REVISED

*MINUTES*

F.I.T. STUDENT HOUSING CORPORATION

SIXTY-FIFTH MEETING

MARCH 27, 2008

PRESENT
Elizabeth T. Peek, Vice Chair
Christina R. Davis
Yaz Hernández
George S. Kaufman
Jay Mazur
Matthew R. Fiel

John Pomerantz (Emeritus)

ABSENT AND EXCUSED
Edwin A. Goodman, Chair
Jay H. Baker
Robin Burns-McNeill
Peter G. Scote (Chair Emeritus)

OFFICERS
Joyce F. Brown, President
Sherry F. Brabham, Treasurer
Jeffrey I. Slonim, Secretary

The sixty-fifth meeting of the F.I.T. Student Housing Corporation was called to order by Vice Chair Elizabeth T. Peek. She invited Treasurer Sherry Brabham to report.

A. Treasurer's Report

Ms Brabham first commented generally on the dormitory budgets and some of the things we are proposing this year. She indicated that some of her comments would apply equally to the FIT Staff Housing Company, which was meeting subsequently.

The two housing corporation budgets being presented today will total about $25.7 million. As President Brown mentioned in her remarks, even though FIT is a public college, the dormitories are self sufficient. The housing corporations are free-standing and receive no public dollars. All of the revenue that comes into the housing companies must support any expenses they have.
For that reason, when we determine the price point for room rates, it is critical that we get it right. We must find a place somewhere between the highest end of the market, considering what other colleges and universities in our area are charging but also generating sufficient funds to make sure that we meet our budget every year. Of course, we also must make sure that we are able to rent out the rooms.

We now have 1,100 beds at Kaufman Hall, and this Fall every one of them was occupied. This Spring we have seen a small decrease in the occupancy of that building, which we believe may be related to the down-turn in the economy. Some students from New Jersey or Westchester County or Long Island may just have found it cheaper to live at home and to commute in. That was one of the considerations when we prepared our recommendations to you about the raise in room rates for the coming year.

Another thing about Kaufman Hall is that during Ms Brabham’s first week at FIT she visited all of the spaces at the College. When she went into Kaufman Hall she had the same reaction that many students have, which is just to be awed by the rooms. The rooms are beautiful, with high ceilings, and are wonderfully sized. This is one of the reasons that we can be competitive in the current dorm markets.

We are recommending an increase across the board, in all room rates, of 7% this year. Choosing that amount had a lot to do with finding that perfect point in between what our competitors are charging and what we believe the market would bear. Initially we had proposed an 8.5% increase but reduced it because of the state of the economy.

Vice President Cohen’s office and our budget office did some price checking across other colleges and universities in the New York City area. For the rates published in academic year 2008, we are slightly higher than Columbia but, as people are quick to mention, some of the dorms at Columbia are not nearly as nice as some of the FIT dorm rooms. We are definitely below New York University, Fordham and the New School. So we think that we have probably hit exactly the right point in terms of our pricing.

One of our other goals in establishing the price for the dormitories is to try to make the rates in Kaufman Hall equivalent to the rates on 27th Street in Co-ed, Alumni and Nagler Halls. We will be moving over several years to try to bring those more in line so people do not feel they are having to pay a premium by being located a greater distance from the campus on 31st Street.
In addition, when we put together the budgets we try to decide what we need to do in the dormitories. As you probably know, the dormitories on 27th Street are old and so every year need significant work. This past year in Co-Ed Hall we replaced all of the windows, which made a significant difference not only in the appearance from the outside but also to the students living in those rooms. The rooms are not as cold and drafty in the winter and, hopefully, the new windows will keep in the cooling during the summer as well.

One of the things that we know we need to do more aggressively is some of the major work needed in these facilities, particularly Nagler Hall, which is by far the oldest of the residence halls. Depending on the college master plan, we may have to put in air conditioning and do other significant work there. So we are proposing in this budget to set up and build over three years a capital reserve fund. That fund would enable us to do major renovations in the infrastructure, electrical work, broad scale plumbing work, and other things that these older facilities will need over time.

One of the things we will be doing this year is improving the technology in all of our dorm facilities by installing wireless technology. This technology is common and not even state-of-the-art anymore. Students come to campus expecting wireless technology in the dormitories, so we will be doing that this summer.

Ms Brabham’s final general remark about the dorm budgets was the rates for the meal service. As Dr. Brown reported, we are proposing an increase of 5% in the meal plan cost. After three years at the same rate, we believe that is reasonable.

Ms Brabham asked the Trustees to turn to the Student Housing Corporation budget included in the Agenda, which shows revenue and expenses. She proposed to discuss some of the high points in both categories and invited the Trustees to ask questions. Also present and available to discuss the budget were Melanie Hooven, Mark Blaifeder and Nancy Su.

Under operating revenue, the most significant portion comes from room rental fees. The increase from year to year is a consequence of the 7% increase across all rooms. We are also proposing an increase of $25 in the technology fee, on the second line, so that the fee will go to $300. That will help enable us to provide wireless technology through all of the dormitories and will also provide technical support for dormitory students.

The category of “Transfers” represents a transfer from the college budget to this budget as payment for the President’s apartment and rental of space in the basement of Alumni Hall to store college vehicles like snow removal equipment.
Staff apartments are basically an "in" and an "out" – the cost of the staff apartments goes into the budget as revenue but, since the apartment is part of staff compensation, it also appears in the expense category as an employee benefit.

As already noted, the meal plan revenue will go up by 5%. The resident association fee is going to stay the same.

On the expense side, on the "Utilities" line it looks like utility costs are going down, but what happened is that in Fiscal Year 2008 we picked up an old bill from DASNY when they were doing the construction in the building. The more realistic cost in the out years is the $1,845,000.

"OTPS non discretionary" is the cost that the dorm budgets pay to have their finances audited every year, and also includes the cost of insurance in the dormitory as well as overhead costs the corporation pays to FIT for accounting, budgeting and other services the college provides.

The Foundation makes a contribution every year of $250,000, which is reflected here as income to the corporation. The cost of debt service on the bonds that we are paying on the 31st Street residence hall is almost $10 million, with an additional $70,000 to the Bank of New York and to DASNY as fees for the servicing of our debt.

As far as capital projects are concerned, every year we set aside about $200,000 to do minor rehabilitation in all of the dorms. When the students are out we paint, we clean and we do repairs, and that amount has been consistent over the past few years. We have made a major effort to replace the furniture in Alumni Hall and had scheduled doing this beginning in Fiscal Year 2006 but, because of the activity needed to complete the work on Kaufman Hall, we postponed it and then did it in two years instead of the three years that we had initially planned. That is the $435,000.

We also have several news initiatives in this budget, which include things like the wireless technology discussed earlier. The $830,000 is the reserve that was discussed, which will total about $6 million for major capital projects by Fiscal Year 2012.

That is the budget. The next page in the Agenda shows the room rates.

Ms Brabham invited questions and asked for approval of the new rates.
Mr. Fiel asked if the increased technology fee would go toward the campus card and whether the campus card project was going forward. Ms Brabham answered that the campus card is going forward but it is a college expense, not an expense of the dormitory.

Ms Peek invited questions but there were none.

B. Action Items

Ms Peek called for a motion to approve action items 1.1 and 1.2. Ms Hernández so moved and Ms Davis seconded. By voice vote, the motion was passed without opposition and the following resolutions were adopted:

1.1 Approval of the Minutes of the Meeting Held June 19, 2007 65.1

It was

RESOLVED, That the Minutes of the sixty-fourth meeting, held on June 19, 2007, were approved.

1.2 Dormitory Fees and Budget for Fiscal Year 2009 65.2

The Corporation is required to adopt its annual budget for Fiscal Year 2009 and to approve all related fees.

A proposed budget for Fiscal Year 2009 is attached.

Based on projected operating expenditures and an ongoing need for capital expenditures, an increase of 7% at Alumni Hall, Nagler Hall and Kaufman Hall are now warranted, as follows:

<table>
<thead>
<tr>
<th>Students</th>
<th>Rates per Semester</th>
<th>Rates per Semester</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per Student (Current)</td>
<td>Per Student (Proposed)</td>
</tr>
<tr>
<td>Alumni Hall</td>
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<tr>
<td>Apartments</td>
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Nagler Hall

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<tr>
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<tr>
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<tr>
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Kaufman Hall

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Total Students 1,880

The fee for the mandatory meal plan for dorm-room students will range from $2,930 to $3,770 in FY09, an increase of 5% above current rates.

The technology fee for data, telecommunications and cable service was $275 per year in the 2007-2008 academic year, and whereas a study of technology costs has shown that this amount does not cover services that are provided, an increase of $25 to $300 per year is proposed to continue to align actual costs with revenues generated by this fee.

The student resident association fee of $50 per year will not increase in the upcoming academic year;

Therefore, it was

RESOLVED, That:

A. The attached budget for the Corporation for Fiscal Year 2009 was adopted.
B. The proposed dormitory rental rates and the proposed fees for technology, meal plans and student resident association services were approved.

With the conclusion of the agenda, and there being no other business presented, the sixty-fifth meeting of the FIT Student Housing Corporation was adjourned by acclamation.

Respectfully submitted,

Jeffrey I. Slonim
Secretary