



Finance and Facilities Committee

April 26, 2022

FIU, Modesto A. Maidique Campus, Graham Center Ballrooms and via Zoom

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 Roger Tovar at 9:04 a.m. on Tuesday, April 26, 2022.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Roger Tovar, *Committee Chair and Board Vice Chair*; Jose J. Armas, *Committee Vice Chair (via Zoom; joined after roll call)*; Dean C. Colson, *Board Chair*; Natasha Lowell; Joerg Reinhold; Chanel T. Rowe (*joined after roll call*); and Marc D. Sarnoff.

Trustee Cesar L. Alvarez was excused.

Trustees Carlos A. Duarte, Gene Prescott, and Alexander Rubido, and Interim University President Kenneth A. Jessell also were in attendance.

Committee Chair Tovar welcomed all Trustees and members of the University administration. He also welcomed Trustees attending via the virtual environment and the University community and general public accessing the meeting via the University's webcast.

2. Approval of Minutes

Committee Chair Tovar asked if there were any additions or corrections to the minutes of the Finance and Facilities Committee meeting held on March 3, 2022. A motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on March 3, 2022.

3. Action Items

FF1. FIU Ventilation Improvements at Modesto A. Maidique and Biscayne Bay campuses

Interim Chief Financial Officer and Senior Vice President for Finance and Administration Aime Martinez presented the ventilation improvements at the FIU Modesto A. Maidique and Biscayne Bay campuses for Committee review. She commented on the overall goal to improve the indoor air quality in selected University buildings, which will help prevent the spread of COVID-19 and other diseases in the future. Interim CFO and Sr. VP Martinez explained that a portion of the Higher Education Emergency Relief Fund (HEERF) funds that the University received, specifically \$28.1M, has been allocated for the upgrade or renovation of HVAC systems in ten buildings throughout the Modesto A. Maidique and Biscayne Bay campuses. She described the proposed improvements, such as the replacement of variable air volume boxes, addition of ultraviolet lighting to increase unit

sanitization, replacement of air handling units and rooftop units, renovation of ductwork and insulation systems, replacement of general and fume hood air exhaust valves, and pneumatic to digital controls upgrades to maintain proper airflow. She delineated the 10 buildings in order of priority with the estimated total cost. She pointed out that if any of the allocated funds remain unused after the completion of the initial projects, six supplemental projects have been identified. Interim CFO and Sr. VP Martinez highlighted said projects. She indicated that all work will be executed in a timely fashion given that HEERF funds must be used by June 30, 2023.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the FIU Board of Trustees approve the list of HVAC improvement projects throughout the Modesto A. Maidique and Biscayne Bay campuses, as specified in the Board materials, and delegate to the President or his designee the authority to execute all contracts and take all actions necessary to effectuate the improvements.

FF2. Interior Renovation of Lakeview North Residence Hall

Interim CFO and Sr. VP Martinez presented the request relating to the interior renovation of Lakeview North residence hall for Committee review. She indicated that the renovation will be completed in two phases for a total project cost of \$3.8M and added that the renovation is planned for summer 2022 and would be completed and ready for opening prior to the start of the fall term. She remarked that the project would refresh the building interiors to be competitive in today's student housing market. Interim CFO and Sr. VP Martinez indicated that the Lakeview North residence hall opened in 2004 as part of the Lakeview Village complex and is comprised of 90 four-person suites and nine resident assistant rooms. She commented that Lakeview North houses 360 first-year students, noting that it is important that the building provide an excellent first impression for students and parents. She pointed out that there have been no major interior renovations since its opening. Interim CFO and Sr. VP Martinez commented that the project will be funded through available housing fund balance. She added that the housing debt service coverage is forecasted to be 2.02 for fiscal year 2021-22 and that the housing fund balance is forecasted to be \$22.8M at the end of the fiscal year 2021-22.

Interim CFO and Sr. VP Martinez described the upgrades to Lakeview North since its opening, which included the creation of a community kitchen on each floor in 2017, replacement of all lounge furniture, exterior painting to match the overall FIU color scheme, replacement of outdoor furniture, replacement of shower stalls in each suite in 2018-19, replacement of all hallway lighting with LED light fixtures in 2019, and replacement of the boilers and rooftop HVAC units in spring 2022. In terms of planned upgrades to the flooring, she highlighted images of the current hallway carpeting and vinyl composition tile flooring in the suites along with new flooring samples. Interim CFO and Sr. VP Martinez commented that planned upgrades also include replacement of worn kitchen and bathroom cabinetry, replacement of outdated laminate countertops, replacement of bathroom and kitchen sinks and faucets, replacement of all mirrors, replacement of light fixtures in elevator landings, retiling of all hallway ceilings, painting of all interior walls, and minor updates to the lobby area. Interim CFO and Sr. VP Martinez indicated that the project was originally budgeted for in 2019 at a cost of \$1.07M and that additional needs were identified for Lakeview Hall since that time.

Board Chair Dean C. Colson noted the 18-year time span in between renovations and inquired as to whether renovations should be planned in a timelier manner moving forward. In response to Board Chair Colson, Interim CFO and Sr. VP Martinez commended the custodial team's efforts and attributed said efforts as integral to the well-maintained state of Lakeview Hall.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the FIU Board of Trustees approve the interior renovation of the Lakeview North Residence Hall at the Modesto A. Maidique Campus, which is being completed in two phases for a total cost of \$3,855,146, and delegate to the President or his designee the authority to execute all contracts and take all actions necessary to effectuate the renovation.

FF3. Approval of Florida International University's 2022-23 Allocation of Capital Improvement Trust Fund (CITF) Fees

Interim CFO and Sr. VP Martinez presented the University's 2022-23 allocation of CITF fees and referred to the replacement agenda item page, which accurately reflects the prior year totals. She indicated that the Florida Board of Governors is requesting that universities submit a new project list and certify that the respective student government associations have been consulted by the established deadline of April 29, 2022. She pointed out that the proposal consists of the reallocation of \$5M from the Graham University Center (GC) expansion to the future Modesto A. Maidique Campus aquatic center, maintaining \$1.1M for the recreation field support building, and the allocation of the remaining \$96,000 for the GC expansion. Interim CFO and Sr. VP Martinez commented on meeting with the current and incoming Student Government Association presidents to confirm their support of the reallocation. She added that the University has engaged the Isaac Sports Group, LLC to conduct an assessment and ultimately provide options relating to the programming of the future aquatic facilities.

In response to Committee Chair Tovar, Interim CFO and Sr. VP Martinez indicated that the University has reserved \$23.9M to-date for the GC expansion. Also responding to Committee Chair Tovar, Interim Provost and Executive Vice President Elizabeth M. Bejar commented on projects, such as the Trish and Dan Bell Chapel and the Hotel, Conference and Alumni Center, which will offer additional venue spaces. In response to Trustee Natasha Lowell, Interim President Kenneth A. Jessell indicated that programming space that would support honors college students and students in general would require securing additional square footage to the existing GC building. Trustee Marc D. Sarnoff and Committee Chair Tovar voiced their support for the allocation of funds to establish the University's aquatic center. Committee Chair Tovar requested, for the next regularly scheduled meeting, that the Committee continue the discussion relating to the GC expansion.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee recommend to the FIU Board of Trustees (the BOT) approval of FIU's revised 2022-23 allocation of capital improvement trust fund fees and authorize the University President to further amend said allocation as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

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

FF4. Approval of transactions greater than or equal to \$1,000,000 and less than \$3,000,000:

Change Order to Blanket PO#227607, Vendor: Apple, Inc.

Interim CFO and Sr. VP Martinez presented, for Committee review, the request to increase the purchase order with Apple Inc. for \$500,000. She indicated that PantherTech has experienced increased sales for personal and institutional purchases and explained that the additional change order ensures that there is sufficient procurement authority through June 30, 2022. In response to Committee Chair Tovar, Vice President for Information Technology Robert Grillo stated that PantherTech extends higher education discounts to students, faculty, and staff.

Pursuant to the Delegations of Authority from the FIU 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 the change order to PO# 227607 as described in the Board materials and (ii) authorize the University President or his designee to execute, on behalf of the University, the aforementioned contract.

FF5. Approval of a Third Lease Amendment with BP Land Holdings, LLC for an additional 37,411 square feet of space on the second floor of the National Forensic Science Technology Center (NFSTC)

Interim CFO and Sr. VP Martinez presented, for Committee review, the request for the Third Lease Amendment with BP Land Holdings, LLC for an additional 37,411 square feet of space on the second floor of the NFSTC. She stated that the facility is located at 8285 Bryan Dairy Road, in Largo, Florida and provides training, support, and technology evaluations for law enforcement agencies and labs across the country. She added that the NFSTC also develops and delivers services for a variety of Department of Defense (DoD) customers, private labs, and corporations. She introduced the Executive Director of the NFSTC, Kevin Lothridge. Mr. Lothridge indicated that FIU acquired the NFSTC in December 2017 as a 501(c)(3) nonprofit, noting that the NFSTC was incorporated in 1995 by the American Society of Crime Laboratory Directors with a charge to "do good things" for the industry.

Mr. Lothridge stated that the NFSTC services state and local crime labs, state and local law enforcement, DoD, Department of Justice, Department of Homeland Security, and the Department of State. He remarked that the facility is set up to handle the end-to-end processes of forensic science, noting that training is provided for scientists and users of forensic science. He commented that the NFSTC also supports grant projects in digital evidence. Mr. Lothridge highlighted the broad-based support provided to the DoD, including help in building portable deployable laboratories, hyper realistic training scenarios, management of government furnished equipment, server room support, and sensitive compartmented information facilities. He commented on training relating to crime scene investigation and latent prints and testing and evaluation support pertaining to forensic chemistry and laboratory services.

Interim CFO and Sr. VP Martinez pointed out that, since the acquisition of the NFSTC by FIU in 2017, the NFSTC has received \$36.6 M in research awards which generates about \$3.6M in indirect revenue annually. She added that the NFSTC has secured a new award from the DoD/Lockheed

Martin for \$4.8M through the end of the lease term in 2024 and noted that said award has annual options for three years with the expectation of extensions up to 19 years. She indicated that the NFSTC currently occupies 96,307 square feet, noting that 13,416 square feet of said space is subleased to private companies and government agencies that collaborate with FIU on forensic research activities. Interim CFO and Sr. VP Martinez commented that the University is requesting to add 37,411 square feet of office spaces, which will be utilized to meet the demand of current and future contract work activities. She indicated that 15,300 square feet are needed to satisfy the contract with DoD/Lockheed Martin and stated that the remainder of the space will be used to conduct training. Interim CFO and Sr. VP Martinez mentioned that it is estimated that 15 trainings a year can be conducted by existing staff and contract workers. She outlined key terms related to the third amendment, namely, that the total leased space will be increased to 133,718 square feet, the term of the lease is not being extended, and base rent would be \$17.50 per square foot with an escalation of 3% to \$18.03 per square foot for a total cost of \$1.3M over the two-year period.

Interim CFO and Sr. VP Martinez explained that the DoD/Lockheed Martin opportunity presented itself in October. She added that the NFSTC team assessed the current available space and deemed it not feasible. She explained that University consultants found only one viable option that fit FIU's requirements with an average market price per square foot of \$24.75 plus expenses. She indicated that the expansion space for this specialized research and educational facility has been certified available from a single source. Interim CFO and Sr. VP Martinez commented on the financial projections, specifically \$919,000 in net revenues for fiscal year 2021-22 and \$1.4M in net revenues for fiscal year 2022-23.

In response to Trustee Sarnoff, Mr. Lothridge commented on the need to convert office space to accommodate warehouse space to store government equipment, which represents an additional 15,000 square feet of space. Mr. Lothridge added that training of different agencies requires separate spaces, and that adequate space is needed to be responsive to customer needs. In response to Committee Chair Tovar, Senior Vice President for Research and Economic Development, Andres G. Gil commented on the University's efficient use of its research space. Sr. VP Gil added that while FIU's research enterprise has grown exponentially, research space has not grown at the same pace. Committee Chair Tovar urged that the Board of Trustees be made aware of matters relating to additional space needs in a timely and effective manner.

A motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee approve (1) the delegation of authority to the University President, or his designee, to negotiate the Amendment; and (2) the delegation of authority to the University President, or his designee, to execute the Amendment on behalf of the University, and such other documents that may be necessary to effectuate the transactions contemplated therein.

Trustee Lowell requested, for the next regularly scheduled Committee meeting, a virtual walkthrough of the NFSTC space. Interim President Jessell commented on his visit to the NFSTC facility in February. He noted that very large warehouse spaces are needed to replicate damage to huts, houses, and cars. He remarked that additional space is needed to store and perform the type of work that the NFSTC is engaged in. In response to Committee Chair Tovar, Interim President

Jessell stated that moving forward, when the University administration is aware of a matter (relating to space needs), it will be shared with the Board of Trustees.

4. Discussion Items

4.1 FIU Financial Statement Audit for Fiscal Year Ended June 30, 2021

Interim CFO and Sr. VP Martinez indicated that the State of Florida Auditor General issued the University's Audited Financial Statements and that the University received an unmodified opinion. She added that said opinion meant that the financial statements presented fairly the financial position of the University and its component units. Sr. VP Martinez stated that the auditors did not identify any deficiencies in internal control over financial reporting considered to be a material weakness or any instances of non-compliance or other matters required to be reported under Government Auditing Standards. She thanked the Office of the Controller and the staff from the respective direct support organizations for their work.

4.2 FIU Operational Audit for Calendar Year Ended December 31, 2020

Interim CFO and Sr. VP Martinez explained that 38 areas within the University's operations were tested as it pertained to the University's Operational Audit for the 2020 calendar year. She referred to the three findings and commented that the University has addressed the findings pertaining to the delays in the completion of bank reconciliations and tangible personal property assignments. In terms of the repeat finding relating to information technology user access privileges, she mentioned that the Division of Information Technology has been working with Oracle to determine if there are alternative ways to perform conditional masking of data. She added that the division has been obtaining information from other State University System institutions in terms of how they are restricting former student data.

5. New Business

No new business was raised.

6. Concluding Remarks and Adjournment

With no other business, Finance and Facilities Committee Chair Roger Tovar adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Tuesday, April 26, 2022 at 10:00 a.m.