



**BOARD MEETING
MINUTES
11 SEPTEMBER 2009**

1. Call to Order and Chair's Remarks

Chairman Albert E. Dotson, Sr. convened the meeting of The Florida International University Board of Trustees at 9:06 a.m., on Friday, 11 September 2009, at Modesto A. Maidique Campus, Football Stadium Club, Miami, Florida.

The following attendance was recorded:

Present:

Albert E. Dotson, Sr. <i>Chair</i>	Miriam López
Albert Maury, <i>Vice Chair</i>	Claudia Puig
Jorge Arrizurieta	Anthony Rionda
Thomas Breslin	Mark B. Rosenberg
Patricia Frost	
S. Lawrence Kahn	

Excused:

Cesar Alvarez
Betsy Atkins
Kirk Landon
David Parker

Chairman Dotson welcomed all Trustees, University faculty and staff. He also introduced and welcomed newly appointed Trustee S. Lawrence Kahn, President and Chief Executive Officer of Lowell Homes, Inc. He recognized Foundation, Inc. Board of Directors Vice Chair T. Gene Prescott, noting that he would represent the Foundation Board in Chairman Joseph Caruncho's absence. He also welcomed Foundation Directors Gerald Grant and David Pearlman to the meeting.

Chairman Dotson asked for a minute of silence in remembrance of September 11, 2001.

Chairman Dotson commented on President Rosenberg's Installation Ceremony, noting that on behalf of the Board, he looked forward to entering the next phase of the University's development under Dr. Rosenberg's leadership. He added that as is stipulated in the current employment agreement, President Rosenberg will provide a summary overview of the University and President's Goals for fiscal year 2009-2010 prior to October 15, 2009. He further noted that given the current schedule, the President would provide the full report and presentation at the November 20, 2009 Board of Trustees Full Board meeting.

Chairman Dotson welcomed all those present to the Football Stadium Club. He noted that Saturday, September 12, 2009 marked the beginning of the 2009-2010 Football season and encouraged all to attend the home-opener on September 26, 2009. He thanked Athletic Director Pete Garcia and his staff for their hard work. AD Garcia noted the exceptional performance of the

Women's Volleyball team, who defeated the University of Miami Women's team, 3-0, in the home-opener. AD Garcia introduced Golden Panthers Quarterback Paul McCall, noting his exemplary academic and athletic performances. Paul provided brief remarks on his experience as a student athlete, noting that he looked forward to continuing his studies as well as the start of the Football season.

Chairman Dotson noted that he attended the Academic Policy Committee meeting held on September 10, 2009. He further noted that during the meeting, three students provided reports on their respective undergraduate education, doctoral research and alternative break experiences. Chairman Dotson noted that he shared in the Committee's enthusiasm over the reports, stating that both he and Academic Policy Committee Chair Patricia Frost agreed to invite the students to repeat their respective presentations for the benefit of the entire Board. Trustee Frost called upon Vanessa Santana, Marlon Bright and Patricia Guerra-Diaz who discussed the impact of FIU on their lives. Trustee Frost commended Vanessa, Marlon and Patricia, adding that they are truly representative of the outstanding students the Board serves.

Chairman Dotson thanked the students for sharing their experiences.

Chairman Dotson announced that commencing with this meeting, all meetings of the Board will be audio recorded, noting that the ensuing recording would be maintained in compliance with public records laws.

2. FIU Foundation Report

FIU Foundation, Inc. Board of Directors Vice Chair T. Gene Prescott, presented the Foundation Report, noting that the excess receipts over expenses totaled \$3.3 million for the year. He added that the Annual Fund also exceeded revenues over expenses for the fiscal year. He provided an update on the investments performance and fundraising efforts. He also noted the continued increase in Alumni membership.

3. President's Report

President Mark B. Rosenberg commented on the upcoming legislative session and the expected continued budget reductions. In the face of the projected reductions, he requested that CFO & Senior Vice President for Administration Kenneth Jessell provide a budget update. CFO Jessell provided a report on the State's economic outlook and the current factors that influenced general revenues. President Rosenberg stressed the importance of funding the state's higher education system.

President Rosenberg noted that three full weeks of classes have been completed and announced the following new administrative appointments: Alexander Acosta, Dean of the College of Law; Marie McDemmond, Interim Dean of the College of Education; Joan Remington, Interim Dean of the School of Hospitality & Tourism Management, and Brian Schriener, Interim Dean of the College of Architecture & the Arts. He asked all those present to join him in welcoming the new members of the FIU family.

President Rosenberg recognized a member of the FIU family, Dr. Pedro Jose “Joe” Greer, Jr., noting that Dr. Greer received the Presidential Medal of Freedom. President Rosenberg noted that the Landscape Architectural Accreditation Board awarded initial six-year accreditation to the first professional Bachelor’s of Landscape Architecture degree program. He also noted that ABET awarded full six-year accreditation to all continuing engineering programs and the full six-year accreditation to the new Environmental Engineering program. He recognized the hard work and efforts of Deans Brian Schriener and Amir Mirmiran, along with their faculty and staff. He asked all those present to join him in recognizing these outstanding members of the FIU family.

President Rosenberg noted that the hiring of new faculty was essential to the continued strategic progress of the University. He announced that the University hired a cluster of leading experts on Attention Deficit Hyperactivity Disorder. He introduced Dr. William E. Pelham, a distinguished professor of Psychology, Pediatrics and Psychiatry, who would bring with him two other leading scientists in the field of child psychology and psychiatry. Dr. Pelham provided a brief overview of his work and research, noting that he looked forward to conducting his research at such a dynamic University with boundless potential.

4. Public Appearances

There were no requests to address the Board.

5. Action Items – Consent Agenda

Chairman Dotson asked for comments on any items included in the Consent Agenda. Hearing none, the Board adopted the following Resolution:

RESOLVED, that the following matters included in the Consent Agenda are hereby approved:

BOARD OF TRUSTEES

BT1. Minutes, 12 June 2009

FINANCE AND AUDIT COMMITTEE

FA3. Signature Authority – Authorization to Sign Checks

ACADEMIC POLICY COMMITTEE

AP1. Tenure as a Condition of Employment Nominations

AP2. Request to Terminate Academic Programs

6. Action Items/ Status Reports, Board Committees and Workgroups

Chairman Dotson requested to change the order of the Committee and Workgroup Reports. There were no objections. He asked External Relations Workgroup Co-Chair Miriam López to provide the External Relations Report.

External Relations Report

External Relations Workgroup Co-Chair Miriam López provided the Governmental Relations Update, reporting on topics which included the Revenue Estimating Conferences, federal relations and next year's FIU Day which was scheduled for March 3, 2010. She also provided the External Relations Update, providing a summary of the Presidential Installation Events and reporting on presidential community engagement.

Finance and Audit Committee

Finance and Audit Committee Chair Albert Maury reported on items heard by the Committee and introduced the Reimbursement of Certain Costs Relating to Parking Garage V Project and the Refunding of FIU Athletic Finance Corporation's \$35 Million in Outstanding Bonds for Board consideration and approval.

FA2. Reimbursement of Certain Costs Relating to Parking Garage V Project

CFO Jessell presented the Reimbursement of Certain Costs Relating to Parking Garage V Project for Board review, noting that the Resolution was intended as a declaration of official intent under Treasury regulations for the University to reimburse itself from the Bonds for expenses incurred with respect to the construction of Parking Garage V. He further noted that in order to obtain reimbursement from the bond proceeds, the Internal Revenue Service required the University to declare its intent to seek reimbursement prior to the sale of the Bonds.

After discussion, the Board adopted the following Resolution:

WHEREAS, on March 31, 2009, the Florida International University Board of Trustees ("the BOT") authorized the issuance of tax-exempt bonds not to exceed an aggregate principal amount of \$32,000,000 (the "Bonds") through the Division of Bond Finance of the State Board of Administration of Florida (the "Division") for the purpose of financing a portion of the construction of Parking Garage V on the campus of the University (the "Project"); and

WHEREAS, before receipt of the proceeds from the sale of the Bonds, the University will need to use University funds which would then be reimbursed from the bond proceeds, in order to maintain the Project schedule and timely meet the University's needs for additional parking; and

WHEREAS, in order to obtain reimbursement from the bond proceeds, the Internal Revenue Service requires the University to declare its intent to seek reimbursement prior to the sale of the Bonds;

THEREFORE, BE IT RESOLVED THAT the BOT hereby approves the University reimbursing itself from the Bonds for expenses incurred with respect to the construction of the Project, to the maximum extent permitted under Treasury Regulation Section 1.150-2; and

BE IT FURTHER RESOLVED THAT the appropriate officers of the University are hereby authorized to take such actions as may be necessary to carry out the purposes of this Resolution.

FA4. Refunding of FIU Athletics Finance Corporation's \$35 Million in Outstanding Bonds

Committee Chair Maury noted that there was a new business item presented at the Board's Finance and Audit Committee, which was distributed to all Trustees prior to the Board meeting. He asked CFO Jessell to present the Refunding of the FIU Athletics Finance Corporation's \$35 Million in Outstanding Bonds for Board review. CFO Jessell noted that based on the authority granted by the Florida Statutes and the Florida Board of Governors, the University and its Direct Support Organization, the Athletics Finance Corporation, wished to enter into refundings for debt service where final maturities were not extended.

CFO Jessell provided an overview of the refunding proposals submitted by Regions Bank and Wachovia Bank respectively, noting that the negotiations were ongoing and that a final selection was expected shortly. He noted that the final selection would be made based on the best interest of the University and the Athletics Finance Corporation, provided that, at a minimum, the selected banking institution met or exceeded the terms specified in the proposals.

After discussion, the Board adopted the following Resolution:

WHEREAS, in April 2007, the FIU Athletics Finance Corporation (the "Corporation"), a direct-support organization of Florida International University ("University"), issued \$28,000,000 Capital Improvement Revenue Bonds (Football Stadium Project), Series 2007A and \$7,000,000 Taxable Capital Improvement Revenue Bonds (Football Stadium Project), Series 2007B (collectively the "2007 Bonds") to finance the construction of the FIU Football Stadium pursuant to a Trust Indenture by and between the Corporation and Regions Bank, N.A. as Trustee, dated April 1, 2007 (the "2007 Indenture"); and

WHEREAS, as a result of the extreme economic conditions affecting credit markets and the financial industry, the interest cost of the variable rate 2007 Bonds have dramatically increased due to the declining credit quality of Regions Bank, N.A., the bank that issued a letter of credit securing the 2007 Bonds; and

WHEREAS, Regions Bank, N.A. ("Regions") has offered to retire the 2007 Bonds and refinance the Corporation's debt with a \$28,000,000 Bank Qualified, Tax-Exempt Term Loan and a \$7,000,000 Taxable Term Loan (the "Term Loans") as outlined in the Commitment Letter dated August 10, 2009 and attached hereto as Exhibit "D" (the "Commitment Letter"); and

WHEREAS, Wachovia Bank, N.A., a Wells Fargo Company ("Wachovia"), has presented the University with various refinancing options with terms comparable in material respects to those offered by Regions, as set forth in Exhibit B attached hereto, and Wachovia is in the process of updating its proposal with additional information recently requested by the

University; and

WHEREAS, substantial interest savings would be realized if the University retires 2007 Bonds and completes this refunding transaction through a conduit issuer that would permit a lower interest rate; and

WHEREAS, based on the presentations received from both banks, on or about September 4, 2009, the Board of Directors of the Corporation authorized the University to continue negotiations on the Corporation's behalf with the banks, and delegated the authority to the Chairperson of the Corporation to execute the proposed refunding transaction with the bank that the University President and CFO determine is in the best interest of the Corporation and the University, provided that, at a minimum, the selected bank meets or exceeds the terms specified in either Exhibit "D" or Exhibit "E";

THEREFORE, BE IT RESOLVED that the Florida International University Board of Trustees ("the BOT") authorizes the University CFO to continue negotiations to complete a refunding transaction to retire the 2007 Bonds with Bank Qualified, refunding bonds, or similar debt instrument, consistent with the terms specified in Exhibits "D" or "E"; and

BE IT FURTHER RESOLVED that the BOT delegates to the University and Corporation the authority to execute a refunding transaction and cause the issuance of the refunding bonds through a conduit issuer with the bank that the University President and CFO determine is in the best interest of the Corporation and the University; and

BE IT FURTHER RESOLVED that the BOT authorizes the Corporation to execute any such documents and/or take any such actions as shall be necessary complete the refunding transaction on terms and conditions that meet or exceed those set forth in Exhibits "D" or "E", to be secured by a lien upon and same pledge of revenues previously granted to the holders of the 2007 Bonds; and

BE IT FURTHER RESOLVED that the Board directs the University CFO to report to the Finance and Audit Committee on the progress of the refunding transaction at its next regularly scheduled meeting.

Academic Policy Committee

Academic Policy Committee Chair Patricia Frost reported on items heard by the Committee. She commended President Rosenberg on his commitment and unyielding dedication to the University.

7. New Business

Trustee Claudia Puig invited all those present to attend the Town Hall Meeting on Education, to be hosted by Univision Radio's WQBA 1140 AM, at Miami Dade College on September 30, 2009 at 5:00 pm. She announced that the panelists would include Mr. Alberto Carvalho, superintendent of Miami-Dade County Public Schools; Dr. Eduardo J. Padrón, president of Miami Dade College; and President Rosenberg. She noted that the Town Hall Meeting would mark the first time the leaders

of the three public institutions convened for this type of event. She further noted that the Town Hall Meeting would be aired live on WQBA 1140 AM, adding that the meeting was open to the public.

Trustee Thomas Breslin noted that the August 28th edition of the *Chronicle of Higher Education* listed the biggest gainers in federal funds for academic research and development during the seven year period spanning from 2000-2007. He further noted that FIU increased its federal funding the fifth fastest in the country during that seven year period, which was represented in an approximate 157 percent rate of increase.

8. Concluding Remarks and Adjournment:

Since there was no other business, the meeting of the Florida International University Board of Trustees was adjourned on Friday, 11 September 2009, at 11:18 a.m.

Albert E. Dotson, Sr.
Chairman
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees

Attachments: Exhibits "A," "B," "C," "D," & "E"

MB
9.18.09