

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Monday, October 20, 2014 2:00 p.m.

1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE MAY 21, 2014 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 in addition to Mr. Barbar, participating:

Mr. Scott Adams, Vice Chair 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; Ms. Michelle Smith, Regional VP of Operations for FAU Housing/Capstone-on-Campus; Ms. Ilene Mates, Assistant VP of Student Affairs for Finance; Jessica Cohen, Associate Controller; Elizabeth Rubin, Associate General Counsel; and, Ms. Jessica Camacho, Administrative Assistant/FAU-Financial Affairs.

A motion was made by Mr. Adams and seconded by Mr. Barbar to approve the minutes of the May 21, 2014 meeting without change or correction. The motion passed unanimously.

2. NOMINATIONS AND ELECTIONS FOR ELECTED DIRECTORS TO THE BOARD.

Elected Director Peter LoBello's first four-year term had ended on December 15, 2013. Elected Directors are eligible to serve two consecutive terms of four years in length. Mr. Adams nominated Mr. LoBello which was seconded by Mr. Barbar and by unanimous vote Mr. LoBello will serve another four-year term.

3. REQUEST FOR APPROVAL OF THE 2015-16 HOUSING BUDGET AND RENTAL RATES.

Ms. Russell informed the board that the Housing budget and rental rates are being presented earlier in the year as requested and will be presented to the Board of Trustees earlier than previous years as well. This gives each board an opportunity to review the budget in the first quarter of the fiscal year.

Dr. King explained the immediate action that took place once he stepped into his role. He retained the Capstone Management System, however; quickly realized that the abilities and expertise of Capstone were not being utilized. Weekly meetings occur with Capstone executives to review real-time data, discuss occupancy, look at frequency of room assignments and redevelop the marketing

strategy. Currently, for the fall semester, the occupancy rate is at 87% and the goal for FY15-16 is 90% occupancy in revenue-making beds (95 beds out of 4200 are RA staff beds). Several steps are being taken to ensure that occupancy rate is obtained such as adding washers/dryers in each room in IVAN and the same will be done for IVAS in FY15-16. In addition, approximately 200 double rooms will be converted to singles and students will sign 12-month contracts to keep them on for the year. Single rooms are popular among the student population and about 200 international students will be on living on campus due to the Navitas program.

The upgraded housing system, Adirondack, was discussed and upon Mr. Adams' request, Ms. Smith confirmed that with this system she will be able to put together a breakdown of reasons why students leave on campus housing after the fall semester. Ms. Russell did confirm that there is \$7M in reserve for students that do not stay in on campus housing from fall to spring.

University Park was also mentioned and Ms. Russell stated many reasons why staying on campus is better for the student such as fully furnished rooms, utilities included in room rates and a higher success rate overall.

With the exception of an increase of 10% for Algonquin Hall, Dr. King explained that increases for Housing rental rates range from 1.4% to 6.3%. He explained that Algonquin Hall is in high demand and always at 95-100% occupancy which is the reason for the 10% increase. IVAN and IVAS increases are due to new amenities and a standard increase of 1.5-1.6% to all other buildings is due to inflation according to Capstone.

Mr. Barbar inquired about what the impact would be if only Algonquin and IVAS rates were increased as indicated with no other increases on the other buildings. Ms. Russell informed the board that from a financial standpoint it would affect the budget significantly if the increases in the other halls were not applied since that would account for over 3,000 beds without an increase.

A motion was made by Mr. Adams and seconded by Mr. Barbar to approve the proposed 2015-16 Housing Rental Rates. The motion passed unanimously.

Ms. Russell summarized the 2015-16 Housing Budget and spoke briefly about the pre-collegiate initiative. Mr. Barbar added that the expo held before Saturday's football game brought in over 7,000 high school students from the Palm Beach area who were able to learn about the different programs available at FAU.

Several changes were suggested by board members on the format of the Housing Budget Detail spreadsheet regarding Admin expenses. These changes will be implemented in next year's report.

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 2:45 p.m.