

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
FLORIDA A&M UNIVERSITY
TALLAHASSEE, FLORIDA
March 27, 2013

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Chairman Dick Beard convened the Board of Governors Facilities Committee meeting at 3:32 p.m., March 27, 2013, at Florida A&M University. The following members were present: Vice Chair H. Wayne Huizenga, Jr., Matt Carter, Manoj Chopra, Wendy Link and Edward Morton. Alan Levine attended via telephone.

1. Call to Order

Governor Beard called the meeting of the Facilities Committee to order and welcomed the new members.

2. Approval of Minutes of the Meetings of the Facilities Committee held November 7, 2012 and January 16, 2013

Governor Huizenga moved that the Committee approve the Minutes of the Meetings of the Facilities Committee held November 7, 2012 and January 16, 2013. Mr. Chopra seconded the motion, and members of the Committee concurred.

3. State University System Debt Guidelines Discussion

Governor Beard provided an update to the Committee on the letter received by Chair Colson from the Governor asking the Board to consider some additional items when approving university debt financings. He stated that the Governor's requested changes, along with anything that would come out of session and any modifications made based on the Facilities Task Force recommendations would need to be incorporated into the Board's Debt Management Guidelines and he asked the Chancellor to appoint a working group of university and board staff to make the necessary changes after the legislative session. The Chancellor agreed to do so.

4. A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration to Issue Revenue Bonds on behalf of Florida State University to Finance the Construction of a Student Residence Facility on the Main Campus of Florida State University.

Mr. Beard introduced the debt review process and Mr. Kinsley further summarized the process for the newest Committee members. He described the standard package that the committee members could expect to receive on every debt project. He also brought

attention to the additional items now being included to satisfy the Governor's requirements.

He then reviewed Florida State University's proposal to issue debt to construct a new student residence facility. Governor Morton asked that future consideration be given to having the university bonds be fully guaranteed by the state instead of just carrying an implied guarantee to save on interest costs. Mr. Kinsley stated that the high interest rate being used in the pro forma for the project was a state established rate for deals going to Governor and Cabinet and hadn't been updated in some time. He said that the actual rate being received when the deals went to market was significantly lower. Governor Morton stressed that he really felt strongly about having the state work towards a full guarantee to create value and save the state money. Governor Carter moved that the Committee approve the request from Florida State University. Mr. Huizenga seconded the motion. The committee unanimously approved the resolution as presented.

5. A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration to Issue Revenue Bonds on behalf of Florida International University to Finance the Construction of a Parking Facility on the Main Campus of Florida International University.

Mr. Kinsley reviewed Florida International University's proposal to issue debt to construct a new parking facility. He reviewed the University's plan to raise the parking fees as well as their ongoing plans to find alternative solutions to their growing parking problems. Vice Chair Huizenga asked about the involvement of the Facilities Committee in the long term capital planning by the universities. Chair Beard stated that they were very involved in the Master Planning process as is the University Boards of Trustees. Mr. Kinsley said that the involvement of staff in the planning of academic construction was through the educational plant survey process. He stated that the involvement of staff in other types of facilities was really only fiscal. Chancellor Brogan pointed out the opportunity to reevaluate the process of approving fixed capital projects now that PECO funding had dried up. Governor Huizenga asked if he could have the schedule of upcoming university construction and said that the long term planning at the university should enable them to see the need for these projects ahead of time. Governor Chopra clarified that approving the parking project was not also giving approval for the rate increases shown in the pro forma. Mr. Kinsley said that the rate increases would still need approval by the University Board of Trustees and that the first year of rate increase was the only one that was minimally required to make the coverage ratio on the debt. Committee members discussed fees and their approval process as well as mixed use purposes for the garages and privatization possibilities. Mr. Carter moved that the Committee approve the request. Mr. Huizenga seconded the motion. The committee unanimously approved the resolution as presented.

6. Legislative and Budgetary Update

Chair Beard asked Mr. Kinsley to update the Committee on the status of legislation being proposed by the Facilities Task Force. He stated that all five recommendations of the

task force were going to be introduced in a House Bill but that they would also need support in the Senate and in the Governor's office.

7. Concluding Remarks and Adjournment

There being no further business, the meeting adjourned at 4:42 p.m., March 27, 2013.

Dick Beard, Chair

Stephanie Stapleton,
Financial Analyst, Finance & Facilities