



Board of Trustees Meeting Minutes

BOT approved 04.27.2023

**July 21, 2022
9:00 AM – 10:00 AM**

Florida Polytechnic University WEBEX TELE-CONFERENCE MEETING

I. Call to Order

Chair Cliff Otto called the meeting to order at 9:00 a.m.

II. Roll Call

Kristen Wharton called the roll: Chair Cliff Otto, Vice Chair Mark Bostick, Trustee Susan LeFrancois, Trustee Lyn Stanfield, Trustee Laine Powell, Trustee Melia Rodriguez, Trustee Beth Kigel, Trustee Bob Stork, and Trustee Gary Wendt were present (Quorum).

Board members not present: Trustee Narendra Kini

Staff present: President Randy Avent, Provost Terry Parker, Dr. Allen Bottorff, Gina DeIulio, Kathy Bowman, David Blanton, Kristen Wharton, Alex Landback, and Melaine Schmiz were present.

Other guest present: Kevin Mara, Brailsford & Dunlavey, Inc.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Melia Rodriguez made a motion to approve the May 24, 2022 minutes. Trustee Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.

V. Ratification of Amendment to Article 12 of the Collective Bargaining Agreement

Alex Landback, Associate General Counsel, presented the amendment to article 12 of the Collective Bargaining Agreement (CBA). This amendment provides a recurring base salary increase for eligible bargaining unit employees who received a 2021-2022 evaluation rating of Meets Expectations or higher, ranging from 4.125% to 4.625% depending on the evaluation rating.

The amendment also includes a scaled salary adjustment for eligible bargaining unit employees whose 2021-2022 Academic Year annual salaries are within the bottom quartile of all salaries for in-unit employees. This adjustment is gradually scaled from 0% for the individual at the top of the quartile described to 4% for the individual at the bottom. This increase would be cumulative to the base salary increase.

The Board's approval of this amendment is contingent upon ratification by UFF-Florida Poly after which the amendment would be incorporated in the 2021-2024 CBA. Salary changes would be effective on August 16, 2022.

Trustee Gary Wendt asked about such modest increases given current inflation, and second, he inquired as to the incentive to improve given the small percentage point difference between "meets" and "exceeds" expectations.

Provost Terry Parker agreed given inflation the University wishes the numbers could be larger, however, this is best base salary increase for faculty within the State University System (SUS). He also noted President Randy Avent's desire to have equitable salary increases across faculty and staff. Regarding differential in performance, the University has tried to set a reasonably high bar for individuals who are meeting expectations and provide some reward incentive. Trustee Wendt asked if a faculty member were recruited by another institution, would Florida Poly have the capability to increase that professor's salary to incentivize them to stay; Provost Parker responded there is a small amount of discretionary funds outside of the formulaic elements of salary increases that can be added.

Trustee Melia Rodriguez inquired if faculty salaries remain competitive with this salary increase. Provost Parker explained how the University benchmarks salaries to aspirant peers and stated Florida Poly's salaries remain competitive.

Chair Cliff Otto asked for clarification on the adjustment of salaries of those in the lower quartile versus changing the range. Landback stated the range is not being changed and that the adjustment is based on the salary they have going into this past academic year. The faculty member would receive a proportional adjustment to their base salary; this adjustment is based on a sliding scale.

Trustee Laine Powell made a motion to ratify the Amendment to Article 12 (Salaries) of the 2021-2024 Collective Bargaining Agreement ("CBA") with the United Faculty of Florida ("UFF"), subject to the anticipated ratification of the Amendment by the UFF-Florida Polytechnic University Chapter. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.

VI. Pre-Development Agreement (PDA) with Capstone Development Partners

Dr. Allen Bottorff, Vice President, and Chief Financial Officer presented the results of the ITN (Invitation to Negotiate) selection process for a student housing development partner and was pleased to present Capstone Development Partners as the University's selection. The presentation covered the Pre-Development Agreement (PDA) with Capstone.

Project goals include Florida Poly having greater control over its housing operation and new on-campus housing of 700 beds by fall 2026. Bottorff reviewed the partner selection process and the integrated development team under the umbrella of Capstone Development Partners. He also shared a map of the campus which identified the project site as well as a preliminary design concept for Phase 3 housing.

Kevin Mara of Brailsford & Dunlavey, Inc. presented the terms of the PDA, which is a customized P3 (Public-Private Partnership) structure. Florida Poly will ground lease the project site to a non-profit entity. The housing will be financed and owned by the non-profit entity and Florida Poly receives all net cash flows from housing rentals and retains significant operational control.

The non-profit owner will then contract with Capstone Development Partners for on-time, on-budget delivery of Phase 3 housing. Florida Poly will contract with the non-profit owner so that Florida Poly can provide leasing, residence life, and other services. Additionally,

Capstone will contract with the non-profit owner to provide custodial, maintenance, and asset management services.

Mara reviewed the anticipated deal structure which involves four agreements: ground lease, development agreement, services agreement, and an operations agreement.

In order to deliver Phase 3 Housing for Fall 2024, Capstone must advance design concurrent with negotiations, prior to project approvals and financial close. Therefore, Capstone is taking on significant financial risk of up to \$3.4M. Both parties must collaborate to maintain a financially feasible project. The University will retain significant control over design and rental rates. The PDA codifies a fair distribution of risk prior to financial close. There are three events which would trigger Florida Poly's need to reimburse Capstone: if the Board of Governors does not approve of the project; if the project is unable to achieve a Guaranteed Maximum Price (GMP); or the project encounters market disruptions.

Trustee Bob Stork recited past issues with the University not having authority to operate and manage student dorms. He asked if the current agreement is acceptable to University administration or if that authority will change with the negotiations. Dr. Bottorff responded Florida Poly will maintain the majority of operation management. Florida Poly can also work with Capstone Management to move custodial and maintenance operations to the University.

Dr. Bottorff clarified for Trustee Wendt the difference between using a DSO to finance the project versus a non-profit. Trustee Wendt also inquired if the University would incur any liability between today and the date the final agreement is brought to the Board. Bottorff responded the only risk involves the three triggering events previously stated in this discussion.

Trustee Bob Stork made a motion to approve the Pre-Development Agreement with Capstone Development Partners. Trustee Beth Kigel seconded the motion; a vote was taken, and the motion passed unanimously.

VII. Student Success Plan

Provost Parker stated when a university in Florida's State University System (SUS) scores below 70 points in Performance Based Funding (PBF), the institution is required to submit a Student Success Plan. The performance of this plan is evaluated the following spring and, if approved by the Board of Governors, \$2.1M of PBF is released to the University.

Parker reviewed the metrics requiring improvement. The loss of 10 points in metric five and the loss of 5 points in metric 9.B.1. are due to a decline in Academic Progress Rate (APR). He also explained how the University lost 7 points in metric 8.A. even though the score was higher this year than in 2021. Parker reviewed historical information on the University's Academic Progress Rate (APR), noting the dominant reason students leave the institution is due to academic difficulty.

After Parker reviewed the past year's efforts to improve APR, he outlined six strategies that are the focus of the Student Success Plan. The strategies include:

1. Excellence and Achievement in the Freshman Year (PBF #4, PBF #5, PBF #9.B)
2. Student Culture: Supporting the Whole Student (PBF #1, PBF #4, PBF #5)
3. Graduate On Time (PBF #4, PBF #9.A)
4. Grow and Support the Graduate Program (PBF #8)
5. Provide Appropriate Support for Pell Students (PBF #7, PBF #9.B)
6. Promote Strong Employment Outcomes for Our Students (PBF #1)

Parker reviewed the tactics which will be used to accomplish the six strategies as well as five

remaining plan goals and expected results by March 2023. Parker reviewed this plan with BOG staff earlier this week and their recommended changes were incorporated.

Trustee Stork asked if Florida Poly's APR is measured against the other institutions in the SUS. Parker replied that compared to rest of System, Florida Poly did not perform well even though all but two institutions experienced a decline due to COVID.

Trustee Wendt inquired if there is a financial reward for succeeding with this plan. Parker responded yes, the financial reward will be \$2.1M which is half of the performance funding the University is normally allocated when achieving 70 points or above.

Trustee Melia Rodriguez made a motion to approve the Student Success Plan that will then be considered by the Board of Governors in September 2022. Trustee Lyn Stanfield seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Closing Remarks and Adjournment

President Avent stated the University has been negotiating with Duke Energy on the location of a high-voltage power line which will be installed on a University parcel. He is hopeful the University will be able to bring that agreement to the Board for approval in September, however, that may be too late, prompting the need to have a quick interim Board meeting. Chair Otto stated the negotiations are moving forward favorably.

With no further business to discuss the meeting adjourned at 10:15 a.m.