1. Call to Order and Chair's Remarks
The Florida International University Board of Trustees’ Finance and Facilities Committee meeting was called to order by Committee Chair Roger Tovar at 10:03 AM on Thursday, June 15, 2023.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Roger Tovar, Committee Chair and Board Vice Chair; Cesar L. Alvarez (Zoom); Deanne Butchey; Dean C. Colson, Board Chair; Natasha Lowell; Chanel T. Rowe (Zoom); and Marc D. Sarnoff.

Committee Vice Chair Jose J. Armas was excused.

Trustees Carlos A. Duart (Zoom), Francis A. Hondal, Gene Prescott, and Trustee Alexander P. Sutton and University President Kenneth A. Jessell also were in attendance.

Committee Chair Tovar welcomed all Trustees and members of the University administration. He also welcomed the University community and general public accessing the meeting via the University’s webcast. Committee Chair Tovar also welcomed FIU Foundation Inc. Board of Directors member and Treasurer elect, Mr. Marcel L. Navarro.

2. Approval of Minutes
Committee Chair Tovar asked if there were any additions or corrections to the minutes of the Finance and Facilities Committee meeting held on February 23, 2023. Hearing none, a motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on February 23, 2023.

3. Action Items
FF1. Proposed 2023-24 University and DSO Operating Budgets
Senior Vice President for Finance and Administration and Chief Financial Officer Aime Martinez presented for Committee review the University and Direct Support Organizations (DSO) Operating Budgets, totaling $1.7B. She presented an overview of the 13 budgetary components. She commented on legislative highlights, primarily that FIU was the recipient of $35M in operational support and that, of said funding, $25M is recurring and $10M are one-time funds. She added that the operational support will fund student success initiatives, retention and recruitment, and operational needs such as utilities, support services, technologies for operational innovation and service improvement. Sr. VP and CFO Martinez pointed out that the state increased its budget of...
$350M for State University System of Florida (SUS) performance funding by $85M. She added that FIU ranked #1 in the Performance Funding Model with a top score of 95 points and that FIU’s allocation of said increase totaled $6.6M, which will be in addition to the University's $32.9M performance-based funding allocation. She noted that the legislature also approved $100M of non-recurring, performance-based funds for the recruitment and retention of faculty. She further stated that FIU’s share of said funding is $17.5M.

In response to Committee Chair Tovar’s inquiry, Provost and Executive Vice President Elizabeth M. Bejar stated that enrollment for the fall is projected to be either flat or slightly higher and in certain categories significantly higher to offset losses in graduate and transfer programs. University President Kenneth A. Jessell added that Associate of Arts Degree (AA) transfer enrollments have dropped considerably over the past five (5) years and FIU is anticipating a decline in AA transfers. He indicated that FIU represents 21% of the AA transfer students in the SUS. Committee Chair Tovar urged that the administration continue to engage and foster the relationships with the AA institutions, particularly Miami Dade College.

In terms of changes over the prior year, Sr. VP and CFO Martinez commented on the $1.3M reduction to the Nursing Education Pipeline and legislative adjustments. She added that the $600,000 reduction in tuition was being offset by tuition revenues of $2.4M from the International Dual Degree Program. She remarked that the University’s Education and General (E&G) and Herbert Wertheim College of Medicine’s (HWCOM) carryforward balances, less the 7% statutory requirement are estimated at $29M and $19M, respectively. Sr. VP and CFO Martinez commented on auxiliary enterprises, which are self-supporting operations and include academic programs, housing, and parking. She noted that a $5.8M decline in revenues is being projected and an increase in expenses of $12.3M, resulting in a net change over the prior year’s net operating income of $18M. Sr. VP and CFO Martinez pointed out that the decline in revenues is largely attributed to the decline in market rate and self-supporting programs and distance learning fees. She noted that the outlook for fiscal year 2024-25 estimated budgets for parking and housing are also included to satisfy revised Florida Board of Governors (BOG) Regulation.

Sr. VP and CFO Martinez indicated that approximately 38,400 students will receive financial aid including 20,048 Pell recipients. She added that approximately 10,092 Pell students will be eligible for the maximum award of $7,395, which is an increase of $500 from the prior year. In terms of contracts and grants, she pointed out that the University received a no-cost extension for Higher Education Emergency Relief Fund (HEERF) through June 30, 2024, which includes $5M in this year’s budget to complete air quality improvements. Sr. VP and CFO Martinez mentioned that some funds have planned expenditures in excess of revenues, such as Intercollegiate Athletics, Activity and Service, and Technology Fee, which will be covered by available accumulated balances in the respective funds. She stated that the FIU Foundation, Inc. is the largest of the University’s DSOs and has operating revenues comprised of $34.7M with projected investment returns of 6% or $23M and other revenues from leases and other activities of $1.3M. Sr. VP and CFO Martinez remarked that the University’s investment portfolio is projected to generate $15.6M in investment returns, net of fees.
In terms of the requirements delineated under Florida Statutes Section 1004.28 and FIU Regulation 1502 pertaining to resources and space utilized by the University’s DSOs, Sr. VP and CFO Martinez indicated that expenditures are projected at $17M, of which $5.1M will be reimbursed by the FIU Foundation, Inc. She added that said expenditures will support approximately 139.2 full time equivalent (FTE) personnel and approximately 15,316 square feet of space, valued at $414K, are utilized. She noted that the University will provide $4.1M, an increase of $2.6M over the prior year, in personnel and other expense support and reestablish the incremental funding that the University has provided for the past several years to continue fundraising efforts.

Trustee Chanel T. Rowe congratulated Sr. VP and CFO Martinez. Trustee Rowe thanked the state’s legislature for its support of FIU and also acknowledged the students who traveled to Tallahassee with the FIU delegation. She commended the $5M allocation towards the clinical facility and the funds for recruitment and retention incentives.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Florida International University Board of Trustees (the BOT) approve the FIU 2023-24 University and Direct Support Organizations Operating Budgets and authorize the University President to amend the budgets consistent with Legislative, Board of Governors and BOT directives and guidelines.

FF2. Proposed 2023-24 Fixed Capital Outlay Budget/Capital Improvement
Sr. VP and CFO Martinez presented for Committee review the proposed 2023-24 Fixed Capital Outlay Budget/Capital Improvement. She indicated that FIU’s request for 2023-24 Public Education Capital Outlay Projects (PECO) projects totaled $31,150,000 for Engineering Building Phase II, $15.1M; Honors College, $11M; and HWCOM Academic Health Sciences (AHC) Clinical Facility, $5M. She added that the $5M request for the HWCOM AHC Clinical Facility is for the architect and design phase of the project. She pointed out that the University’s request for Capital Improvement projects totaled $5,994,404 for the wellness and recreation field support building, $1,494,404; aquatic center, $2M; and the soccer and track stadium, $2.5M.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to The Florida International University Board of Trustees (the BOT) approval of Florida International University’s 2023-24 Fixed Capital Outlay Budget and authorize the University President to amend the budget as necessary, consistent with Legislative, Florida Board of Governors’ and BOT directives and guidelines.

FF3. Request for Approval of Florida International University’s 2024-25 Fixed Capital Outlay Legislative Budget Request Consisting of the five-year Capital Improvement Plan
Sr. VP and CFO Martinez presented for Committee review FIU’s 2024-25 Fixed Capital Outlay Legislative Request consisting of the five-year Capital Improvement Plan. She indicated that FIU’s top two (2) priorities for PECO-eligible requests included $20M for the Honors College and $27M for the Science Laboratory Complex. She commented on other PECO-eligible requests which included $14.5M for the Academic Health Center Study Complex and $16,650,000 for the renovation of the Duexieme Maison (DM) building. Sr. VP and CFO Martinez provided an overview of FIU’s Capital Improvement Trust Fund (CITF) project requests, which totaled $6.8M.
and included $6.3M for the Graham University Center expansion and $.5M for the aquatic center. She commented on the back of bill requests, which included $150M for the HWCOM academic health sciences clinical partnership, $135M for student housing, and $135M for workforce housing.

In response to Committee Chair Tovar’s inquiry regarding the vision and timing of student and workforce housing, President Jessell commented on the hiring of a consultant to analyze student demand as on-campus housing is critical in helping to ensure student success. President Jessell added that workforce housing may be a public/private partnership and that the University may need to engage an expert in the area. Chair Tovar inquired as to the possibility of engaging with Miami-Dade County Mayor Daniella Levine Cava regarding a partnership to provide affordable workforce housing.

Provost Bejar indicated that the University’s student housing occupancy rate at the Modesto A. Maidique campus is 99% with 1,439 upper class students and 163 freshmen on a waiting list. She added that the Bayview complex at the Biscayne Bay Campus is at 95% capacity. She noted that off-campus housing is at 100% occupancy with additional off-campus housing under construction that is already at 68% pre-lease for the fall semester. Committee Chair Tovar commented that, when appropriate, the University should be poised to move forward to address student housing needs.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to the Florida International University Board of Trustees (the BOT) approval of FIU’s 2024-25 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan and authorize the University President to amend the Legislative Budget Request as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

**FF4. Renewal of Lease Agreement with Iskalo Asset Fund LLC for Location at 4600 Main Street, Snyder, New York**

Committee Chair Tovar asked if Committee members required explanation or discussion on the renewal of the lease agreement with Iskalo Asset Fund LLC for the location at 4600 Main Street, Snyder, New York. There were no questions or comments from the Committee members.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the FIU Board of Trustees approve (1) the renewal of a lease agreement for a location for FIU at 4600 Main Street, Snyder, New York; (2) the delegation of authority to the University President, or designee, to negotiate the First Amendment to Lease Agreement; and (3) the delegation of authority to the University President, or designee, to execute the First Amendment to Lease Agreement on behalf of the University and all other documents that may be necessary to effectuate the transactions contemplated therein.

**FF5. Approval of Contracts greater than or equal to $3,000,000:**

1) *Apple Goods and Services Resale Exemption with D&H Distributing*
2) *Blanket Purchase Order for Smiley Audio Visual*
3) *Contract PUR-06870 Academic HealthPlans, Inc.*
Committee Chair Tovar indicated that the approval of contracts greater than or equal to $3M, included the contract with Apple Goods and Services for purchases for resale by FIU Panther Tech, blanket purchase order with Smiley Audio Visual, and contract with Academic HealthPlans, Inc. for student health insurance. He asked if Committee members required explanation or discussion. There were no questions or comments from the Committee members.

Pursuant to the Delegations of Authority from the Florida International University Board of Trustees to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the Board of Trustees on March 4, 2019, a motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the FIU Board of Trustees (1) approve, as listed and described in the Board materials, the University entering into the contracts and purchase orders and/or change orders to the purchase orders and (2) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts and/or purchase orders.

Committee Chair Tovar pointed out that Board of Trustees members are thoroughly briefed in anticipation of every Board meeting.

3. Action Item (Committee Action; Full Board Information Only)

**FF6. Approval of Contracts greater than or equal to $1,000,000 and less than $3,000,000:**
- Renewal PUR-03390 with Air Planning, LLC.
- Independent Contractor Agreement with A21 Consulting, LLC.

Sr. VP and CFO Martinez presented the contracts greater than or equal to $1M and less than $3M for Committee review and approval. She indicated that the contract with Air Planning, LLC totals $2.8M and provides student-athlete air travel to away football games. She added that the contract is for one (1) year with an option to renew for four (4) additional years. Sr. VP and CFO Martinez pointed out that the $1.6M contract with A21 Consulting, LLC is to provide the sponsorship, solicitation, fulfillment, and relationship services for the 2024 – 2026 Food Network South Beach Wine & Food Festival presented by Capital One (SOBEWFF®).

Pursuant to the Delegations of Authority from the Florida International University Board of Trustees to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the Board of Trustees on March 4, 2019, a motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee (1) approve the University entering into the contracts as listed and described in the Board materials and (2) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts and all of the documents, and take all actions, that may be necessary to effectuate the transactions contemplated in the respective contracts.

4. Discussion Items
4.1 Financial Performance Review, Third Quarter FY 2022-23
Sr. VP and CFO Martinez presented the University’s financial performance review for the third quarter of FY 2022-23. She indicated that operating revenues are above estimates by $15.7M or 1.4% and that operating expenses are below estimates by $40.3M or 3.7%, with a net favorable variance of $56M. She pointed out that the largest driver of the favorable variance is related to
higher cash contributions in the FIU Foundation, Inc., higher revenues from delayed transition of management fees from the FIU HealthCare Network to the University, and sponsored research and direct support organization reimbursements. Sr. VP and CFO Martinez commented on savings from vacant positions, lower program expenses and auxiliaries and lower Pell and Bright Futures.

4.2 Campus Master Plan 2015-2030 Update

Associate Vice President for Facilities Management John Cal provided a Campus Master Plan update. He pointed out that the master planning process is based on law and regulation, specifically Florida Statute 1013.30 and BOG Chapter 21. He indicated that legislative language recognizes universities as vital public facilities with impacts on public facilities and natural resources of the host local governments. Mr. Cal commented that campus master planning is perceived as the vehicle to ensure a quality relationship with host communities. He remarked on key parameters, including a 10 to 20 year planning period with updates required every five (5) years, widespread dissemination of draft master plan to state agencies and local governments with a 90 day period for comment, two (2) public hearings for host local communities, formal Board of Trustees approval, and negotiation of Campus Development Agreement (CDA) with host local governments. Mr. Cal commented on the planning scope. He noted that there are eight (8) required elements and 10 optional planning elements. He added that there are specific goals, objectives, and policies developed in relation to each element.

Mr. Cal explained that the University’s strategic plan and Campus Master Plan are in alignment. He presented future vision graphic models of the Modesto A. Maidique campus and Engineering Center, which delineated CIP and planned projects by funding status. In response to Committee Chair Tovar, Mr. Cal indicated that the University has a budget for the Trish and Dan Bell Chapel but does not have a guaranteed maximum price (GMP) that meets said budget. Mr. Cal added that construction cannot begin until that result is achieved. Further responding to Committee Chair Tovar, Mr. Cal indicated that the funding gap is between $4M and $6M, pending GMP. President Jessell added that Trish and Dan Bell contributed $14M and that funds from the FIU Foundation Inc and other donations have already been received. He stated that a fundraising plan enables the naming of multiple aspects of the chapel. Committee Chair Tovar requested that the proposed location of the aquatics center be revisited in order to consider a more central location that can add to campus life. Trustee Lowell suggested that Committee Chair Tovar form a subcommittee to participate in the development of the Campus Master Plan. In response to Committee Chair Tovar, President Jessell commented that the development agreement with the developers for the Hotel, Conference Center, and Alumni Center was terminated. President Jessell commented on a possible future competitive solicitation for only the hotel component. He noted that there are opportunities to incorporate existing facilities into a conference center component. President Jessell commented on his discussions with the Alumni Association Board of Directors regarding the repurposing of the Phi Gamma Delta fraternity house to an alumni center. Committee Chair Tovar requested that said repurposing be presented to the Board of Trustees for its review and approval. Trustee Marc D. Sarnoff noted that, as an urban campus, vertical construction is the only path forward.

Mr. Cal indicated that the Campus Master Plan is posted to the web as is required. He presented a timeline, which culminates with Board of Trustees approval in June 2024. Committee Chair Tovar requested that Mr. Cal’s presentation be shared with members of the Board of Trustees.
5. Reports
There were no questions from the Committee members in terms of the reports included as part of the agenda materials: Athletics Update; Business Services Report; Emergency Management Status Report; Facilities and Construction Update; Safety and Environmental Compliance Report; Treasury Report; Procurement Report; CasaCuba Building Update; and Foundation Report.

6. New Business
No new business was raised.

7. Concluding Remarks and Adjournment
With no other business, Finance and Facilities Committee Chair Roger Tovar adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Thursday, June 15, 2023 at 11:41 AM.