

Florida Polytechnic University
Board of Trustees

Governance Committee Meeting

MEETING MINUTES

Wednesday, December 5, 2018
10:00 AM-11:00 AM

Florida Polytechnic University, 4700 Research Way, Lakeland, FL 33805

I. Call to Order

Committee Chair Dur called the Governance Committee meeting to order at 10:05 a.m.

II. Roll Call

Sherri Pavlik called the roll: Committee Chair Philip Dur, Committee Vice Chair Louis Saco, Trustee Frank Martin, Trustee Cliff Otto, Trustee Bob Stork, and Trustee Gary Wendt were present (Quorum).

Other trustees present: Chair Don Wilson.

Staff present: President Randy Avent, Ms. Gina Delulio, Mr. Rick Maxey, Ms. Kathy Mizereck, Mr. David Blanton, Mr. Derek Horton, Mrs. Kim Abels, Ms. Sherri Pavlik and Ms. Michele Rush.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Stork made a motion to approve the Governance Committee meeting minutes of September 5, 2018. Trustee Martin seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Governance Committee Work Plan Review

Committee Chair Philip Dur started the meeting with a review of the Committee's work plan. As training was on the plan for this meeting, Trustee Dur suggested that each Trustee obtain a hard copy of the materials that were at the Trustee Summit in November at Florida Atlantic University, specifically materials on the following:

1. Strategies for success in retention/graduate rates at Florida public universities
2. US News & World Report rating, specifically the criteria used to rate universities' strengths and weaknesses
3. Successful fundraising for public universities

4. Navigating a crisis/risk management; definitions of crisis refer to active shooter, sexual assaults, cheating scandals, and etc.

Trustee Dur stated the Board must be attentive and available to come together quickly in the event of a crisis situation. Trustees are accountable to the University System for ensuring that the University has the appropriate tools to deal with a variety of issues. The Board also needs to know its responsibilities to ensure administration has a plan in the event of a crisis and to understand how the Board assists administration to navigate through a crisis.

Trustee Stork inquired about Trustee onboarding and requested to see a documented handbook listing the Trustee responsibilities. Online training videos from various departments may also be an idea for onboarding. Mr. Rick Maxey and Mrs. Kris Wharton will be participating in a conference call with other SUS institutions to discuss their respective Board of Trustees onboarding program and materials. Following this session, Mr. Maxey and Mrs. Wharton will update the current Board of Trustees onboarding handbook which will include documentation on overall responsibilities.

VI. FPU-10.002 Direct Support Organization Regulation

Ms. Gina Delulio stated there is both a policy and rule regarding Direct Support Organizations (DSO). DSOs are separate entities certified by the Board of Trustees (BOT) and exist solely to support or benefit the University. Florida statutes were recently revised to establish more oversight of University DSOs by the Board of Trustees; additional major changes were also made to the statute.

Ms. Delulio requested the Committee first approve the proposed regulation, FPU-10.002 Direct Support Organizations Regulation, which takes the place of FPU-6C13-10.002 University Direct Support Organizations. The proposed regulation amends the existing rule by incorporating changes to the DSO statute that are required pursuant to Section 1004.28, Florida Statutes and the revised BOG regulation as listed below:

1. Sets thresholds for the BOT's approval of DSO purchases, acquisitions, projects, and issuances of debt, specifically, in excess of
 - a. One million dollars (\$1,000,000) for the acquisition of real property
 - b. One million dollars (\$1,000,000) for constructing or renovating a facility
 - c. Five hundred thousand dollars (\$500,000) total contract value for the purchase of goods and services.
2. Requires a DSO (Foundation) to comply with SUS Debt Management Guidelines and SUS Public-Private Partnership Guidelines. These already exist and have been complied with.
3. Requires the BOT Chair to appoint at least one representative to a DSO board of directors.
4. Requires the BOT to approve appointments and reappointments to the DSO board of directors.
5. Prohibits the use of state funds for DSO travel expenses.
6. Prohibits a DSO from giving any gift to a political committee.
7. States that University personnel services used by a DSO are subject to the remuneration requirements in Section 1012.976, Florida Statutes.
8. Requires any subsequent amendments to a DSO Articles of Incorporation to be approved by the BOT.

There were no comments received after publishing the Notice of the Proposed Regulation on the University's website on November 5, 2018. The process for rescinding the Rule is contingent upon the approval of adoption of the regulation.

The committee discussed the amounts specified as thresholds.

Trustee Otto made a motion to recommend approval of the FPU-10.002 Direct Support Organization Regulation to the Board of Trustees with the following changes:

(11)(a) amount to be amended to “five hundred thousand dollars \$500,000”

(11)(b) amount to be amended to “five hundred thousand dollars \$500,000”

Trustee Wendt seconded the motion; a vote was taken, and the motion passed unanimously.

VII. Repeal of Rule 6C3-10.002 University Direct Support Organizations

Ms. Delulio stated that as a result of the legislature’s recently amended Section 1004.28, Florida Statutes regarding DSOs, the University is no longer required to have University Rule 6C13-10.002 University Direct Support Organizations; instead, the University is required to have a regulation. The content of the rule, in addition to provisions and revisions necessitated by Section 1004.28, Florida Statutes and BOG regulation, has been incorporated into University regulation FPU-10.002 University Direct Support Organizations.

Upon approval of repeal of the rule by the Board, the Notice of Proposed Rule will be published.

Trustee Martin made a motion to recommend approval of the repeal of Rule 6C3-10.002 University Direct Support Organizations to the Board of Trustees. Trustee Otto seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. BOT Policy on Public Comment at Board of Trustees Meetings

Ms. Delulio discussed how Section 286.0114 of Florida Statutes provides that members of the public are to be given a reasonable opportunity to be heard on a proposition before the Board. Additionally, the Board is permitted to adopt policies to govern the opportunity to be heard. When following such policies, the Board is deemed to be in compliance with Section 286.0114, Florida Statutes.

The proposed policy establishes the guidelines for public comment in order to maintain orderly conduct and proper decorum at meetings of the Board and are substantially the same as what exist in the Board’s Bylaws.

Trustee Saco made a motion to recommend approval of the Board of Trustees Policy on Public Comment at Board of Trustees Meetings to the Board of Trustees. Trustee Martin seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Creation and Operation of a BOT Executive Committee

The Board voted at the last meeting to set a goal to create an Executive Committee to improve Board of Trustee operations. The Committee reviewed the summary of practices of other SUS institutions that use an Executive Committee and agreed that Florida Poly’s Executive Committee’s membership should consist of the Board Chair, the Board Vice Chair, and the Chairs of the standing committees, and that the University President be included as a non-voting member. Since the Executive Committee would be acting on behalf of the Board of Trustees as a whole, it should have representation from the standing committees, the officers of the Board, and the President who is Secretary to the board.

Staff made the recommendation that the Executive Committee’s authority should:

- Be limited to only those items that are time-sensitive (e.g. items where it is not prudent to wait until the next Board meeting to address, such as a contract)
- Not be exercised where the law, Board of Governors regulations, or Board of Trustees policies or bylaws require that the action be taken by the full Board of Trustees (e.g. Bylaw changes, regulation approvals, or specific instances)

That the Executive Committee not be authorized to act on the following matters:

- Board officer selection;
- Appointing and removing the President;
- Approving or discontinuing programs;
- Changes in institutional mission or purposes;
- Changes to the Board's bylaws;
- Incurring of indebtedness;
- Adoption of the annual operating and capital outlay budgets and the University's Capital Improvement Program list for funding by the Legislature, including the Public Education Capital Outlay list; and
- Sale or other disposition of the real property in the BOT's name.

The Executive Committee would be required to report back to the Board of Trustees at the next Board meeting any actions it took

The Board's Bylaws will be updated to reflect the Board's decision.

Trustee Wendt made a motion to recommend approval of the creation and operation of a Board of Trustees Executive Committee to the Board of Trustees with membership as agreed, and authority limited as recommended by staff. Trustee Martin seconded the motion; a vote was taken, and the motion passed unanimously.

X. Trustees' Handling of Complaints

The role of the Trustees in responding to unsolicited complaints was discussed. The Trustees were advised to forward any complaints to David Blanton and/or Gina Delulio for handling. David Blanton informed the Trustees that he logs all complaints and reports them to the Audit & Compliance committee monthly. Various avenues for submitting a complaint are available, including a telephone hotline. President Avent further stated allegations regarding illegal activities and the safety of students must be taken seriously in all cases, which is the case at Florida Polytechnic University.

It was determined that no direct response to these emails is needed from the Trustees. Mr. Blanton will provide any necessary responses and will keep Trustees informed of what is happening with each complaint.

XI. Committee Chair Dur thanked the committee and with no further business to discuss, adjourned the meeting at 11:03 a.m.