

MINUTES: February 17, 2011

**MEETING: Daytona State College
District Board of Trustees**

**PLACE: Daytona State College
Flagler/Palm Coast Campus
Building 2, Room 106
3000 Palm Coast Parkway S.E.
Palm Coast, Florida**

**PRESENT: Mr. Frank Lombardo, Corporate Secretary/Interim President
Mr. John Tanner, Chairperson
Dr. Christina Frederick-Recascino, Vice Chairperson
Mr. Bob Davis
Mr. William Davison
Mrs. Mary Ann Haas
Mrs. Forough Hosseini
Dr. Steven Miles**

Board Meeting began 4:03 p.m.

Mr. Tanner introduced Mr. Kent Ryan, Flagler/Palm Coast Campus Provost, who shared history of the campus and introduced Mayor Jon Netts, City of Palm Coast, who welcomed the Board.

I. CALL TO ORDER

Mr. Tanner called the meeting to order at 4:03 p.m.

II. ROLL CALL

All Board members were present.

III. PUBLIC PARTICIPATION

Mr. Tanner 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 January 20, 2011 Regular Board Meeting
- B. Human Resources Recommendations
- C. Agreements
- D. Budget Amendments
- E. Deletion of Inventory Items
- F. Out of District Field Trip Requests
- G. Out of Country Travel Request
- H. Pre-qualification of Contractor of Construction Projects Board Certification

Mr. Lombardo withdrew the Intelli-Mark (ETIX) agreement (pages 134-140) and stated the College is still exploring other companies that may provide these services.

MOTION: (Haas/Davison) The District Board of Trustees approve the Consent Agenda, with the withdrawal of the above agreement. Motion carried unanimously.

Mr. Lombardo shared on the January 20, 2011 Consent Agenda an agreement with Holland Productions and WDSC was approved. He explained Mr. David Holland is married to his niece and therefore wanted to disclose this relationship.

V. FINANCE/FACILITIES

A. Finance

1. Financial Statements as of 1/31/11

Mr. Dennis Micare, Associate Vice President/Controller, reviewed operating funds, student revenues, tuition and other student fees, and unallocated and restricted funds as of 1/31/11.

*Distributed DBOT Tuition Increase or Growth Question 2/17/11.
Made an official part of the minutes as Supplemental A: 2/17/11.*

Mr. Micare reviewed Fall Term 09-10 data on tuition increase versus growth and the dollar amounts collected for each area. Mr. Lombardo explained the Governor's budget does not include a tuition increase and how there will be a reduction in funding. He also explained the federal stimulus money will end in June and the changes to the federal financial aid process requirements will affect the College.

Mrs. Haas suggested having a workshop on what the budget cuts could look like and how this would assist the Board in considering a salary increase for employees. Mr. Lombardo reviewed areas being discussed in Tallahassee that would affect employees.

Dr. Tom LoBasso, Vice President for Enrollment and Student Development, reviewed changes to federal regulations for financial aid and how this will affect a significant number of students and impact enrollment. He explained the College will be proactive working with students on better planning and identifying high risk students early.

2. Report of Purchasing Items

Mr. Lombardo presented as information.

3. **Checks Issued Greater Than/Equal to \$65,000**
Mr. Lombardo presented as information.
4. **Direct Support Organization Audit Report - ATC**
Mr. Lombardo indicated this is the annual audit of the ATC and received a clean audit with no recommendations.
5. **Enrollment Report**
Dr. Tom LoBasso, Vice President for Enrollment and Student Services, reviewed the enrollment report and shared the College has around 1,200 students in the dual enrollment program. He stated the K-12 systems have been encouraged to work with colleges to do more college preparatory work in the high schools and staff have been working closely with the school district to develop the curriculum.

B. Facilities

1. **Daytona Campus – Building 510 Cosmetology Remodel Project Contractor – ITB #11-002R**

Mr. Lombardo explained previous bids came in over the cost the College wanted to spend on this project or were incomplete, so the project was rebid.

MOTION: (Miles/Haas) The District Board of Trustees accept the lowest qualified bid of \$224,041 from A.M. Weigel Construction, Inc. and authorize the President or his designee to enter into a contract not to exceed \$235,243 pursuant to the provisions of Florida Statute s.287.055. Motion carried unanimously.

2. **Elevator Modernization**

Mr. Lombardo presented and recommended approval.

MOTION: (Davis/Recascino) The District Board of Trustees approve Ovation Construction's bid of \$253,004 as the lowest responsive bid for the Elevator Modernization project. Motion carried unanimously.

3. **Capital Improvement Program (CIP) 2011-2012 through 2015-2016 Revision**

Mr. Lombardo explained the College believes the News-Journal Center requires some remodeling to repair the air conditioning system, add classroom space and a scene shop and use the rest of funding allotted for the News-Journal Center to construct a new four-story classroom/student union building where the Theater Center is located.

MOTION: (Recascino/Haas) The District Board of Trustees approve the revision to the Capital Improvement Program for 2011-2012 through 2015-2016. Motion carried unanimously.

VI. TIME RESERVED/PRESIDENT

A. OLD BUSINESS

1. Community Cultural Foundation Task Force Update by Chairman Tanner

Mr. Tanner explained he will formally convey the Board's position that all vendors be fully paid, if at all possible, at the upcoming task force meeting. He shared the Board will continue to ask that funds owed to the College be raised to mitigate the debt. Mr. Davis was thankful for Ms. Montgomery's report and is concerned vendors have not been paid, or fully paid, and how this has tarnished the College's name. Dr. Miles believes supporting/creating an arts program in the community that people would pay to attend could pay the debt down over time using profits from performances.

2. Internal Auditor Report

Mr. Lombardo explained why Ms. Montgomery was chosen for the Internal Auditor position and shared her history at Daytona State, education, and work experience. He shared how fortunate the College is to have someone with her credentials and integrity to do this job.

Ms. Isalene Montgomery reviewed the preliminary internal audit review report on the Community Cultural Foundation (CCF) for the period of August 1, 2009 to January 31, 2011.

Distributed Preliminary Audit Review Memorandum dated February 16, 2011. Made an official part of the minutes as Supplemental B: 2/17/11.

Mr. Tanner believed it would be appropriate to offer Ms. Montgomery the position of Internal Auditor.

MOTION: (Davis/Hosseini) The District Board of Trustees appoint Ms. Isalene Montgomery to the position of Internal Auditor for the Daytona State College District Board of Trustees and who will report directly to the Board Chairperson. Motion carried unanimously.

Mr. Tanner explained not only the Board Chair, but other Board members, would have direct access to the Internal Auditor and if she receives so much work that it becomes problematic, she will bring to the Board Chair so it can be addressed at the next Board meeting. Dr. Recascino stated a monthly update presented to the Board would apprise the Board with updates on requests and progress made to date. She also suggested an audit plan be developed to be reviewed with the Board Chair and then presented to the Board. Ms. Montgomery will work on guidelines and protocol for her position.

Mr. Davison inquired about annual reviews of the Internal Auditor would be independent of the administration. Mr. Lombardo shared Ms. Montgomery still has responsibility for the Women's Center and will work with her so that she is completely independent from the College.

Discussed reports the Board received on the CCF event and what financial methods were used to determine revenue. Discussion was held on Board policy regarding opportunities or emergency issues that arise, calling of emergency meetings, and authority of the chairperson and president. Mr. Heebner will look at other models in place and develop a policy that will handle specific issues.

MOTION: (Hosseini/Davis) The District Board of Trustees approve the recommendation by the Internal Auditor for the College to continue its efforts to collect funds owed to the College by the Community Cultural Foundation (CCF). Motion carried unanimously.

MOTION: (Hosseini/Davis) The District Board of Trustees approve the recommendation by the Internal Auditor that the College establish an internal control process to monitor and review all contracts/grants to ensure compliance in accordance with the requirements set forth in the CCF agreement; and establish a process to conduct a contract/grant closeout review on all agreements to make certain the expected outcomes and/or performance measures were met and to determine if an approved extension is advantageous for the College. Motion carried with Mr. Davison being recused.*

** Mr. Davison served on the Community Cultural Foundation Board.*

MOTION: (Davison/Hosseini) The District Board of Trustees approve the recommendation by the Internal Auditor that the College ensure adequate internal controls have been established to ascertain sufficient budget is in place for all agreements prior to disbursing funds; and once the controls are in place, management should mandate timely implementation to prevent unauthorized use of College funds and to minimize the probability of errors or irregularities occurring within the reporting system. Motion carried unanimously.

MOTION: (Hosseini/Davis) The District Board of Trustees approve the recommendation by the Internal Auditor that the College develop a corrective action plan to strengthen the internal control procedures relative to contracts and check signing in accordance with College Policy No. 5.08.; and any checks or agreements that exceed the threshold amount are properly approved through the appropriate process as outlined in the College Policy, i.e., a special meeting with the Board of Trustees. Motion carried unanimously.

Ms. Montgomery accepted the position of Internal Auditor.

Distributed Computer Donations and Transfers Out of State memorandum dated February 17, 2011. Made an official part of the minutes as Supplemental C: 2/17/11.

Mr. Lombardo Introduced Ms. Janet Parish, Director of Business Services, who explained the state auditors are conducting the operational audit and had inquired about shipping of surplus computers out of the state. Mr. Brian Babb, College Counsel, explained laws governing the disposal of state property. Ms. Parish reviewed details of the donations and how staff were beginning to research these items. Mr. Lombardo indicated the College is putting new procedures in place to determine when equipment is obsolete and will review the computer refresh program. The consensus of the Board was to have the Internal Auditor work with the Information Technology and Purchasing departments to look into this area identified by the auditors.

3. Presidential Search Update

Distributed Presidential Search Profile and Presidential Search Timetable. Made an official part of the minutes as Supplemental D: 2/17/11.

Dr. Recascino reported the Profile document has been completed and the timeline was reviewed and revised during a conference call with Dr. Robert Parilla. The Board is scheduled to interview candidates June 20-24 and on June 25 will meet to select a president.

Mr. Lombardo explained SACS has indicated they will be sending a team of four individuals in April or May to the College. There will be a workshop in March to brief the Board on SACS core standards and requirements.

B. NEW BUSINESS

1. RFP Board Legal Services

Distributed Letter of Interest – Board Legal Services memorandum dated February 17, 2011. Made an official part of the minutes as Supplemental E: 2/17/11.

Ms. Janet Parish, Director of Business Services, explained over 150 firms were solicited directly and advertised the RFP on the College's website and in the News-Journal and Orlando Sentinel. The letters of interest were due February 15, 2011 and proposals are due February 28, 2011. Ms. Parish explained the College's RFP process and Mr. Babb indicated the Board is exempt from the RFP process based on statute and the Board can decide how it would like to proceed. Dr. Recascino recommended a list be brought back to the next meeting of those firms who are in full compliance of the RFP. The consensus of the Board was to allow the process to move forward and provide a list to the Board at the next meeting. Mr. Heebner explained his role as the Board's current legal counsel.

2. Board Policies

Mr. Heebner will make adjustments to the telephonic attendance policy based on earlier discussions and incorporate confidentiality of trustee information when a Board member is out of town or ill.

3. Authorization Request for Monthly Expenditures

Mr. Lombardo explained why the College would like authorization to pay monthly expenditures for utilities, payroll, insurance and healthcare services.

MOTION: (Miles/Recascino) The District Board of Trustees authorize the College to pay monthly expenditures for utilities, payroll, insurance and healthcare services for 2011/2012. Motion carried unanimously.

4. 2011-2012 Academic Calendar

Mr. Lombardo presented and recommended approval.

MOTION: (Hosseini/Davison) The District Board of Trustees approve the 2011-2012 Academic Calendar, as presented. Motion carried unanimously.

5. Volusia Flagler Advanced Technology Center Board Reappointments

Mr. Lombardo presented and recommended approval.

MOTION: (Hosseini/Davison) The District Board of Trustees approve the reappointment of Mr. Sam Willett and Mr. Ken Parker to the Volusia Flagler Advanced Technology Center Board of Directors, effective July 1, 2011 through June 30, 2013. Motion carried unanimously.

6. Resolution of Appreciation

Mr. Lombardo presented for approval.

MOTION: (Davison/Davis) The District Board of Trustees approve the resolution of appreciation for Mr. Joseph C. Petrock and a signed copy of the document be presented to him at an appropriate time. Motion carried unanimously.

7. Vestal & Wiler CPAs re: Community Cultural Foundation Audit

Mr. Lombardo explained since Ms. Montgomery is conducting the CCF audit, he suggested terminating the contract with Vestal and Wiler.

MOTION: (Recascino/Hosseini) The District Board of Trustees approve the termination of the contract with Vestal & Wiler CPAs and authorize payment for services provided. Motion carried unanimously.

8. Kennedy Center

Mr. Doug Peterson, Chairperson for the College of Arts, Music and Science, shared the College hosted an estimated 1200 individuals at the News-Journal Center who attended the American College Theater Festival held February 1-5, 2011, that was sponsored by the Kennedy Center. He shared details of the event and how the College may host again next year.

Mr. Lombardo explained the Foundation is proposing to purchase the naming rights to the News Journal Center and would like to place this on the agenda for the next Board meeting for discussion. The Board requested up to date information on the valuation of naming rights as well as cost and specifics for the discussion.

MOTION: (Miles/Davison) The District Board of Trustees place on the next meeting agenda to discuss further the News Journal Center naming rights purchase. Motion carried unanimously.

Mr. Lombardo explained there are costs associated with broadcasting the Board meetings live and suggested closed circuit broadcasting to accommodate overflow areas and employees. The Board concurred and could review this decision again when the new president is on board.

VII. TIME RESERVED/CONSTITUENT HEADS

Mr. Hector Valle, Professional Council President, and Mrs. Cassandra Wilmore, on behalf of Dr. Richard Grego, Faculty Senate President, read a request on behalf of the constituency groups for the Board's consideration of a non-recurring salary incentive of \$2,000 to all College employees.

VIII. TIME RESERVED/BOARD MEMBERS

Mrs. Haas explained in meeting with State auditors the Board should be familiar and in compliance with Policy 3.01 Code of Ethics and Florida Statute 112.311 and asked a copy be forwarded to the Board.

Dr. Miles shared the Foundation's Taste of 24 was another excellent fund raising event and Ms. Donna Sue Sanders, Foundation Vice President, provided an update on the event and funds raised.

Mr. Tanner explained the College may need help in Tallahassee with funding and will propose at the next meeting to consider hiring Dr. T.K. Wetherell to lobby on the College's behalf. He thanked Board members for their determination when they felt things were not done properly and how the College is now in a position to make corrections for the future.

IX. ADJOURN

Mr. Tanner adjourned the meeting at 7:29 p.m.

Date of next meeting: March 10, 2011.