



Finance and Facilities Committee
April 25, 2024
FIU, Biscayne Bay Campus, Wolfe University Center, Room 221

MINUTES

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 Carlos A. Duart at 9:33 AM on Thursday, April 25, 2024.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Carlos A. Duart, *Committee Chair and Board Vice Chair*; Cesar L. Alvarez; Dean C. Colson; Natasha Lowell; and Roger Tovar, *Board Chair*.

Committee Vice Chair Marc D. Sarnoff was excused.

The following Board members were also in attendance: Noël C. Barengo, Alan Gonzalez, Francis A. Hondal, Yaffa Popack (Zoom), and Alexander P. Sutton.

Committee Chair Duart 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.

2. Approval of Minutes

Committee Chair Duart asked if there were any additions or corrections to the minutes of the Finance and Facilities Committee meeting held on February 29, 2024. Hearing none, a motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on February 29, 2024.

3. Action Items

FF1. Renewal of Naming of FIU Arena as the "Ocean Bank Convocation Center"

Athletic Director Scott Carr presented for Committee review the renewal of the naming of the FIU Arena as the "Ocean Bank Convocation Center". He stated that the parties have agreed to renew Ocean Bank's existing naming rights with a new ten (10) year gift agreement, equal to \$5.6M. Mr. Carr commented that the new agreement is effective August 1, 2024 and has annual escalating installments, which begin with \$470,000 on year one (1) and end with \$680,000 by year 10.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend FIU Board of Trustees approval of the renewal of the existing naming of the FIU Arena, as the "Ocean Bank Convocation Center," in accordance with a separate gift and

naming rights agreement related thereto and the University's and the FIU Foundation, Inc.'s Donative Naming Policy.

Committee Chair Duarte then requested to take the agenda out of order. There were no objections.

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

FF3. Approval of Contract greater than or equal to \$1,000,000 and less than \$3,000,000:

EdFinancial Services, LLC for the Student Financial Aid Call Center

Senior Vice President for Finance and Administration and Chief Financial Officer Aime Martinez presented for Committee review and approval the contract with EdFinancial Services, LLC. She indicated that the renewal of the piggyback agreement is being requested for student financial aid call center services. She noted that because of their flexible staffing and training model, EdFinancial Services, LLC can handle the volume without interruption, and this allows the OneStop office to address other high-volume areas, including Registration and Admissions, more efficiently. Sr. VP and CFO Martinez pointed out that student financial aid call center services are funded by Education and General (E&G). She added that the cost for the initial term totaled \$341K and that \$327K is estimated for the current year. She commented that \$415K is being requested for the next term and for a potential fourth term.

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 (i) 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 (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts and/or purchase orders.

3. Action Items *(Continued...)*

FF2. Update Regarding Previously Approved Student Residence Facility Program and Total Project Cost at Modesto A. Maidique Campus

Sr. VP and CFO Martinez presented for Committee review the update regarding the previously approved student residence facility program and total project cost at the Modesto A. Maidique Campus. She explained that at its February 29, 2024 meeting, the FIU Board of Trustees approved a suite-style residence hall with 816 beds at an estimated cost of \$184.5M with a planned contribution of up to \$20M from housing system reserves. She added that following FIU Board of Trustees approval, the request was submitted to the Florida Board of Governors and the Division of Bond Finance. She noted that the administration has continued to work on the evaluation of the construction costs estimates and determined that the number of beds can be increased. Sr. VP and CFO Martinez commented that the revised estimates for the project costs will provide for multiple options that would result in a larger facility and stronger than projected debt service coverage. She referred to the agenda materials, which included a schedule with various options for consideration. She remarked that the option under the current approved budget would likely allow for the construction of 940 beds and that the option with a budget of \$200M would allow for 1,040 beds, resulting in an improved debt service coverage and cost per bed. She stated that the \$20M planned

contribution and previously approved housing rate increases would not change, allowing the University to have greater impact to meet student demand with minimal impact on housing auxiliary operations. She explained that the number of floors also vary by option, with 18 maximum floors.

Sr. VP and CFO Martinez commented that, as previously reported, Brailsford and Dunlavey estimated that the immediate unmet demand was for an additional 1,400 beds. She remarked that student housing on the University's Modesto A. Maidique campus consists of 3,814 beds, which represents 10% of the undergraduate population. She added that with an additional 940 beds, the FIU on-campus population would grow to 12%. She stated that the percentage of undergraduate students living on campus across the State University System ranges from 12% to 34%. Sr. VP and CFO Martinez indicated that the administration recommends that the FIU Board of Trustees delegate authority to the Board Chair and Vice Chair to finalize the student residence facility programming and total cost for the project, provide Board approvals, as necessary, as the administration continues to work with the Florida Board of Governors and Division of Bond Finance.

Board Chair Roger Tovar commented that increasing the number of beds can result in improved bond coverage ratios, lower cost per bed, better utilization of the University's limited footprint, and allows the University to make a greater impact on meeting the demand for on-campus housing. He added that the percentage of undergraduate students living on campus across Association of American Universities institutions is approximately 25%. University President Kenneth A. Jessell noted that the Board's Chair and Vice Chair would be involved in the decision and final approvals in collaboration with the Florida Board of Governors and Division of Bond Finance, which allows the University greater flexibility as it strives to obtain the best possible economies. Trustee Alexander P. Sutton reiterated student demand for on-campus housing and encouraged Board Chair Tovar and Board Vice Chair Duarte to secure the greatest number of beds possible while remaining cost effective. Committee Chair and Board Vice Chair Duarte stressed the importance of meeting the demand for on campus housing and the need to integrate verticality in design. In response to Trustee Francis A. Hondal's comments regarding long-range planning, Board Chair Tovar and Trustee Natasha Lowell commented on the campus master planning process that is currently underway. Board Chair Tovar requested a presentation by Trustee Lowell on the campus master plan for the Board's next regularly scheduled meeting. In response to Trustee Hondal, President Jessell remarked that the Board of Trustees have been involved in the early stages of the campus master plan and strategic planning processes.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend FIU Board of Trustees delegation to the Board Chair and Vice Chair to finalize the student residence facility programming (e.g., number of beds), total project cost, resubmit all required documentation to the Florida Board of Governors and Division of Bond Finance, and execute all required documents associated with the student residence facility on behalf of the FIU Board of Trustees.

4. Discussion Item

4.1 Review of FIU Financial Statements Audit for Fiscal Year Ended June 30, 2023

Sr. VP and CFO Martinez indicated that the State of Florida Auditor General issued the University's Audited Financial Statements and that the University received an unmodified opinion. She added that said opinion meant that the financial statements presented fairly the financial position of the University and its component units. She stated that the auditors did not identify any deficiencies in internal control over financial reporting considered to be a material weakness or any instances of non-compliance or other matters required to be reported under Government Auditing Standards. Sr. VP and CFO Martinez indicated that the University has assets of nearly \$2B with an increase of 6.3% over the prior year mainly in capital assets, which can be attributed to the construction of Tamiami Hall and new State of Florida capital appropriations for the Engineering II building. She added that liabilities totaled \$997M, which increased 8.5% over the prior year and was primarily a result of net pension liability. Sr. VP and CFO Martinez noted that the University's net position totaled \$934.4M and reflected an increase of 4.3%. She thanked the Office of the Controller and the staff from the respective direct support organizations for their work.

5. New Business

No new business was raised.

6. Concluding Remarks and Adjournment

With no other business, Finance and Facilities Committee Chair Carlos A. Duart adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Thursday, April 25, 2024 at 10:07 AM.