



FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MINUTES
APRIL 18, 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 10:13 am on Thursday, April 18, 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*; Rogelio Tovar, *Vice Chair*; Cesar L. Alvarez; Dean C. Colson; Natasha Lowell; Joerg Reinhold; and Marc D. Sarnoff.

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.

Committee Chair Boord explained that as follow-up to the deferred maintenance discussion at the Committee's March meeting, Trustees received via email documents relating to the State University System percent of space needs met by category, Office of Program Policy Analysis and Government Accountability (OPPAGA) Higher Education Space Utilization Report, and OPPAGA classroom utilization charts. Additionally, he indicated that as a follow-up to the presentation on the University's Investment Program at the Committee's March meeting, meeting materials from the February University Investment Committee Meeting were also provided to the Trustees, via email.

2. Approval of Minutes

Committee Chair Boord asked that the Committee approve the Minutes of the meeting held on March 4, 2019. A motion was made and unanimously passed to approve the Minutes of the Finance and Facilities Committee meeting held on Monday, March 4, 2019.

3. Action Items

FF1. CasaCuba Building

Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell presented the CasaCuba Building agenda item for Committee review. He indicated that FIU is a global leader in the study of Cuba and the preservation of Cuban culture and also enrolls the largest number of University students of Cuban origin outside of Cuba. He explained that the University also houses the largest nucleus of faculty experts on Cuba and that CasaCuba will allow FIU to build a leading

intellectual and cultural center dedicated to creating and disseminating knowledge about Cuba, and preserving Cuban culture. As a gathering place, he stated, for researchers, students, the South Florida community, and visitors from around the world, CasaCuba will offer a welcoming home away from home to learn about Cuba and the Cuban diaspora, and a think tank that provides a forum for exploration and discussion of Cuban affairs, producing impactful analysis to guide policymakers and business leaders. As a cultural institution, he added that, CasaCuba will celebrate artistic expression in all its forms, recognizing talent and achievement and inspiring creativity in the Cuban community and beyond.

Sr. VP and CFO Jessell explained that CasaCuba will be located at the SW corner of SW 16 Street and SW 107 Avenue and will contain approximately 63,000 gross square feet (GSF), including 40,000 GSF of auditorium and exhibition space, in addition to space designated for classroom use and teaching and research labs. He indicated that the total cost of the project is \$37.3 million, reflecting \$1.8 million in architectural and engineering fees.

Sr. VP and CFO Jessell explained that planning, design, construction, and equipment will be funded through fundraising, private grants, and private foundations and that the total fundraising goal to build and operate the facility is \$50 million. He noted that future anticipated available cash through next year in the amount of \$1.7 million will be used to begin the architectural/engineering selection process and the development of design plans consistent with the approved building program. He further stated that once design development and architectural and engineering design plans are finalized and approved and the total funds for the project are obtained, the University will begin the process of advertising for and selecting a Construction Manager for the project.

In response to an inquiry from Trustee Roger Tovar, Executive Director for CasaCuba Maria Carla Chicuen described the vision of CasaCuba to build a premier and global center that will be dedicated to the exploration and preservation of Cuban history and culture. She explained that in addition to the academic study of Cuba and community programming, CasaCuba will be a unique space that will capitalize on FIU's prominence in Cuban history in order to uniquely position the University as the country's preeminent intellectual and cultural hub dedicated to fostering understanding of Cuban heritage. She stated that while other institutions and organizations may have collections on Cuba, or conduct research on Cuba, or have academic programming or cultural initiatives on Cuba, CasaCuba at FIU proposes to combine all these elements in a manner in which is unprecedented.

In response to another inquiry from Trustee Tovar relating to the amount of time to be allotted for fundraising for the project, Sr. VP and CFO Jessell explained that with Board of Trustees approval, the advertising for the architect/engineer can begin and that currently there are sufficient funds to cover the fees associated with the architectural/engineering selection process and the development of design plans. He indicated that fundraising efforts would be examined to ensure that there are sufficient funds to move to the next phase, allowing the project to begin the schematic drawings. He added that the process to complete architectural drawings could take approximately 18 months and that once Board of Trustees approval is secured for the project, the acceleration of the fundraising will increase significantly. He explained that the Board of Trustees can expect to receive regular status updates every six months and that if fundraising efforts do not proceed as anticipated, the design phase of the project will not be initiated.

Trustee Tovar recommended that if the Board of Trustees were to approve the project, a fundraising update be provided at the Board's September meeting. He conveyed a concern about ensuring that CasaCuba fundraising efforts do not disrupt or diminish current fundraising initiatives. Senior Vice President for University Advancement Howard R. Lipman explained that the gift from the John S. and James L. Knight Foundation was specifically for the launch of CasaCuba operations and that the CasaCuba Advisory Board is comprised of prominent members of the Cuban-American community. He indicated that, generally, philanthropy interests are diverse. Trustee Tovar requested a timeline of related deadlines in terms of commitment levels.

Trustees engaged in a substantive discussion regarding the proposed project. Trustee Marc D. Sarnoff shared his support for the project and commented that fundraising efforts will likely move forward expeditiously once the tangible elements are complete. Trustee Dean C. Colson stated that while he is supportive of the project, he shared his concerns relative to competing interests in terms of limited land space and a need for greater understanding pertaining to the project's overall mission and how it ties to the new strategic plan. He added that without a lead donor it would be unlikely that the necessary funding for the project be secured in a timely manner.

Provost and Executive Vice President Kenneth G. Furton explained that in one year, Ms. Chicuen has exceeded all fundraising goals and that the CasaCuba program received excellent reviews from the National Endowment for the Humanities who recently awarded a 2019 grant in the amount of \$750,000. He added that CasaCuba is aligned with the University's academic priorities and the overall University mission. In terms of the 2019 grant, Trustee Sarnoff requested that the Board of Trustees receive a copy of the application that was submitted to National Endowment for the Humanities.

Committee Chair Board read the proposed Committee action in terms of the CasaCuba agenda item: "Recommend to the Florida International University Board of Trustees approval of the design and, upon receipt of required funding, future construction of the CasaCuba building on the east side of the FIU Modesto A. Maidique Campus and recommend to the Florida International University Board of Trustees an amendment to the University Campus Master Plan to include the CasaCuba project."

Trustee Cesar L. Alvarez stated that he concurred with Trustees' comments, noting that while there are inherent risks, the project is unprecedented. Trustee Colson requested a plan that details the project's significance, how it enhances the University as a whole, and the process by which #1 or #2 rankings in terms of Latin American and Caribbean Studies will be pursued and achieved. Trustee Colson stated that while in favor of the project, the Board should not proceed with the building phase at the current time. He then recommended that the motion be amended to reflect that the Board of Trustees will authorize the design phase requiring a report that establishes how the University will move forward with this project and that the Board approve the holding of the proposed land space for a period of two years until such time that a fundraising status report is received. Trustee Tovar suggested that a deadline relating to committed funds be part of the proposed Board action. Trustee Tovar requested clarification on the total fundraising goal. Sr. VP and CFO Jessell stated the total goal is \$50 million, with \$37.3 million for the project and \$12.7 million for maintenance/operations endowment.

Trustee Sarnoff suggested that the language for the motion state that the Board of Trustees will authorize the design of the CasaCuba building on the east side of the FIU Modesto A. Maidique Campus and to recommend that the Board of Trustees amend the campus master plan to include the CasaCuba project for the next two years with fundraising being reported on three times within the next year.

Committee Chair Boord indicated that the project has existing funding to proceed with the design phase and that approval would strictly be for the funds already received and that if donors have provided complete funding to accomplish that goal, the Board of Trustees should proceed with that approval. He then summarized Trustee comments and concerns, including utilizing land for the project and fundraising requirements, stating that the proposed Board of Trustees action would include the approval of the design utilizing the existing funds and pledges provided by donors, in addition to the condition of commitment(s) of an undetermined dollar amount. He then requested the Committee's feedback.

Sr. VP and CFO Jessell recommended an approval conditional upon satisfactory quarterly reports to the Board of Trustees on the progress of the project and if the reports are not deemed satisfactory, the Board of Trustees would have the authority to stop the work and rescind the project. Trustee Tovar concurred with the recommendation but stated that the language should further establish that within a one-year deadline, \$30M in commitments would be needed.

In terms of the proposed Board action relating to the CasaCuba building, Committee Chair Boord presented revised language for the Committee's consideration, namely: "Approval of the design phase for CasaCuba utilizing funds from donors and the corresponding amendment of the University Campus Master Plan, and upon further review of the design, funding, and other data, the Board will consider approval for construction of CasaCuba."

Trustee Justo L. Pozo urged caution in terms of adding deadlines for fundraising.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend Board of Trustees approval of the design phase using funding from donors, and approval of the amendment to the campus master plan and upon further review of the design, funding, and other data, the Board of Trustees will consider approval for construction.

FF2. Biscayne Bay Campus Aquatic Center Repair and Renovation

Trustee Tovar presented the Biscayne Bay Campus Aquatic Center Repair and Renovation for Committee review. He indicated that he personally visited the facility and explained that the Aquatic Center is approximately 35 years old and issues such as its proximity to the bay and design features have led to deterioration. He described the need and recommended approval of the project.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to the FIU Board of Trustees approval of up to \$2,000,000 in structural repairs to the Aquatic Center at the Biscayne Bay Campus utilizing unexpended Activity and Service (A&S) fee funds and recommend a request to the Florida Board of Governors authorizing reimbursement of (A&S) fee funds expended for Aquatic Center repairs from the Capital

Improvement Trust Fund (CITF) fees allocation and a reduction of the same amount in CITF fees previously approved for the Graham University Center expansion.

In response to commentary from Committee Chair Boord, Sr. VP and CFO Jessell explained that it is necessary to include a request of additional funding authorization of approximately \$400,000 beyond the preliminary cost projection due to unforeseen conditions that may be present as the project gets underway.

4. Discussion Item

4.1 Review of FIU Financial Statement Audit for Fiscal Year Ended June 30, 2018

Committee Chair Boord indicated that the University received an unmodified opinion and that a detailed summary of changes in assets, liabilities and net position of the University was included in the Board materials.

5. New Business

FF3. Approval of the Agreement for Integrated Branding, Marketing and Communication Services (E-ITN-2019-00009)

Senior Vice President of External Relations Sandra B. Gonzalez-Levy presented the agreement for Integrated Branding, Marketing and Communication Services for Committee review and approval. She explained that in terms of the Intent to negotiate (ITN) for Integrated Branding, Marketing and Communication Services (E-ITN-2019-00009), the ITN evaluation committee recommended that negotiations with 160over90 be initiated. She delineated the deliverables and agreement terms, noting that the initial term of three years has options to renew twice for one-year term(s) and that renewals are not automatic. She stated that the total cost of the agreement is approximately \$1.9M and that the University can terminate the agreement for convenience at any time by giving at least sixty days' notice.

Committee Chair Boord requested a status update in one year in order to ensure that there is greater effectiveness, that efficiencies have been identified, and that the budget has been re-baselined.

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 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, (i) approve the University entering into a contract with 160over90 for Integrated Branding, Marketing and Communication Services to create and execute effective brand marketing for the University as a whole and (ii) authorize the University President or his designee to execute, on behalf of the University, a contract document with terms consistent with those set forth herein.

6. 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, April 18, 2019 at 11:11 am.

Trustee Request

- 1. In terms of the agreement for Integrated Branding, Marketing and Communication Services, Committee Chair Boord requested a status update in one year in order to ensure that there is greater effectiveness, that efficiencies have been identified, and that the budget has been re-baselined.*