



Board of Trustees Workshop

Tuesday, May 21, 2019
12:30 p.m. – 5:00 p.m.

WORKSHOP MINUTES

SUN ‘n FUN Fly-In, 4175 Medulla Road, Lakeland, FL

Dial In Number: 240-454-0887 | Access Code: 648 856 176#

Don Wilson, Chair
Dr. Victoria Astley
Ryan Perez
Dr. Adrienne Perry
Gary C. Wendt

Cliff Otto, Vice Chair
Rear Admiral Philip Dur
Frank Martin
Dr. Louis Saco

Mark Bostick
Dr. Richard Hallion
Henry McCance
Bob Stork

I. Call to Order

Chair Don Wilson called the meeting to order at 12:40 PM.

II.

Roll Call

Michele Rush called the roll: Trustee Gary Wendt, Trustee Dick Hallion, Trustee Mark Bostick, Trustee Adrienne Perry, Trustee Bob Stork, Trustee Henry McCance, Board Chair Don Wilson, Board Vice Chair Cliff Otto, and Trustee Louis Saco, Trustee Ryan Perez and Trustee Victoria Astley were present (Quorum).

Staff present: President Randy Avent, Dr. Terry Parker, Mr. Mark Mroczkowski, Mr. Rick Maxey, Mr. David Blanton, Mrs. Kim Abels, Ms. Gina DeLulio, Ms. Michele Rush, Ms. Kathryn Mizereck, Ms. Melaine Schmitz, Mr. Robert Kennedy, Mr. Kevin Calkins, Dr. Tom Dvorske, Ms. Lydia Guzman and Mrs. Kris Wharton were present.

III. Public Comment

There were no requests received for public comment.

IV. Fiduciary Responsibility (The Color of Money)

Mr. Tim Jones, Vice Chancellor Finance/Administration and Chief Financial Officer, Board of Governors presented Fiduciary Responsibility (The Color of Money) which provided key points on the delegation of authority to Boards of Trustees, fiscal responsibilities of the Trustees, parameters surrounding the expenditure of funds, and key statutes and regulations that provide dos and don'ts on the use of funds. The presentation focused on operating funds and fixed capital outlay funds, as well as discussed the various Florida statutes pertaining to the Board of Trustees' financial management of Florida Polytechnic University.

President Randy Avent asked Mr. Jones whether the legislature recognizes that the University is unique in its carryforward funds being available in order to grow the campus. Mr. Jones confirmed Florida Polytechnic University had specific statutory authority to utilize the carryforward funds for growth.

Chair Don Wilson asked if Mr. Jones felt that the lack of PECO funding is a crisis, as traditionally, PECO funding came from taxes on landline telephones; these landlines have significantly decreased with technology. Mr. Jones acknowledged the dwindling of the tax dollars over the last 7-8 years as well as the landscape of PECO funding has changed.

Trustee Bob Stork questioned that with Florida having the highest telecommunications taxes in the nation, why is PECO funding reduced so drastically? Mr. Jones acknowledged that he is not an expert on this, but not all taxes from telecommunications, electric and gas are put into PECO. He is unsure where PECO will go in the future but in the short term, it is not good for universities and colleges.

Trustee Louis Saco mentioned the Public Private Partnership (P3) that USF has with Publix and asked if a P3 would be an option for the research park Florida Polytechnic University is working on building around campus? Mr. Jones answered that if you can find that industry partner, it would be an option and that the Board of Governors has guidelines that will help to walk through the process.

Mr. Jones also reviewed with the Board of Trustees the new Senate Bill 190 that passed but had not yet been signed. This bill will direct the Board of Governors to develop a 'points based system' for PECO funding; a preliminary system is set to be reviewed by the Board of Governors at their June meeting.

Trustee Henry McCance asked that prior to SB 190 and the new points system, the Board of Governors prioritized PECO funding recommendations based on need and that this is a formal way of doing that? Mr. Jones agreed.

Mr. Mark Mroczkowski asked that in the past, the legislature has not followed the recommendations of the Board of Governors; will this SB 190 change that? Mr. Jones replied that the Board of Governors must now go through a more rigorous process but conceded that the legislature is not beholden to follow the recommendations.

Mr. Jones reiterated that the Board of Governors takes the fiduciary responsibilities of the Board of Trustees very seriously, especially in light of the UCF issues. The Board of Trustees may need to amend the Capital Improvement Plans once SB 190 becomes law while the Board of Governors will need to amend regulations that address both the FCO and operating budgets.

V. Compliance and Ethics Training

Mr. David Blanton conducted the required annual Compliance and Ethics Training for the Board of Trustees. Mr. Blanton discussed various topics within the Board of Trustees Ethics Policy including the solicitation and acceptance of gifts, unauthorized compensation, abstaining from voting and conducting business with Florida Polytechnic University and conflicting employment or contractual relationships.

Chair Wilson clarified the abstention of a vote as a Trustee cannot abstain simply because they do not want to vote on an issue; a Trustee is obligated to vote as a member. However, if there is a conflict for that Trustee, they need to fill out the correct form obtained from the legal department and have that abstention noted in the minutes of that meeting. Trustee Stork pointed out that the Trustee who abstains may not be a part of any discussion on that subject in order to not sway another member and Mr. Blanton concurred.

Mr. Blanton continued with discussion of misuse of public position, disclosure or use of certain information and solicitation or acceptance of honoraria by a Trustee, which is prohibited. Mr. Blanton ended the presentation with discussion of the required Disclosure of Financial Interests that each Trustee must file as well as the Board of Trustees' continuing ethical obligations: Trustees must be familiar with Florida State Ethics Code, disclose any possible personal, familial, or business relationship that might reasonably give rise to a conflict of interest involving the University and to serve the public's trust.

VI. Balanced Scorecard: Strategic Plan Accountability Tracking

President Randy Avent presented to the Board of Trustees various ideas in keeping the Trustees engaged and informed about various events around Florida Polytechnic University. His presentation included the New Trustee Orientation and refresher, changes to Board meetings and preferred Diligent documents. President Avent also addressed keeping the Board of Trustees notified of key events around the University by either a phone call, newsletter or written reports.

Chair Wilson mentioned to the other Trustees that those members in the area should consider going to events on campus as it's well worth the time and effort.

Vice Chair Otto would like peer examples of how other institutions keep their Board members informed as to what works and what does not.

Trustee Bostick prefers a phone call from President Avent between board meetings.

President Avent presented the Operational Plan for 2020's performance metrics that will help in producing a balanced scorecard approach to writing operational plans, which will drive future operational planning and assessment.

President Avent presented four operational priorities to the Board of Trustees:

- Academic Reputation - Florida Polytechnic University now has Carnegie Classification as a regional college in the South. Peer evaluations play a large role in the metrics.
- Academic Productivity – Next year's focus is to increase the student body size. Retention and graduation rates will take more time as Florida Polytechnic University is still growing. Florida Polytechnic University access rate of 30% compare favorably with peers.
- Academic Expenditures – There is continued focus on spending funds on instruction over administration as well as improving instruction. High-touch model with small classes taught primarily by full-time faculty provide differentiated value in the Florida State University System.
- Graduate Demand – Industry internships and capstone projects are expected to remain high. Degrees in strategic areas will remain at 100%.

Next, President Avent discussed the Advancement department including fundraising and re-organization of the department. Past emphasis on increasing endowment has paid off with steady growth. Concerns around overall fundraising performance remain with motivating factors including negative press, high turnover rate in Advancement, poor organizational construct & strategy and lack of "compelling need" story. To combat these issues, President Avent presented the following:

- Reorganize University Advancement and fill key positions. The search is underway to hire a Vice President of Advancement/CEO, Foundation. Over 150 candidates were targeted resulting in 38 active candidates. Screening is in place now with targeted list of three finalists early June.
- Move from a regionally based fundraising model to a functional one.
- Provide professional development training to increase experience and knowledge of best practices.
- Shift focus to cultivating major gifts over raising funds through special event.
- Continue to build a strong governing board of respected leaders.

Trustee McCance asked for a clarification between Foundation and Advancement. President Avent responded that Advancement is the Florida Polytechnic University department of employees in charge of fundraising and Foundation is the 501c3 Direct Support Organization (DSO).

Lastly, President Avent presented ways in which Florida Polytechnic University will enhance economic development in Polk County. This included discussion of the beginnings of Florida Polytechnic University, looking at the next 5 years of its existence and the building of a research park, which is key to Florida Polytechnic University and Polk County growth.

President Avent discussed how universities are important in attracting industrial laboratories, growing new high-tech businesses and providing competitive advantages to local businesses. Industry wants access to high-demand low-supply talented students with knowledge in their industries and they want access to research.

President Avent continued by describing a “live-work-play” research park with a town center, neighborhoods, schools, offices and restaurants. By removing current borders the campus and park would be indistinguishable, including academic, government and industry partners. The research park represents a symbiotic relationship between Polk County and Florida Poly.

President Avent finished by reminding the Board of Trustees that Florida Polytechnic University is fulfilling its mission as a technical applied research university, helping to build the Polk County economy, which is working hard to attract and grow a ‘creative class’ economy.

VII. Closing Remarks and Adjournment

With no further business to discuss, the meeting adjourned at 5:45PM