

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

AGENDA

Tuesday, July 31, 2018 2:00pm

Conference Call

Dial in Number: 1-888-670-3525 / Passcode: 5632496359#

1. Roll Call and Approval of the Draft Minutes of the April 30, 2018 Meeting of the FAUFC Board of Directors
2. Review and Approval of the Amended FY19 Housing Budget

FAU FINANCE CORPORATION

Item: 1

BOARD OF DIRECTORS

Tuesday, July 31, 2018

SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE APRIL 30, 2018 MEETING OF THE FAU FINANCE CORPORATION BOARD OF DIRECTORS.

PROPOSED BOARD ACTION

Initiate roll call to document member participation to ensure that appropriate quorum numbers are achieved and to approve the minutes of the April 30, 2018 FAU Finance Corporation board of Directors meeting.

BOARD MEMBERS

Mr. Anthony Barbar, Chair _____

Mr. Michael Woody _____

Mr. Thomas Workman _____

Mr. Robert K. Rollins, Jr. _____

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

DRAFT MINUTES

Monday, April 30, 2018 2:30pm

1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE NOVEMBER 2, 2017 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.

The meeting of the FAUFC BOD was convened at 2:30 p.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. Scott Adams, Vice Chair (via phone); Mr. Michael Woody (via phone); Mr. Thomas Workman; and Mr. Robert Rollins.

The following officers were in attendance:

Mr. Art Kite, Executive Director, and Ms. Stacey Semmel, Secretary/Treasurer.

The following guests were in attendance:

Mr. Jeff Atwater, Vice President for Strategic Initiatives and CFO (phone); Dr. Corey King, Vice President for Student Affairs; Mr. Michael Cocuzza, Director of Finance and Housing Operations; Mr. Scott Travis, Director Capstone on Campus Management; Mr. Jeremy Thompson, Capstone Regional VP; Mr. Clinton Blair, Facility Coordinator Housing; Ms. Kathryn Killman, Associate Director; Mr. Ron Oliver, Director of Student Success/UMI; Ms. Elizabeth Rubin, Associate General Counsel; and, Ms. Jessica Camacho, Administrative Assistant.

A motion was made and seconded to approve the minutes of the November 2, 2017 meeting without change or correction. The motion passed unanimously.

2. INTERIM FINANCIAL AND OPERATIONAL PERFORMANCE REPORT ON THE FAU HOUSING SYSTEM, BOCA RATON CAMPUS FOR FISCAL YEAR 2017-18.

Mr. Cocuzza noted the increase in salaries for additional positions which is based on academic initiatives and the increase in hourly RA pay, career coaches and scholars. FAU is competitive for RA compensation and they must have a 2.75 GPA. Dr. King reported that there will be no housing rate increases for FY19. The current occupancy is 100.4% and already at 98% for the coming Fall semester. Upon question Dr. King explained that even with out of state enrollment up there will be rooms for all freshman. Dr. King provided a brief update on the UMI (Urban Male Initiative) program's success and how it is growing. There are currently 106 students that are part of the program and that number is expected to double in the future.

3. REQUEST FOR APPROVAL OF THE FAUFC'S 2018-19 OPERATING BUDGET.

Mr. Kite reviewed the operating budget for the upcoming 2018-19 year. A motion was made and seconded to approve the FAUFC 2018-19 operating budget. The motion passed unanimously.

With no other issues to discuss, a motion was made and seconded to adjourn the meeting at 3:15 p.m.

FAU FINANCE CORPORATION

Item: 2

BOARD OF DIRECTORS

Tuesday, July 31, 2018

SUBJECT: REVIEW AND APPROVAL OF THE AMENDED FY19 HOUSING BUDGET.

PROPOSED BOARD ACTION

Review and approve the amended FY10 Housing Budget.

BACKGROUND INFORMATION

The requested budget amendment (see attached) is the maximum outside additional revenue needed to accommodate the proposed off-campus housing option for 108 students through the end of the Fall semester. Housing anticipates that a large number of these students will be moved to on-campus housing during the Fall semester, which will reduce the additional revenue required.

Supporting Documentation: Memo & Amended Budget

Presented by: Dr. Corey King

MEMORANDUM

Date: July 25, 2018
To: Jeff Atwater, VP for Strategic Initiatives and CFO
From: Dr. Corey King, ^{CAK}VP for Student Affairs and Enrollment Management
Subject: FAUFC Housing FY19 Budget Amendment

This memo serves as a notification to adjust the FAUFC Housing FY19 budget. The required adjustment to the budget is based on the following variables influencing revenues and expenditures over the next fiscal year.

- A. Fall 2018 Housing occupancy projected to exceed 100%.
- B. Providing optional off-campus housing to 108 returning upper-class students for partial and/or the entirety of fall 2018.
- C. Housing students in an off-campus living facility necessitates additional costs for staffing, programming, and transportation.
- D. Housing rates will be comparable to current housing room types.

The requested budget amendment (see attachment) is the maximum outside additional revenue needed to accommodate the proposed off-campus housing option for 108 students through the end of the Fall semester. Housing anticipates that a large number of these students will be moved to on-campus housing during the Fall semester, which will reduce the additional revenue required.

Thank you for your attention to this important matter.

CAK/mdh

Florida Atlantic University Amended Housing FY 18-19 Budget													
OPERATING REVENUES:	Algonquin	UVA	IRT	HPT	GPT	IVAN	IVAS	PAR	Off Campus	Total FY19 Residence Halls	Admin.	Total FY19 - All Operations	Total FY18
Resident Housing Fees	1,042,800	3,654,000	4,583,150	3,561,160	4,375,632	5,964,120	7,230,920	5,076,510	461,735	35,950,027	75,000	36,025,027	35,047,755
Student Repair Fees	2,480	11,891	16,004	15,872	15,872	15,952	15,793	16,136	5,000	115,000	-	115,000	110,000
Application Fees	-	-	-	-	-	-	-	-	-	-	300,000	300,000	316,500
Conference/Guest Housing Fees	-	5,000	150,000	65,000	-	-	75,000	75,000	-	370,000	-	370,000	373,320
Interest Income	-	-	-	-	-	-	-	-	-	-	200,000	200,000	50,000
TOTAL OPERATING REVENUES	1,045,280	3,670,891	4,749,154	3,642,032	4,391,504	5,980,072	7,321,713	5,167,646	466,735	36,435,027	575,000	37,010,027	35,897,575
OPERATING EXPENSES:													
Salaries and Benefits - OPERATIONS	105,056	323,314	296,909	267,829	284,042	233,470	238,685	264,711	-	2,014,016	1,750,000	3,764,016	3,684,841
OPS - OPERATIONS	15,795	140,000	200,000	225,000	235,000	-	-	140,000	47,244	1,003,039	600,000	1,603,039	1,205,808
Management Fee - OPERATIONS	28,856	70,345	94,678	93,898	93,898	94,366	93,430	16,834	613,331	1,199,636	-	1,199,636	567,993
Utilities - OPERATIONS	82,281	377,018	448,526	319,036	315,439	311,842	266,970	345,114	-	2,466,226	134,500	2,600,726	2,869,700
Maintenance - OPERATIONS	27,523	102,664	61,372	85,338	60,369	95,961	123,579	69,942	-	626,748	54,800	681,548	1,367,590
Service Contracts - OPERATIONS	9,310	82,927	38,957	38,193	37,931	70,801	70,801	74,382	-	423,302	165,950	589,252	1,060,100
Admin and Supplies - OPERATIONS	2,552	6,748	7,445	14,243	10,185	6,667	10,248	6,545	1,500	66,133	127,025	193,158	199,809
Marketing and Printing - OPERATIONS	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	500	8,000	100,000	108,000	225,350
Training & Development - DEPARTMENTAL	2,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	2,500	50,500	44,000	94,500	124,000
Technology - DEPARTMENTAL	5,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	2,000	182,000	125,000	307,000	176,000
Residential Life - DEPARTMENTAL	5,000	8,000	10,000	10,000	10,000	10,000	10,000	10,000	3,000	76,000	175,000	251,000	342,350
Academic Partnerships/Initiatives - DEPARTMENTAL	-	-	17,500	17,500	17,500	-	-	17,500	5,000	75,000	50,000	125,000	350,000
Maintenance/R&R/Capital Plan - DEPARTMENTAL	-	246,950	165,000	91,000	105,000	91,000	536,000	167,000	5,000	1,406,950	300,000	1,706,950	860,450
Contingency - DEPARTMENTAL	-	-	-	-	-	-	-	-	-	-	100,000	100,000	79,973
TOTAL OPERATING EXPENSES	284,373	1,390,466	1,372,887	1,194,537	1,201,864	946,607	1,382,213	1,144,528	680,075	9,597,550	3,726,275	13,323,825	13,113,964
Net Operating Revenue Over Operating Expense	760,907	2,280,425	3,376,267	2,447,495	3,189,640	5,033,465	5,939,500	4,023,118	(213,340)	26,837,477	(3,151,275)	23,686,202	22,783,611
Non-Operating Expenses													
Repair and Replacement Fund	20,856	73,080	91,663	71,223	87,513	131,074	131,074	142,364	-	748,847	-	748,847	730,125
Capital projects	-	543,000	7,500	7,500	250,000	300,000	300,000	-	-	1,408,000	-	1,408,000	-
Overhead	5,069	40,940	46,152	48,499	49,438	19,531	19,531	40,518	6,267	275,945	336,350	612,295	625,000
Student Affairs Allocation - Transfers Out	27,037	129,722	174,593	173,154	173,154	174,017	172,291	176,032	-	1,200,000	-	1,200,000	569,798
TOTAL NON-OPERATING EXPENSES	52,962	786,742	319,908	300,376	560,105	624,622	622,896	358,914	6,267	3,632,792	336,350	3,969,142	1,924,923
TOTAL EXPENSES	337,335	2,177,208	1,692,795	1,494,913	1,761,969	1,571,229	2,005,109	1,503,442	686,342	13,230,342	4,062,625	17,292,967	15,038,887
Net Revenue Over Expenses	707,945	1,493,683	3,056,359	2,147,119	2,629,535	4,408,843	5,316,604	3,664,204	(219,607)	23,204,685	(3,487,625)	19,717,060	20,858,688
DEBT SERVICE:													
Principal	-	614,332	830,000	900,668	700,000	1,452,500	1,452,500	1,315,000	-	7,265,000	-	7,265,000	7,350,000
Interest	-	309,863	660,000	454,287	910,400	3,952,805	3,952,805	1,791,284	-	12,031,444	-	12,031,444	12,400,532
Babs Subsidy	-	-	-	-	-	(1,288,021)	(1,288,021)	-	-	(2,576,042)	-	(2,576,042)	(2,632,689)
Total Debt Service	-	924,195	1,490,000	1,354,955	1,610,400	4,117,283	4,117,283	3,106,284	-	16,720,400	-	16,720,402	17,117,843
Net Revenue Over Expenses before Depreciation	707,945	569,488	1,566,359	792,164	1,019,135	291,560	1,199,321	557,920	(219,607)	6,484,285	(3,487,625)	2,996,658	3,740,845
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	6,000,000	6,000,000	5,539,738
Total Revenues over Expenses	707,945	569,488	1,566,359	792,164	1,019,135	291,560	1,199,321	557,920	(219,607)	6,484,285	(9,487,625)	(3,003,342)	(1,798,893)
Bed Design													
Total Bed Design	94	451	607	602	602	605	599	612	109	4,172	-	4,172	4,172
Less Non-Revenue Beds:	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff	-	-	1	-	-	1	1	-	-	3	-	3	4
Tour Rooms	-	1	1	-	-	1	1	-	-	4	-	4	3
Total Revenue Bed Design	94	450	605	602	602	603	597	612	109	4,165	-	4,165	4,165