



Item: BF: A-M

BUDGET AND FINANCE COMMITTEE

Tuesday, June 27, 2017

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES FOR THE MAY 16, 2017 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 May 16, 2017 Budget and Finance Committee meeting.

COMMITTEE MEMBERS

Mr. Thomas Workman, Jr., Chair	_____
Mr. Daniel Cane, Vice Chair	_____
Mr. Anthony Barbar (ex-officio)	_____
Mr. Shaun Davis	_____
Mr. Abdol Moabery	_____
Mr. Robert Rubin	_____
Mr. Robert Stilley	_____

BOT MEMBERS

Dr. Michael Dennis	_____
Dr. Malcolm Dorman	_____
Dr. Jeffrey Feingold	_____
Ms. Emily Lawless	_____
Ms. Mary Beth McDonald	_____
Dr. Kevin Wagner	_____



**BUDGET AND FINANCE COMMITTEE
DRAFT MINUTES
Tuesday, May 16, 2017**

ACTION ITEMS

BF: A-M. Roll Call and Approval of the Draft Minutes for the March 14, 2017 BOT Audit and Finance Committee Meeting.

Mr. Thomas Workman, Chair of the Board of Trustees (BOT) Budget and Finance Committee, convened this meeting at 10:08 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 and Mr. Robert Rubin.

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

The following University officials participated: Dr. John Kelly, President; Mr. Art Kite, Interim Vice President Financial Affairs; Ms. Sharon Brown, Assistant Vice President of Finance and Administration; Mr. Steven Bender, Sr. Director Business Operations; Ms. Louisa Kelly, Business Manager; Mr. Dan Flynn, Vice President for Research and Mr. James Wilkie, Assistant Vice President for Research.

Upon call, a motion was made and seconded to approve the minutes of the March 14, 2017 Audit and Finance Committee meeting without change or correction. The motion passed unanimously.

BF: A-1a. Request for Approval of the 2017-18 FAU Foundation Inc. (FAUF).

Ms. Brown reviewed the proposed Foundation Operating Budget that the FAUF Board of Directors approved during their May 11, 2017 meeting. A conservative estimation was made which has identified all sources of revenue.

A motion was made and seconded to recommend approval of the 2017-18 FAUF Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

BF: A-1b. Request for Approval of the 2017-18 FAU Research Corporation (FAURC).

Mr. Wilkie reviewed the proposed FAURC Operating Budget for 2017-18 noting that this budget was approved at the April 26, 2017 board meeting and noted an increase in royalty revenues along with an overall increase in the budget.

A question was put forth regarding the relatively small size of the FAURC and if it can be merged into another DSO. Mr. Flynn was unsure with the context of the other foundations if they can be combined but will investigate further.

A motion was made and seconded to recommend BOT approval of the FAURC 2017-18 Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

BF: A-1c. Request for Approval of the 2017-18 FAU Finance Corporation (FAUFC).

Mr. Kite reviewed the proposed FAUFC 2017-18 Operating Budget recognizing the three components of housing, administration and the stadium associated with this budget. During the April 19, 2017 FAUFC board meeting, this budget was approved. Each year net income is positive between \$2M and \$3M.

A motion was made and seconded to recommend BOT approval of the FAUFC 2017-18 Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

BF: A-1d. Request for Approval of the 2017-18 FAU Clinical Practice Organization (FAUCPO).

Mr. Bender reviewed the proposed CPO Budget for 2017-18 noting that this budget was approved at the April 11, 2017 board meeting. Mr. Bender explained that there is a 12% increase in the College of Medicine budget due to increased participation in graduate education which counts for 95% of the budget. Upon question regarding growth of the CPO, Mr. Bender clarified that there are limitations to growing a practice plan and an outside source is being brought in to assess the opportunities in line with the strategic plan.

Ms. Kelly reviewed the proposed 2017-18 CPO Budget for the College of Nursing portion and noted the anticipated growth is approximately 44% over last year due to an increase in patient population, added services in the community health center and serving the underprivileged population. Ms. Kelly verified that the accumulated cash balance can sustain operations of the Memory and Wellness Center, etc. if there are significant political changes in Tallahassee.

Without further queries, a motion was made and seconded to recommend BOT approval of the FAUCPO 2017-18 Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

BF: A-2. Authorization for Refinancing of 2010 FAU Finance Corporation Stadium Bonds.

Mr. Kite explained that there is an October 1st deadline to refinance the stadium bonds and asked for approval from the board to send out a Request for Proposal (RFP) to see all offers from interested financial institutions.

A motion was made and seconded to authorize the refinancing of the FAUFC Stadium Bonds. The motion passed unanimously.

INFORMATION ITEMS

BF: I-1. Florida Atlantic University 2017-18 Operating Budget.

Mr. Kite informed the board that the 2017-18 operating budget will be informational at this time due to performance funding and tuition authority numbers that have not been set yet. Approval of this budget will occur at the next meeting in June and will highlight the changes from the presentation today.

The seven components and their individual budgets that make up the operating budget of FAU, which totals \$780,473,166. With a comparison to prior year data, the budget was summarized as follows:

Five-year Expenditure Budget* Summary 2013-14 to 2017-18

Fund Type	2013-14	2014-15	2015-16	2016-17	2017-18 **	1 year % Change
Educational & General	\$ 273,528,872	\$ 280,809,499	\$ 299,810,290	\$ 322,709,744	\$ 328,860,218	1.9
Student Financial Aid	203,035,641	202,133,102	196,558,935	197,953,827	200,859,417	1.5
Contracts & Grants	67,714,890	55,498,239	59,098,850	60,514,705	62,484,912	3.3
Auxiliary Enterprises	123,564,043	125,346,933	139,559,277	142,153,266	148,209,958	4.3
Athletics						
Athletics Operations	20,428,407	22,133,710	21,385,170	22,187,469	24,586,083	
Stadium Operations/Debt Service	5,227,542	5,275,853	4,961,259	4,917,562	4,745,122	
Total Athletics	25,655,949	27,409,563	26,346,429	27,105,031	29,331,205	8.2
Student Government	10,706,149	11,217,531	9,876,445	9,497,901	10,102,456	6.4
Concessions	480,250	510,000	625,000	625,000	625,000	-
TOTAL	\$ 704,685,794	\$ 702,924,867	\$ 731,875,226	\$ 760,559,474	\$ 780,473,166	2.6

**Includes inter fund transfers*

***2017-18 E&G Proposed Budget*

Upon query, Mr. Kite agreed to explore ways to compare FAU's growth with the other Florida state universities.

A motion was made and seconded to recommend BOT approval of the 2017-18 FAU Operating Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

BF: I-2. Florida Atlantic University 2017-18 Capital Outlay Budget.

Mr. Kite informed the board that the 2017-18 Capital Outlay Budget of \$19,547,838 requires a separate authorization of approval.

A motion was made and seconded to recommend BOT approval of the FAU 2016-17 Capital Outlay Budget and authorize the University President to amend the Budget as necessary consistent with Board of Governors and Board of Trustees directives and guidelines. The motion passed unanimously.

With no further questions or comments put forth, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 11:00 a.m.**