



Item: BF: A-M

**BUDGET AND FINANCE COMMITTEE**

Tuesday, April 16, 2024

**SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE March 20, 2024 BOT BUDGET AND FINANCE COMMITTEE MEETING.**

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**PROPOSED COMMITTEE ACTION**

Initiate roll call to document member participation to ensure appropriate quorum numbers are achieved and to approve the minutes of the March 20, 2023 Budget and Finance Committee meeting.

**COMMITTEE MEMBERS**

Mr. Pablo Paez, Chair	_____
Mr. Robert Flippo, Vice Chair	_____
Mr. Piero Bussani (ex-officio)	_____
Ms. Barbara Feingold (ex-officio)	_____
Mr. Shaun Davis	_____
Ms. Elycia Morris	_____

**BOT MEMBERS**

Ms. Dalia Calvillo	_____
Mr. Daniel Cane	_____
Dr. Kimberly Dunn	_____
Mr. Earnie Ellison	_____
Mr. Brad Levine	_____
Ms. Sherry Murphy	_____
Ms. Linda Stoch	_____

  
**BOARD OF TRUSTEES**  
Florida Atlantic University

**BUDGET AND FINANCE COMMITTEE**  
**MINUTES**  
Wednesday, March 20, 2024

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**BF: A-M Roll Call and Approval of Minutes for November 15, 2023, BOT Budget and Finance Committee Meeting.**

Chair Pablo Paez, roll call commenced, confirming a quorum, with the following members participating in the meeting: Vice Chair Mr. Rob Flippo, Mr. Piero Bussani, Mrs. Barbara Feingold, Mr. Shaun Davis, Mrs. Elycia Morris, Ms. Dalia Calvillo, Mr. Daniel Cane, Dr. Kimberly Dunn, Mr. Earnie Ellison, Mr. Brad Levine, Mrs. Sherry Murphy, and Mrs. Linda Stoch.

The following university officials participated: Ms. Stacy Volnick, Interim President; Mr. Jayson Iroff, Vice President of Financial Affairs and CFO; Dr. Larry Faerman, Vice President of Student Affairs; Brian White, Vice President of Intercollegiate Athletics; Dr. Russ Ivy, Interim Provost and Vice President for Academic, Mr. Bob Rubin, and Mr. David Kian, Vice President of Legal Affairs and General Counsel.

A motion was made and seconded to approve the **November 15, 2023**, minutes without change or correction. **The motion passed unanimously.**

**Approval of the Resolution Authorizing the Issuance of Debt for New Student Housing.**

Mr. Jayson Iroff, VP of Financial Affairs, and Dr. Larry Fearnmen, VP of Student Affairs

Dr. Farran and Mr. Iroff presented the Resolution Authorizing the issuance of Debt for New Student Housing.

Mr. Rubin sought the Board of Trustees to authorize the issuance of tax-exempt debt not exceeding 117.8 million to construct a new student housing facility on the Boca Raton campus. If approved and constructed, the new housing facility will add approximately 670 beds to our existing inventory and is expected to be ready to open for 2026 and 2027.

Mr. Jayson Iroff and Dr. Larry Faerman presented the Boca Raton Campus Housing Project Path to the University Finance Corporation board members, which encompassed the Housing Feasibility assessment and design concepts. The design concepts are 4 Bedroom Suite, 3 Bedroom Suite, and 1 Bedroom Suite styles, with all configurations available for 670 units. Market analysis shows the unmet demand needs by 2027.

Mr. Jayson Iroff presented a project proforma to demonstrate that the Housing Project is financially viable. On January 17, 2024, we secured approval from the Florida Atlantic University Finance Corporation to issue bonds secured with housing revenues through the Finance Corporation. Three

financing options were given initial consideration. We are currently modeling the cost of the debt not to exceed 5. We believe this is a conservative number when the debt is issued at the beginning of 2025. The project's construction cost is \$395 per square foot, with an all-in cost of \$577 per square foot, or 175,000 per bed, including all furniture, pictures, and equipment, additional site, preparation work, and the cost to issue the debt. The last item for consideration when assessing project viability is understanding the strength of our housing system. This graph represents our existing housing operating performance conservatively projected out in FY. 2030. The anticipated debt service when the project opens is 11.6 million; by 2030, that value or that spread will grow to 16.6 million. So, bringing this all together when taking into consideration the type of debt we want to issue, the cost of capital, and the financial performance of our student housing system, we easily eclipse the required debt service coverage at 1.2 x all years of operation, achieving a 1.5 3 coverage ratio in year one.

A motion was made and seconded to approve the Resolution Authorizing the Issuance of Debt for New Student Housing. **The motion passed unanimously.**

### **Approval of Operating Projections for Housing Facilities Bonded by State Issued Debt.**

Mr. Jayson Iroff, south approval of Operating Projections for Housing Facilities Bonded by Stat Issued Debt. The University must provide reasonable estimates to the board of governors of the projected revenues and expenses for those student housing facilities bonded by State issue debt, or what we call division upon finance debt. It is anticipated that these projections will align with the housing budget that ultimately will be approved by the Board of Trustees in June 2024. The student housing facilities included in this action are late for Towers, Heritage, Park Towers, Indian River Towers, and University Village apartments. So, as stated, this is simply projecting out the revenues and expenses for the bouncer this year and into next year. In June, we will come back to the board with formal approval for the budget for the entire housing system that will incorporate these numbers. But because we're off cycle to the approval path for the Board of Governors and the division of bond finance. We must put forward these projections. Now, what we're thinking about doing next year is that because of the odd timing, we may change our budget development cycle to approve it. The housing budget is in January and February of next year. This way, we don't have to go through the projection. And then subsequent approval. With that, I ask for approval of the projections.

**Upon call, a motion was made and seconded to approve and unanimously pass the Operating Projections for Housing facilities Bonded by the State-issued Debt.**

Motion to adjourn the Budget and Finance Committee meeting.

With no questions or comments put forth, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 10:55 am.**