

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Thursday, October 1, 2015 2:00pm

1. **ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE APRIL 1, 2015 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.**

The meeting of the FAUFC BOD was convened by Mr. Anthony Barbar, Chair. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD participating: Mr. Anthony Barbar and Mr. Peter LoBello.

The following officers were in attendance: Ms. Dorothy Russell, Executive Director, and Ms. Stacey Semmel, Secretary/Treasurer.

The following guests were in attendance:

Dr. Corey King, Interim Vice President of Student Affairs; Mr. Michael Cocuzza, Director of Finance and Budgets for Division of Student Affairs; Mr. Patrick Chun, Athletics Director; Dr. Larry Faerman, Executive Director of Housing; Ms. Michelle Smith, Regional VP of Operations for FAU Housing/Capstone-on-Campus; Ms. Jessica Cohen, Associate Controller; Ms. Elizabeth Rubin, Associate General Counsel; Mr. Craig Dunlap, President of Dunlap & Associates, Inc. and, Ms. Jessica Camacho, Administrative Assistant/Financial Affairs.

The following guests were in attendance only for Item 2:

Mr. Israel Gomez, C.P.A. Partner with Keefe McCullough and Mr. Marc Grace, C.P.A. Manager with Keefe McCullough.

A motion was made and seconded to approve the minutes of the April 1, 2015 meeting without change or correction. **The motion passed unanimously.**

2. **REVIEW OF THE AUDITED FAU FINANCE CORPORATION FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2015.**

The representative from Keefe McCullough, Mr. Gomez, presented the audited financial statements for the fiscal year ending June 30, 2015 to keep the Board of Directors informed about the financial status of the FAUFC. Mr. Gomez stated it was a very clean report and the highest level report that can be completed. There were no comments, adjustments, significant deficiencies, no weaknesses in internal controls and the debt service requirements were met timely each quarter. Mr. Gomez also stated that the auditors experienced full cooperation from the FAU staff throughout the entire audit process.

A motion was made and seconded to approve the FAUFC Financial Report as presented. **The motion passed unanimously.**

3. HOUSING REPORT AS OF AUGUST 31, 2015.

Ms. Russell explained that going forward this report will be quarterly, however; the current report shows as of August 31, 2015 since all information for the first quarter has not yet been received. The numbers show an increase in revenues and decrease in expenses so far this quarter due to the successful programs that the Housing Department has implemented. Quarterly updates will continue to be provided to the board and the next one should be expected in January 2016.

4. REQUEST FOR APPROVAL OF THE 2016-17 HOUSING BUDGET AND RENTAL RATES.

Ms. Russell explained that implementing housing rates earlier last year was very successful and helps students plan ahead, so the same was done this year for 2016-17. The new Executive Director of Housing and Residential life, Dr. Larry Faerman, hired recently after a national search, will be working closely with Mr. Cocuzza and Ms. Smith. The projected occupancy for 2016-17 is 93% and Dr. King explained that he is being conservative and would like to see several years of increased occupancy before budgeting higher.

Dr. King stated that the Department of Housing and Residential Life is not proposing any rate increases for the 2016-17 fiscal year. The budgeted occupancy for 2015-16 was 91% and the current occupancy is 96% so there is no immediate need to raise rates for the upcoming year since the expense budget remained at 91%.

A motion was made and seconded to approve the proposed 2016-17 Housing Budget and Rental Rates as presented. **The motion passed unanimously.**

5. PLANS TO REFINANCE SELECTED DEBT FROM FAU DBF BONDS AND STADIUM LOAN.

Ms. Russell provided a summary to the board on the beginning planning stages of refinancing debt of Housing- Series 2003A, 2006A and 2006B and Stadium Series 2015. Mr. Dunlap added that the three housing refinance issues can close on April 1, 2016 and the next steps will be to obtain proposals from banks and underwriters to see which is most cost effective for FAU. The savings, depending on if it is done as a bank loan or bond issue, would be approximately \$200-\$250k per year.

6. ADJOURNMENT OF MEETING. With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 3:00 p.m.