

**Finance and Facilities Committee****April 15, 2025****FIU, Modesto A. Maidique Campus, Graham Center Ballrooms****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 Marc D. Sarnoff at 9:00 AM on Tuesday, April 15, 2025.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Marc D. Sarnoff, *Committee Chair*; Dean C. Colson, *Committee Vice Chair*; Alan Gonzalez; Jesus Lebeña; Alberto R. Taño; and Roger Tovar, *Board Chair*.

The following Board members were also in attendance: Trustees Noël C. Barengo; Francesa Casanova; Carlos A. Duarte, *Board Vice Chair*; George Heisel; Alexander M. Peraza; and Yaffa Popack.

Committee Chair Sarnoff welcomed all Trustees and members of the University administration.

2. Approval of Minutes

Committee Chair Sarnoff asked if there were any additions or corrections to the minutes of the Finance and Facilities Committee meeting held on February 13, 2025. Hearing none, a motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on February 13, 2025.

3. Action Items (*Committee Action; Full Board Information Only*)**3.1 Approval of Contracts greater than or equal to \$1,000,000 and less than \$3,000,000:****3.1.1 Education Management Solutions LLC**

Senior Vice President for Finance and Administration and Chief Financial Officer Aime Martinez presented the contract with Education Management Solutions, LLC (EMS) for Committee review and approval. She noted that the TotalCAREiQ™ Platinum Agreement with EMS provides comprehensive maintenance and support services for the EMS system that is installed at FIU's Albert and Debbie Tano Medical Simulation Center, which is a world-class multidisciplinary training and research facility. CFO Martinez commented that the agreement aims to ensure the optimal performance and longevity of the EMS system to keep the clinical simulation management platform running at its peak capacity and uphold the highest standards in medical simulation training. She pointed out that the contract with EMS is for a renewal of services, noting that the first four (4)-year term was completed in December 2024, which totaled \$903,000. She added that the next term is for

three (3) years, ending December 2027, for a total cost of \$654,000, plus an additional 60,000 for the replacement of cameras that are due. She noted that the contract is being fully funded by HWCOM Education and General (E&G) and carry forward funds and the purchase qualified under the Florida Board of Governors (BOG) regulation of exceptional purchases.

Board Chair Tovar stated that he believed that the renewal with EMS would not require the Committee's approval since it does not meet the \$1M threshold under the delegations of authority and could be deemed a new contract. He added that he asked the administration to review similar renewals so that only those matters that need Board of Trustees and/or Finance and Facilities Committee approval be presented. In response to Board Chair Tovar, General Counsel Castillo referred to the internal audit report pertaining to capital construction project administration and funding and the related recommendation that called for a general review of the President's Powers and Duties Resolution in order to ensure that the level of reporting desired by the Board of Trustees is achieved, including an assessment of the level of reporting of change order activity and other construction activities. General Counsel Castillo added that, as he previously discussed with Board Chair Tovar, the review of the University's procurement delegations and thresholds will include benchmarking with State University System institutions and contract renewals or extensions to help address situations that may arise similar to the proposed agreement with EMS.

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 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.

3.1.2 Hammes Company Healthcare, LLC Second Engagement Letter

CFO Martinez presented the second engagement letter with Hammes Company Healthcare, LLC, for Committee review and approval. She indicated that as part of the affiliation with Baptist Health of South Florida, FIU initiated a search for a third-party project management firm with demonstrated expertise in academic health centers and clinical facilities. CFO Martinez added that seven (7) firms were evaluated, and the group, which includes the University's Baptist partners, is recommending Hammes Company Healthcare, Inc, which is a nationally recognized healthcare developer with a proven track record of delivering large-scale master planning and facility development projects across the United States. She introduced Mr. Travis Pigott, Vice President of Hammes, who will be FIU's lead project manager. CFO Martinez commented that to expedite the contracting process, FIU entered into an agreement, dated March 18, 2025, with Hammes which piggybacks the USF master services agreement. She added that the USF piggyback agreement will expire on March 13, 2027, with two renewal options for one year each. She pointed out that the cost for the first engagement was \$120,000 and that the current request is for the second engagement letter for the full project management scope through March of 2028, when it is anticipated the project to be done, for a total cost of \$1.857M, plus reimbursable expenses which are not to exceed 1% of the total project cost. CFO Martinez stated that FIU negotiated a 6.3% discount off the hourly rates listed on the USF master agreement, which resulted in savings of \$132,082. She pointed

out that, if the project schedule is extended through no fault of Hammes, Hammes would be entitled to additional fees, which would equate to approximately \$35,000 a month. CFO Martinez mentioned that if the March 2028 timeline is not met and FIU is still in need of services and not satisfied, the University can terminate the agreement at any time. She further stated that the contract is to be funded with Public Education Capital Outlay (PECO) appropriations awarded in fiscal years 2023-24 and 2024-25, which total \$105M.

Board Chair Tovar urged the administration to ensure that communication at all levels is taking place with Baptist Health. Trustee Jesus Lebeña recommended that the administration consider including penalty clauses in agreements to help address instances where a vendor may not meet FIU's expectations as set forth in said agreements. Board Chair Tovar added that Trustee Lebeña should meet with CFO Martinez to continue the discussion. In response to Committee Chair Sarnoff, General Counsel Castillo indicated that there may be limitations in changing the terms and conditions of a piggyback agreement. Committee Chair Sarnoff requested that CFO Martinez ensure that the Board of Trustees can follow-up on the matter when the administration is ready to begin presenting clinical facility options to the Board of Trustees.

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 described in the Board materials, FIU continuing to issue engagement letters pursuant to the piggyback agreement with Hammes Company Healthcare, LLC for project management services with a total cost in excess of \$1,000,000 over the term of the agreement; (ii) authorize the University President or her designee to execute, on behalf of FIU, all future engagement letter(s) thereunder for individual projects as FIU may elect with a total cost in excess of \$1,000,000 over the term of the agreement; and (iii) authorize the University President or her designee to execute all documents and take all actions necessary to effectuate the above.

4. Action Items

FF1. Proposed Amendment to Regulation FIU-1111 Employee Debt Collection

CFO Martinez presented the proposed amendment to Regulation FIU-1111 Employee Debt Collection for Committee review. She noted that the regulation is being updated to reflect current practice by clarifying that notices sent to employees 20 days prior to the collection of outstanding debt will be provided to the employee by email prior to a set-off of debt and add a section setting forth the recoupment process to be used when there is accidental overpayment of wages. CFO Martinez explained that unlike regular outstanding debt, including nonpayment of tuition, returned checks, parking fines, library fines, keys, uniforms, travel advances where the University is limited to only deduct up to 10% of the employees biweekly gross salary, if the debt is related to overpaid wages, an accidental overpayment is treated as an advance of wages and the money will be deducted from the employee's future paycheck, even if doing so cuts into the employee's minimum wage or overtime payments.

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 proposed amendments to

Regulation FIU-1111 Employee Debt Collection and delegation of authority to the University President to approve any subsequent non-material amendments based on comments to the Regulation received from the Florida Board of Governors or as a result of the regulation-making process.

FF2. University Depositories, Amendment to Signature Authority, and Authorization to Transfer Funds

CFO Martinez presented the resolution pertaining to University Depositories, Amendment to Signature Authority, and Authorization to Transfer Funds for Committee review. She indicated that the request to amend the signature authority updates the University's official records to remove Senior Vice President and Chief Administrative Officer, Dr. Kenneth A. Jessell, add Interim President Jeanette M. Nuñez, and retain her (Senior Vice President for Finance and Administration and Chief Financial Officer, Aime Martinez) and Controller and Associate Vice President, Alexandra Mirabal, as authorized signatories on the University's depository accounts. CFO Martinez added that the following banking institutions will continue to be designated as University depositories: Bank of America, N.A.; U.S. Bank, N.A.; Regions Bank, N.A.; and JP Morgan Chase Bank, N.A.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend FIU Board of Trustees adoption of the resolution that pursuant to Section 1011.42, Florida Statutes:

1. continues to designate the financial institutions approved by the FIU Board of Trustees on December 5, 2019 as University depositories; and
2. amends the signature authority approved by the FIU Board of Trustees on March 3, 2022 to designate the following officers and employees of the University as authorized to sign checks to pay legal obligations of the University from any and all designated University depositories:

Adding:

Jeanette M. Nuñez, Interim President

Retaining and updating titles:

Aime Martinez, Senior Vice President for Finance and Administration and Chief Financial Officer
Alexandra Mirabal, Controller and Associate Vice President

Removing:

Kenneth A. Jessell, Senior Vice President and Chief Administrative Officer

3. and authorizes the University president or her designee to transfer funds from one depository to another, within a depository, to another institution, or from another institution to a depository for investment purposes and may transfer funds to pay expenses, expenditures, or other disbursements, evidenced by an invoice or other appropriate documentation.

FF3. Naming of the FIU Softball Stadium as “Baptist Health Softball Stadium”

Athletic Director Scott Carr presented the proposed naming of the FIU Softball Stadium as “Baptist Health Softball Stadium” for Committee review. Mr. Carr commented on the long-standing partnership with Baptist Health to serve as the health care provider and corporate sponsor for FIU Athletics. He added that the partnership continues to strengthen, from a five (5)-year \$200,000 per year sponsorship to a five (5)-year, \$500,000 per year sponsorship. He indicated that as part of the new agreement, the FIU softball stadium will be named Baptist Health Softball Stadium for that five (5) year term.

Board Chair Tovar expressed his appreciation to Baptist Health for their continued support of FIU.

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 naming of the FIU Softball Stadium as “Baptist Health Softball Stadium”.

5. Discussion Item

5.1 Review of FIU Financial Statements Audits for Fiscal Year Ended June 30, 2024

CFO Martinez commented that the University received an unmodified opinion, and the statements presented fairly the financial position of FIU and its component units. She added that the state auditor general did not identify any deficiencies in internal controls over financial reporting considered to be a material weaknesses or any instances of non-compliance or other matters required to be reported based on government auditing standards. She commented on balance sheet highlights, including that assets totaled just over \$2B and the net position totaled \$1B.

6. New Business

CFO Martinez provided an update on the new student residence facility project. She noted that the project was initially approved for 816 beds but that after assessing student demand, the project was increased to 1,174 beds for a total estimated project cost of \$238.3M, with a total cost per bed of approximately \$203,000. CFO Martinez indicated that the total debt for the project will be \$237.8M and meet a debt service coverage of approximately 1.3 at opening, which is anticipated for fall 2028. She commented on the project timeline. She noted that in February, the architects received notice to proceed to the design development phase and in March, the selection committee completed the competitive solicitation process and awarded the construction manager services to Moss Construction after a competitive process. She added that it is anticipated that a guaranteed maximum price for the project will be received from the construction manager by November 2025. CFO Martinez explained that the University is required to submit the project package for BOG approval 90 days prior to their next meeting and that once BOG approval is received, it takes 30 to 90 days for the issuance of bonds, which is expected to be May 2026 in line with the start of construction. She stated that Mr. Travis Serpas, Senior Vice President with Moss Construction, will be the lead on the project.

CFO Martinez presented the proposed site location and updated exterior renderings. She stated that Mr. David M. Harper of Zyscovich has stated that while there is no stucco anticipated to be used in the new residence facility, the exposed concrete slab edges and the columns are to be coated in the same type of product used at Parkview, sto one coat or similar, and the use of the product will be

limited to cover what would otherwise be exposed structural concrete. CFO Martinez noted that the material for soffit areas under the podium is still under review and there will be a partial dropped ceiling to cover pipes and such and beyond that the other raw concrete areas will be coated in the Parkview concrete coating material or similar. She commented that the building is almost all architectural precast concrete and glass and the window sizes have been thoughtfully developed to align with the optimal sizing of precast concrete panels and offers a wider window design when compared to Tamiami Hall offering a broader, more expansive horizontal view. CFO Martinez mentioned that the total glazed area will exceed that of Tamiami hall, intentionally prioritizing visual effectiveness and user experience. She delineated the estimated costs and financing structure: revenue bonds, \$237.7M; issuance cost, \$5M; cash contribution, \$20M; interest earnings, \$11.5M; construction costs, \$238M; capitalized interest, \$25.9M; 5.25% interest; 30-year term; \$16.4M annual payments.

Trustees commented that the new student residence facility will set the tone for the appearance of the campus, requested additional renderings, and inquired as to possible alternatives without substantially driving up the costs. In response to Board Vice Chair Carlos A. Duarte, CFO Martinez commented on the project's 10% contingency. Board Chair Tovar commented that, in order to not cause any delays to the project, a Board of Trustees meeting can be scheduled prior to the regularly scheduled June meeting to review additional renderings.

CFO Martinez provided an update on the FIU Herbert Wertheim College of Medicine (HWCOM) Academic Health Sciences clinical partnership at the Modesto A. Maidique campus. She noted that the proposed site is on the north parcel of the University apartments and that the project entails a multi-story building that will provide 20,000 square feet of clinical space with an adjacent 1,200 space parking garage for an estimated total cost of \$212.4M. CFO Martinez indicated that to-date \$105M in funding has been secured for the project. She stated that the project is currently in conceptual schematic design, moving to advanced schematics, and tracking on schedule. She commented that the project is a collaborative effort with the Stantec team, involving Baptist Health, FIU facilities and HWCOM, and several units across the University. CFO Martinez mentioned that the team is working toward an accelerated schedule to start construction by April 2026. She provided an overview of the proposed construction timeline: five (5) firms submitted qualifications on March 24, 2025 and the next selection committee is scheduled for April 17, 2025; Construction Manager in place, June 2025; complete design development, July 2025; 100% construction documents, December 2025; demolition start, January 2026; Construction Manager completion of Guaranteed Maximum Price, March 2026; construction start, April 2026; and building completion, December 2027.

CFO Martinez presented three (3) aspirational design options, as the teams work together to seek efficiencies in the project in order to incorporate additional floors if budget permits. She highlighted views for each of the design options. Board Chair Tovar urged Interim President Jeanette M. Nuñez to work with the Baptist team to identify the appropriate parking space ratio for the adjacent garage. Trustees engaged in a discussion regarding the design options. CFO Martinez mentioned that in the early stages of project discussions, Baptist Health indicated that 600 parking spaces would be needed to accommodate patients, doctors, and valet service. She added that, as was in the proposal submitted to the BOG, 600 of the 1,200 spaces will be designated exclusively for the clinical

activities. CFO Martinez remarked that the remaining 600 spaces will help to compensate for 232 displaced spots that are currently in the lot of the proposed site in addition to spots that will be needed for Engineering I and II and additional clinical spaces that may come online for phase 2. In response to Trustee Dean C. Colson, Mr. Arturo Vasquez, Principal and Senior Architect with Stantec, indicated that the parking garage will be built with flexibility to convert to other functionalities and can accommodate clinical facilities to be added to the top floor in future years. Committee Chair Sarnoff commented that the project should be viewed as a legacy building that will leave a lasting impression on the community.

Trustee Colson referred to the House v. National Collegiate Athletic Association settlement. He commented that the settlement proposes roster limits and, if approved by the court, will allow for greater compensation and benefits for student-athletes. He stated that investments in athletics should be strategic and proportionate to the women's sports programs. He requested that discussions should begin prior to or at the June Board of Trustees meeting when the University budget is reviewed. Board Chair Tovar remarked on discussions at the BOG regarding additional flexibility to use auxiliary funds and he urged the administration to identify possible auxiliary funds to be used for athletics.

7. Concluding Remarks and Adjournment

With no other business, Finance and Facilities Committee Chair Marc D. Sarnoff adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Tuesday, April 15, 2025 at 10:14 AM.