

# FAU FINANCE CORPORATION

## BOARD OF DIRECTORS

### MINUTES

Wednesday, February 1, 2023

**1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE NOVEMBER 9, 2022, FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.**

The meeting of the FAUFC BOD was convened at 09:00 a.m. by Mr. Robert K. Rollings, Jr., Chair. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD, in addition to Mr. Rollins, participating: Mr. Roland Valdivieso, Mr. Thomas Workman, Mr. Bob Rubin, and Mr. Pablo Paez; was the only one via Teams.

Mr. Rollins, Chair, welcomed Mr. Roland Valdivieso to the FAUFC Board as a new Board Member.

The following staff was in attendance:

Mr. Gregory DuBois, Executive Director and VP of Financial Affairs & CFO; Dr. Larry Faerman, Vice President; Student Affairs; Ms. Priscilla Moxey, Associate Director, Accounting and Finance; Dr. Brian Fisher, Associate VP for Student Affairs and Operations; Elizabeth Rubin, Associate General Counsel; Mrs. Henri Padron, Executive Assistant.

**2. REQUEST TO AMEND THE FAU FINANCE CORPORATION MEETING MINUTES FROM THE NOVEMBER 9, 2022, MEETING.**

Mr. Bob Rubin requested to amend the meeting minutes to include his comment; "I disagree with that. That if you were a private enterprise, there would be repercussions to that statement" This comment is related to Mr. Dubois's comment stating that "Even if we missed the deadline. We were not able to bring the housing rates to market value or beyond that; it would not negatively affect the Housing or University budget in an adverse way."

A motion was made and seconded to approve to amend the minutes of the November 9, 2022, meeting to include Mr. Rubin's comment on the FAU Finance Corporation housing update presentation.

**The motion passed unanimously.**

**3. UPDATE ON THE FAUFC HOUSING OCCUPANCY AND FACILITIES**

Dr. Faerman provided an update on housing occupancy and facilities status. Dr. Faerman discussed the various Residence Halls and Housing Facilities, specifically their year built, designs, and overall square footage. Dr. Faerman made a point to note that two residence halls within the Wilkes Honors College do not fall within the FAUFC Governing Board and that, therefore, those residence halls are not included in this data. Dr. Faerman then provided detailed information on the current Housing Organizational Structure and how those members are strategically integrated to provide the best support and data for the housing department. Dr. Faerman introduced Dr. Brian Fisher to present the

remaining housing data. Mr. Fisher reported occupancy data for the Fall at 98.6%, this does not include the students who were part of the Hotel Program, and those students have now moved onto campus. They are represented in the Spring occupancy data of 99.49%. Housing will begin their contract renewal process beginning February 16, 2023; for the current residents (upperclassmen; they foresee waitlisting current occupants, as many of the housing reserves will be held for first-year students and new incoming students. Housing will be modifying the single room/studio units into two-person units, which will increase their occupancy from 80 to 160 for Fall 2023. In the past 2-3 years, we have seen an increase in the number of students wanting to return for on-campus housing. This has played a large role in the housing situation. The emphasis is to provide housing for first-year and second-year students, and retention rates directly affect the BOG reporting metrics and forecasting graduation rates. Mr. Rubin proposed discussing the fact that more dorms/housing units are needed for the increased demand and continued growth of the institution and how best to begin planning for it; the second item is a feasibility study to support the dorm and discussing increasing the rental rates for the next year.

Mr. DuBois responded by advising that these were going to be discussed in the presentation and that the floor would be open to begin the discussions regarding these items. Dr. Fisher continued with the presentation, outlining the upcoming debt service for FY23, FY24, FY25, and FY26. Dr. Fisher prefaced this data by advising that by FY 26, it is expected to have more housing facilities, and these projections will be adjusted based on completion timelines.

### **Reserve Balances**

Mr. DuBois provided the operating reserve balances and indicated that he believed we should strive to increase the reserve balances due to the substantive size of housing's operating costs.

### **Housing Capital Improvement Budget**

Housing inventory is currently in the middle of its "life cycle," with the exception of Atlantic Park Towers and RHIII. There needs to be a large capital investment in the oldest housing units, such as UVA, to ensure the usability of the housing unit while we continue to work towards FY 26 new housing projects. There has been more focus on immediate functional needs, and deferred maintenance has fallen behind due to the immediate needs. The FY24 budget includes UVA roof replacement, UVA HVAC replacement, Heritage Park Tower swipe card installation for safety, and Innovation Village Network Equipment upgrade, as that building is ten years old. We are asking for the \$6 million budget to be approved.

### **Housing New Construction Planning**

Updates were presented regarding the expected completion in June 2023 of the housing market study and the master plan update, which would include demand, market analysis, inventory evaluation, site location, and campus impact, i.e., dining, safety, parking, and utilities. The completion of this plan would fall within the timeline for the new housing project to be completed and scheduled to open by Fall 2026.

### **FY23-24 Budget Action Item**

The Academic and Fiscal Year do not track cohesively. This budget is proposed for FY24, including revenue, operating fees, and non-operating fees. Mr. Paez requested a timeline walkthrough on requesting and implementing a rate increase through the Board of Governors. Mr. DuBois indicated that if a rental rate increase would be proposed for the upcoming Fall FY24, then that would need to begin now; we would need to have all approvals and processes complete by the end of this fiscal year, June 2023. The leases are per the academic year; a rate increase would need to be implemented for Fall 23 It was proposed that Mr. DuBois draft the pros and cons of the P3 option for additional housing.

**A motion was made to approve the proposed budget, seconded, and passed unanimously.**

4. **ADJOURNMENT OF MEETING.** With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 10:45 am.