New College of Florida Board of Trustees Approved Minutes Annual Meeting of September 10, 2011

Members Participating: Dr. Rick Coe; Audrey Coleman; Chairman Robert M. Johnson; William Johnston; Keith Monda; Oliver Peckham; Col. Mickey Presha; Mary Ruiz; John Saputo; Felice Schulaner. Participating via Teleconference: Vice Chair Elaine Keating; J. Robert Peterson. Not Participating: Vicki Raeburn.

Call to Order and Acknowledgement of Notice of Meeting

Chairman Johnson called the meeting to order at 10:06 a.m. and confirmed that the public notice of meeting had been published on September 3, 2011.

Approval of Minutes of June 18, 2011 BOT Meeting

Chairman Johnson acknowledged a change in the draft Minutes on page 2, line 5, the addition of Trustee Felice Schulaner's name to the BOT Presidential Search Committee list of appointees. A motion to approve the Minutes of the Meeting of June 18, 2011 thus amended was made by Trustee Presha and seconded by Trustee Johnston; the motion carried by unanimous vote.

Chairman's Report

Chairman Johnson reported first that the New College Foundation's important summer work on the capital campaign that Trustee Schulaner has agreed to chair would be covered later in the meeting. Second, he announced that the Presidential Search Committee he had appointed in June had met on July 21, 2011 to agree on a Request for Proposals for executive search firms to apply and assist with the search for President Michalson's successor; on August 24, 2011, they selected two of the four firms that responded to the RFP for campus interviews. On Tuesday, September 13, at 10:00 am in Room 228 of Cook Library, Dr. Roger Bowen and Nancy Martin of the Nantucket firm, Archer—Martin Associates, will make a presentation to the Search Committee. On Wednesday, September 14, at 2:00 pm, Charles Bunting of the Washington firm, Storbeck/Pimentel, will make a presentation to the Search Committee. Both meetings have been publically noticed and are open to the public. The Search Committee will interview the presenters and decide which firm to use. The meetings are open to anyone. The cost of the presidential search is estimated to be between \$100,000 and \$130,000. Nominations should be submitted to Ms. Janney, who will then pass them on to the search firm. Chairman Johnson reminded the BOT that the search is being conducted under the Sunshine Laws and all emails and written or recorded communications concerning anything related to college business are subject to public records requests.

President's Report

President Michalson commented on the good turnout of Trustees at the faculty dinner last night and noted that the faculty really appreciate the BOT's support. Colonel Presha is one of the two longest continuously-serving members of the BOT – both he and Trustee Raeburn were appointed in 2001 and have served throughout the decade, even though their terms expired in January 2011. The College is working with the Governor's Office to fill their position. President Michalson welcomed Steve Miles to the BOT. Steve was a member of the Board when he served as Chair of the Faculty (2003-04) and now heads Academic Affairs as Provost and Vice President. Down the road, Dr. Michalson reminded the BOT that he thought modest growth from 800 students to 1,000–1,200 was a good idea, although the issue of funding the College at its present size remains front and center during the current budget crisis. His concern centers on the preservation of academics and student life. Turning to the new academic center or "ACE" as it is being called, he urged everyone to take a tour. It's been a boon to faculty to come together in the new facility, since they have occupied offices all over campus. They want some additional furniture so they can sit down in the new building and talk. Some glitches along the way involving faculty office doors that locked automatically, which will be fixed by the installation addition of

toggle switches. However, ACE is creating more opportunities for promoting valuable faculty-student and faculty-faculty relationships, by bringing everyone closer together. Although Dr. Michalson did not mention integrated marketing in his State of the College Report, which was distributed in advance of the meeting, he noted that the College has needs to make better connections between who we think we are and how our important external constituencies actually perceive us: prospective students and their families; the surrounding local community; and private fundraising prospects. The connections must be made in a way that is true to the New College mission and uses the same themes or words in different ways for prospective students, general marketing, and private fundraising. Right now, we have a disconnect in these areas. We need to understand our audience of prospective students better and do justice to our mission in all three areas. We need to know and change what the outside world thinks of us. We cannot take for granted any longer the wisdom of our rhetoric. The outside world is rapidly becoming more challenging. As an institution, we must understand this recalibration as just one more step toward overcoming the College's tendency insularity and provincialism. Dr. Michalson thanked the Board for its support and stressed he would help with the Presidential Search as appropriate. He has not been shy about encouraging colleagues around the country to show an interest. He thanked Chairman Johnson for his continuing support and added that Bob's second grandchild to enter New College has finished his third week, and is still enrolled.

New College Foundation Report

Dennis Stover, Vice President for Philanthropy, reported during the past fiscal year the Foundation raised \$3.9 million in outright gifts and \$7.3 million in planned gifts, for a total of \$11.2 million in gifts, planned gifts and pledges. This was the "quiet" phase of the seven-year \$60 million capital campaign launched during the 50th Anniversary year, which brought great visibility to the College. The Foundation increased our out-the-door fundraising staff, hiring Daryl Thomas as Director of Campaign Operations; Mr. Stover introduced Daryl brings extensive background in capital campaigns garnered through work for a consulting firm that conducted campaigns across the county. Trustee Schulaner, an alumna and member of the Foundation's Board, will chair The New College Promise Campaign. So far, 2,657 donors have given \$4.8 million in outright gifts. Nearly a million dollars has been added since July 1, 2011. Another 22 planned gifts have been secured, valued at over \$8.3 million, putting the Campaign total at just over \$13 million. As Chairman Johnson said, a lot of time has been spent working on the 28-page case statement for the Campaign. Later this month the Executive Committee of the Campaign will meet to review the pyramid of prospective donors. Leadership briefings have begun and mini-campaigns are starting. For example, the some \$392,000 for campaign operations has been raised during the past four months from "Campaign Champions" who are College and Foundation board members and a few additional community members and alums. Volunteers have stepped up to lead and serve on these committees: Executive Committee, 10 members; Planned Giving Committee, 4 members; International Studies Building/Peggy Bates Chair, four members, more to be added; Marketing Committee, seven members; Religious Studies Chair and Program Committee, three members so far; Library Committee, four members so far, capitalizing on the past momentum of the Library Association. The "101 Club" will be for the first 101 alums to make a planned gift; there are 32 so far. Mr. Stover thanked faculty and staff for their help with the Foundation's work and welcomed their future input as the Campaign moves forward. For the Alumnae/i Association, he mentioned that Sarah Thompson, a 2011 graduate, was hired as incoming Alumnae/i Coordinator. Ten Chapter events are being be held from August 6 to Oct. 29, two in Manhattan (one at Foundation Trustee Pat Hennigan's home, to connect alums active in the financial sector and interest them in helping with internships and career advice), and one each in Philadelphia, Houston, and Washington, DC. Alum giving is up from 19 percent in 2009 to 26 percent in 2010; 80 percent of the planned gifts this year came from alums. Total outright giving is just under \$1 million of the \$3.9 million raised in FY 2010. Foundation events, as always, provide ways for the community, students, and alums to interact: New Topics series of seven lectures begins on Oct. 20; the Clambake will be held on Nov. 9; a Holocaust exhibit, "Fight the Fires of Hate - America Nazi Book Burning" will be at Cook Library from Feb. 8 through March 30, 2012; the 2012 Gala will be on Feb. 11 at FETE catering in

Lakewood Ranch. Chairman Johnson noted that he had asked for a more detailed report from the Foundation at this meeting because he wants to have the BOT more involved in Foundation issues. The Foundation is a direct support organization, a DSO, the fundraising arm of the College, but the BOT is responsible for it; it is only a support structure. A joint workshop is being planned for November with the College and Foundation boards. Everyone has to be involved if we are going to reach the \$60 million goal of *The New College Promise Campaign*, and he said that the campaign consultants have concluded that there is a high probability for achieving that goal due to the affluence of the Sarasota community.

Audit Committee Report

Trustee Ruiz, Chair of the Audit Committee, reported on an early 8:00 am meeting which included Trustees Saputo and Monda. They reviewed a FY2010-11Audit by the firm of Malden & Jenkins, a firm which absorbed our previous auditors, CPA Associates, in a merger. We continue to work with the same auditors in a new firm. The Audit under discussion had only one finding regarding signing cash receipts from the Four Winds Café, and the remediation proposed by management (providing staff training and better documentation) was accepted. Ms. Ruiz congratulated the finance team on this accomplishment. The Committee also reviewed engagement letters from Malden & Jenkins for the FY2011-2012 Risk Assessment and Audit, and authorized Vice President Martin to sign the letters. They asked for one change in the audit procedure, as a result of a ruling from the BOG which has raised the value of items that must be accounted for from \$1,000 to \$5,000. The Committee was concerned about accounting for "attractive items" of less than \$5,000, such as cameras, computers and AV equipment, that might walk off campus if the College did not have a protocol for accounting for them. The Business Office will develop a tracking protocol for these items for review at the next Committee meeting. To allow time for implementation of the new protocol, the Committee revised the audit schedule for Capital Equipment from January to June, 2012. The Audit Committee reviewed three Regulations coming before the BOT today (3-1001, Write-Off of Unaccountable Property, 3-1010, Purchasing and 3-1014 Identity Theft) and recommended adoption as presented at this time to the Finance and Administration Committee and BOT.

External Affairs Committee Report

Linda Joffe, Associate Director of Public Affairs, reported on the 9:00 am meeting of the External Affairs for the new Committee Chair, Trustee Monda. The meeting focused on discussion with Provost Steve Miles and Dennis Stover, the Foundation's VP for Philanthropy, who together put the New College integrated marketing plan in perspective for the Committee. STAMATS consultants, retained earlier by NCF at the recommendation of the BOT for a price elasticity study, found in addition to the fact that New College cannot lower its price enough to make a difference, and that New College needs to improve its main it that it was not the price of New College that makes a difference in whether students choose it, but instead it is what they think about the college that matters most. Bob Sevier, the STAMATS president who conducted the study, visited campus in July to introduce the concept of integrated marketing to a group led by Provost Miles that was drawn from various campus constituencies (e.g., Admissions/Financial Aid, Public Affairs, Student Affairs, Institutional Research, the Foundation and NCAA, the Division Chairs, the Library, President's Office, Provosts Office, etc.). Sevier prodded the group to come up with a short list of attributes that reflected New College's core values (intellectually rigorous, collaboration, chart your own course with the expert guidance of dedicated faculty, and innovative, etc.) and explained how these core words could be used effectively with prospective students, prospective faculty, and even donors to signify different things in different contexts. In the end, everyone has to be on the same page with the core values and contextual planning; they are "keystones" to sell and sail from. As Sevier stressed, the College has to engage the external community and make itself more accessible, but first we have to be sure we know who we are. Two key findings of the STAMATS study were that (1) academic disciplines at NCF are perceived by prospective students as lacking depth and breadth and (2) outcomes by discipline need to be documented more extensively. These findings gave the faculty a new sense of awareness and urgency to relate more effectively to the outside world. With help from Public Affairs, the outcomes for each discipline will be enhanced with data from Institutional

Research and NCAA. Ms. Joffe added that the Committee was updated on the transition to the new and comprehensive web portal system, which will feature separate portals for internal and external communication, allowing us to target our public audiences more directly. She also reported that the Sarasota Herald-Tribune has donated \$26,000 in free advertising this year, and summarized the list of upcoming events sponsored by the College and Foundation, New Music New College, New Topics, etc. Chairman Monda commended her on the excellent summary and noted that one tangible result of the collaborative efforts undertaken during the 50th Anniversary year was the recognition of career opportunities and how student outcomes can be amplified in a powerfully positive way. There is an overwhelming need to document student outcomes and tell the world what New College students are doing with their liberal arts degrees. Only 7% of the institutions of higher education today are small liberal arts colleges and we have to make the general public aware of their enormous longterm benefits.

Finance and Administration Committee Report

VP Martin announced that the Committee did not have a quorum present at its meeting earlier, so the following items, which were discussed at the meeting for recommendation, are now presented to the full BOT for action.

• Collective Bargaining Agreement Between New College of Florida and the Florida Police Benevolent Association for the Period 2010-2013

VP Martin explained that every three years a renegotiation of the entire Agreement takes place and that happened in 2010-11. Tentative agreement was reached on wages for 2010-11, with a \$1500 bonus being paid on Dec. 17, 2010. This is the same bonus that all other College employees received on that date. The agreement was ratified by the PBA bargaining unit on Aug.22, 2011 and is now presented to the BOT for consideration. Trustee Presha moved to ratify the Agreement between the College and the Florida PBA for the Period 2010-2013, seconded by Trustee Ruiz, and the motion was adopted unanimously. President Michalson underscored how well served New College is by the Campus Police, they are sensitive, professional, and make us feel safe in this North Trail neighborhood. VP Martin recognized Officer Peter Spees for his open minded, fair and reasonable approach to the negotiating process.

• Revisions to Regulation 3-1001, Write Off of Unaccounted Property and Regulation 3-1010, Purchasing

VP Martin stated that these regulations were being revised to reflect that property to be capitalized now has a value of \$5,000 or more, as opposed to \$1,000. These proposed changes will ensure that Regulation 3-1001 and Regulation 3-1010 are aligned with current business practices and a ruling of the BOG. The Audit Committee was concerned that "attractive items" of less than \$5,000 still need a policy to ensure that they are tracked, and a separate category will be established for tracking such items and put in place in the future. Trustee Monda moved to accept the proposed revisions to Regulation 3-1001, Write Off of Unaccounted Property, seconded by Trustee Presha, and adopted by unanimous vote. Trustee Schulaner moved to accept the proposed revisions to Regulation 3-1010, Purchasing, seconded by Trustee Coleman, and the motion was adopted by unanimous vote.

• Revisions to Regulation 3-6006, Bicycles on Campus

VP Martin explained that the Campus Police and Parking Services requested that Regulation 3.6006, be revised by adding the phrase "Leaving bicycles on campus over the summer break" under section (6)(b) which lists the offenses that may result in a fine. The bicycle fine (\$15) was approved by the BOT at the June 18, 2011 meeting under Regulation 3-1002, Tuition and Fees AY2011-12. The addition language of this revision is meant to clarify current language which implies that leaving one's bicycle on campus during summer break is a violation of the regulation. The additional language explicitly states the possibility of a fine. In the past there have been so many bikes left on campus in the summer that storing them became a problem and they had to be sold as scrap. No public comments have been received

pertaining to this revision. Trustee Johnston moved to accept the proposed revision of Regulation 3-6006, seconded by Trustee Peckham, and the revision was adopted by unanimous vote.

• Proposed Regulation 3-1014, Identity Theft

VP Martin explained that this regulation was created in accordance with federal law to define and implement reasonable procedures to identify the "red flags" of identity theft which one may see in day-to-day operation of business proceedings. Additionally, it regulates appropriate action to take once a red flag has been detected and addresses how the College will evaluate and redesign the program periodically to reflect new risks. The "red flag" regulation is different from current data security programs in place. VP Martin noted that the Auditor General's Office will be issuing a finding on this issue in a soon to be released Program Audit as the regulation should have been in place by January 1, 2011. A committee comprised of members from high risk areas (IT, Registrar, Business Office, and Human Resources) will be created to develop training for the College community aimed at identifying and preventing identity theft. Trustee Monda noted that having such a Regulation will reassure employees, students, vendors, and send a message to potential thieves. Trustee Schulaner moved to adopt proposed Regulation 3-1014, Identity Theft, as presented, seconded by Trustee Ruiz, and the Regulation was adopted by unanimous vote.

New College of Florida Institutional Priorities 2011-12

President Michalson presented his four institutional priorities for the 2011-12 academic year:

Building on the momentum created by New College's 50th anniversary celebration to generate support for the New College Promise," the capital campaign initiated by the New College Foundation. Cultivate the major gift that will lead to the naming of the new academic center.

Continue to support campus efforts to work collectively and communicate broadly about budgeting issues at a time of severe budgetary constraint.

Provide support, as needed and appropriate, for the College Board's search for the next President of the College.

Seek fresh ways to enhance the diversity of the campus population and the internationalization of the curriculum, including the funding of the planned International Studies Center. Create a President's Advisory Committee on Diversity to highlight and coordinate these efforts.

Trustee Ruiz moved to adopt these institutional priorities for 2011-12, seconded by Trustee Saputo, and the priorities were adopted by unanimous vote.

• Presidential Evaluation Report 2011

Prior to the introducing the presidential evaluation, the four members of the Ad Hoc Presidential Evaluation Committee 2011 (Chairman Keating, Trustees Johnston, Schulaner, and Johnson) took a minutes to approve the Minutes of the Committee's Teleconference Meeting of August 26, 2011. Chairman Keating, connected to the BOT meeting by phone from California, then asked Board Chair Johnson to make the presentation. Chairman Johnson reported that the majority ratings of President Michalson from the Board of Trustees across seven categories (Leadership; Internal Affairs; External Affairs; Advocacy; Management; Institutional Priorities; and Personal Qualities) were all excellent, and all eleven responding Trustees rated him excellent overall. Chairman Johnson said he has been an exceptional and outstanding president for New College from its infancy to its present accepted autonomy.

We can never rate him high enough to reward him for what he has done for New College of Florida. Applause followed. <u>Trustee Schulaner moved to adopt the Presidential Evaluation Report 2011, seconded by Trustee Johnston, and it carried by unanimous vote</u>. President Michalson was asked to leave the room.

• Revisions to Regulation 1-1014, Naming of Buildings on Campus

Chairman Johnson stated that the issue of naming campus buildings was put on the table two meetings ago. Trustee Ruiz and others have expressed a number of concerns with the proposed revisions to Regulation 1-1014. He does not want the BOT involved in naming anything except major buildings and plazas. It is up to the Foundation to calibrate the naming of scholarships, classrooms, offices, etc. with donors and substantial gifts. He hopes that the regulation can be rewritten to eliminate everything but buildings and plazas, such as Koski Plaza and Mason Plaza for the Car Museum area, and reserve these for BOT naming. General Counsel Smolker said that the genesis of this discussion was that a building be named after President Michalson. State universities are freer to name buildings and facilities than other state agencies, so we need to change only our own regulation, which is more restrictive than the state statute. Alternatively, we could create an administrative structure to vet names. He suggested that it might be better if the topic was deferred to a later date, so as to crystalize the intent of the BOT. Trustee Monda advised that they take Dr. Michalson out of the focus discussion and look toward the next fifty years of opportunities for naming. Mr. Smolker agreed and suggested that in the interim, he and VP Martin can redraft and vet the regulation before it comes before the BOT again. Trustee Ruiz pleaded for patience, stating that she was not sure what the intent of the BOT was, but she hoped they could have more time to think about this issue. Chairman Johnson agreed to defer, and recommended that the administration and the Foundation confer and develop a protocol to reserve decision-making on naming major buildings and plaza spaces for the New College Board of Trustees.

Other Business

Provost Miles brought this August's exceptionally good orientation program for new students to the BOT's attention. In August, there were 280 new students gathered in Sudakoff learning about New College. The very fine program developed for these incoming students was a great credit to Dean of Students Bashant and her staff. He also reiterated the New College integrated marketing mantra: innovative, chart you own course, intellectually rigorous, and collaborative.

Since there was no further business, the meeting was adjourned at 11:58 a.m.

Respectfully submitted,

Luzuare Janey
Suzanne Janney
Assistant Secretary

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