

FAU FINANCE CORPORATION

BOARD OF DIRECTORS

APPROVED MINUTES

Thursday, April 18, 2019

1. ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE OCTOBER 30, 2018 FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD) MEETING.

The meeting of the FAUFC BOD was convened at 2:05p.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. Robert Rollins, Vice Chair; Mr. Thomas Workman; and Mr. Michael Woody (via phone). The following officers were in attendance: Mr. Art Kite, Executive Director.

The following guests were in attendance:

Ms. Stacey Bell, Associate Vice President for Finance, Planning and Analysis; Ms. Jessica Cohen, Assistant Vice President and University Controller; Dr. Corey King, Vice President for Student Affairs; Mr. Michael Cocuzza, Director of Finance and Housing Operations; Mr. Jeff Atwater, Vice President of Strategic Initiatives and CFO; Ms. Elizabeth Rubin, Associate General Counsel; Ms. Priscilla Moxey, Associate Director, Accounting and Finance; and, Ms. Jessica Camacho, Administrative Assistant.

A motion was made and seconded to approve the minutes of the October 30, 2018 meeting without change or correction. **The motion passed unanimously.**

2. REQUEST FOR APPROVAL OF THE RESOLUTION FOR INTEREST RATE RESET SERIES 2012B BONDS.

Mr. Kite presented the resolution for interest rate reset for Series 2012B NBQ Direct Purchase Bond. The purpose is to extend the maturity to final maturity of the underlying bond or July 1, 2025. The outstanding principal balance as of April 15, 2019 is \$2,005,000. On July 1, 2019 the principal balance will be \$1,735,000. The interest rate is a 2.23% fixed rate indicative as of April 10, 2019; JPMorgan to enter into rate lock agreement provided Issuer executes JPMorgan rate lock form. Financial Advisor Craig Dunlap sought rates from other banks which were higher. The legal fees are estimated at \$5,000; Nelson Mullins Broad and Cassel would serve as JPMorgan's legal counsel. All other terms and conditions will be substantially consistent with those set forth in that certain Series 2012B Bond dated November 30, 2012 by and between the Issuer and JPMorgan Chase Bank, N.A.

A motion was made and seconded to nominate and elect the above listed Officers. **The motion passed unanimously.**

3. INTERIM FINANCIAL AND OPERATIONAL PERFORMANCE REPORT ON THE FAU HOUSING SYSTEM, BOCA RATON CAMPUS FY 2018-19.

Mr. Barbar started out informing the board that the Board of Governors (BOG) approved the replacement of Algonquin, which is 94 beds, to a 616-bed dorm which includes 165 beds in Jupiter. It is a \$78.5M expansion and the presentation to the BOG was a huge success.

Dr. King reminded the board that occupancy in FY14 was at 82% and Fall 2019 is already at 100% as of today. There is a waitlist for occupancy in Jupiter for the first time ever. Dr. King went over projects completed and soon to be completed this fiscal year.

Mr. Cocuzza presented the interim financials. Revenues are \$1.5M higher than budgeted and in line with last year. Budgeted at 100% for next year. The FY20 budget was approved already by the FAUFC. Revenues are up from last year along with expenses.

Dr. King advised that Housing is proposing a 2.4% average rental rate increase for premium spaces for 2021 but there will not be a vote until the October meeting. This will generate approximately \$1M in revenue which will go to the Get Wise program. The last increase was Fall of 2015. Price point will still be in market range and there were no concerns. Jupiter will be included in the increase as well.

Dr. King introduced Urban Male Initiative (UMI) Director Ron Oliver who gave an update on this program. Dr. King asked the board to consider \$350,000 for UMI which is in the budget and approved in Item 4.

4. REQUEST APPROVAL OF THE FAU FINANCE CORPORATION 2019-20 OPERATING BUDGET.

Mr. Kite presented the operating budget and explained that Housing was approved in October. The board is approving Administrative and Stadium today. No big changes. Board was asked to approve along with the increase from \$275,000 to \$350,000 for UMI.

A motion was made and seconded to approve the FAUFC 2019-20 Operating Budget with an increase to \$350,000 for UMI. **The motion passed unanimously.**

ADJOURNMENT OF MEETING. With no other issues to discuss, a motion was made and seconded to adjourn the meeting. The meeting was adjourned at 2:37 p.m.