



Item: BF: A-M

BUDGET AND FINANCE COMMITTEE

Tuesday, May 15, 2018

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE NOVEMBER 14, 2017 BOT BUDGET AND FINANCE COMMITTEE MEETING.

PROPOSED COMMITTEE ACTION

Initiate roll call to document member participation to ensure appropriate quorum numbers are achieved and to approve the minutes of the November 14, 2017 Budget and Finance Committee meeting.

COMMITTEE MEMBERS

Mr. Robert Stilley, Chair	_____
Mr. Shaun Davis, Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Mr. Brent Burns	_____
Mr. Mary Beth McDonald	_____
Mr. Robert Rubin	_____
Dr. Kevin Wagner	_____

BOT MEMBERS

Dr. Michael Dennis	_____
Mr. Brad Levine	_____
Dr. Jeffrey Feingold	_____
Mr. Abdol Moabery	_____
Dr. Malcolm Dorman	_____



BUDGET AND FINANCE COMMITTEE
DRAFT MINUTES
Tuesday, November 14, 2017

Action Items

BF: A-M. Roll Call and Approval of Minutes for the June 27, 2017 BOT Budget and Finance Committee Meeting.

Mr. Thomas Workman, Chair of the Board of Trustees (BOT) Budget and Finance Committee (BFC), convened this meeting at 10:00 a.m. Roll call commenced with the following Committee members, in addition to Mr. Workman, participating: Mr. Daniel Cane, Vice Chair; Mr. Anthony Barbar (ex-officio), Mr. Shaun Davis, Mr. Robert Rubin and Mr. Robert Stilley.

Other Trustees attending the meeting included: Dr. Michael Dennis, Dr. Malcolm Dorman, Dr. Jeffrey Feingold, Ms. Emily Lawless, Ms. Mary Beth McDonald and Dr. Kevin Wagner.

The following University officials participated: Dr. John Kelly, President; Mr. Jeff Atwater, Vice President for Strategic Initiatives and CFO; Ms. Stacy Volnick, Vice President for Administrative Affairs; Dr. Gary Perry, Provost; Mr. Art Kite, Deputy CFO; Dr. Corey King, Vice President for Student Affairs; and, Mr. David Kian, Vice President and General Counsel.

Mr. Workman introduced Mr. Atwater who spoke briefly about some positive highlights at FAU. Upon call, a motion was made and seconded to approve the minutes of the June 27, 2017 BFC meeting without change or correction. **The motion passed unanimously.**

BF: A-1. Review and Approval of the 2018-19 Projected Housing Budget and Proposed Rental Rates.

Dr. Corey King presented the 2018-19 housing budget to the board and stated that there would be no rate increases for fiscal year 2019. Actual occupancy in fiscal year 2014 was 88.2% and over the last four years there has been a significant increase in occupancy on campus with fiscal year 2018 at 100.4%. For budgeting purposes, the occupancy for fiscal year 2018 has been set at 96%. A \$36M operating budget has been set for the upcoming year. The proposed re-roofing project will be \$2.3M with total housing maintenance for the year at \$5.4M.

Upon question, Dr. King explained that wasn't much significant hurricane damage to campus housing except for Glades Park Towers which sustained some damage to the roof.

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With no further questions, a motion was made and seconded to recommend BOT approval of the 2018-19 Housing Rental Rates remaining unchanged from the prior year. **The motion passed unanimously.**

BF: A-2. Proposed Regulation Amendment: Trespass and Loitering (7.006).

Mr. David Kian explained the requested amendments to regulation 7.006 are in paragraphs 9c and 10 which relate to changing the title of the Vice President (from Financial Affairs to Administrative Affairs) who may hear appeals from trespassing orders. Upon question, Mr. Kian explained that the trespass regulation is very effective and he identified certain situations in which a person may not be allowed back on campus with a trespass order. He, along with Ms. Stacy Volnick, also assured the board that the guidelines and processes in place at FAU regarding freedom of expression and disrupting speakers on campus are effective and continuously reviewed.

With no further questions, a motion was made and seconded to approve the amendment to the regulation. **The motion passed unanimously.**

BF: A-3. Proposed Regulation Amendment: Tuition and Fee Assessment, Remittance and Refunds (8.002).

Mr. Kian described the revision of paragraph 3c3 within regulation 8.002, which is a new requirement from the Board of Governors, to refund active duty military members who are called to service for any reason. Upon query, Mr. Kian, along with verification from Dr. Corey King, stated that there are 2 or 3 students per semester that this applies to.

With no further questions, a motion was made and seconded to approve the amendment to the regulation. **The motion passed unanimously.**

BF: A-4. Proposed Regulation Amendment: University Traffic and Parking (7.003).

Mr. Kian explained the proposed amendments are changes to certain fees within regulation 7.003 such as an increase in the motorcycle parking fee, implementing increases to short term parking permit fees for visitors (daily, weekly and monthly) and an increase to metered hourly fees. Upon question, Mr. Kian and Ms. Volnick confirmed that none of the fee changes affect students.

Mr. Kian confirmed that since posted, there has been no public comment on any of the proposed regulation amendments presented today.

With no further questions, a motion was made and seconded to approve the amendment to the regulation. **The motion passed unanimously.**

BF: A-5. Request for Approval of FAU Finance Corporation (FAUFC) Bylaw Amendments.

Mr. Kian explained that the FAUFC is a direct support organization and assists the University with funding major capital projects. The first amendment to the bylaws that are being proposed is to add a requirement that the president be allowed to appoint three additional members to the board and will come to the Board of Trustees for approval. The second amendment is a requested modification to the conflict of interest provision which prohibits FAU employees from serving on the FAUFC board. The specific provision will be exempted from the conflict of interest provision of the bylaws so that University employees may serve on the FAUFC board. This has already been unanimously approved by the FAUFC board.

Upon query, Mr. Kian explained that it is desirable to give the board flexibility to determine whether a conflict exists on a case by case basis.

With no further questions, a motion was made and seconded to approve the amendments. **The motion passed unanimously.**

Information Items

BF: I-1. Review of Fourth Quarter Financial Report (July 1, 2016 to June 30, 2017).

Mr. Art Kite presented the year-end financial report which shows actual revenues and expenditures for each of the budgetary components and informs the board of the financial condition of the University. An update on each of the budget components was given by Mr. Kite with year-end financial data summarized as follows:

Comparison of Budget & Actual (\$000)

Category and Fund Type	2015-16 End-of-Year				2016-17 End-of-Year			
	Actual	Budget	Remainder	% of Actual to Budget	Actual	Budget	Remainder	% of Actual to Budget
REVENUE								
Educational & General+	\$321,001	\$299,810	\$21,191	107.1	\$345,368	\$334,975	\$10,393	103.1
Auxiliary Enterprises	119,488	125,087	(\$5,599)	95.5	110,532	128,235	(\$17,703)	86.2
Student Financial Aid	193,198	192,222	\$976	100.5	194,559	198,107	(\$3,548)	98.2
Student Activities	9,122	9,285	(\$163)	98.2	9,138	9,150	(\$12)	99.9
Athletics	26,707	26,346	\$361	101.4	26,023	27,105	(\$1,082)	96.0
Contracts & Grants *	61,591	59,099	\$2,492	104.2	72,497	60,515	\$11,982	119.8
Concessions	650	625	\$25	104.0	705	625	\$80	112.8
TOTAL REVENUE	\$731,757	\$712,474	\$19,283	102.7	\$758,822	\$758,712	\$110	100.0
EXPENDITURES								
Educational & General	\$294,896	\$299,810	\$4,914	98.4	\$327,052	\$322,710	(\$4,342)	101.3
Auxiliary Enterprises	113,515	139,559	\$26,044	81.3	107,531	142,153	34,622	75.6
Student Financial Aid	191,944	192,171	\$227	99.9	193,590	197,954	4,364	97.8
Student Activities	7,570	9,876	\$2,306	76.7	7,644	9,498	1,854	80.5
Athletics	26,691	26,346	(\$345)	101.3	26,130	27,105	975	96.4
Contracts & Grants *	61,053	59,099	(\$1,954)	103.3	56,996	60,515	3,519	94.2
Concessions	690	625	(\$65)	110.4	769	625	(144)	123.0
TOTAL EXPENDITURES	\$696,359	\$727,486	\$31,127	95.7	\$719,712	\$760,560	\$40,848	94.6

* Contracts & Grants fund type includes Sponsored Research, Foundations, and Henderson School.
+ F&G Revenue Budget includes Tuition Authority.

Upon question, Dr. Gary Perry explained that the growth in Contracts & Grants revenue is due to an increase in grant proposals and grants being funded.

Mr. Jeff Atwater gave a brief explanation of enrollment and future expenses and how it will all be presented to the Board.

With no further questions or comments put forth, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 11:11 a.m.**

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