



**FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND FACILITIES COMMITTEE  
MINUTES  
DECEMBER 5, 2019**

**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 Leonard Boord at 8:50 am on Thursday, December 5, 2019 at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Leonard Boord, *Chair*; Roger Tovar, *Vice Chair*; Cesar L. Alvarez (*arrived late*); Dean C. Colson; Natasha Lowell; Joerg Reinhold; and Marc D. Sarnoff.

Board Chair Claudia Puig, Trustees Gerald C. Grant, Jr., Justo L. Pozo, and Sabrina L. Rosell and University President Mark B. Rosenberg also were in attendance.

Committee Chair Boord welcomed all Trustees and University faculty and staff to the meeting.

**2. Approval of Minutes**

Committee Chair Boord asked that the Committee approve the Minutes of the meeting held on September 18, 2019. A motion was made and unanimously passed to approve the Minutes of the Finance and Facilities Committee meeting held on Wednesday, September 18, 2019.

**3. Follow-up to Item from Previous Meeting**

Committee Chair Boord welcomed Foundation Board of Directors Chair Richard Brilliant and Treasurer Andre L. Teixeira, noting that they would be addressing a request from the June 19, 2019 meeting, namely, the request for clarity pertaining to the Foundation's fundraising ratio and direct operating expenses.

In terms of philanthropy, Chair Brilliant explained that in contrast to gifts in kind, cash gifts, pledges, and planned gifts support an existing and growing investment pool. He described the \$67M in new philanthropy for fiscal year 2018-19, namely, \$12M in cash gifts, \$39M in pledges, \$9M in planned gifts, and \$7M in gifts in kind. He pointed out that fundraising builds affinity to the University and that commitments require stewardship and cultivation.

Senior Vice President of University Advancement Howard R. Lipman indicated that a major goal of any comprehensive campaign is building a culture of philanthropy among stakeholders. He

described fiscal year 2018-19 gifts, stating that while 21 gifts were greater than or equal to \$1M, only one gift was above \$5M. He added that 44 is the average age of the University's alumni of record. In terms of efficiency, he highlighted that the University's faculty and staff fundraising campaign boasts an 82% rate of giving, which not only leads the state, but also is among the top nationally among public institutions. He stated that all Foundation Board members give and that the average donation last year was \$225,000 per person.

University President Mark B. Rosenberg described the importance of growing the endowment in terms of reaching fundraising success and noted that the University's endowment market value totaled approximately \$216M. He expressed gratitude for transformative gifts received from the Wertheim family, the Green family, and the Moss family, adding that the gift from Trish and Dan Bell will help build a non-denominational chapel on campus. He recognized Chad Moss for the largest alumni gift that FIU has ever received and acknowledged the support of the Tano family, Riccardo Silva, the Lennar Foundation, Badia Spices, and the Andrew Mellon Foundation. President Rosenberg indicated that growth in philanthropy, since the start of the campaign, has led to the creation of five new endowed chairs and six new endowed professorships, 128 new scholarship endowments, 42 other endowments, and the renovation of approximately eight University facilities. He pointed out that donations helped to build the Stocker AstroScience Center and the R. Kirk Landon Fieldhouse and that, more recently, philanthropy has led to new projects, namely, the Phase II building of the School of International and Public Affairs and the International Center for Tropical Botany building at the Kampong.

Chair Brilliant explained that since fiscal year 2011, there has been a steady growth in Foundation support to the University. In terms of excellence driven performance, President Rosenberg indicated that Foundation student scholarships are fundamental to the recruitment and retention of students critical to achieving four-year and six-year graduation rates.

Director Teixeira explained that advancement is funded by the University and the Foundation and described the funding sources for the \$20.7M in total advancement cost for fiscal year 2018-19. He pointed out that the Foundation funds advancement effort through fees and investment returns and that the latter refers to non-endowed funds in the investment portfolio. He highlighted the three avenues in which advancement costs are funded, namely, fees, investment earnings, and University support. In terms of managing advancement costs, he conveyed the importance of consistent University support given the volatility of investment earnings. He indicated that advancement costs also include other components, such as fundraising, finance, compliance, and the FIU Alumni Association. He stated that the Foundation contracted Marts & Lundy to conduct a fiscal year 2018-19 analysis of the State University System (SUS) in order to benchmark advancement costs and efficiencies, adding that the research focused on FSU, UCF, FAU, and USF. Director Teixeira introduced Senior Consultant and Principal of Marts & Lundy, Michael F. Sinkus, who leads the higher education practice of the firm.

Mr. Sinkus provided an overview of the benchmarking analysis. He indicated that the University's cost per dollar raised is \$0.25 and that for the most efficient or fully mature organization, the cost per dollar raised is expected to be \$0.20. He noted that among the benchmarked institutions, FIU is the only university that is in a campaign and in the public phase of said campaign. He pointed out

that FSU and USF have completed three campaigns and are the most mature of the benchmarked institutions. He then contrasted gifts achieved in the most recent comprehensive campaigns, endowment market value, and alumni of record. Furthermore, he presented benchmark data on frontline and advancement staffing, and advancement and foundation expenditures, highlighting the correlation between frontline fundraisers and the amount raised. In terms of efficiency and expenditures, he explained that the data reflects comparability among the benchmarked institutions.

Mr. Sinkus then delineated the summary findings, noting the correlation in institutional maturity, frontline fundraisers, and amount raised. In response to Trustee Dean C. Colson's concern over incremental expenses, Mr. Sinkus explained that building the organization was fundamental in order to address the challenge of a \$750M campaign. In response to Trustee Colson's comments on the potential for stagnant fundraising in future years, President Rosenberg pointed out that front-end investments in fundraising are necessary and that while the culture of philanthropy is emerging, it is promising, and that the University must be poised to cultivate those relationships.

Senior VP Lipman pointed out that \$4.7M is pending approval for the request for Advancement funding and a motion was made and seconded to recommend for Board of Trustees approval. Committee Chair Board and Trustees concurred to table the vote on the motion until New Business. Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell pointed out that the support for University Advancement is not an agenda item for the Committee, given that the amount is already reflected in the Board of Trustees-approved University and DSO Operating Budgets.

Committee Chair Board referred Trustees to the materials pertaining to the statutory authority associated with FIU buildings being used as public hurricane evacuation shelters. He subsequently delineated the University facilities that have been approved by the State to serve as public hurricane evacuation shelters, namely, the Ocean Bank Arena, the FIU Residence Halls (only for FIU students who cannot evacuate to a safe location), and the Recreation and Wellness Center.

#### **4. Action Items**

##### **FF1. FIU Direct Support Organizations Financial Audits, FY 2018-19**

Sr VP and CFO Jessell presented the FIU Direct Support Organizations (DSO) FY 2018-19 Financial Audits for Committee review. He reported that James Moore Certified Public Accountants and Consultants performed the financial audits for: the Florida International University Foundation, Inc.; the Florida International University Research Foundation, Inc.; the Florida International University Athletics Finance Corp; and the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.

Sr. VP and CFO Jessell indicated that the audits have been approved by the Boards of each DSO, adding that Board of Trustees approval is necessary, as the DSO audits will be incorporated into the Financial Statement Audit of the University. He further stated that all DSO financial statements apply Governmental Accounting Standards Board requirements. He pointed out that previously, the FIU Foundation financial audit was prepared in conformity with the Financial Accounting Standards Board Requirements. He further reported that all of the audits received an Unmodified Opinion, explaining that the results of the respective audits did not identify any deficiencies in internal control

over financial reporting that were considered to be material weaknesses. He noted that the results of the audits disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees:

**FF1-A. FIU Foundation, Inc.**

Accept the Florida International University Foundation, Inc. Financial Audit for the 2018-19 Fiscal Year and authorize the CEO of the Florida International University Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

**FF1-B. FIU Research Foundation, Inc.**

Accept the Florida International University Research Foundation, Inc. Financial Audit for the 2018-19 Fiscal Year and authorize the President of the Florida International University Research Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

**FF1-C. FIU Athletics Finance Corporation**

Accept the Florida International University Athletics Finance Corporation Financial Audit for the 2018-19 Fiscal Year and authorize the Executive Director of the Florida International University Athletics Finance Corp. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

**FF1-D. FIU Academic Health Center Health Care Network Faculty Group Practice, Inc.**

Accept the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. Financial Audit for the 2018-19 Fiscal Year and authorize the President of the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

**FF2. Signature Authority – Depositories for the University**

Sr. VP and CFO Jessell presented the signature authority and depositories for the University for Committee review, noting that the request pertains to adding JP Morgan Chase Bank, N.A. as a banking institution that may serve as a depository of University funds and the removal of Wachovia Bank, N.A. which is no longer designated as a qualified public depository. He referred Trustees to the agenda materials which list qualified depositories and explained that JP Morgan Chase Bank, N.A. was awarded banking services through a competitive solicitation process.

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 following banking institutions as designated depositories at which University funds may be deposited:

Bank of America, N.A.  
Charlotte, NC

U.S. Bank, N.A.  
Cincinnati, OH

Regions Bank, N.A.  
Birmingham, AL

JP Morgan Chase Bank, N.A.  
Columbus, OH

Furthermore, the Finance and Facilities Committee recommends that the BOT approve that the University President, the Chief Financial Officer, and the University Treasurer, are each individually authorized to take all actions necessary to open or close bank accounts at any of the designated depositories.

**FF3. Reauthorization for the Issuance of Debt to Finance the Construction of a Student Residence Facility at the University's Modesto A. Maidique Campus**

Sr. VP and CFO Jessell presented the reauthorization for the issuance of debt to finance the construction of a student residence facility at the University's Modesto A. Maidique Campus (MMC) for Committee review. He explained that the original proposal was approved by the FIU Board of Trustees (BOT) on March 3, 2017, and subsequently by the Florida Board of Governors (BOG) on June 22, 2017. He pointed out that the re-approval of the project by both the BOT and BOG is now required given significant increases in construction costs and changes in project programming, namely, type and number of units. He indicated that subsequent to BOT approval, FIU advertised for Architectural and Engineering services to design the project, which resulted in an award to the firm Perkins and Will and that FIU also advertised for Construction Management Services for the project, which resulted in an award to the firm Moss and Associates.

Sr. VP and CFO Jessell explained that the University has been working with both the BOG and the Division of Bond Finance on the reauthorization of the project. He explained that the original proposal included 656 beds, approximately 300 parking spaces, and ancillary space to service the residents. He noted that the total project construction cost, based on the original proposal, was expected to be approximately \$66,500,000 with \$16,400,000 in cash contributions from Housing and Parking reserves. He explained that the new project will be constructed as an apartment style residence hall with 697 beds that will include ancillary space to service the residents but will not include parking spaces. He added that the project is contemplated on the University's 2010-20 Campus Master Plan. He delineated project cost details, namely that total construction cost is \$72.3M, that total construction cost per GSF is \$246, and that totals are based on the updated proposal and exclude FF&E, contingency, and telecommunications.

Sr. VP and CFO Jessell indicated that in the 2016, the Brailsford and Dunlavey (B&D) Housing Master Plan Update confirmed strong demand for additional student housing at MMC and that in May 2019, FIU commissioned B&D to update the Housing Master Plan to account for the impact

of off-campus housing in the City of Sweetwater. Sr. VP and CFO Jessell explained that the new study stated that the housing system on MMC was providing 1,055 less beds when compared to the current student demand and existing inventory. He pointed out that for Fall 2019, there was a waiting list of 712 students for housing at MMC on the first day of class, compared to only 545 in the Fall of 2016. He added that the University has the lowest ratio of beds to undergraduate degree-seeking students, at 8.8 percent, stating that the SUS average is 28 percent and that with the new residence hall, this ratio increases to only 10.6 percent. He further stated that the University has the seventh lowest number of on-campus beds in the SUS.

Sr. VP and CFO Jessell described the new building operations pro forma and provided an overview of actuals, fiscal year 2020 budget, and projected budget through fiscal year 2025. In terms of the financing structure, he stated that, although the actual cost of debt is expected to be four percent or less resulting in a higher project and system-wide debt service coverage ratio, the projected debt service coverages have been calculated using a tax-exempt interest rate of five percent. He added that the bonds will mature not more than 30 years after issuance with fixed annual debt service payments. He referred Trustees to the supplemental materials pertaining to two additional debt service schedules, namely delineating scenarios that utilized 3.5 percent and four percent for the project independently and for the system.

Sr. VP and CFO Jessell presented areal project renderings. He explained that the next agenda item for the Committee's review is integrated with the project in that it pertains to a request to relocate the road just south of Parkview II in order to improve student safety and enhance the student housing experience. He pointed out that if approved by the BOT and by the BOG on January 30, 2020, construction will begin early March 2020 and that the construction timeline is 26 months and project will open for occupancy Fall 2022.

Trustee Roger Tovar voiced his concerns relating to overcapitalization. Trustee Sabrina L. Rosell concurred with the need for on-campus student housing and shared concerns over the lack of parking with the new project. In response to Trustee Rosell's inquiry, Sr. VP and CFO Jessell described anticipated changes in student commuting and parking trends, adding that while the University will remain responsive to student need, additional parking garages will require an increase in the vehicle registration fees that students pay. In response to Trustee Natasha Lowell's inquiry, Sr. VP and CFO Jessell pointed out that the University will secure a guaranteed maximum price from the construction manager. Trustee Marc D. Sarnoff commended the presentation and related materials and pointed out that the building renderings demonstrate regard towards MMC's limited footprint. Sr. VP and CFO Jessell explained that the lack of on-campus housing discourages some quality students from attending the University when applicants learn they will not be assigned to on-campus housing.

In terms of the 1,700 new units referred to in the B&D report and student demand for on-campus housing, Committee Chair Boord relayed concerns regarding fluctuations in occupancy and its effect on the project's profitability. Senior Vice President for Academic and Student Affairs Elizabeth M. Bejar pointed out that of the total 1,700 additional beds, 691 became available in Fall 2019 and FIU nevertheless had a waiting list of 700 students for on-campus housing. She added that at some point in time, students will elect not to get on the waiting list. She indicated that 352 students are on the

waiting list for on-campus housing for Spring 2020, despite the availability of off-campus housing. She highlighted that on-campus housing offers more than just a residence, noting that on-campus residents engage in the campus community and have access to programs designed to help them succeed academically. Trustee Gerald C. Grant, Jr. stated that in addition to providing for the college experience, on-campus housing contributes to higher graduation and retention rates.

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 reauthorize a request to the Florida 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.

#### **FF4. Approval of Capital Improvement Budget and Expenditure for Road Relocation Project for Parkview II Project**

*Agenda item presented during FF3. Reauthorization for the Issuance of Debt to Finance the Construction of a Student Residence Facility at the University's Modesto A. Maidique Campus.*

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 approval of a capital improvement budget and expenditure for the relocation of S.W. 17<sup>th</sup> Street to accommodate the construction of Parkview II Housing Project; and authorize the University President to amend the budget up to five percent as needed.

#### **FF5. Approval of Contract #PUR-02644, vendor: Toshiba America Business Solutions, Inc. and Contract #PUR-02645, vendor: CDW Government, LLC.**

Sr. VP and CFO Jessell presented the approval of Contract #PUR-02644 with vendor Toshiba America Business Solutions, Inc. and Contract #PUR-02645 with vendor CDW Government, LLC. for Committee review. He explained that the contracts are over \$3M and have been competitively solicited. In terms of the contract with Toshiba America Business Solutions, Inc., he indicated that the piggyback agreement is being requested for University-wide print managed services and relating to the contract with CDW Government, LLC., he pointed out that the University is not obligated to purchase if pricing is not deemed advantageous.

Trustee Tovar noted that, in anticipation of the meetings, Trustees received comprehensive supporting documentation and were thoroughly briefed on each of the agenda items.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee, pursuant to the Delegations of Authority from the Florida International University Board of Trustees (the BOT) to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the BOT on March 4, 2019, (i) recommend that the BOT approve the University entering into contracts No. 1 and No. 2 as listed and described in the agenda materials and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contracts.

**FF6. Renewal of Naming of the “Ocean Bank Convocation Center”**

Executive Director of Sports and Entertainment Pete Garcia presented the renewal of naming of the “Ocean Bank Convocation Center” for Committee review. He explained that Ocean Bank has held the naming rights to the FIU Arena, currently known as the “Ocean Bank Convocation Center,” and that Ocean Bank has agreed to continue to name the Ocean Bank Convocation Center, and accordingly has pledged a new gift totaling \$1,250,000, more specifically \$250,000 per year for five years.

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 approve the renewal of the naming of the “Ocean Bank Convocation Center” in accordance with the gift agreement related thereto and the University’s and the FIU Foundation, Inc.’s Donative Naming Policy.

**FF7. Award of Contract and Approval of Expenditure Budget for Soil Remediation on Foundation Enterprise Holdings V, LLC (FEH V) Doral Property**

Sr. VP Lipman presented the award of contract and approval of expenditure budget for soil remediation on Foundation Enterprise Holdings V, LLC (FEH V) Doral Property for Committee review. He explained that FEH V acquired the Doral Property for a bargain purchase price of \$1,008,153 from Turnberry/Doral Development, Limited Partnership and that almost concurrently a gift agreement from a donor was secured for \$2.5M for unrestricted funds to the Foundation. He indicated that the FIU Foundation Board of Directors approved the investment in the Doral property with full knowledge of the Corrective Action Plan (CAP) in place by Miami-Dade County Environmental Resources Management (DERM). He described the CAP, noting that of the total 62.5 acres of the property, 4.7 acres contain buried solid waste requiring remediation and 49.9 acres contain wetlands. He pointed out that DERM approved the transfer of the CAP to FEH V as the new owner, adding that remediation on the wetlands is not required as per the CAP.

Sr. VP Lipman explained that the cost to address potential environmental concerns at the site ranges from \$1.4M to \$1.8M and that, assuming other contingencies, the cost of the project is expected to total \$2,242,254. He added that the Foundation Board approved that the University Board of Trustees issue the award and subsequent Notice-to-Proceed to The BG Group, LLC. to perform soil remediation in accordance with CAP.

In response to Trustee Sarnoff’s inquiry, Sr. VP Lipman explained that the gift from the donor funded the acquisition of the property and will aid in covering a portion of the cost relating to the soil remediation. In response to additional inquiries from Trustee Sarnoff, Sr. VP Lipman described the property’s significance to the University in that it provides an ability to develop the property for the University’s expanding footprint, and that it can also serve FIU as an investment property. Due to limitations in the County’s urban development boundary, he delineated current possible revenue-generating uses for the property, namely, road signage, cell phone towers, and truck parking. President Rosenberg stated that the property could serve multiple purposes whereby it could provide an opportunity for trade or could operate as a passive park for the community.



Committee Chair Board reminded the Committee that the property is already owned by the FEH V, and thus, BOT approval was necessary in order to allow the remediation to be completed in accordance with the CAP.

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 approve the project budget and proceed to award a contract to the lowest responsive, responsible bidder, The BG Group, LLC, to perform soil remediation in accordance with the Corrective Action Plan (CAP) approved by the Miami-Dade County Department of Environmental Resources Management's (DERM) for 62.5 acres of vacant land west of the Florida Turnpike and south of N.W. 41<sup>st</sup> Street in Doral (Doral Property) owned by Foundation Enterprise Holdings V, LLC (FEH V), a single member LLC wholly owned by the Florida International University Foundation, Inc. (FIU Foundation).

**FF8. Request for Ratification of Agreement to Provide Health Services entered into between The Florida International University Board of Trustees and Citrus Health Network, Inc. and for Delegation of Authority to the University President or designee to Execute an Amendment to the Agreement**

Vice President for Research and Economic Development Andres G. Gil presented the request for ratification of the agreement to provide health services entered into between the BOT and Citrus Health Network, Inc. for Committee review. He explained that FIU Embrace is a state-funded, and privately funded, University-wide initiative that promotes health, wellness, and overall functioning for adults with developmental disabilities, such as autism spectrum disorder, intellectual disabilities, and other neurodevelopmental disorders. He indicated that the number of young adults with developmental disabilities in the U.S. is growing and there is limited knowledge of how to provide comprehensive health care for this underserved population, as well as how to address the needs to make them productive citizens. He pointed out that FIU Embrace's core programs are education, legal services, and medical services, and research to test and demonstrate best practices.

VP Gil stated that FIU Embrace has developed various models of care that are innovative, sustainable and reproducible and that in order to best deliver comprehensive medical services, FIU has partnered with Citrus Health Network, Inc. (Citrus), a Federally Qualified Health Center. He described the rationale for partnering with Citrus, including Citrus' long history of collaboration with the University, Citrus' level of expertise and systems of care for special populations, and Citrus' ability to maximize Medicaid reimbursement. VP Gil further stated that the majority of individuals affected by developmental disabilities are covered by Medicaid.

VP Gil noted that the agreement with Citrus became effective on March 20, 2019. He indicated that the agreement provided for an initial outlay of \$600,000 from FIU to Citrus within thirty days of the execution of the Agreement, adding that FIU has provided \$380,000 thus far in additional payments to Citrus. He stated that the term of the Agreement runs through June 30, 2023 and that either party can terminate the agreement with ninety days prior written notice. He explained that the agreement was executed by the University President because it requires payment in excess of \$1M and that the agreement was executed shortly after the BOT issued its updated delegation requirements on March 4, 2019, which required that the agreement be approved by the BOT.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee request that the Florida International University Board of Trustees (the BOT) to (1) ratify the Agreement to Provide Health Services entered into March 20, 2019 between the BOT on behalf of its initiative FIU Embrace (“FIU Embrace”), a part of the Office of Research and Economic Development and Citrus Health Network, Inc. (the “Agreement”); and (2) delegate authority to the University President or designee to execute an amendment to the Agreement to revise section I.E of the Agreement.

Committee Chair Board referred Trustees to the executed funding certification forms that are now part of the meeting agenda materials.

### **FF9. Approval of Asset Acquisition and Related Matters Pertaining to Torrey Pines Initiative**

Provost and Executive Vice President Kenneth G. Furton presented the approval of asset acquisition and related matters pertaining to the Torrey Pines initiative for Committee review. Provost Furton explained that the vision has now expanded to include partnerships with Cleveland Clinic and Vaxine, whereby leveraging those collaborations will lead to a joint hiring plan and lower overhead costs to the University due to shared facilities. He indicated that the initiative aligns with the University’s strategic plan, helps in meeting preeminence metrics in science and engineering, helps to address space needs, and aligns with two Emerging Preeminent Programs, namely the Translational Molecular Discoveries Program and the Brain, Behavior and the Environment Program. He presented a site map and pointed out that given the proximity of the research buildings and the hospital, FIU and Cleveland Clinic have established a collaboration agreement. He pointed out that a major component of the agreement is the research focus on advancements in emerging infectious diseases, neurodegenerative diseases, cancer and drug discovery.

Committee Chair Board indicated that the supporting materials pertaining to the agenda item are comprehensive. In response to Trustee Colson’s inquiry regarding possible risks to the University in terms of research funding fluctuations, VP Gil explained that recruitment efforts are focused on faculty that are transferring grants and who also have a history of success with grants. VP Gil further stated that faculty contracts may contain contingencies that a specified amount of their funding is provided for by grants. Trustee Tovar commended the project and expressed a sense of urgency relating to facility improvements. He also stressed the importance of oversight given Torrey Pines’ remote location. In response to Committee Chair Board’s inquiry, VP Gil explained that the needed investments will be funded by grant overhead that has been earmarked for this purpose.

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 approve (1) The Florida International University Board of Trustees (“University”) entering into an Acquisition Agreement and Plan of Merger (the “Agreement”) with Torrey Pines Institute For Molecular Studies, Inc. (“Torrey Pines”), TPIMS Land Company, LLC (“TPIMS”) and certain defined California Supporting Organizations, pursuant to which (a) the University would acquire and assume certain Torrey Pines and TPIMS assets and contractual obligations (including a leasehold interest in an existing Ground Lease between TPIMS and the City of Port St. Lucie and title to a Building currently owned by TPIMS), and (b) the University would have the option, in its sole discretion, to

merge one or more of the California Supporting Organizations into newly created Florida not for profit corporations (which would then become supporting organizations of an FIU direct support organization); (2) the transfer of the Ground Lease to the University, the assumption by the University of all the obligations of the tenant under such Ground Lease, and the transfer of the Building to the University at no cost; (3) the establishment of a Special Purpose Center and the University's submission of a request to the Board of Governors for approval of the operation of the facility in Port St. Lucie as a Special Purpose Center; and (4) the delegation of authority to the University President, or designee, to execute the Agreement on behalf of the University and all other documents that may be necessary to effectuate the transactions contemplated in the Agreement.

#### **FF10. Approval of Contract #PUR-00628, vendor ARAMARK Management Services Limited Partnership**

Committee Chair Board solicited questions from the Committee as it relates to the approval of contract #PUR-00628 with vendor ARAMARK Management Services Limited Partnership. There were no questions from the Committee.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee, pursuant to the Delegations of Authority from the Florida International University Board of Trustees (the BOT) to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the BOT on March 4, 2019, (i) approve the University entering into the contract as listed and described in the Board materials and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contract.

### **5. Discussion Item**

#### **5.1 Financial Performance Review, First Quarter FY 2019-20**

In terms of the University's Financial Performance Review for the first quarter of FY 2019-20, Sr. VP and CFO Jessell explained that operating revenues are above estimates by \$19.3M and that operating expenses are above estimates by (\$2.4M).

### **6. 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; Foundation Report; Safety and Environmental Compliance Report; Treasury Report; Procurement Report; and CasaCuba Building Update.

At the request of Committee Chair Board, Sr. VP Liman provided an update on fundraising efforts relating to CasaCuba, noting that discussions with a number of donor prospects are ongoing. Committee Chair Board requested a comprehensive update at the Committee's next regularly scheduled meeting.

### **7. New Business**

At the request of Committee Chair Board, General Counsel Castillo read the proposed Committee action relating to the follow-up item, namely that the Committee move to "recommend for Board of

Trustees' approval for the University to proceed with the pending funding of the \$4.7M FIU Advancement budget request".

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend for Board of Trustees' approval for the University to proceed with the pending funding of the \$4.7M FIU Advancement budget request.

### **8. Concluding Remarks and Adjournment**

With no other business, Committee Chair Leonard Boord adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Thursday, December 5, 2019 at 11:10 a.m.

Trustee request:

*For the Committee's next regularly scheduled meeting, Committee Chair Leonard Boord requested a comprehensive CasaCuba fundraising update.*