MINUTES: June 19, 2014

MEETING: Daytona State College
District Board of Trustees

PLACE: Daytona State College
Daytona Beach Campus
Building 100, Room 402L
1200 W. International Speedway Blvd.
Daytona Beach, Florida

PRESENT: Dr. Carol Eaton, Corporate Secretary/President
Mr. Lloyd Freckleton, Vice Chair
Mr. Bob Davis
Mr. Stanley Escudero
Dr. Christina Frederick-Recascino
Mr. Brad Giles
Mrs. Betty Holness
Mrs. Forough Hosseini
Mr. Garry Lubi

ABSENT: Mrs. Mary Ann Haas, Chair

Board Meeting began 2:04 p.m.

I. CALL TO ORDER
Mr. Freckleton called the meeting to order at 2:04 p.m.

II. ROLL CALL
Mrs. Haas was absent. Mr. Lubi arrived after roll call.

III. PUBLIC PARTICIPATION
Mr. Freckleton inquired if there were any members from the public that requested time to appear before the Board. No requests had been received.

Mr. Freckleton shared how people work very hard to get funding for the College and recognized the tireless work of Mr. Mori Hosseini. He recommended the Board present a proclamation to Mr. Hosseini at the next Board meeting for his hard work and dedication in helping the institution. Mr. Davis suggested the proclamation be addressed to the Hosseini family. Mrs. Hosseini thanked the Board for this recognition.
Mr. Freckleton asked Dr. Nancy Morgan, Associate Vice President for Institutional Effectiveness, to share recent news from SACSCOC. Dr. Morgan explained the SACSCOC board of trustees voted to reaffirm the accreditation of Daytona State College for ten more years.

*Mr. Lubi arrived at this point.*

Dr. Eaton explained the accreditation is a major milestone for an institution and shared there was only one area the visiting team had to follow up on when they were on campus last year. She thanked Dr. Morgan for her leadership and congratulated everyone who worked so hard on the College’s reaccreditation.

**IV. CONSENT AGENDA**

A. Approval of 4/11/14 Board Retreat Minutes  
B. Approval of 5/22/14 Regular Board Meeting Minutes  
C. Approval of Agreements  
D. Approval of Agreements - Affiliation  
E. Approval of Agreements - Standard  
F. Approval of Budget Amendments  
G. Approval of Contractor Pre-Qualification for Construction Projects  
H. Approval of Deletion of Inventory Items  
I. Approval of Grant Applications  
J. Approval of Human Resource Recommendations  
K. Approval of Out of Country Travel Request - Study Abroad  
L. Approval of Out of District Field Trip Requests  
M. Approval of State Requirements for Educational Facilities (SREF) Inspection 2013-2014

Mr. Freckleton asked if there were any items trustees would like pulled from the Consent Agenda for further discussion. Mr. Escudero asked about the vending sales commission outlined in the Sodexo contract extension in item IV. C. Approval of Agreements and if this was past practices. Dr. Eaton explained this was not past practice and Ms. Janet Parish, Associate Vice President of Business Services, explained Sodexo has incurred losses for the last three years and have been working with them to continue providing food services and agreed to forego some of the commissions. She shared the one year extension will be monitored to determine if this is something that works for both organizations.

Mr. Giles asked to pull item IV. G. Approval of Contractor Pre-Qualification for Construction Projects.

**MOTION:** (Escudero/Holness) The District Board of Trustees approve the remainder of the Consent Agenda. Motion carried unanimously.
Item IV. G. Approval of Contractor Pre-Qualification for Construction Projects -
Mr. Giles requested data be compiled on the construction contractors for the
upcoming fiscal year which would categorize the firms by the maximum project
approval amount, track which firms are getting the awards, what subcontractors
are utilized, and who are unresponsive to bids. He also suggested utilizing a
sealed bid process as much as possible on these projects rather than just using
pre-qualified groups.

MOTION: (Giles/Recascino) The District Board of Trustees approve Item IV.
G. – Approval of Contractor Pre-Qualification for Construction Projects. Motion carried unanimously.

V. TIME RESERVED/PRESIDENT
A. President’s Update
Dr. Eaton thanked trustees for attending individual meetings with her and
the senior executive staff to review the annual budget in great detail. Dr. Eaton shared she also planned to highlight the successful funding the College received during the legislative session which totaled almost $12.5 million. $8 million for the new student services/classroom building on the Daytona Beach Campus; $3.8 million for renovation/remodeling college-wide; and almost $700,000 for building maintenance. She shared there are many people to thank - members of the local legislative delegation, the Governor, each Board member and especially Mrs. Hosseini for her passion and dedication to the College and community. She stated without the unmeasurable support of Mr. Mori Hosseini, the College would not be in this position. She explained Mr. Hosseini has many other priorities and responsibilities, but recognizes that Daytona State is critical to the future of this community and its recovery from the recession.

Dr. Eaton explained the $8 million will allow the College to begin planning the new building on the Daytona Beach Campus. The College has already received almost $2.5 million two years ago for planning of this building but was waiting until they were assured construction dollars would be received. The College will utilize the Facilities Planning Advisory Council, made up of community business leaders, to guide the College in this work. Next year the College will ask the Legislature and Governor for the remaining construction funding. She shared a plan will be put in place for the $850,000 funding that was vetoed for the completion of Building 3 on the Flagler/Palm Coast Campus.

Dr. Eaton highlighted some of her activities since the last Board meeting which included the entrance conference with the state auditors for the 2013/2014 fiscal year federal financial audits, Team Volusia board of directors monthly meeting, and Daytona State’s Workforce Summit. She pointed out the Workforce Summit placemat created for the event and how this was a good tool that listed all of the occupational certificates,
apprenticeships, and Associate of Science degrees offered by the College. She thanked Mrs. Mary Bruno, Associate Vice President of College of Workforce and Continuing Education, for her leadership and the planning that went into this event. The comments from the summit have been sent to the participants to review for accuracy and will then be developed into an executive summary which will include the next steps. Dr. Eaton shared there were some immediate ideas, listed below, that can be developed into action plans. Others may develop as staff study the document more closely.

- The College and school districts must work closely together to create pathways for students into workforce related careers, including parent education.
- There is a need to examine possible program offerings in the construction industry.
- The College needs to work with manufacturing to provide additional training for different and higher skill levels.
- There is a need to look at health and computer science to see if additional skills need to be added to some programs.
- Finding a way to address the employability of graduates, soft and technology skills gap.
- The College needs to expand its partnerships with business and industry.

Dr. Eaton shared Mrs. Bruno will also be meeting with student focus groups so they may provide input and suggestions as well.

Dr. Eaton continued her review of activities which included attending the Flagler County Chamber of Commerce’s Think Flagler First Luncheon with guest speaker Mr. Randy Berridge; quarterly Critical Incident Management Team workshop/training session; CareerSource Board of Directors meeting; Foundation Feasibility Community Sessions; Career Employees Ice Cream Social; NAACP 41st Annual Freedom and Awards Banquet; and the student performance of “Once on This Island.” After the Board meeting she will be attending the Juneteenth Celebration Banquet where Ms. Isalene Montgomery and Chef Costa Magoulas will be honored as 2014 Hometown Heroes.

Dr. Eaton spoke on performance funding and explained each year the core performance indicators are presented to the Board and this data shows areas that are doing well and those that need to do better. She explained this year the Council of Presidents (COP), working with the Chancellor’s Office, developed a performance funding model which contains seven variables. The model is in its third iteration and the College now ranks last but will be focusing its efforts to change that. She reviewed the Institutional Scorecard that was developed to measure
progress towards the seven variables of the performance funding model and the goals of the Strategic Plan. She explained the College is making changes to areas that need improvement. The College is well represented on the funding model committee and will be working to add variables that will put the strength of the institution forward.

Dr. Eaton reviewed the Associate of Science retention rates. She thanked Dr. Locklear and the faculty who have looked for barriers preventing students from successfully completing their degree. They have found that mathematics was often a barrier and have made changes to the mathematics pathway, presented to the Board last month, which will provide the opportunity for students to still take rigorous courses but not be algebra based. She stated the College will continue to provide a high quality education to its students. She reviewed the Cost per Graduate and thanked Dr. LoBasso and the committee who worked on changes to the cost of instruction that were presented to the Board in February.

Talking points were provided to the Board that will assist them when talking to others about the performance funding proposals for the college system. The recommendation is to use more complete State accountability data and allow local District Board of Trustees to select one or more measures to reflect the needs of their local institution.

Mrs. Hosseini shared it was important for people to remember that not all state colleges offer certificate and workforce programs, and comparisons among these colleges would not be equal.

Dr. Eaton shared employees are very passionate about Daytona State and no one wants to be on the bottom. She explained everyone is holding themselves accountable and are working to do better.

Mr. Freckleton shared the analogy of losing the battle but not the war and stated by having systems already in place will ensure corrections can be made and the College can move forward with a new plan.

Mr. Escudero shared it did not seem fair that the College should be penalized for being responsive to the needs of the community. He asked if this can be altered, taking into account the individual needs of colleges. Dr. Eaton explained the model was developed in a collaborative process and colleges have been told by the State Board of Education (SBOE) they will participate. The Governor has also stated there will be performance funding. She shared Daytona State is involved in the conversation about what the models look like and once it has been approved by the COP, it will then be presented to Chancellor and SBOE for approval and implementation.
Dr. Recascino appreciated the scorecard which was easy to understand and can be used to keep a running tally of where the College is. She was reminded that everything the College does has systemic effects and how hard it can be to understand and anticipate what the effects of decisions will be. She believes the College does need to broaden its thoughts and awareness, keeping in mind there may be some things that occur because of changes that will not be positive and how they will then have to be addressed.

Mr. Lubi shared the movement towards greater accountability in performance is a good thing because it does drive people to think more and applauded staff for looking at things that can be done differently. He agreed with Mr. Giles comments from the last meeting about learning the system and where the metrics are but still staying true to the core mission. He believes by staying the course the College is on the right track and it is just a matter of trying to adjust and adapt to new metrics.

Mr. Davis explained the report will help bring the College where it should be and it is good to have a report card to evaluate what is working and what is not. He shared about changes to businesses over the years and how important customer service is and always recommends asking the customer.

Mrs. Holness explained the information is very important and concurred with Mr. Giles about looking at how the system works. She felt it was important to communicate that the College is working to improve the areas identified and even though the College does a great job, things can always be improved. She shared how previously the College was being measured on different areas and how it will now focus on the new measures. She thanked Dr. Eaton for the talking points which will be helpful to the Board when speaking to others on this topic.

Mr. Giles discussed the cohort data and how some data would appear in three to four years. Dr. Eaton explained it would be reasonable to expect the most recent data completed would be used. Data for the student variables would not show for three-four years and explained that data cannot change since it has already occurred. Data for the Cost Per Graduate and maybe other variables may use data that would be more recent.

VI. COLLEGE COUNSEL
A. Approval of 2014-2015 Private Attorney Services
Mr. Brian Babb, Executive Vice President/College Counsel, introduced Mr. Jon Kaney, Board Counsel, to the new trustees. Mr. Babb explained outside attorney services are used based on the firm’s area of expertise and presented for approval.
MOTION: (Davis/Holness) The District Board of Trustees approve a one (1) year extension of the agreements for private attorney services with the firms of Kaney & Olivari, P.L., Fletcher, Heald & Hildreth, P.L.C., and Holland & Knight. Motion carried unanimously.

B. Approval of Enterprise Resource Planning (ERP)
Mr. Babb explained the College, including Mr. Kaney, is still in negotiations with Ciber and presented Ciber’s authorization for interim work which would allow work to begin now while contracts are being finalized. The authorization would last through the next Board meeting and could be terminated if needed. He shared there are four contracts which would be presented to the Board in August for approval and gave an overview of each of the contracts and the two subcontracts through Ciber. Mr. Roberto Lombardo, Senior Vice President of Information Technology, reviewed the hosting component and what that will involve. Mr. Babb explained the cost for this work will be deducted from the finalized contract.

MOTION: (Giles/Lubi) The District Board of Trustees approve the Authorization for Interim Work for services not to exceed $200,000. Motion carried unanimously.

VII. FINANCE
A. Executive and Financial Summaries as of 5/31/14
Ms. Isalene Montgomery, Vice President of Finance, reviewed the executive financial summary of revenues and expenses as of May 31, 2014 and year to date expenses are $78,750,569 (88%) of the Annual Budget of $89,836,462; financial summary of the College’s Operating Fund (Fund 1) which included student tuition and fees, state and federal revenues, other revenue, salaries, current expense and capital outlay, and a fund balance summary projection. Ms. Montgomery reviewed a comparison of budgeted revenues and expenses; monitoring report for student tuition and fees collected monthly and cumulatively; monitoring report showing monthly and cumulative expenditures for Operating Fund (Fund 1); statement of revenues and expenditures in funds 2, 3, 4, 5, 6, and 8. She reviewed the financial summary of Fund 7 construction projects with revenue sources and identified non-committed construction funds; the summary of construction projects at/above $100,000 currently underway and the summary of major construction projects that have been completed to date.

B. ACH/Wire Transfers/Checks Issued Greater Than/Equal to $50,000 – February 2014
Ms. Montgomery presented as information.
C. **Approval of Write-Off of Uncollectible Accounts Receivables – Student Accounts**
Ms. Montgomery explained the write-off of uncollectible student accounts is presented annually and reviewed the College’s comprehensive collection process. She indicated these uncollectible accounts are from 2010/2011 and represents 3.5% of the student fee revenues for that period. Students who want to re-enroll at the College or receive their transcript will have to take care of their outstanding balance before they can proceed.

**MOTION:** (Giles/Recascino) The District Board of Trustees approve the write-off of uncollectible accounts receivables in the amount of $1,662,806.96. Motion carried unanimously.

D. **Approval of Write-Off of Uncollectible Accounts Receivables – Community Cultural Foundation (CCF)**
Ms. Montgomery explained the bad debt related to CCF was expensed in the 2011-12 and 2012-13 fiscal year and the write-off will have no impact on the current budget. She stated the write-off is an accounting requirement that is now needed to remove the bad debt from the books.

**MOTION:** (Recascino/Lubi) The District Board of Trustees approve the write-off of uncollectible account receivables from the Community Cultural Foundation (CCF) in the amount of $1,504,241. Motion carried unanimously.

E. **Approval of 2014-2015 Annual Budget**
Dr. Eaton reiterated that each Board member has met individually with Ms. Montgomery and senior staff to review the budget in detail. Ms. Montgomery reviewed key budget points in the development of the budget which included no tuition increases, forecasting enrollment decrease at 5%, operational and personnel cost savings, student access and distance learning fees decreased, capital outlay expenses decreased and projected cost savings through delayed employment start dates and position attrition. She reviewed new revenue received from PECO funding and rollover revenue for continuing projects. The estimated fund balance for 2013-14 will be about $3.9 million and has outlined in the two-year strategic budget plan for 2014-15 and 2015-16 to request moving $2 million for the continued deployment of the ERP, as well as moving unallocated reserves of $400,000 for Marketing & Hospitality for 2014-15. She reviewed the three transfers that the Board would approve as part of the budget ($300,000 for grant matching from Fund 1 to Fund 2; $400,000 for marketing/hospitality from Fund 3 to Fund 1; and $1,316,692 debt service/SunTrust loan from Fund 7 to Fund 8).
MOTION: (Recascino/Giles) The District Board of Trustees approve Daytona State College Annual Operating Fund 1 Budget and Fund 7 Capital Outlay Budget for Fiscal Year 2014-2015 as outlined below. Motion carried unanimously.

<table>
<thead>
<tr>
<th>Personnel Costs</th>
<th>$68,610,087</th>
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<tbody>
<tr>
<td>Current Expense</td>
<td>15,366,598</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>944,640</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$84,921,325</td>
</tr>
</tbody>
</table>

F. Approval of $1 Million Transfer for Enterprise Resource Planning (ERP) System from Fund 3 to Fund 7
Ms. Montgomery explained the transfer will move the remaining funding from Fund 3 to Fund 7.

MOTION: (Hosseini/Holness) The District Board of Trustees approve the transfer of $1 million from Fund 3 Board Designated Reserves to Fund 7 Board Designated Reserves for the originally approved use regarding a new ERP system. Motion carried unanimously.

VIII. CHIEF OPERATING OFFICER/PROVOST
A. Approval of Capital Improvement Program (CIP) 2015-2016 through 2019-2020
Dr. Tom LoBasso, Chief Operating Officer/Provost, explained each year the College is required to annually update its five-year capital improvement plan. He reviewed the top five priority requests listed below and presented for approval.

<table>
<thead>
<tr>
<th>Project</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- General Renovation/Remodel</td>
<td>$3,084,100</td>
<td>$2,821,900</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>2- Remodel w/ Addition - Student Services/ Classroom/Office - Daytona Building 220</td>
<td>$18,852,602</td>
<td>$3,575,803</td>
<td></td>
</tr>
<tr>
<td>3- New Construction - Classroom/Lab/Office w/Parking - Deltona</td>
<td>$945,017</td>
<td>$8,387,611</td>
<td>$735,686</td>
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<tr>
<td>4- New Construction - Classroom/Lab/Office w/Parking - Palm Coast</td>
<td>$850,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5- Renovation - Building 520 (Vocational Tech)</td>
<td></td>
<td>$634,838</td>
<td>$5,078,700</td>
</tr>
</tbody>
</table>

MOTION: (Hosseini/Holness) The District Board of Trustees approve the Capital Improvement Program for 2015-2016 through 2019-2020 for submittal to the Division of Florida Colleges on July 1, 2014. Motion carried unanimously.

IX. ACADEMIC AFFAIRS
A. Overview: Athletic Report Card
Dr. Amy Locklear, Vice President for Academic Affairs, asked Mr. Will Dunne, Dean of School of Health and Wellness, to share information from
the athletic report card. Mr. Dunne explained the annual report card is useful in measuring progress, student athletic performance and community service participation. He reviewed the mission of the athletic program and shared information on the students’ academic achievements, championships and honors they have earned. In reviewing data for the past ten years, the cumulative GPA was 3.12, achieved a 78% graduation rate and a 89% success/transfer rate. Mr. Dunne was appreciative of the work and dedication of the coaches, support staff, faculty, Academic Support Center, tutors, and the support of the administration. Five of the athletic teams have been nominated for the NJCAA Team of the Year award in their sports and shared cumulative averages for the teams.

B. Approval of Textbook IncludEd Program
Dr. Locklear stated this item was tabled at the last Board meeting and after further research on textbook costs, they found many price variations. In the interest of offering students more choices, the College is withdrawing the recommendation for approval of the Textbook IncludEd Program.

C. Approval of 2014-2015 Lab Fee Recommendations
Dr. Locklear presented for approval.

MOTION: (Hosseini/Lubi) The District Board of Trustees approve the major program and course revisions for the Law Enforcement Recruit Training Program, effective Fall 2014. Motion carried unanimously.

X. STUDENT DEVELOPMENT
A. Enrollment Report
Mr. Buck James, Vice President for Enrollment and Student Development, reviewed enrollment data for the Summer and Fall 2014 semesters compared to last year which included headcount, FTE, dual enrollment and apprentice. He reviewed comparison data by program and campus, new student applications and registrations for the Fall semester. He shared of the recruitment events that were held in May, which included visits to middle and high schools and open houses. Discussed increases in enrollment on the west side of Volusia County.

Mrs. Hosseini departed the meeting at this point.

XI. MONTHLY STATUS REPORT
A. Foundation Update
Ms. Judy Haydt, Foundation Director of Scholarships and Annual Giving, thanked trustees who participated in the Foundation’s feasibility study and explained the interview process has been completed and the findings will be presented to the Foundation Board. A copy of the summary report and
proposed next steps will be provided to the trustees. She explained scholarship applications are being accepted for the fall semester and anticipates awarding around $300,000 to students. The Foundation will be honoring the Bert Fish Foundation and Dr. William Schildecker at this year’s annual gala. Daytona State’s culinary students will be preparing foods from around the world for the event and will be paired with complimentary wines.

XII. TIME RESERVED/BOARD CHAIR
A. Board Chair’s Update
Mr. Freckleton shared at the August Board meeting the Board will conduct its annual election of officers. Dr. Eaton explained for the new trustees how the Board had chosen to take nominations from the floor for the position of Chair and then a vote would be taken. The newly elected Chair would then repeat this process for the position of Vice Chair.

B. Board Professional Development Opportunities
Mr. Freckleton presented for the Board’s information.

XIII. TIME RESERVED/CONSTITUENT HEADS
Reports were presented by Dr. Ron Eaglin, Administrative Council President, and Ms. Jo-Ann Halloran for Mr. Bill Harrison, Professional Council President.

XIV. TIME RESERVED/BOARD MEMBERS
Mr. Lubi felt there was quality discussion about performance funding and it was about identifying the key drivers to make sure Daytona State is the most successful state college in the system. He shared how it is challenging to adapt to new metrics but believes the College has the formula to be successful over time and thanked Dr. Eaton for her leadership.

Mrs. Holness looks forward to the presentations and has learned more on how faculty help students which relates to the discussion earlier on retention rates. She applauded everyone for their efforts and thanked Dr. Eaton and staff for the hard work they did on the annual budget.

Mr. Giles shared an old article he came across where Daytona State received positive reviews on its SACS reaffirmation visit. He thanked Mrs. Mary Bruno for her help in getting electricians added to the industry certification funded list and how this could potentially earn the College $1,000 per electrical apprentice graduate. He spoke on performance funding and clarified he would never want to reduce goals but sees this as an opportunity for the College to focus on different areas. He hopes the College will work with the school system academies so students can complete certifications at the College. He shared dual enrollment will be a challenge in the coming year that will need to be addressed and encouraged staff to find a creative way to deal with the funding dilemma to lessen the impact.
Mr. Escudero commended Dr. Eaton for her editorial response and felt it was a superb defense of the College’s position with regards to its performance funding model ranking. He appreciated the talking points on the performance funding proposals which makes the problem more comprehensible for the trustees and offers a better understanding of how it may be improved. He felt the workforce summit was a very direct way of beginning to address remedial level solutions to achieve goals of the Governor and how it was good to show the College is doing this.

Mr. Davis commended Mr. Dunne and his staff on the accomplishments of the student athletes and was impressed by the GPA of the athletic teams. He congratulated Ms. Montgomery and Dean Costa Magoulas for being recognized by Juneteenth as a Hometown Hero.

XV. ADJOURN
Mr. Freckleton adjourned the meeting at 4:27 p.m.