

MINUTES: October 20, 2011

**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. Dwight Lewis, Chair
Dr. Christina Frederick-Recascino, Vice Chair
Mrs. Donna Brosemer
Mr. Bob Davis
Mr. Lloyd Freckleton
Mrs. Mary Ann Haas
Mrs. Forough Hosseini
Mr. John Tanner**

ABSENT: Mrs. Betty Holness

Board Meeting began 2:01 p.m.

I. CALL TO ORDER

Mr. Lewis called the meeting to order at 2:01 p.m.

II. ROLL CALL

Mrs. Holness was absent. Mrs. Hosseini was absent during roll call but arrived after the start of the meeting.

III. PUBLIC PARTICIPATION

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

IV. CONSENT AGENDA

- A. Minutes of September 15, 2011 Regular Board Meeting
- B. Agreements
- C. Agreements - Affiliation
- D. Budget Amendments – September 2011
- E. Grant Application
- F. Human Resource Recommendations
- G. Inventory Deletions Report
- H. Out of Country Travel Requests - Delegation

Mr. Lewis asked if there were any items the Board would like pulled from the Consent Agenda. Mrs. Haas requested Item IV.B. Agreements be pulled for further discussion on the agreements with Nelnet Business Solutions and the Residence Inn by Marriott Port St. Lucie.

MOTION: (Freckleton/Brosemer) The District Board of Trustees approve the remainder of the Consent Agenda. Motion carried unanimously.

Mrs. Haas shared it was a good idea to offer students a monthly pay plan through Nelnet Business Solutions and asked if there was an expense to the College. Mr. Dennis Micare, Senior Vice President of Finance and Administration, explained the only expense was an enrollment fee paid by the student and how they would have a separate agreement for each year's expense.

MOTION: (Recascino/Haas) The District Board of Trustees approve the Nelnet Business Solutions agreement. Motion carried unanimously.

Mrs. Haas inquired about the Residence Inn agreement and who would be traveling and the reason. Mr. Will Dunne, Dean of Co-Curricular Activities and Athletics, explained the swim team and staff will be attending a NJCAA championship event hosted by Indian River State College and the hotel is assigned by NJCAA.

MOTION: (Recascino/Haas) The District Board of Trustees approve the Residence Inn by Marriott Port St. Lucie agreement. Motion carried unanimously.

V. PRELIMINARY AND TENTATIVE FINDINGS FOR THE OPERATIONAL AUDIT FISCAL YEAR ENDING JUNE 30, 2011 PRESENTATION

Mr. Lewis welcomed Mr. Jim Stultz, Audit Manager for Florida colleges and universities. Mr. Stultz introduced Mr. Keith Wolfe, Audit Supervisor and Ms. Tina Myers, Team Manager. Mr. Stultz stated the Board presentation is to review the recent results of the operational audit which was conducted January 2011 through September 2011. He explained the Administrative Management and Board Policies area there were three findings with regards to the president's employment agreement; fraud policies; and the implementation of a student loan program. He explained under the Tangible Personal Property area there was one finding related to the transfer or donation of surplus property. Under the Student Tuition and Fees area there were three findings with regards to procedures for assessing lab or other student user fees; residency coding errors; and documenting Florida residency. Under the Information Technology area there were three findings with regards to the timely removal of access for former employees; security controls for user authentication; and the development of an information technology risk assessment. Mr. Stultz explained the College will have 30 days to provide a written response to the findings once the document has been delivered and thanked the president and Board for the cooperation by

the staff during the audit process. Mr. Tanner clarified that the findings occurred under the former administration and how they failed to follow established law and College policies. Mr. Freckleton pointed out the value of the computer donations did not mention the depreciated value at the time of the donation and they did not indicate the College has hired an internal auditor who is looking at these areas. Mrs. Brosemer asked if the fraud policy should be specific to the institution and Mr. Stultz concurred that it should. Dr. Recascino asked about surplus property process and Mr. Stultz indicated this property comes before the Board to approve disposal and then again on how it was donated. Mrs. Hosseini commented on the Foundation scholarship which allowed students to pay in-state tuition. Mrs. Haas mentioned the \$1.5 million loss related to the music festival and asked if this would also fall under the operational audit. Mr. Stultz explained it would not be a finding but would be addressed as a related matter under the operational audit. Mr. Davis discussed policies and procedures that were in place and how they were not followed. Mrs. Brosemer asked about follow-up and response and what is done when policies are not followed. She mentioned that simplifying procedures may be helpful.

Dr. Eaton explained the staff will prepare written responses to the findings that will show the changes that have been made. She indicated there is an employee evaluation procedure in place where employee performance is reviewed annually and problems would not be overlooked nor over punished. She stated the processes will be corrected and the fixes are ongoing and how communication is important part of this process. Mrs. Hosseini indicated mistakes will be made but it is the circumventing of law or policies that is unacceptable.

Dr. Eaton thanked the auditors for their work and shared how staff have been working with the state auditors on the issues since the entrance conference in February and will continue to work on addressing audit issues. She stated the College has addressed every issue informally and has guidelines in place to aggressively monitor and maintain compliance. She indicated over the last several months and with the Board's approval, the College has already adopted a number of internal checks and balances. The hiring of an internal auditor is a demonstration of that commitment. The College has made personnel changes, revised policies and procedures, and implemented training. She explained the College will provide a complete written response to the findings of the Auditor General within the 30 day requirement.

Mr. Lewis adjourned the meeting at 3:17 p.m. for a brief break. The meeting was called to order at 3:30 p.m. All Board members were present.

VI. ACADEMICS

A. Academic Highlight: College of Workforce and Continuing Education

Dr. Michael Vitale, Senior Vice President of Academic Affairs, provided an overview of the areas that fall within the College of Workforce and Continuing Education. He explained there are two schools in this area,

the School of Technology and Occupational Programs and the School of Continuing Education. Under the School of Continuing Education there are eight areas: Center for Business and Industry, Small Business Development Center, Institute for Health Services, Community Training Center, Institute for Child Care Training Programs, Institute for Emergency Medical Services, Police and Corrections In-Service Training, and the Center for Online Public Safety Training. Under the School of Technology and Occupational Programs vocational credit programs are offered in cosmetology, automotive, welding, machining and air conditioning. In addition to vocational credit programs, apprenticeship programs in electrical, plumbing and child care training are offered.

VII. FINANCE / FACILITIES

A. Finance

1. Financial Summary for September 2011

Mr. Dennis Micare reviewed the executive summary and explained the College has addressed the \$2 million student revenue shortfall by eliminating vacant full-time positions and eliminating adjunct positions no longer needed because of the reduction in enrollment. He reviewed reports on General Operations Fund 1 revenue and expenses, revenues and expenses for all funds, student fee collections, summary of unallocated funds. Mr. Micare indicated the designated reserve is in addition to the five percent the College is required to keep on hand. He reviewed the maintenance construction projects underway and budget to date. Mr. Lewis appreciated the executive summary and how the shortfall was addressed immediately and properly.

2. Checks Issued Greater Than/Equal to \$50,000

Mr. Micare presented as an information item.

Dr. Eaton explained Mr. Roberto Lombardo, Vice President of Information Technology, has been researching methods of electronic delivery of the agenda material and will work with the President's Office to coordinate how Board members would like to receive this material.

B. Facilities

1. Capital Improvement Program (CIP) 2012-2013 through 2016-2017 Revision

Mr. Micare explained the capital projects have been reprioritized and the overall funding request has been revised to reflect the anticipated reduction in PECO dollars. Mrs. Hosseini was supportive of the changes and believed the reduced budget pre-empted what will happen in Tallahassee. Dr. Eaton thanked the staff for their work and shared they have discussed changes with Tallahassee to ensure there is still time to submit revisions once approved by the Board.

MOTION: (Hosseini/Brosemer) The District Board of Trustees approve the October 20, 2011 revision to the Capital Improvement Program for 2012-2013 through 2016-2017. Motion carried unanimously.

2. Facilities Small Projects Pre-Approval List

Mr. Micare explained the small facilities projects are in excess of \$195,000 and require Board approval and reviewed details of the projects.

MOTION: (Hosseini/Davis) The District Board of Trustees approve the proposed projects with budgets in excess of \$195,000. Motion carried unanimously.

3. Contractor Approval – Education Hall (Bldg. 200) Writing Center Expansion – ITB#12-001

Mr. Micare presented for approval.

MOTION: (Haas/Freckleton) The District Board of Trustees approve the lowest qualified bid from Ovation Construction, Inc. and direct the President or her designee to enter into a contract in the amount of \$198,480, pursuant to the provisions of Florida Statute 287.057. Additionally, the President is authorized to approve up to an additional \$24,468, should the project warrant it. Motion carried unanimously.

VIII. ENROLLMENT

A. Enrollment Report

Dr. Tom LoBasso, Senior Vice President for Enrollment and Student Development, reviewed decreases in Fall enrollment as compared to the previous year, changes in specific categories and changes being experienced by each of the campuses. He indicated the baccalaureate programs are the only areas experiencing increased enrollment. He reviewed the decrease in enrollment in the adult education area and how the College's adult education area is the largest feeder of high school graduates to the College. He also shared the College will be receiving a grant from the Mexican government that will help students of Mexican descent defray the cost of enrolling in the adult education programs. He discussed dual enrollment and how the College receives FTE for those students but not tuition dollars and how this continues to be a good program.

B. Core Performance Indicators

Dr. LoBasso explained the core performance data compiled by the Institutional Research department is used during planning, decision-making and implementing institutional improvements. He highlighted college prep success rates, graduation rates, retention rates, and Associate of Arts graduate outcomes. He explained the majority (66%) of Associate of Arts graduates that enroll in a State University System institution transfer to the University of Central Florida and how transfer students average is 3.04 GPA. Dr. LoBasso shared overall graduate placement rates by program have increased from 80 to 85 percent.

IX. MONTHLY STATUS REPORTS

A. Internal Auditor

Distributed Internal Auditor's Report PowerPoint presentation and Audit Resolution Summary example. Made an official part of the minutes as Supplemental A: 10/20/11. Ms. Isalene Montgomery, Vice President/Internal Auditor, reviewed the status of the internal audit review of cash management at all locations and how recommendations have been made to establish or strengthen policies and procedures and corrective action that will be implemented. She reviewed an example of an audit resolution summary report which will provide various data, including details of audit findings, corrective actions taken, and follow-up reviews.

B. Foundation

Mrs. Donna Sue Sanders, Foundation Executive Director, shared a video that recapped the Foundation's recent gala honoring Mr. Bert Reames. She reported the gala raised \$106,000.

C. SACS Update

Dr. Nancy Morgan, Associate Vice President of Accreditation, Compliance and Contracts, reviewed details of the Quality Enhancement Plan (QEP) which is a new component of the reaffirmation process. She stated the point of the QEP is to identify one thing that will enhance student learning for a significant number of students. She reviewed the process used to select topics and how topics will be narrowed down to one with input from the College community. She stated the process involves hundreds of people and how faculty comprised 76% of the participants in the focus groups. Once the topic has been selected, the QEP plan will be developed and presented to SACS, who will provide recommendations on the plan. The QEP plan will be implemented after the SACS visit has taken place in 2013.

X. TIME RESERVED/COLLEGE COUNSEL

A. Law Firm Change

Mr. Brian Babb, Executive Vice President/General Counsel, explained Mr. Kaney is now with the firm of Kaney and Olivari and the Board will need to approve the change and authorize the transfer of files.

MOTION: (Davis/Haas) The District Board of Trustees approve the change for private attorney services for Jonathan D. Kaney, Jr., Esq. from CobbCole to Kaney & Olivari, P.L. Motion carried unanimously.

XI. TIME RESERVED/BOARD CHAIR

A. Board Professional Development Opportunities

Distributed October 9, 2011 memorandum from Mr. Jon Kaney, Board Legal Counsel, concerning Board Authority Regarding Hiring College Personnel. Made an official part of the minutes as Supplemental B: 10/20/11. Mr. Lewis explained at the September Board meeting there was discussion on the hiring authority and extending contracts of personnel. He asked Mr. Kaney to provide an opinion on the Board's authority with regard to hiring College personnel and explained the Board has the authority to disapprove a hire for cause only.

Mr. Lewis asked Mrs. Brosemer to report on the recent ACCT conference. She explained two conference topics that interested her were student success and the link between community colleges and economic development. She explained higher education reform is being looked at in many states and if the legislature is looking at reform will they revise how student success is currently defined. She shared examples of success that would not meet the state's criteria and how the College may need to tie into what it does for the community to the way the state evaluates these measures. She learned how community colleges are working closely with economic development people within their counties to set up programs to educate prospective employees and felt Daytona State could be an economic engine in this type of partnership. Mr. Davis explained the College works closely with Workforce Development, Team Volusia and other entities on these types of economic development initiatives. Dr. Eaton shared there is a lot of conversation at the national level about how to define student success.

Mrs. Haas reported she attended two great sessions at the ACCT conference on fundraising and the training she received was excellent. She indicated one area emphasized during the conference was a strong relationship or partnerships with other colleges and how there are options to providing education for the community by joining forces. She also shared student success, national trends, and core performance indicators were discussed during the conference.

Mrs. Brosemer shared one topic discussed at the conference was traditional enrollment and would like to hear more on non-traditional course structures such as weekend-only, accelerated courses, and online courses. She asked if the College has looked at ways in which to accommodate the different needs of students and would like to discuss further as a future meeting topic.

Mr. Lewis indicated Dr. Narcisa Polonio, ACCT's VP for Research, Education and Board Leadership Services, has agreed to facilitate the Board Retreat in November, and would be paid accordingly for her services. *Distributed Board of Trustees Retreat draft agenda from Dr. Narcisa Polonio of ACCT. Made an official part of the minutes as Supplemental C: 10/20/11.* Board members discussed selecting a date where all members could be in attendance and would like to reschedule after the holidays in January as a one-day retreat with Dr. Polonio.

XII. TIME RESERVED/PRESIDENT

A. President's Update

Distributed Pre-Congress Academy document. Made an official part of the minutes as Supplemental D: 10/20/11. Dr. Eaton explained the Pre-Congress Academy document had two governance models the Board may like to read about and also offered copies of handouts distributed at the ACCT conference to those interested.

She stated Randy Hanna has been named the new Chancellor for the Division of Florida Colleges, replacing Dr. Will Holcombe, and shared information on his background. Dr. Eaton highlighted meetings with individuals and activities she participated in over the past month. Individually she met with Lisa France Kennedy, Mayor Glenn Ritchey, Bud Asher, Larry McKinney, members of the legislative delegation, and Jim King. She attended Flagler Rotary; Kiwanis Club meeting where the College was presented a scholarship check; and a dinner hosted in her honor by Dr. John Johnson. She attended a dinner honoring Senator Tony Hill; 7th Annual Hotel & Lodging Employees and Awards Scholarship luncheon; Children's Advocacy luncheon, and a sunshine law seminar. She enjoyed attending the College's annual employee service awards ceremony and recommended trustees attend next year. She also attended a Volusia County Council meeting where a proclamation was presented to Frank Lombardo naming October 6, 2011, Frank Lombardo Day. She visited each of the campuses to review the master facilities plans with staff and students. She was also guest speaker at the Young Professionals Group's luncheon meeting.

Dr. Eaton explained she serves on the HERDI (Higher Education for Research Development Institute) board, which met prior to the ACCT conference, and how this organization provides opportunities for companies to present new products or services to panels of community

college presidents, who in turn provide feedback to the presenters. Discovery Channel was a recent presenter and stated they are looking into producing content for higher education.

XIII. TIME RESERVED/CONSTITUENT HEADS

Reports were presented by Ms. Mary Bruno on behalf of Ms. Cass Fowler Administrators Council President; Dr. Eaton shared details on behalf of Ms. Lori Lemoine, Career Employees Association President; Mr. Barry Gibson, Faculty Senate President; Mr. Hector Valle, Professional Council President.

Mr. Lewis shared Volusia County would be conducting a county-wide food drive in December with public employees that will assist in filling up food banks for the holidays. Mr. Valle thought this would be a great project to help the community and Dr. Eaton suggested this could be something for all constituent groups. Mr. Freckleton asked if Flagler County could also be included in this project. Ms. Lynn Mercer, Board Secretary, read report submitted by Ms. Catheryne Webb, Student Government Association President.

XIV. TIME RESERVED/BOARD MEMBERS

Mr. Tanner thanked Mr. Lewis for running an efficient meeting.

Mr. Lewis shared how proud he was of the College and all of the good things it has done and thanked the Board, faculty and staff for all they do.

XV. ADJOURN

Mr. Lewis adjourned the meeting at 5:53 p.m.

Date of next regular meeting: November 17, 2011.