



Finance and Facilities Committee

June 12, 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 10:01 AM on Thursday, June 12, 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; and Alberto R. Taño.

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.

Committee Chair Sarnoff commented on the May 19, 2025 workshop of the Finance and Facilities Committee. He noted that the Committee reviewed options for the upcoming student residence facility's aesthetic design and that based on the options presented by Zyscovich, the architecture firm, the Committee reached a consensus to support the curtainwall design "Fusion Luxe" resulting in an increase to the construction project now totaling \$247M. Committee Chair Sarnoff added that a finalized package will be presented for the Board's approval in November. He indicated that, as part of the May 19 workshop, the Committee also reviewed updated options for the exterior facade of the FIU-Baptist Health Academic Health Sciences clinical partnership facility. He stated that additional input was provided and will be incorporated into the design, and the project will continue to move forward according to the construction timeline presented.

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 April 15, 2025. Hearing none, a motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on April 15, 2025.

3. Action Item: Committee Action | Full Board Information Only

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

Purchase of e-Builder, Owners Construction Project Management Software

Senior Vice President for Finance and Administration and Chief Financial Officer Aime Martinez presented, for Committee review and approval, the contract for the purchase and implementation of an owner's construction project management software system that will support the capital planning, construction, and project management lifecycle from planning through closeout of construction projects. She pointed out that the contract term is for three (3) years from July 2025, through May 2028 and totals \$1.2M. CFO Martinez added that the first two years include one-time implementation costs of \$515K and recurring subscription costs for unlimited licenses of \$234K per year. She indicated that e-Builder software and services will be procured via a piggyback agreement and funded by FIU Board of Trustees-approved Education and General (E&G) carryforward funds.

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 negotiating and entering into a piggyback agreement with e-Builder, Inc. ("e-Builder") for the purchase of owner's construction project management software; and (ii) authorize the University President or her designee to execute, on behalf of the University, the aforementioned agreement and related documents and to take all actions necessary to effectuate the above.

4. Action Items

FF1. Approval of Contracts greater than or equal to \$3,000,000: 1. Mythics, LLC.; 2. Oracle America, Inc.; and 3. Amazon.com Services LLC

CFO Martinez presented the contracts greater than or equal to \$3M for Committee review. She noted that the contract with Mythics, LLC. is for the purchase of a three (3)-year subscription of Oracle Cloud. She added that the piggyback agreement is for a three (3)-year term from July 2025 through July 2028 and will be funded with E&G funds for a total cost of \$4.6M. CFO Martinez pointed out that the contract with Oracle America, Inc. is a piggyback agreement for a three (3)-year term from September 2025 through August 2028 for support and license updates of Oracle applications. She stated that the total cost is \$4.9M to be funded by E&G and E&G carry forward. CFO Martinez indicated that the contracts with Mythics and Oracle America, Inc. include annual placeholders in the event additional storage capacity for cloud services are required or if the growth clauses are triggered in the Oracle licenses. She commented that the 18-month extension of the contract with Amazon.com Services LLC is a piggyback agreement, has an estimated cost of \$3M, and is for the continuation of purchasing online goods from amazon through myFIUmarket.

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 (i) FIU Board of Trustees approval, as listed and described in the Board materials, of the University entering into the piggyback agreements, and (ii) authorization for the University President or her designee to

execute, on behalf of the University, the aforementioned agreements and related documents and to take all actions necessary to effectuate the above.

FF2. Proposed 2025-26 University and University Organizations Operating Budgets

CFO Martinez explained that FIU follows government accounting standards and report by the various funds that the University manages. She added that the budgets for the University's Direct Support Organizations (DSOs), FIU Athletics Finance Corp., FIU Foundation, Inc., and FIU Research Foundation, Inc. and its Health Services Support Organizations (HSSOs), The Florida International University Health Care Network, Inc., and The Florida International University Children's Alliance for Research & Education, Inc. are incorporated into the University's operating budget and have been approved by their respective boards. She indicated that currently, the state budget for fiscal year 2025-26 has not been finalized by the legislature, and as such, the University's E&G budget is provisional and based on last year's appropriations and adjusted for non-recurring items such as faculty recruitment and retention performance funds. CFO Martinez pointed out that if there are material changes to FIU's budget once the state's budget is finalized, an amended budget will be presented to the Board of Trustees. She commented that the research budget represents the University's best estimate of the impact to funding for federal grants and facilities and administration (F&A) rates given the rapidly changing environment at the federal level.

CFO Martinez presented an overview of the University's operating budget by funding source and how the expenditure budget for the upcoming year compares to the budget of the current fiscal year. She indicated that the proposed operating expense budget totals \$1.9B and is flat versus the current fiscal year. She stated that there is only a slight increase projected in enrollment for the University while the enrollment for the Herbert Wertheim College of Medicine (HWCOM) is capped. CFO Martinez noted that auxiliary enterprises are showing less expenditures next year largely driven by enrollment declines in the College of Business' market rate and graduate programs. She mentioned that research expenditures were adjusted for next year's federal grants by approximately \$13M, which was offset by the reimbursement of expenses as a result of the affiliation agreements with Baptist Health of South Florida and Nicklaus Children's as well as the growth in graduate medical education.

Sr. VP and CFO Martinez provided a preliminary estimate of the E&G fund balances or carry forward for the University and HWCOM. She noted that the University's beginning fund balance is estimated at \$149M, which results in an estimated balance of \$103M after the 7% statutory reserve. She added that of the \$103M, \$28M is allocated for the continuation of projects previously approved by the Board of Trustees, including minor and major construction projects, IT refreshes, and faculty recruitment and retention incentives. She added that it is anticipated that \$75M will be allocated to new initiatives in support of unspent faculty recruitment and retention incentives, Adam Smith Center for Economic Freedom, research start-up, merit-based undergraduate and athletic scholarships, deferred maintenance, and other initiatives pending final allocation of appropriations from the state. CFO Martinez indicated that HWCOM's estimated beginning fund balance is \$20M, which results in an estimated balance of \$17M after the 7% statutory reserve. She commented that it is anticipated that \$7M will be allocated toward faculty research and start-up funding, student scholarships and stipends, classroom and facility upgrades, and IT initiatives.

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 support organizations, CFO Martinez indicated that expenditures are projected at \$18.2M, of which \$5.5M will be reimbursed by the support organizations. She added that said expenditures will support approximately 141.2 full time equivalent (FTE) personnel and utilize approximately 15,000 square feet of space valued at \$419K.

CFO Martinez remarked that the proposed revisions to BOG Regulation 9.013, Auxiliary Operations, were mainly driven by the House v. NCAA Settlement, which has an implementation date of July 1, 2025. She added that, under the settlement framework, the settlement paves the way for schools, for the first time ever, to share revenues with their student athletes for their name, image, and likeness (NIL). CFO Martinez stated that under the proposed regulation beginning with fiscal year ending June 30, 2025 through fiscal year ending June 30, 2028, the use of unreserved cash, not to exceed \$22.5M annually, from non-athletic auxiliary, may be utilized for athletics with the approval of each university board of trustees, as a transfer or a loan. She mentioned that there are several disclosure requirements including an additional two (2) year athletics budget. CFO Martinez noted that the University is proposing \$2.5M next fiscal year to fund revenue share for student athletes, \$2M from unrestricted treasury auxiliary balances, currently \$54.2M and \$500,000 from Business Services, which has \$16.4M in its fund balance.

Trustees engaged in a discussion regarding athletics funding and concurred on the need to remain purposeful as it relates to the use of said funding. Board Vice Chair Carlos A. Duart stated that the Board of Trustees should hold a workshop on athletics and further engage in a review on how the additional funds will be spent. Trustee Dean C. Colson commented that most universities subsidize their athletics departments and urged the administration to engage with the Board of Trustees on the cost-benefit analysis in terms of investing in other sports to develop winning programs as opposed to struggling to compete in football and basketball. In response to Trustee Jesus Lebeña, Senior Vice President for Operations and Safety and Chief of Staff Javier I. Marques confirmed that the University's Police Department has the necessary resources, maintains collaborative relationships with agencies across the state, and through collective bargaining, the University has been able to retain and recruit law enforcement personnel while also remaining competitive with other local agencies.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee Florida International University Board of Trustees (BOT) approval of the FIU 2025-26 University and University Organizations Operating Budgets, and authorization for the University President to amend the budgets consistent with Legislative, Board of Governors' and BOT directives and guidelines.

FF3. Proposed 2025-26 Appropriated Fixed Capital Outlay Budget/Capital Improvement

CFO Martinez presented for Committee review the proposed 2025-26 Fixed Capital Outlay Budget/Capital Improvement. She indicated that because the University does not have its allocation by the state, the proposed listing includes all projects on FIU's Fixed Capital Outlay to be funded with Public Education Capital Outlay Projects (PECO) funds. CFO Martinez noted that the listing includes \$107M for the HWCAM Academic Health Sciences Clinical Facility. She pointed out that

the University's request for CITF projects totaled \$6.3M for the Graham University Center expansion/renovation.

Board Vice Chair Duarte conveyed his opposition to the remodeling of the DM (Deuxieme Maison) building. He shared that the building should be demolished and a new space be built in its place. He added that he will support the proposed 2025-26 appropriated Fixed Capital Outlay Budget/Capital Improvement with the understanding that the request for the DM building is a placeholder.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend FIU Board of Trustees (BOT) approval of Florida International University's 2025-26 Appropriated Fixed Capital Outlay Budget (*pending Governor's approval*) and authorization for the University President to amend the budget as necessary, consistent with Legislative, Florida Board of Governors' and BOT directives and guidelines.

FF4. Request for Approval of Florida International University's 2026-27 Fixed Capital Outlay Legislative Budget Request Consisting of the five-year Capital Improvement Plan

CFO Martinez presented for Committee review FIU's 2026-27 Fixed Capital Outlay Legislative Budget Request consisting of the five-year Capital Improvement Plan. She noted that the proposed 2026-27 to 2030-31 Fixed Capital Budget is developed in accordance with BOG requirements and only capital projects that are included in the University's Educational Plant Survey can be submitted to the BOG. CFO Martinez indicated that this year there is one change prescribed by the BOG, which is the removal of the request for Capital Improvement Trust Fund (CITF) projects for future years. She added that CITF projects will continue to be funded but the BOG is eliminating them from the request form. CFO Martinez added that FIU's top priority is the Honors College and noted that the second, third and fourth projects, respectively, are the Science Laboratory Complex, the remodeling/renovation of the DM Building, and the Academic Health Center Study Complex. She commented that the back of bill request pertains to University workforce housing.

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 2025-26 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan and authorization for the University President to amend the Legislative Budget Request as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

FF5. Ambulatory Care Center Sublease to Baptist Health South Florida, Inc.

CFO Martinez presented the Ambulatory Care Center Sublease to Baptist Health South Florida, Inc. for Committee review. She stated the request pertains to a request for the Board of Trustees to authorize the FIU Health Care Network to enter into a lease of space with Baptist Health Medical Group Physicians, LLC located on the first floor of the Ambulatory Care Center. She noted that the lease addresses one of the components of the affiliation agreement in that Baptist would take over the operations. CFO Martinez indicated the space will be solely for an ambulatory care center and ancillary office uses and is approximately 11,756 of rentable square feet. She remarked that the term is for three (3) years from July 2025 through June 2028 and includes one (1) option to renew for three (3) successive periods of six (6) months each. CFO Martinez remarked that the term is in line

with when it is expected that future clinical partnership buildings to be completed. She mentioned that short-term renewals were included in the event that construction takes longer than expected. She pointed out that the University worked with Newmark to ensure that fair market value rent is being charged. CFO Martinez further stated that base rent is \$35 a square and it is a triple net lease plus common area maintenance at \$10.61 per square. She explained that year one (1) rent totals \$411,460 plus common area maintenance of \$124,731. CFO Martinez also noted that rent escalates three percent (3%) annually and Baptist has requested 30 reserved patient spaces in PG5 level 2 and will be paying the standard FIU market rate of \$1092.04 per space annually and staff will purchase admin spots at \$502.20 per year. She commented that Baptist will also be paying for all of the tenant improvements, currently estimated at approximately \$90,000.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Florida International University Board of Trustees adoption of the Resolution set forth below to authorize The Florida International University Health Care Network, Inc., a support organization of FIU, to finalize and execute the Ambulatory Care Center Sublease to Baptist Health Medical Group Physicians, LLC.

5. Discussion Item: No Action Required

5.1 Financial Performance Review, Third Quarter FY 2024-25

CFO Martinez commented that operating revenues were below estimates by \$18.8M or 1.5% and that operating expenses were below estimates by \$63.8M or 5.2% with an overall net favorable variance of \$45M. She indicated that total investment earnings for the University and Direct Support Organizations were \$41.6M or \$9.7M above plan. She added that the University returns were 2.6% and the FIU Foundation returns were 3.4%. In terms of revenues, CFO Martinez commented that student financial aid was below expectations, primarily due to the shortfall in Pell Grant awards. She noted that Pell Grant budget estimates were based off the Student Aid Index (SAI) modeling tool. In terms of expenses, CFO Martinez indicated the main drivers were \$3.3M in higher state appropriations and \$7M in higher student credit hour enrollment, mainly undergraduate. She commented that following a competitive solicitation process, FIU awarded a new five (5)-year Beverage and Pouring Rights Contract to the Coca-Cola corporation.

6. Reports

There were no questions from the Committee members in terms of the reports included as part of the agenda materials: Athletics; Business Services; Emergency Management; Facilities and Construction; Safety and Environmental Compliance; Treasury; Procurement; CasaCuba Building; and Foundation.

7. New Business

No new business was raised.

8. 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 Thursday, June 12, 2025 at 11:18 AM.