



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FULL BOARD MEETING
MARCH 3, 2017
MINUTES**

1. Call to Order and Chair's Remarks

Board Chair Claudia Puig convened the meeting of the Florida International University Board of Trustees at 2:06 p.m., on Friday, March 3, 2017, at the Modesto A. Maidique Campus, Graham Center, Room 243.

The following attendance was recorded:

Present:

Claudia Puig, *Chair*
Jorge L. Arrizurieta, *Vice Chair*
Cesar L. Alvarez
Jose J. Armas
Alian Collazo
Gerald C. Grant, Jr.
Michael G. Joseph
Natasha Lowell
Justo L. Pozo
Marc D. Sarnoff
Kathleen L. Wilson

Excused:

Leonard Boord
Albert Maury

Chair Puig welcomed all Trustees, University faculty, and staff. She noted that last month she joined Board Vice Chair Jorge L. Arrizurieta and Trustees Alian Collazo and Marc D. Sarnoff for FIU in D.C. Presidential Inauguration events. She thanked Vice Chair Arrizurieta for representing the Board of Trustees at Governor Scott's Degrees to Jobs Summit. She urged Trustees to participate in FIU Day on March 21, 2017.

On behalf of the FIU Board of Trustees, Chair Puig extended her gratitude to Student Trustee and Student Government President for the Modesto A. Maidique Campus Alian Collazo for his leadership and dedication to the Board, to the University and to the students. Trustee Kathleen L. Wilson discussed Trustee Collazo's many accomplishments, noting he is expected to graduate after only 3 -1/2 years with a B.A. in International Relations, speaks three languages including Arabic, and has received multiple prestigious employment opportunities.

Trustee Collazo relayed his commitment to FIU and discussed the importance of positive leadership in the University and beyond. He introduced a video where students shared the impact of FIU in D.C. in their student and professional careers. He then announced a \$1,500 personal contribution towards the establishment of the first endowment in support of student travel to D.C.

2. Foundation Report

FIU Foundation, Inc. Board of Directors Vice Chair Richard Brilliant provided a comprehensive Next Horizon Campaign update. He presented implementation highlights and discussed volunteer engagement and progress towards the \$50M fundraising goal for fiscal year 2016-17. He also defined the Foundation's investment portfolio in terms of Public Equity and Hedge Funds performance.

3. Public Appearances

There were no public appearances.

4. President's Report

University President Mark B. Rosenberg congratulated Trustee Jose J. Armas on his recent appointment to the Florida Constitution Revision Commission. President Rosenberg shared the stories of four FIU students who participated in internships, adding that meaningful internships are a critical component of future career success. He recognized FIU College of Law Dean R. Alexander Acosta on his nomination for the position of Secretary of the U.S. Department of Labor. President Rosenberg stated that Dean Acosta will continue to serve as Dean of the College of Law until his nomination is confirmed by the U.S. Senate. President Rosenberg reported that over 400 alumni connected with 4,000 students during the 2017 Panther Alumni Week. He introduced a video that featured the nearly 1,600 elementary, middle, and high school students that attended the 16th annual FIU Engineering Expo, which he added encourages students to consider careers in engineering.

5. Action Items – Consent Agenda

Chair Puig noted that the Audit and Compliance Committee, Finance and Facilities Committee, and Academic Policy and Student Affairs Committee each recommended approval by the Board of the respective action items contained in the Consent Agenda.

Chair Puig asked if any Trustee wanted any item to be removed from the Consent Agenda and voted on separately. Hearing no such request, a motion was made and passed to accept the Consent Agenda, and members of the Board concurred with the following actions:

- **BT1. Minutes, December 1, 2016** - Approval of Minutes of the Florida International University Board of Trustees Full Board meeting held on Thursday, December 1, 2016 at the Graham Center Ballrooms.
- **AC2. Approval of the Compliance and Ethics Charter for the Office of University Compliance and Integrity** – Approval of the Compliance and Ethics Charter for the Office of University Compliance and Integrity.

- **FF2. Amendment to Signature Authority**
 - A. Amendment to Signature Authority – Authorization to Sign Checks for the University** – Amendment to the Signature Authority – Authorization to sign checks to pay the legal obligations of the University from any and all designated University depositories to reflect the following changes:
 - Removed: Cecilia Hamilton, former Associate Vice President and University Controller
 - Approve: Katharine A. Brophy, Associate Vice President and University Controller
 - B. Amendment to Signature Authority – Authorization to Sign Checks for Certain Foreign Research Program Accounts** – Amendment to the Signature Authority - Authorization to sign checks for certain foreign research program accounts to reflect the following changes:
For the West Africa Water Supply, Sanitation, and Hygiene Program:
 - Removed: Cecilia Hamilton, former Associate Vice President and University Controller
 - Approve: Katharine A. Brophy, Associate Vice President and University Controller
 - Approve: Joseph Wethe, West Africa Program Deputy Director
For the Tanzania Integrated Water Sanitation and Hygiene Program:
 - Removed: Cecilia Hamilton, former Associate Vice President and University Controller
 - Approve: Katharine A. Brophy, Associate Vice President and University Controller
- **FF3. Authorization to Close Certain Foreign Program Accounts** - Close the following bank accounts and remove all signature authorities:
 - Account at the Bank of Kigali in Kigali, for the USAID project in Rwanda, the Rwanda Integrated Water Security Program.
 - Account at the TBC Bank in Tbilisi, for the Integrated Natural Resource Management in Watersheds of the Republic of Georgia, INRMW, the Georgia Program.
 - Bank account for the Italy Program as it was never established.
- **FF4. Tuition for Doctorate of Business Administration in International Business Self-Supporting Program, 2017-2018 Academic Year** – Approval of the self-supporting tuition of \$33,000 annually for 24 credits for the Doctorate of Business Administration in International Business offered through continuing education beginning academic year 2017-2018.

- **FF6. Review of Test Preparation Fee** – Approval of the continuation of the Test Preparation Fee.
- **AP1. Tenure as a Condition of Employment Nomination** – Approval of one (1) candidate for Tenure as a Condition of Employment.
- **AP2. New Program Proposal: Bachelor of Arts in Computer Science** – Approval of the Bachelor of Arts in Computer Science (CIP 11.0101) new program proposal.
- **AP3. New Program Proposal: Master of Science in Applied Behavior Analysis** - Approval of the Master of Science in Applied Behavior Analysis (CIP 13.1299) new program proposal.
- **AP4. Honorary Degree Nominations** – Endorsement of Mr. Jorge M. Perez as a recipient of a doctoral degree honoris causa and Mr. Peter W. Harlem as a recipient of a posthumous doctoral degree honoris causa from Florida International University.

6. Action Item

AC1. Performance Based Funding Metrics

A. Performance Based Funding – Data Integrity Certification

B. Audit of Performance Based Funding Metrics Data Integrity

Trustee Gerald C. Grant, Jr., Chair of the Audit and Compliance Committee, noted that the BOG requires the Board Chair and University President to jointly execute a Data Integrity Certification affirmatively certifying that the University maintains reliable systems as they relate to BOG data and reporting requirements. Additionally, he added that the University's Chief Audit Executive Allen Vann conducted an audit of the University's processes completeness, accuracy, and timeliness. He stated that the audit findings confirmed that the University has good process controls for maintaining and reporting performance metrics data.

A motion was made and passed that the FIU Board of Trustees:

1. Approve the Performance Based Funding – Data Integrity Certification to be signed by the Chair of the FIU Board of Trustees; and
2. Approve the Audit Report - Audit of the Performance Based Funding Metrics Data Integrity

FF1. Authorization for the Issuance of Debt to Finance the Construction of a Student Residence Facility at the University's Modesto A. Maidique Campus

Trustee Justo L. Pozo, Vice Chair of the Finance and Facilities Committee, requested that Senior Vice President for Administration and Chief Financial Officer Kenneth A. Jessell present the Authorization for the Issuance of Debt to Finance the Construction of a Student Residence Facility at the University's Modesto A. Maidique Campus for the Board's review. Sr. VP and CFO Jessell noted that FIU is the lowest among the State University System in terms of students that are housed on university facilities, adding that current residence halls are at capacity and cannot meet the demand for student on-campus housing. He stated that the Project will consist of a suite-style residence hall with 656 beds and will include approximately 300 parking spaces and ancillary space to

service the residents. He added that the Project is contemplated on the University's 2010-20 Campus Master Plan; however, depending upon the final site recommendation, an amendment to the Campus Master Plan may be required by the Board of Trustees. He stated that the total Project construction cost is expected to be approximately \$66,500,000 with approximately \$16,400,000 cash contribution from Housing and Parking reserves.

Sr. VP and CFO Jessell delineated the terms of the request, which he noted would consist of the Board of Trustees authorizing a request from the Board of Governors to the Division of Bond Finance to issue fixed rate revenue bonds in an amount not exceeding (i) \$60,000,000 plus (ii) an additional five (5) percent, or \$3,000,000, to adjust Project components, including Project cost and amount of debt issuance, as deemed necessary by the University to finance the construction of the Project, finance capitalized interest, fund a debt service reserve fund and pay costs of issuing the Bonds. He noted that the financing term is expected to be 30 years but not to exceed 35 years.

Trustee Sarnoff stated that he would only support the Project if it consisted of \$55M in total funding.

A motion was made and passed that the FIU Board of Trustees authorize a request to the Board of Governors to request the Division of Bond Finance of the State Board of Administration to issue revenue bonds on behalf of Florida International University to finance construction of a Student Residence Facility on the Modesto A. Maidique campus of the University.

Trustee Sarnoff voted against the motion.

FF5. Naming of FIU Stadium as the "Riccardo Silva Stadium" and FIU Arena as the "Ocean Bank Convocation Center"

Trustee Pozo presented that Naming of FIU Stadium as the "Riccardo Silva Stadium" and FIU Arena as the "Ocean Bank Convocation Center" for the Board's review, noting that the request was in recognition of the \$2.26 million gift. Vice Chair Arrizurieta stated that the gift represented the largest gift in the history of FIU's Department of Intercollegiate Athletics.

A motion was made and passed that the FIU Board of Trustees approve the naming of (i) FIU Stadium as the "Riccardo Silva Stadium" and (ii) FIU Arena as the "Ocean Bank Convocation Center", each in accordance with the gift agreement related thereto and the University's and the FIU Foundation, Inc.'s Donative Naming Policy.

Trustee Cesar L. Alvarez cited a conflict of interest and abstained from voting on the motion.

G1. Florida International University 2015-16 Annual Accountability Report

Chair Puig noted that the Governance Committee met earlier in the day to review FIU's 2015-16 Annual Accountability Report, which she stated was due to the Florida Board of Governors on February 27, 2017. She requested that Provost and Executive Vice President Kenneth G. Furton present a summary of the Report for the Board's review. Provost Furton provided an overview of key institutional achievements.

A motion was made and passed by the FIU Board of Trustees approving Florida International University's 2015-16 Annual Accountability Report as provided in the Board materials and delegated authority to the University President to perform finish editing as needed and to amend consistent with any comments received from the Board of Governors.

G2. President's Management Review, 2015-16

Board Chair Puig noted that the Governance Committee also met to undertake the assessment of President Rosenberg's accomplishments for the 2015-16 academic year relative to the Board-approved goals and his overall performance. On behalf of the Committee, Chair Puig presented a written assessment and recommended performance rating for Board consideration.

Vice Chair Arrizurieta noted that the Governance Committee engaged in a substantive discussion on the performance goals and results.

A motion was made and passed by the FIU Board of Trustees granting a "Superior" performance rating to President Mark B. Rosenberg for his leadership of Florida International University during the 2015-16 academic year.

7. Status Reports, Board Committees

Audit and Compliance Committee Report

Trustee Grant presented highlights from the Committee's meeting earlier in the day. He reported that, as a follow up to the audit of the Chaplin School of Hospitality and Tourism Management, Provost Furton presented an overview of the corrective actions that have been implemented. He added that Mr. Vann provided updates on recently completed audits that involved Financial Aid and FIU Football Attendance. Trustee Grant stated that pursuant to a request from Chair Puig, the Office of Internal Audit engaged a consultant to validate that current internal controls are sound, and provide reasonable assurance that proper supplier validation and authentication is being performed. He further stated that Karyn Boston, Assistant VP and Chief Compliance Officer discussed the Compliance program checklist. He mentioned that, as is mandated by the Committee's Charter, the Committee met with Senior Management without the presence of Internal Audit.

Finance and Facilities Committee Report

Trustee Pozo presented highlights from the Committee's meeting earlier in the day. He reported that, in response to Trustee requests, Sr. VP and CFO Jessell presented reports on (1) the age and status of University facilities, usage statistics, and analysis of usage compared to other State University institutions; (2) the University's plans of action for addressing any possible budgetary challenges resulting from proposed changes to the BOG's Performance Metrics; and (3) a financial performance report for each College and School that details profitability and income generation. He stated that CFO and Sr. VP Jessell presented the budget variance for the second quarter of the current fiscal year, noting that University operating revenues were above estimates by \$6.7 million and that operating expenses were below estimates by \$18.3 million.

Athletics Committee Report

Trustee Arrizurieta, Chair of the Athletics Committee, presented highlights from the Committee's meeting earlier in the day. He noted that the Committee was introduced to the newly-hired head coach of FIU Football Butch Davis. He reported that for the third straight year, FIU's swimming and diving team concluded the season as conference champions in the Conference USA Championships. He provided an overview of the many successes that FIU sports teams were experiencing during the current season. He noted that the Committee was pleased to learn about student-athlete academic success in the reports by Asst. Vice President for Undergraduate Education Wesley D. Maas on the Student Athlete Academic Center and that of Consultant Mr. John B. Shukie on the Academic Progress Rate.

Academic Policy and Student Affairs Committee Report

Trustee Cesar L. Alvarez, Chair of the Academic Policy and Student Affairs Committee, presented highlights from the Committee's meeting earlier in the day. He reported that Equal Opportunity Programs and Diversity Title IX Coordinator Shirlyon McWhorter provided an overview of the University's Title IX program, noting that Ms. McWhorter's presentation addressed the University's efforts in the areas of training, education, and awareness.

Governance Committee Report

Board Chair Puig noted that as per the third amendment to Dr. Rosenberg's contract, the Board may, in its discretion, annually award Dr. Rosenberg incentive compensation of up to \$100,000 for the 2015-16 academic year. She added that the Board has delegated the Governance Committee with the responsibility of carrying out the review and award of incentive compensation. She reported that the Governance Committee awarded President Rosenberg \$100,000 in incentive compensation for the 2015-16 academic year.

8. New Business

Trustee Grant mentioned that Panther Alumni Week continues to provide the platform for cultivating relationships that foster personal and professional growth among students. He noted that the University's growing alumni base is critical in furthering fundraising efforts and stated that Trustees also have a shared responsibility in philanthropy.

President Rosenberg introduced a video featuring FIU's Department of Architecture's 27th annual Walk on Water event, noting that the exercise teaches architecture students how to design something that is functional.

9. Concluding Remarks and Adjournment

With no other business, Board Chair Claudia Puig adjourned the meeting of the Florida International University Board of Trustees on Friday, March 3, 2017 at 3:25 p.m.

There were no Trustee requests.

Claudia Puig
Chair
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees

MB 3.14.17