

New College of Florida Board of Trustees
Approved Minutes of September 7, 2013 Annual Meeting
Sudakoff Conference Center

Trustees Participating: Chairman William Johnston; Audrey Coleman; Daniel Ducassi; Bob Johnson; Keith Monda; Mary Ruiz. John Saputo, Felice Schulaner (via teleconference); Suzanne Sherman; George Skestos; Steve Snyder. **Not Participating:** Brad Baker; Elaine Keating.

Call to Order and Acknowledgement of Notice of Meeting

Chairman Johnston called the meeting to order at 10:03 AM. Ms. Janney stated that the notice of meeting was published on the New College website on August 30 and in the Sarasota Herald-Tribune on September 5, 2013.

Approval of Minutes

Trustee Snyder moved to approve the Minutes of the BOT meeting of June 15, 2013, seconded by Trustee Skestos, and the minutes were approved by unanimous vote.

Chairman's Report

Chairman Johnston welcomed new Trustee, Dr. Suzanne Sherman, Associate Professor of Chemistry and new Chair of the Faculty, to the Board. He noted she had completed her undergraduate work at the State University of New York at Albany and received her doctorate from MIT. She has been at New College since 1989. Trustee Sherman attended the BOT Finance and Administration Committee meeting earlier in the morning, and has been appointed to the BOT Academic Affairs Committee. He also welcomed the College's new General Counsel, Mark St. Louis, who has spent seven years in the National Guard, earned his MBA while in the service, and his law degree at Stetson. As far as Committees are concerned, Chairman Johnston appointed Trustee Monda to Chair the BOT Finance and Administration Committee. He appointed Trustee Baker to replace Trustee Monda as Chair of the BOT External Affairs Committee, and asked anyone else who wanted a change of committee assignment to contact him.

President's Report

President O'Shea noted that his State of the College Report had been circulated to the Board in advance, so they knew that the last year had been good, but challenging. In fact, the liberal arts climate was more challenging than in many years. His four-year strategic planning exercise is under way, and has generated lots of comments from students, faculty, staff and Trustees. At least one more iteration of the plan will be released, with a four-year projection that is plausible. The assumptions have thin margins. The animating concept of the plan is that that enrollment will grow by 20 per cent over the next four years. We will increase in the retention rate, which aligns well with the SUS institutions but not with other excellent liberal arts colleges. We will have better retention of our out-of-state students. We will assume for every 10 students added, we will add a new faculty member within two years. Whether they are on tenure track lines or not will have to be decided. We will invest more in our students, and be more intentional about creating and maintaining links between academics and the world of work. Developing more internship opportunities will be our investment in community relations and the cultural life of Sarasota and Manatee counties. We will do a better job of building projects within the strategic plan framework and consider athletics along with other areas for development. He alluded to the first ever faculty retreat run by Trustee Sherman, new Chair of the Faculty. He mentioned that next week the Board of Governors will be on campus for their September meeting, on Thursday, September 12th. Back in June, when President O'Shea presented the NCF WorkPlan to the BOG just after the June 15 BOT meeting, New College got a good nod and many accolades for increasing its retention rate and number of STEM-concentrating students. Some other institutions were not treated as well. He encouraged the

Trustees to attend the NCF-BOG Farewell Reception for Chancellor Brogan on September 11 and chat up the Governors and their staff members to educate them about our needs. We need to invest more resources in Admissions. This past year we set a target for more out-of-state students and tried three new strategies: Admissions, Alumni Association reps and I traveled to three targeted cities, we met with prospective students and families, introduced them to local recent alums, and increased financial aid. The strategies worked. Tracy Murry has been appointed Dean of Students. His unit is very thinly staffed, so we are trying to help him realign positions for maximum efficiency and impact.

Consideration of President’s Institutional Priorities for 2013-14

Trustee Saputo moved to approve the President’s Institutional Priorities for the coming year, seconded by Trustee Skestos. Trustee Ducassi suggested that “Improving access” be added as a priority since many students are concerned about that. President O’Shea stated that he couldn’t agree more, although he could not see where the funds to realize this goal would be found in the next year. Dr. O’Shea said he thought “increasing access” was understood under the Multiyear Goal of “Diversify campus.” but agreed to add “and improve access” to that goal.

The 2013-14 Institutional Priorities, as so amended, read as follows:

- *Finalize, and begin implementation, of the College’s four year strategic plan*
- *Re-invigorate the New College Promise Campaign with a view to reaching the \$60M goal, and clarify the case statement to alert donors to areas with maximal impact on the College*
- *Strengthen and formalize inter-institutional collaboration among area institutions to enhance opportunities for students and faculty and create operational efficiencies*
- *Focus on targeted cities, guidance counselor visits, and the Educate for Change program to increase out-of-state and international admissions*

Multi-Year Priorities

- ❖ Increase retention
- ❖ Enhance campus life
- ❖ Beautify campus
- ❖ Diversify campus and improve access
- ❖ Enhance academic reputation locally, statewide, nationally, and internationally
- ❖ Increase state and non-state revenue
- ❖ Further position New College as state’s education hedge investment

The vote was unanimous in favor of the amended Institutional Priorities for 2013-14.

Foundation Report

VP Duvall reported that in FY13 the Foundation raised \$6.4 M total, including \$2.658 million in cash endowment, \$1.766 million cash expendable, a little over \$33,000 pledges for endowment, just over \$48,000 in expendable pledges, approximately \$70,000 in gifts-in-kind, and \$1.9 million in documented bequests. Gifts came from 2,548 donors. The draft audit for the Foundation was just received and will be reviewed by the Foundation Audit Committee at its next meeting. The draft report suggests no deficiencies or material weaknesses. We are moving forward with hiring two major gift officers and a stewardship coordinator thanks to the budget approval by the Foundation Board. All Foundation staff evaluations are completed, including her 90-day review conducted by Foundation Chair Schulaner and President O’Shea. Expectations have been set for staff who are under performing. As for the capital

campaign, VP Duvall is waiting to revise the case statement until the new Director of Communications & Marketing is hired. Internal discussions confirming campaign priorities have taken place. Finally, a reminder that Clambake is Thursday, November 7th. We've taken a different approach this year. In addition to having patrons who provide unrestricted dollars, we added a student benefactor option with those gifts designated for student research and travel grants, which has raised \$9,500 thus far. So far we've raised \$30,050, have 144 attendees signed up. Trustee Ducassi asked VP Duvall about Foundation investments in fossil fuels. Ms. Duvall responded that she had researched that question, and she read a statement on the subject from the Foundation's investment firm:

"It is important to note that indeed we invest in various types of fossil fuel related companies. These companies comprise an appreciable portion of the investable universe. They are evident in a number of asset classes including large cap equities, small cap equities, international equities, emerging market equities, core fixed income, high yield bonds and a number of discrete hedge fund strategies. These companies include exploration and production, refining, oilfield equipment, drilling rig and various ancillary businesses. The S&P 500 Index has approximately 10.5% invested in the Energy sector, which is almost entirely gas and oil related. The Index also includes securities, such as First Solar, Inc., that is not classified under Energy, so the portfolio will have exposure to renewable energy types of securities. If an investor were to seek to avoid exposure to the Energy sector, a significant portion of the economy, screened separate account portfolios could be created. By screened we're referring to eliminating fossil fuel type securities from the portfolio. However, portfolio risk would increase for two reasons. First, portfolios would be less diversified by industry and hence absolute and relative risk would increase. Secondly, such screening would have to be implemented through separate accounts. Given its size, the New College portfolio would have significantly less manager diversification than can be achieved through continued investment in unscreened commingled funds. It is fair to say that fossil fuel related companies devote resources to create technologies to develop and supply energy in a safe, secure and environmentally responsible manner, which may include a focus towards renewable energy."

VP Duvall concluded her report and agreed to email the statement to Trustee Ducassi, who thinks the Foundation should divest from fossil fuel-related companies.

BOT Audit Committee Report

Trustee Ruiz reported that the Audit Committee met earlier that morning. Although they have no items to bring before the BOT for action today, at the Committee Meeting they approved the April 2013 Internal Audit Finding and Management Response, which pertained to the Business Office. During the review of the College's auxiliary operations cash receipts function in the Bike Shoppe, one finding was reported. This has been remedied through the purchase and installation of a new cash register, which the Bike Shoppe now uses for every transaction. It properly calculates and records the sale and sales tax, an improvement over the previous manual calculation and reporting. The Committee also approved Maudlin & Jenkins FY2012-13 Engagement Services Letter and Risk Assessment 2013-14 Consulting Engagement Letter as presented. Trustee Ducassi asked about an outstanding IRS audit. VP Martin responded that yes, it finally has been accepted and we are due a small refund from the IRS for the New College Development Corporation.

BOT Finance and Administration Committee Report Performance

Chairman Johnston reported that three action items were recommended by the Committee to the Board and he asked VP Martin to speak to these:

- **Capital Improvement Plan for 2014-15 through 2018-19**

This rolling five-year plan is presented for update every year. The six priorities are individually described and their multi-year funding plans are summarized on the accompanying table. The first year of funding is the most important. Our top priorities this year are:

(1) Infrastructure/Utilities/Roofs Renewal will allow the continuation of critical campus infrastructure improvements (\$4,000,000 requested);

(2) Planning funds for Heiser Natural Science Addition to provide additional teaching labs, research labs and faculty offices and aid in increasing support infrastructure needed for production of certain STEM degrees such as chemistry, physics, math and biology; \$655,000 requested for 2014-15 and additional funds over the subsequent two years for construction and furnishing for a total project cost of \$7,248,788;

(3) Hamilton Student Support & Plaza Renovation will encompass a series of renovation and remodeling priorities in the 1960s era building, including installation of restrooms and additional space for Student Affairs, Career Services and the internship initiative, plus replacement of the deteriorated 50 year old Mexican tile pavers in the plaza (\$1,600,000 requested);

(4) Pritzker Marine Biology Service Core & College Hall Mechanical Renovation will add a new exterior elevator core to Pritzker Lab to enhance ADA accessibility to this high demand lab and facilitate delivery of heavy items. A new boiler will be housed in this core, which will permit installation of new hot and cold water lines from Pritzker to College Hall (built in 1925), allowing replacement of College Hall's aging HVAC system with a more efficient central chilled water cooling system (\$1,290,000 requested);

(5) Old Caples House and Carriage House Mechanical Renovation/Remodeling will focus on two buildings constructed in 1930 to bring them in line with Florida Building Code and life safety code protections, ADA accessibility enhancements and replacing the HVAC systems, upgrading electrical systems, room lighting, and ceilings to improve energy efficiency and meet current codes. The 8- year old windows and doors will be replaced, interior plaster repaired, plus repairs to the roof and exterior stucco to align them with current regulations as well as to preserve them for history (\$3,700,000 requested);

(6) NCF/FSU Ringling Chiller Plant Geothermal Heat Rejection Installation would replace 2/3 of the plant's condenser with a Geothermal Heat Rejection system. The ROI for this replacement is estimated at 3.8 years when combined with the projected operating savings from the Combined Joint Use Chiller Plant facility completed in 2013 (\$1,132,000 requested).

(7) Land Purchase (58th Street Properties) to acquire the remaining property parcels on 58th street (\$1,800,000 requested).

(8) College Hall Service Core Addition, Renovation and Remodeling will add a service core consisting of ADA restrooms, stairs and mechanical/electrical areas and elevator. There will also be interior finish upgrades and building code/life safety code upgrades (\$10,530,000 requested).

This plan also includes an estimate of **Capital Improvement Trust Funds** likely to be received in FY 2014-15 totaling \$110,000 if it is a cash distribution or \$500,000 if the funds are bonded. If received, the funds will be used to address certain capital renewal and deferred maintenance needs in consultation with Student Government regarding student managed facilities.

The Committee recommends that the Board approve the plan as presented and authorize the President to make adjustments to the plan, if determined necessary, and to report to the Board at its next regularly scheduled meeting following any such adjustments. The motion to adopt the Capital Improvement Plan for 2014-15 through 2018-19 was made by Trustee Ruiz, seconded by Trustee Coleman. Trustee Johnson advocated that the opportunity to do something with the Car Museum property, for a naming opportunity, and/or for a signature building for the campus and for Sarasota, not be put aside. He suggested that the Strategic Planning Exercise and the Master Plan Update group take a look at the potential of the Car Museum, so that it does not drag on. It would be a miracle if we got state funding for rebuilding a

structure on the property, but the BOT needs a plan, and needs to talk about maximizing use. The vote was unanimous in favor of adoption of the CIP as presented.

Evaluation and Appraisal Report for the Next Five-Year Update of the Campus Master Plan

VP Martin explained that the report was prepared in accordance with BOG regulations to guide the next update of the Campus Master Plan. The items listed in the report are not intended to be all inclusive. As the Master Plan update progresses, to include ample opportunities for campus input, it is likely that more ideas or actions will surface for consideration. VP Martin noted that he hoped the Master Plan Update could be completed during FY 2013-14, but it may take until the end of 2014 to finish the work. Trustee Monda moved to adopt the Evaluation and Appraisal Report as presented, seconded by Trustee Ruiz, and it carried by unanimous vote.

Employee Performance Bonus Plan for 2013-14

VP Martin explained that the Legislature appropriated state funds for employee salaries, in the form of a lump sum bonus of \$600 to 35% of employees as well as across the board base salary increases. The state outlined the elements that must be considered in awarding the bonuses, but each institution must adopt a plan for doing so. The Committee recommends that the Board approve the plan as presented and authorize President O'Shea or his designee(s) to determine final eligibility and distribution based on the approved criteria and any applicable collective bargaining agreement. The money is to be paid in June 2014. Trustee Monda moved to approve the plan as presented, seconded by Trustee Sherman. Trustee Ducassi suggested getting more bang for the buck by, for example, making it available only to those employees at the lower end of the pay scale to improve morale. There was general support for this suggestion. VP Martin noted that there would have to be discussions with the various bargaining units in establishing the specific distribution for each bargaining unit, but certainly a \$600 one-time bonus would mean more to those at the lower end of the pay scale. He noted that the Legislature is also funding base salary increases for employees which are more heavily weighted in favor of lower paid staff - \$1,400 for those earning less than \$40K and \$1,000 for those earning more than \$40K. These base increases will take effect on October 1. The Employee Bonus Plan, as presented was adopted by the BOT by unanimous vote.

VP Martin concluded the Committee's report by noting that the BOT packets contained a Budget Cut Exercise, 4th Quarter Reports for both the College and the Foundation that were reviewed by the Committee. The College ended the year with a deficit in the operating account of about \$80K rather than \$150K that was projected in the third quarter. We also used fewer cash reserves (\$1.75 million) than anticipated (\$2 million) to cover recurring and non-recurring operating expenses. In looking ahead to the current year budget, we had \$1,500,000 restored to our base budget and received an additional \$500,000 in recurring funding. Depending on whether actual tuition revenue collected this year equals or exceeds our projection, this will be the first year in the last several that we should not have to use cash reserves to fund recurring operating costs. Should that be the case, it's very good news indeed.

BOT Resolution Commending the Faculty

Trustee Ruiz noted that this year the College filled 6 tenure-track positions. She requested that the BOT acknowledge the extra work of the regular faculty during the past several years that these positions were filled by visiting faculty and adjuncts. The fact that the administration kept the faculty positions open was hard on the faculty, since those who filled them temporarily could not do the full job. The permanent faculty pulled up the slack and graduated the largest class in the history of the College last year. Trustee Ruiz moved that the Board issue a Resolution commending the New College Faculty for stellar performance during the last five years of budget cuts, seconded by Chairman Johnston, and the motion carried by unanimous vote.

BOT Presidential Evaluation Report

Vice Chair Monda, who served as Chair of the BOT Presidential Evaluation Committee, which included Trustees Coleman and Ruiz, with Chairman Johnston as an ex officio member, presented the report, noting that all Trustees participated in the evaluation process. The overall evaluation of President O'Shea's first year in office was "Excellent." Committee Chair Monda moved for approval of the report as submitted, seconded by Trustee Coleman. Trustee Johnson noted that he chaired the Presidential Search Committee and his mission was to get a new leader for the College. He is extremely proud that Dr. O'Shea is our president. Dr. O'Shea commented that he thought the evaluation report contained a lot of good advice for the future and he will try to do some things better. He offered his thanks to the Board, to the staff, and to the community, saying that he had felt very much supported during his first year. The vote was unanimous in favor of approval.

Discussion of Sports Programs at New College

Trustee Saputo announced that he had asked to have this item placed on the agenda, although no material was distributed in advance. He felt it was time to put this sports issue on the table and find out if New College students are interested a more organized sports program. He referred to a White Paper prepared by Colin Jordan, which includes the estimated costs to fund various sports at higher levels. Trustee Saputo hoped that a survey to find out what sports appeal to our students could be conducted. Everyone knows there is no funding to support a sports program; it has to be completely self-sustaining. He thinks people in the community are eager to see New College get into sports and he believes they would support the effort with sponsorships, if New College were to join the local associations, SIAA or NIAA. It would be relatively inexpensive to travel to nearby institutions for games, matches, and competitions. He would like to appoint himself to direct this effort and get at least one sport going on an intercollegiate basis within six months to a year. Trustee Monda was adamant that any such motion should be amended to add "as long as it is self-sufficient." Trustee Saputo was most agreeable to that, and noted he had done this at an institution while he was residing in North Carolina, plus he was on the BOT Audit Committee and knows that funds are not available. Trustee Ruiz asked where a sports initiative would fall operationally within the administration. President O'Shea said it would likely be linked with academics or the President. He would not want it competing with academics but supplementing it. The person most likely to be linked to it is Colin Jordan, Director of Fitness, who is here today and whose position is located in Student Affairs, but others would have to be involved. Chairman Johnston moved to charge Trustee Saputo with looking into one sport for New College, in collaboration with Dean of Students Tracy Murry, Director of Fitness Colin Jordan, Provost Miles or his appointee and some student representatives, and if signs are favorable, to to build on that, as long as it is self-sufficient. Trustee Coleman seconded the motion. Trustee Ducassi stated that he was not sure that sports would mesh with the culture at New College, although he understands the desire to have more organized sports and he enjoys watching sports. He would prefer to focus on intramural athletics. Trustee Saputo said he would like to test the water to see if there is interest, and how much at what level. Trustee Johnson commented that his grandson came to New College because sailing was offered. Trustee Sherman expressed concern with the motion; she senses that it is premature. Both Student Affairs and Academic Affairs have a lot on their plates right now. There is also a lot of enthusiasm for the sailing program and it's moving along nicely. The Board should have some conversations with students, faculty and the BOT representative on the Sports Committee. It would be prudent to proceed very slowly because there are many other priorities under consideration now, such as the Daughters for Life. A sports initiative will require lots of effort from many constituencies on campus. At this point, Trustee Saputo amended his motion as follows: "To move that

we study one sports program and make sure that we have full faculty and student support for it, and that it will be self-sustaining.” It was approved by unanimous vote.

Reminder of BOG Reception and Meeting on Campus, Sept. 11-12., 2013

Chairman Johnston reminded the BOT that the BOG would be on campus Wednesday night for a farewell reception for Chancellor Brogan at 5:00pm in College Hall. There are a number of new Governors on the BOG who have never visited New College. If you know anyone, please step up and show them around. He asked Ms. Janney to email the schedule of the BOG reception on Sept. 11 and the meeting on Sept. 12, plus the profiles of the BOG members to the Board.

Introduction of Student Researchers and New Faculty

Provost Miles introduced David Bacsik, 4th year student (Biology) from Grand Ledge, Michigan. He talked about his Endocrine Society of America award for funded summer research. Most of the winners of this award are graduate students at Research 1 universities; it’s highly unusual for an undergraduate student from a liberal arts college successfully compete for this award. Next up was Allison Gornick, 4th year student (Psychology) from Mentor, Ohio. She was selected to participate in a National Science Foundation – Research Experience for Undergraduates program at Virginia Tech, on the effect of parenting on children’s socialization of emotion.

Provost Miles then introduced two of the cohort of six new tenure-track professors, who starting reaching this fall: Dr. Xia Shi, Assistant Professor of History/Marian Hoppin Chair of Asian Studies and Dr. David Gillman, Assistant Professor of Computer Science, who both made brief statements about their teaching responsibilities and impressions of New College.

Since there was no further business, the meeting was adjourned at 11:50 am.
Respectfully submitted,

Suzanne L. Janney
Assistant Secretary, Board of Trustees
Special Assistant to the President

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