Impact on Deferred Maintenance and Future Capital Needs

Buildings included as preliminary survey

Bldg Name	Lighting	HVAC (pumps, fans, AHUs, Air Cooled Chillers, Boilers)	Controls Components (VFDs, etc)	Roofs	Windows	Plumbing Fixtures	Building Transformers	Total
University Commons		\$109,143	\$100,428					\$209,571
School of Business & Industry South	\$217,210	\$445,004	\$56,455			\$95,101	\$62,101	\$875,871
Ware-Rhaney	\$864,355	\$303,158	\$311,784	\$437,670		\$28,595		\$1,945,562
Gaither Gymnasium Complex		\$769,706	\$76,768	\$425,718	\$37,338	\$1,428		\$1,310,958
Gather Office & Classroom	\$303,213	\$150,612	\$72,897		\$132,922	\$5,600		\$665,244
School of Business & Industry - West (N&W)	\$480,815		\$120,950	\$260,791		\$19,348		\$881,904
Central Chilled Water Plant 								\$0
School of Business & Industry - East	\$361,793	\$162,149	\$27,896	\$117,869		\$11,760		\$681,467
Central Heating Plant								\$0
Fred S. Humphries (Science Research Facility)	\$912,306		\$924,228	\$400,090	\$133,789	\$1,904		\$2,372,317
Gibbs Hall	\$415,564	\$1,499,356			\$778,584	\$4,442		\$2,697,946
	\$3,555,256	\$3,439,128	\$1,691,406	\$1,642,138	\$1,082,633	\$168,178	\$62,101	\$11,640,840

 Deferred Maintenance and capital needs estimates for the Central Chilled Water Plant are not included as they were not part of the ISES reports. As such total Deferred Maintenance and Capital needs are underrepresented.

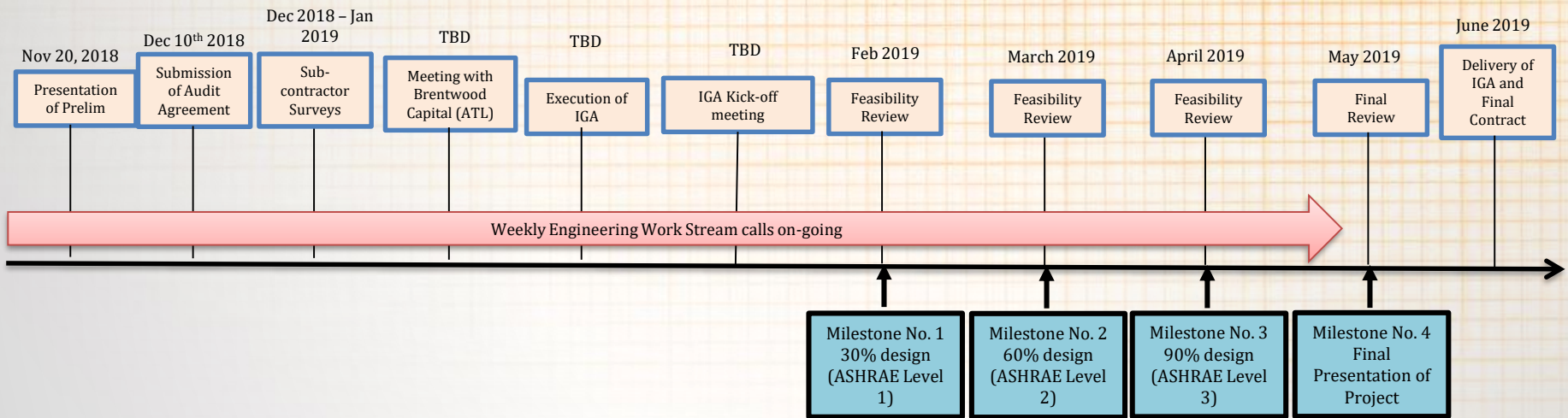
- HON ESPC has the potential to address \$11.6M of Deferred Maintenance and future capital needs
- Potential future financial impact to entire campus is in excess of \$42M





Energy Savings Performance Contract

Estimated Timeline and Next Steps



Next Steps:

- FAMU legal review of Audit Agreement
- Execution of Agreement
- Proposed meeting with Bretwood Capital
- Negotiation with Tallahassee Utilities

Key topics to review prior to Kick-off

- Requested Utility Data
- Determination of funding sources
- Prioritization of ECM's
- Agreement on timeline
- Agreement on Financial term





Energy Savings Performance Contract

The Investment Grade Audit

- Provide FAMU with an accurate, numbers-based analysis to determine *with assurance* which ECMs to implement and the proper timetable for the implementation
- A vehicle to make needed infrastructure improvements to multiple FAMU campus buildings while reducing energy and operational expenses in a budget-neutral manner
- An opportunity to build a project that supports FAMU's vision of providing students with an educational experience that allows them to compete in the 21st century global economy

Investment Grade Audit Benefits

- Reduced Financial risk to FAMU.
- Allows FAMU to create a funding vehicle for needed capital improvements
- Allows FAMU to create a program that directly impacts deferred maintenance needs
- Reduces energy and operational costs
- Reduces future capital costs
- FAMU retains controls of the design and development process
- Improves FAMU's educational and research environment
- Advances FAMU's sustainability objectives
- Provides educational opportunities for FAMU's engineering students





Information Item X: Project Updates

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities

Craig Talton, Director – Facilities Planning and Construction

Archie Bouie, Associate Vice President, Administrative and Financial Services

Florida Agricultural and Mechanical University



Project Updates

- Center for Access and Student Success (CASS) Project
- Housing Project Plan Phase 1a





Thank you

Questions?





“At FAMU, Great Things Are Happening Every Day.”

established 1887

