



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FULL BOARD MEETING
SEPTEMBER 10, 2013
MINUTES**

1. Call to Order and Chair's Remarks

Chair Albert Maury convened the meeting of the Florida International University Board of Trustees at 2:32 p.m., on Tuesday, September 10, 2013, at the Biscayne Bay Campus, Kovens Conference Center, Miami, Florida.

The following attendance was recorded:

Present:

Albert Maury, *Chair*
Michael M. Adler, *Vice Chair*
Sukrit Agrawal
Jose J. Armas
Jorge L. Arrizurieta
Robert T. Barlick, Jr.
Marcelo Claire
Mayi de la Vega
C. Delano Gray
Claudia Puig
Liane M. Sippin

Excused:

Cesar L. Alvarez
Gerald C. Grant, Jr.

Justo L. Pozo, FIU Foundation, Inc. Board of Directors Chairman

Chair Albert Maury welcomed all Trustees, University faculty and staff. He thanked the Kovens Conference Center and Biscayne Bay Campus staff members for their hard work in making the meeting possible.

Chair Maury stated that he was pleased to announce that a public-private partnership led by the University received \$11.4 million for the Transportation Investment Generating Economic Recovery (TIGER) grant from the U.S. Department of Transportation. He stated that this grant would allow the University, Miami-Dade Transportation Authority, Miami-Dade Expressway Authority, the Florida Department of Transportation, the City of Sweetwater, IBM and engineering firm T.Y. Lin International to move forward with the UniversityCity project. He stated that this project will connect East and West Miami-Dade County through groundbreaking public transportation solutions, create new jobs in the community, and demonstrate the West Miami-Dade

community's commitment to being a hub for innovation and a cultural and athletic center. Chair Maury thanked Vice Chair Michael M. Adler for his hard work and dedication towards the initiative.

Chair Maury thanked the Board for its participation in the August 19th Board of Trustees conference call meeting, during which the Board approved a ratification of the Collective Bargaining Agreement between FIU and the American Federation of State, County and Municipal Employees (AFSCME). On behalf of the Board, he also thanked President Rosenberg, the negotiating teams, and the administration for their commitment to FIU's employees.

2. Foundation Report

Foundation Board of Directors Chair Justo L. Pozo provided the Foundation Report, reporting that the Foundation exceeded the 2012-2013 fundraising goal of \$42 million, raising a total of \$43.3 million. He further stated that the Foundation's investment portfolio finished the year with gains of 11.6%, or \$20.5 million, and that year-to-date gains on the portfolio through September 6, 2013 were approximately 2.3%, or \$4.6 million.

3. Public Appearances

Chair Maury stated that the Board of Trustees received one request to make a public appearance, and noted that the request was not granted because the Board is currently in active litigation with the party who requested the right to appear.

4. President's Report

University President Mark B. Rosenberg reported on recent University news and events, noting that the University was deeply saddened over the recent passing of Dr. Paul Gallagher, who served the institution for nearly thirty years and was instrumental in helping guide and shape the University throughout his tenure. He noted that the University would be holding a Celebration of Life in his honor on October 11, 2013.

President Rosenberg reported on the University's Study Abroad Programs, noting that each year over 600 students study, research, or intern abroad in dozens of countries throughout the world. He also provided updates on the University budget for FY 2013-2014, noting a total operating budget of approximately \$1.2 billion. He added that the University welcomed 131 new faculty, and reported that student enrollment for the fall 2013 term reached 52,000. He further noted the University expected to graduate over 12,000 students during the 2013-2014 academic year. President Rosenberg provided an analysis of how changes in funding to Pell Grants and Florida Bright Futures Grants would affect students who currently receive these types of aid as well as how it would impact future enrollment. He provided an analysis of the impact of the changes in Bright Futures Grant eligibility criteria that showed that only 70% of the students who received Bright Futures in Fall 2012 would be eligible under the the criteria for Fall 2013 and only 12% of those eligible in Fall 2012 would be eligible under the criteria for Fall 2014. He added that due to changes in funding that became effective for the fall 2012 term, Pell Grant recipients are no longer receiving funding for a third semester within one academic year. President Rosenberg stated that the University used increases in differential tuition to provide institutional aid for the 2012 and 2013 summer terms to mitigate the loss of Pell Grants for students, but with no approved increases in

differential tuition for 2014 we will not be able to cover expected increases in need-based aid for summer 2014 term. He noted that the reductions to both Bright Futures and Pell continued to be of great concern to the University and that he would continue to advocate for student needs with state and Federal legislators.

President Rosenberg reported on student activities that took place as the University began the fall 2013 term. He stated that the University officially welcomed the Class of 2017 during Freshman Convocation on Sunday, August 26th, and also held an Open House for the Class of 2018 on September 7th, during which qualifying high school seniors had the opportunity to earn on-the-spot admission as well as four-year scholarships beginning in fall 2014. President Rosenberg stated he was pleased to note that through collaboration with Miami-Dade County Public Schools, the University recently opened MAST@FIU at Biscayne Bay Campus with an inaugural class of approximately one hundred high school students. He stated that following the highly successful Maritime and Science Technology (MAST) Academy Magnet Model, MAST@FIU will offer a rigorous curriculum in the sciences, expose students to the university environment and help build the pipeline of students in the STEM fields. He introduced MAST@FIU Lead Teacher and Program Administrator Georgina Koch, and students Julie Shillington and Alysha Thompson, who provided brief remarks on their experience in the new program.

President Rosenberg noted that with the University's recent alignment to Conference USA East Division, student-athletes would have the opportunity to compete with universities such as Tulane, Rice, Marshall, and the University of Alabama at Birmingham, as well as gain additional exposure for the University. President Rosenberg added that the University looked forward to Homecoming celebrations, which would begin on Sunday, October 6, 2013 and culminate on October 12th with the Homecoming game against the University of Alabama at Birmingham.

President Rosenberg recognized the FIU Magazine team for winning three prestigious awards from the Council for the Advancement and Support of Education (CASE) District III regional awards competition this past spring. He congratulated the members of the team Deborah O'Neil, Aileen Sola, Alexandra Pechiarch, Doug Garland, Angeline Evans, and Sissi Aguila as well as members of the Editorial Board for this achievement.

President Rosenberg reported on upcoming events for the fall 2013 semester. He stated that the University was looking forward to the fourth Geopolitical Summit, "America at the Crossroads: Power and Strategy in the U.S. Foreign Relations" which will take place on Tuesday, October 29th. The summit will feature two world-renowned speakers: Vali Nasr, a leading American expert on the Islamic world and Middle East policies and Dean of the Johns Hopkins University's Paul H. Nitze School of Advanced International Studies, as well as Moises Naim, Senior Associate in the Carnegie Endowment for International Peace, an internationally renowned columnist and commentator on globalization, international politics and economics. He added that on Thursday, November 7, TEDxFIU would also return for a second installment with the theme "Reimagine Possible", allowing students, faculty and alumni to showcase world-changing ideas and a greater international understanding in a thought-provoking way.

President Rosenberg reported on several noteworthy academic collaborations. He noted that civil and environmental engineering professor Nakin Suksawang and four students have been working with the Florida Department of Transportation to create one of the first smart highway bridges in

South Florida and one of just a handful in the state. He stated that during its construction in 2012, the group installed ninety six sensors in a bridge connecting eastbound State Road 836 to northbound State Road 826. The sensors monitor the bridge for changes caused by temperature and weather. He noted that the initiative is expected to help engineers design better bridges as well as assist in the evaluation of existing bridges. President Rosenberg further reported that the FIU-Tsingua University team finished fifth among 20 teams from around the world in the inaugural Solar Decathlon (SD) China competition, held on August 2-10 in Datong, China, earning top honors in four of five contests. He added that the University and Zoo Miami signed a memorandum of understanding on July 16th to explore and develop greater research and community outreach initiatives, building on an already existing relationship the Zoo has with the Department of Biological Sciences and the School of Environment, Arts and Society (SEAS).

President Rosenberg provided updates on construction and renovations across the Modesto A. Maidique and Biscayne Bay campuses. He stated that the newest student residence at the Modesto A. Maidique Campus, Parkview Hall, opened its doors on August 22nd, and featured community lounges, study rooms, a multipurpose room, areas to accommodate residential life programs and activities, as well as a parking garage reserved for students living in university housing. He noted that on July 26th, the observatory dome for the Stocker AstroScience Center was installed on top of the building and that the teaching facility will serve not only FIU students but also the entire community. President Rosenberg reported that construction was well underway for the Management and New Growth Opportunities (MANGO) building, a mixed-use facility that will be the home for FIU Online, including a call center, collaboration space with training and conference rooms, recording studio, testing lab, and state-of-the-art multimedia editing surfaces, as well as additional dining options for the University. He added that Academic Health Center 5 (AHC5) was nearing completion and will house the Robert Stempel College of Public Health and Social Work, the Department of Earth and Environment, and the Extreme Events Institute that studies issues such as the impact of hurricanes and other disasters on infrastructure and public health. He stated that the AHC5 Complex will include teaching labs for Public Health, wet and dry research labs in a collaborative setting, a state-of-the-art, multi-purpose Active Learning Room, space for faculty, research, and staff offices. President Rosenberg further noted that construction would soon begin for Parking Garage 6, or PG6, which would be built along the main entrance on SW 8th street and SW 112th avenue, adding an additional 2,000 parking spaces and approximately 35,000 square feet of classroom and University-related retail space. He noted that the garage will have unique potential to be used as a transit hub for Miami-Dade County buses, linking the University with Miami Intermodal Center (MIC) – a mass transit hub east of Miami International Airport currently being built by Miami-Dade County.

He also noted that renovations for the Wolfe University Center at the Biscayne Bay campus will enhance the student experience while improving energy efficiency, as well as upgraded hurricane protection. President Rosenberg noted that on Thursday, September 19th, the Chaplin School of Hospitality and Tourism Management will host a ribbon cutting ceremony for the long-anticipated Restaurant Management Lab, which will accommodate 140 guests, a two-story wine tower and spirits demonstration bar, a food production lab, and a brewing science lab. He noted that the lab was made possible with proceeds from the Food Network South Beach Wine & Food Festival, presented by FOOD & WINE.

5. Action Items – Consent Agenda

Chair Maury stated that the Finance and Audit Committee and the Academic Policy and Student Affairs Committee each recommended to the Board approval of the respective action items contained in the Consent Agenda.

Chair Maury asked for comments on any of the items included in the Consent Agenda. Hearing none, a motion was made and passed to accept the Consent Agenda, and members of the Board concurred with the following actions:

- **BT1. Minutes, June 12, 2013** – Approve the Minutes of the Florida International University Board of Trustees, Full Board meeting held on Wednesday, June 12, 2013 at the FIU Modesto A. Maidique Campus, Graham Center Ballrooms.
- **FA1. Amendment to Signature Authority – Authorization to Sign Checks for the West African Water Research Program and Account** – Amend the Signature Authority - Authorization to Sign Checks for the West African Water Research Program and Account to reflect the following changes:

For the West African Water Sanitation Hygiene Program:

Remove: Ms. Emeline Bereziat, Deputy West African Program Director

Approve: Ms. Sara Miner, Deputy West African Program Director

- **FA2. Investment Policy Amendment** – Adopt revisions to the University’s Investment Policy.
- **FA3. Proposed Regulation, FIU-1101 Tuition and Fees Schedule** – Approve the deletion of reference to parking fees in Amended Regulation FIU-1101 Tuition and Fees Schedule. As with any other regulation, also recommend delegating authority to the University President to approve any subsequent amendments resulting from comments the Board of Governors (BOG) may provide as part of the regulation-making process.
- **AP1. Tenure as a Condition of Employment Nominations** – Approve seven candidates for Tenure as a Condition of Employment (TACOE). All but one candidate have held tenure at their previous institutions and have been selected to receive TACOE based on the caliber of their work.
- **AP2. Proposed Regulation, FIU-116 Educational Sites** – Approve the Proposed Regulation of Educational Sites and delegate authority to the University President to approve any subsequent amendments that are based on comments to the Regulation received from the Florida Board of Governors and as a result of the regulation-making process.
- **AP3. Reauthorization of The Wolfsonian-FIU Special Purpose Center in Downtown Miami** – Approve the establishment of The Wolfsonian-FIU facility in downtown Miami, Florida as a “special purpose center” of Florida International University. As requested by

the BOG, this item is being re-authorized and re-submitted for approval consistent with FIU regulation FIU-116 Educational Sites.

- **AP4. 2014-2015 Legislative Budget Requests** – Approve the following shared system resource, continuation of non-recurring initiatives, and new recurring requests to be included in the University’s 2014-2015 Legislative Budget Request:

Shared Resources:

- SUS Libraries – eJournals
Recurring Funds Requested: \$4,905,792
- SSERCA Collaborative Research Big Data Infrastructure
Recurring Funds Requested: \$755,000
Non-Recurring Funds Requested: \$5,000,000
- SUS Shared Collection and Interim Storage Facility
Recurring Funds Requested: 1,112,798

Non-Recurring (continuation):

- Project Panther LIFE: Learning Is For Everyone
Recurring Funds Requested: \$300,000

Recurring (new requests):

- FTIC 6-Year Graduation Rates
Recurring Funds Requested: \$3,370,039
Non-Recurring Funds Requested: \$903,862
- Increasing Bachelor Degrees in STEM and Fields Associated with Targeted Gap Analysis Occupations
Recurring Funds Requested: \$3,950,569
- Research Doctoral Degrees Awarded
Recurring Funds Requested: \$4,200,000

6. Action Items

BT2. Amendment to the Operating Procedures of the Florida International University Board of Trustees

Chair Maury stated that the Board of Trustees needed to amend its operating procedures due to recent changes to the Florida Statutes regarding public comment procedures at meetings conducted under Sunshine Law. He stated that the changes would become effective October 1, 2013 and require that members of the public be given a reasonable opportunity to be heard on agenda items before public boards. He noted that the amendment would establish rules and procedures for implementing the new requirement such as a registration process for speakers, time limits for public comment, and rules of decorum for appearances before the Board.

A motion was made and passed to approve the Amendment to the Operating Procedures of the Florida International University Board of Trustees.

P1. University President's Employment Agreement

Chair Maury requested that Vice Chair of the Board and Chair of the Personnel Committee Michael M. Adler present the University President's Employment Agreement for Board consideration and approval. Trustee Adler stated that pursuant to the President's current employment contract which continues until August 3, 2014, a contract extension must be formalized by no later than October 1, 2013. He noted that the term sheet delineating amendments would form the basis for the President's employment agreement for a second term, from 2014-2019. He added that if approved by the full Board, Chair Albert Maury would enter into a contract extension document with the President on the terms set forth in the term sheet, and further stated that the President's consideration for reappointment would then be submitted to the Florida Board of Governors for final approval.

Committee Chair Adler noted that the term sheet contains the current compensation as well as performance incentive compensation based on specific, targeted goals set by the Board. He noted that five state universities in the State of Florida were selected and benchmarked for metrics such as enrollment count, and budget and research funding to create the attached term sheet. Trustee Adler stated that Ms. Patricia Ambrose, an employment attorney from the law firm of Hogan Lovells, was engaged to assist the Board due to her extensive expertise in higher education presidential contract matters. He noted that Ms. Ambrose provided assistance with a review of compensation benchmarks as well as with the development of the term sheet and added that she provided an analysis of the term sheet via telephone during the Personnel Committee meeting. Trustee Adler stated that the agreement outlines a compensation package that is both fair and fitting for President Rosenberg and the University.

Trustee Adler made the motion to approve the University President's Employment Agreement for the 2014-2019 term. The motion passed unanimously.

On behalf of the Board, Chair Maury thanked President Rosenberg for his continued dedication to the University over the past four years. He also thanked Vice Chair Michael M. Adler for leading negotiations on the contract, as well as members of the Board's Executive and Personnel Committees for their efforts. He thanked FIU Foundation Board of Directors, Inc. Chair Justo Pozo for his assistance on behalf of the Foundation Board. President Rosenberg thanked the administration, senior leadership, faculty and staff for their continued support and commitment to the University.

7. Procurement

Chair Maury requested that the Procurement presentation be deferred to the next full Board meeting. There were no objections.

8. Status Reports, Board Committees External Relations Committee Report

Trustee Claudia Puig, Chair of the External Relations Committee, presented highlights from the Committee's meeting, noting that the overarching theme was the various ways FIU is impacting the community. She noted that President Rosenberg led a discussion on the University's strategic

budget and added that the Florida Board of Governors would meet later in the week to formalize the University's Legislative Budget Requests, which outline the priorities for the University and the community. She stated that the Committee received an update from Sr. Vice President of External Relations Sandra Gonzalez-Levy on the status of discussions with the Dade County Youth Fair and the need to expand the University's footprint at Modesto A. Maidique Campus. She further stated that the Committee discussed how the University is engaged in many of our local communities through initiatives such as MAST@FIU, the reopening of the Coconut Grove Playhouse, and the recent acquisition of the TIGER grant that will allow the University to move forward with UniversityCity.

Finance and Audit Committee Report

Trustee Sukrit Agrawal, Chair of the Finance and Audit Committee, presented highlights from the Committee's meeting. He noted that Gene Kluesner from *Perkins & Will* presented the Campus Master Plan 2010-2020, highlighting the key events of the planning schedule, the issues of the 2012 appraisal report, and the planning goals to address all the issues. Trustee Agrawal stated that the Final Master Plan is scheduled to be presented to the Full Board for approval in March 2014. He further reported that Sr. VP and CFO Jessell presented the Budget Variance for the fiscal year 2012-13, stating that the university experienced operating revenues below estimates by \$3.6 million due primarily to lower financial aid awards driven by lower enrollment and changes in Pell program requirements resulting in fewer eligible students and/or reduced awards, and stating that Operating Expenses were below estimates by \$46.3 million. He noted that Allen Vann, the University's Director of Internal Audit presented the Office of Internal Audit Status Report for the Committee's review and approval. Trustee Agrawal further stated that the Committee reviewed and recommended to the Full Board the approval of the private/public collaboration with Royal Caribbean Cruises Limited Production, Rehearsal and Performance Facility at the Biscayne Bay Campus, which would be presented later in the meeting.

Academic Policy and Student Affairs Committee Report

Trustee Claudia Puig, Vice Chair of the Academic Policy and Student Affairs Committee, presented highlights from the Committee's meeting. She noted that the Committee reviewed and approved Tenure as a Condition of Employment for seven candidates, the adoption of Regulation FIU-116 Educational Sites that will align FIU regulations with those of the BOG, the reaffirmation of the Board's recommendation for the Wolfsonian-FIU Downtown location to be designated a Special Purpose Center under the just adopted regulation, as well as the recommendation of seven Legislative Budget Requests to the BOG. She further stated that the Committee was pleased to learn about two current initiatives that directly respond to contemporary changes in higher education: FIU's state-of-the-art Math Mastery Lab, a student-centered high-tech, high-touch program that improves student performance in college algebra courses; and the University's collaborative work done in the Advanced Self-Powered Systems of Integrated Sensors and Technologies Research Center in the Department of Electrical and Computer Engineering.

Personnel Committee Report

Trustee Michael M. Adler, Chair of the Personnel Committee stated that as he already presented the University President's Employment Agreement for Board review and approval, he had no further updates to provide.

9. New Business

9.1 Production, Rehearsal and Performance Facility at Biscayne Bay Campus

Sr. VP and CFO Jessell presented a new business item for Board review, for a Production, Rehearsal and Performance Facility at Biscayne Bay Campus. He reported that due to its expressed interest in a public/private collaboration that would tie into the University's mission and generate new revenue opportunities, the University has been working closely with Royal Caribbean Cruises, Ltd (RCL) on a proposal that would benefit both parties. He stated that RCL responded to the University's initial invitation to negotiate in September 2012, noting that the anticipated benefits of this collaboration would enhance the educational experience of students by providing access to state-of-the-art facilities for student learning, training and productions, create opportunities for student and faculty scholarly work, and create internship opportunities for students pursuing careers in the entertainment and hospitality fields. Sr. VP and CFO Jessell stated that he reported on the development of the negotiation process with RCL at the Board's External Relations Committee in March 2013 and the Real Estate Subcommittee in April 2013. He further reported that the Board's Real Estate Subcommittee that met on September 9, 2013 as well as the Finance and Audit Committee that met earlier in the day endorsed the item for review and recommendation to the Full Board.

Sr. VP and CFO Jessell presented the proposed site plan for the RCL facility at Biscayne Bay Campus, stating that FIU would provide the property to RCL in an "as is" condition, and noted that design, construction and maintenance of the performance facility would meet FIU requirements and standards. He noted that the agreement consisted of a ground and housing sublease for 40 years with 4 five year extensions, adding that as part of the proposed agreement, RCL would be required to pay all costs, taxes, fees and charges attributed to construction, maintenance and any improvements on the property.

Sr. VP and CFO Jessell stated that the agreement would also include a repurposing of the existing Bay Vista Housing for use as employee housing for teachers, performers and cast, replacing displaced parking and demolishing of dilapidated buildings (formerly the Children's Learning Center and Wellness Center). Furthermore, RCL would construct, pay, and maintain on-site parking for its employees, maintain on-site parking, and cover any costs for shared use of campus amenities such as recreation facilities and food service.

A motion was made and passed that the FIU Board of Trustees negotiate and enter into the appropriate agreements with Royal Caribbean Cruises Ltd, or an affiliated entity to fund and develop a state-of-the-art Production, Rehearsal and Performance Facility at Biscayne Bay Campus and to delegate authority to the President or his designee to negotiate and execute all agreements deemed necessary to consummate the FIU-RCL transaction. Chair Maury indicated that any material deviations in the agreements and overall transaction must be re-submitted to the Board for approval.

9.2 Discussion of Pending Litigation

Chair Maury noted that the University's General Counsel requested to address the Board. General Counsel Kristina M. Raattama stated that the University was currently in active litigation with an outside entity and is requesting to speak to the Board regarding the litigation. Closed attorney-client session in accordance with Fla. Stat. 286.011(8) with President Mark B. Rosenberg, General Counsel Kristina Raattama, and outside counsel David K. Friedland, Esq. only.

The Board then moved to another room and held a closed attorney-client session regarding the litigation. Upon conclusion of this session, the Board members returned to the meeting room.

10. Concluding Remarks and Adjournment

With no other business, Chair Albert Maury adjourned the meeting of the Florida International University Board of Trustees on Tuesday, September 10, 2013, at 4:42 p.m.

Albert Maury
Chairman
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees

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12.10.13