

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Thursday, May 6, 2021

1. **ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE OCTOBER 29, 2020 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.**

The virtual meeting of the FAUFC BOD via TEAMS was convened at 11:00 a.m. 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. Thomas Workman, Mr. Robert Rollins and Mr. Michael Woody.

The following officers were in attendance: Mr. Art Kite, Executive Director

The following guests were in attendance:

Ms. Dorothy Russell, Interim Vice President of Financial Affairs and CFO; Dr. Larry Faerman, Acting Vice President; Student Affairs & Enrollment Management; Ms. Jessica Cohen, Associate Vice President for Financial Affairs & University Controller; Ms. Wendi Applebaum, Associate General Counsel; Ms. Priscilla Moxey, Associate Director, Accounting and Finance; Mr. Brian Drewke, Financial Analyst; Mr. Michael Pace, Financial Analyst; Mr. Craig Dunlap, Dunlap & Associates; Ms. Jessica Camacho, Executive Assistant.

A motion was made and seconded to approve the minutes of the October 29, 2020 meeting without change or correction. **The motion passed unanimously.**

2. **REQUEST FOR APPROVAL OF A NEW EXECUTIVE DIRECTOR OF THE FAU FINANCE CORPORATION.**

Ms. Dorothy Russell was named the new Executive Director.

A motion was made and seconded to approve Dorothy Russell as the new Executive Director of the FAU Finance Corporation. **The motion passed unanimously.**

3. **REQUEST FOR APPROVAL OF THE 2021-22 HOUSING AND ADMINISTRATIVE OPERATING BUDGET.**

Dr. Faerman provided an update on housing demand. The FY22 budget is based on 90% housing occupancy, which includes new beds. Currently, fall occupancy is at 93%. Summer contracts are 30% behind pre-COVID norms due to online courses.

Mr. Kite presented the operating budget and housing financial performance. Occupancy has improved and there are 771 new revenue beds. Housing expenses are up \$4M and the increase is due to staffing,

utilities and maintenance of the new dorms. Mr. Kite also reviewed the debt service coverage ratio which will be monitored throughout the year to get close to 1.25. Lastly, Mr. Kite presented the Capital and RR Maintenance which includes IRT roof and other projects. Ms. Russell informed the board that the 3 rating agencies reaffirmed FAU's rating.

A motion was made and seconded to approve the 2021-22 Housing and Administrative Operating Budget as presented. **The motion passed unanimously.**

4. A RESOLUTION AUTHORIZING THE TAX-FREE FORWARD-DELIVERY REFUNDING OF CERTAIN OUTSTANDING CAPITAL IMPROVEMENT REVENUE BONDS.

Ms. Russell introduced Craig Dunlap, Financial Advisor from Dunlap & Associates. The tax-free forward-delivery refunding of Series 2012A bonds is estimated to achieve a net present value savings of \$6,745,052 (17.6%) Series 2021A (\$38,285,000 Refunded Par Amount) tax-free. Previous approval had an estimated net present value savings of \$3,353,035 (8.28%) taxable bonds. There was an original approval back in October 14, 2019 for the advance refunding (2019C) for the Parliament Hall (2012A) bonds but was withdrawn from sale due to the taxable rates had widened out and FAUFC was not able to achieve the 5% threshold savings requirement by the Board of Governors (BOG).

Ms. Russell explained that a thorough analysis was completed as well as examining BOG requests and debt management guidelines. The BOG asks for 5% present value savings and this will be 17.6%.

Mr. Kite advised the board that there may be a need to schedule another quick call to approve agreements and additional documents that are forthcoming. The resolution and other documents will need to be approved at the next Board of Trustees meeting in June.

A motion was made and seconded to approve the resolution authorizing the tax-free forward-delivery refunding. **The motion passed unanimously.**

5. UPDATE ON THE ITN FOR HOUSING MANAGEMENT CONTRACT.

Dr. Faerman informed the board that the process of drafting an ITN package has begun. The current management agreement between FAU Finance Corporation, C-BB Management, LLC (Capstone) and Florida Atlantic University Board of Trustees expires July 1, 2021. The agreement states "the Term shall be extended for successive one (1) year periods commencing with the initial Term and each successive anniversary thereafter, unless the Finance Corporation or either Manager gives notice of non-extension at least ninety (90) days prior to such expiration or anniversary date".

6. UPDATE ON THE FAUFC ADVISORY COMMITTEE.

Mr. Kite provided an update on the advisory committee as meetings have been reinstated as of April 2021. At the April advisory committee meeting there were discussions and updates on new construction, occupancy, proposed upcoming capital projects as well as a review of FY23 projects. Upon question, Mr. Kite explained that the advisory committee serves to ensure FAU housing and Capstone are managing in the best interest of the Finance Corporation. Standing members of this committee include the Vice Presidents of Student Affairs, Academic Affairs and Financial Affairs as well as Mr. Kite and Doug Brown, President of Capstone on Campus Management.

7. UPDATE ON THE STATUS OF THE NEW RESIDENTIAL LIFE.

Dr. Faerman started out by inviting the board members to tour of the new facilities upon completion in mid-May. Owner/Architect meetings are bi-weekly.

An update on the fire outside the building under construction in Jupiter was provided and the cause is still under investigation. There is no completion date yet.

8. ADJOURNMENT OF MEETING. With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 11:42 a.m.