

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

January 20, 2012

SUBJECT: ROLL CALL AND APPROVAL OF A) DRAFT MINUTES OF THE OCTOBER 17, 2011 FAU FINANCE CORPORATION BOARD OF DIRECTORS MEETING AND B) REVISED MINUTES OF THE NOVEMBER 9, 2009 FAU FINANCE CORPORATION BOARD OF DIRECTORS MEETING.

PROPOSED BOARD ACTION

Initiate roll call to document member participation to ensure that appropriate quorum numbers are achieved and initiate approval of a) the draft minutes of the October 17, 2011 FAU Finance Corporation (FAUFC) Board of Directors meeting and b) revised minutes of the November 9, 2009 FAUFC Board of Directors meeting.

BOARD MEMBERS

Mr. Scott Adams, Vice Chair	___
Mr. Anthony Barbar	___
Mr. Peter LoBello	___

BACKGROUND INFORMATION

The minutes of the November 9, 2009 FAUFC Board of Directors meeting are being revised to more fully articulate the nomination and election of Mr. LoBello to the FAUFC Board of Directors.

Supporting Documentation: Draft Minutes of the October 17, 2011 FAUFC BOD meeting and Revised Minutes of the November 9, 2009 FAUFC Board of Directors meeting.

Presented by: Mr. Scott Adams, Vice Chair.

FAU FINANCE CORPORATION

BOARD OF DIRECTORS MEETING

DRAFT MINUTES

Friday, October 17, 2011

1. **ROLL CALL AND APPROVAL OF MINUTES OF THE OCTOBER 7, 2011 FAU FINANCE CORPORATION BOARD OF DIRECTORS MEETING.**

Handout: Draft Minutes of the October 7, 2011 FAUFC Meeting.

The meeting of the FAU Finance Corporation Board of Directors (FAUFC BOD) was convened by the Chair, Mr. Dennis Crudele, at 9:31 a.m. Roll call commenced, confirming quorum, with the following FAUFC BOD members in addition to Mr. Crudele, participating:

Mr. Scott Adams and Mr. Peter LoBello.

The following guests were in attendance:

Ms. Elizabeth Rubin and Ms. Linda Elliott.

Upon call, a motion was made by Mr. LoBello and seconded by Mr. Adams to approve the minutes of the October 7, 2011 meeting without change or correction. **The motion passed unanimously.**

2. **REQUEST FOR APPROVAL OF AMENDMENT TO THE BY-LAWS OF THE FAU FINANCE CORPORATION.**

Handout: Amended By-laws of the FAU Finance Corporation (Red-line).

Mr. Crudele advised members that one additional change to the FAU Finance Corporation By-laws is being initiated at the request of FAU President Mary Jane Saunders which will conform to the FAU Regulation on University Direct Support Organizations being developed.

This amendment is to Article V, Executive Director, and designates the University President appointing the Executive Director in consultation with the FAUFC Board of Directors.

With no questions or comments, a motion was made by Mr. Adams and seconded by Mr. LoBello to approve the amendment as presented. **The motion was approved unanimously.**

Conversation followed expressing satisfaction with the newly opened FAU Stadium and pleasure at the additional exposure it will receive during the next football game which is to be televised.

3. **ADJOURNMENT OF MEETING.** With no further issues to discuss, **the meeting was adjourned at 9:35 a.m.**

FAU FINANCE CORPORATION

BOARD OF DIRECTORS MEETING

REVISED MINUTES

Friday, November 13, 2009

- 1. CALL TO ORDER/ROLL CALL.** The first meeting of the FAU Finance Corporation ("FAUFC") was convened by Chair-elect Mr. Dennis Crudele at 10:07 a.m. Roll call commenced, confirming quorum, with the following board members, in addition to Mr. Crudele, present:

Mr. Scott Adams (by teleconference), ~~and Mr. Peter LoBello.~~

The following University officials were ~~also~~ in attendance:

Mr. David Kian, Ms. Audra Lazarus ~~and Ms. Stacey Semmel,~~ ~~and Ms. Linda Elliott.~~

~~The following guests were in attendance:~~

~~Mr. Peter LoBello and Ms. Linda Elliott.~~

- 2. ELECTION OF BOARD MEMBERS.**

~~A motion was made by Mr. Crudele and seconded by Mr. Adams to nominate and elect Mr. Peter LoBello as a member of the Board. Mr. LoBello's contributions to the University were noted. No further discussion followed. **The motion passed unanimously.**~~

- 23. ELECTION OF OFFICERS.**

Handout: Proposed Slate of Officers.

A motion was made by Mr. Adams and seconded by Mr. LoBello to approve the slate of officers as nominated. The slate of nominated officers was reviewed as follows:

Chair:	Mr. Dennis Crudele
Vice Chair:	Mr. Scott Adams
Secretary/Treasurer:	Ms. Stacey Semmel

No further discussion or commentary followed. **The motion passed unanimously** to approve the slate of officers as presented.

34. APPROVAL OF THE FAUFC BY-LAWS.

Handout: FAU Finance Corporation Bylaws 2009.

Upon confirmation of individual review of the handout provided, a motion was made by Mr. Adams and seconded by Mr. LoBello to approve the FAUFC By-Laws.

Discussion followed as to whether input had been provided by the University General Counsel's Office into the drafting and review of the proposed FAUFC By-Laws. Confirmation was provided that that the FAUFC By-Laws were created and reviewed by the University General Counsel's office in consultation with bond counsel, Bryant, Miller & Olive P.A., and that the articles of incorporation, as well as the bylaws, properly address the legal requirements of FAUFC (a direct support organization of FAU). Ms. Audra Lazarus was introduced as the lead contact in the Counsel's Office for matters pertaining to FAUFC.

With no further discussion, **the motion passed unanimously** to approve the FAU Finance Corporation By-Laws.

45. APPROVAL OF RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS BY FAUFC IN CONNECTION WITH THE FAU INNOVATION HOUSING PROJECT.

Handouts: FAU Finance Corporation Resolution Authorizing the Issuance of Debt and Requesting the FAU Board of Trustees to Approve such Issuance – Innovation Village Housing Project; Project Summary – FAU Innovation Village Housing Project; FAU Student Housing Market Student, July 2009; Draw Schedule - FAU Innovation Village Housing Project; Sources and Uses - FAU Innovation Village Housing Project; Debt Service - FAU Innovation Village Housing Project; Financing Assumptions - FAU Innovation Village Housing Project; Combined 6-30-05, 6-30-06, 6-30-07, 6-30-08 Housing Financial Statements – FAU Innovation Village Housing Project; FAU Housing Financial Statement and MD&A Notes for 6-30-09 - FAU Innovation Village Housing Project; Five Year Projection for Innovation Village Housing Project; Cash Flow Five Year Projections- FAU Innovation Village Housing Project; and, Negotiated Sale Analysis - FAU Innovation Village Housing Project.

Prior review of the handouts was confirmed, and a motion was made by Mr. Adams and seconded by Mr. LoBello to approve the resolution authorizing the issuance of bonds by FAUFC in connection with the FAU Innovation Housing project.

Discussion began clarifying that the total revenues in the housing system will be pledged to meet the debt service (first, to service existing debt, and second, to service the new debt) and operating expenses of both the Innovation Village housing and existing housing facilities.

Continued discussion centered on the pro's and con's of the sale of bonds. With recent strong reviews by the Standard & Poor's bond rating agency and the high demand from students for on-campus housing, the risk on not being able to fill the residence halls is minimal. The FAU housing system is strong with revenues anticipated to be sufficient to support this debt, as well as existing debt. Recourse on the new debt would be limited to the net revenues from this project and surplus revenues from the existing student housing, with no recourse or risk to other assets of FAU. This Board will be responsible for approving the annual housing budget and, with FAU Board of Trustees' approval, for setting the rental rates to ensure adequate funding to cover the annual debt service.

With no additional discussion, **the motion passed unanimously** to approve the resolution authorizing the issuance of bonds by FAUFC in connection with the FAU Innovation Housing Project.

56. APPROVAL OF RESOLUTION AUTHORIZING THE REPAYMENT OF EXPENDITURES RELATED TO CERTAIN CAPITAL PROJECTS.

Handout: FAU Finance Corporation Reimbursement Resolution.

Upon confirmation of prior review of the documentation provided, a motion made by Mr. Adams and seconded by Mr. LoBello to approve the resolution authorizing repayment of expenditures incurred (and to be incurred) by FAUFC, or the FAU Board of Trustees on behalf of FAUFC, related to certain capital projects in connection with the FAU Innovation Housing Project.

Discussion followed regarding the nature of the expenditures incurred (and to be incurred). Because of the critical timing of the student housing project, and in order to ensure that the project will be completed by Fall semester 2011, certain contractual obligations had to be initiated including the retention of the Architect/Engineer, Construction Manager and the performance of various utility and other infrastructure works. Additionally, preliminary site work was advance funded by the University. This work included, but was not limited to, projects such as schematic / design development, various site surveys, utility expansion (bringing electrical and sewer/water to the site), installation of an electrical vault and bond rating agency costs. All costs were incurred in accordance with standard University cost containment guidelines and involvement with University facilities personnel. Future costs are expected to be incurred prior to the issuance of the bonds.

To date, approximately \$1 million has been advanced by the University, and it is anticipated that approximately \$4.7 million will be expended prior to receipt of the bond proceeds. Repayment of such expenditures from the bond proceeds is expected to occur immediately upon the bond issuance.

With no additional discussion, **the motion passed unanimously** to approve the resolution authorizing the repayment of expenditures incurred (and to be incurred) by FAUFC, or

the FAU Board of Trustees on behalf of FAUFC, related to certain capital projects in connection with the FAU Innovation Housing Project.

67. Adjournment

A motion was made by Mr. LoBello and seconded by Mr. Adams to adjourn the meeting. **The meeting was adjourned at 10:34 a.m.**