

1 **FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES**
2 **CONFERENCE CALL MEETING**

3
4 **Friday, December 7, 2018**

5
6 **EDWARDS HALL, ROOM #309**
7 **Florida Gulf Coast University**
8

9
10

Meeting Minutes

11
12
13 **Members:**

14 *Present:* Trustee Robbie Roepstorff (in person) – Vice Chair; Trustee Ashley Coone (by
15 phone); Trustee Richard Eide, Jr. (by phone); Trustee Joseph Fogg III (by phone);
16 Trustee Mike McDonald (in person); Trustee Leo Montgomery (by phone); Trustee
17 Kevin Price (by phone); Trustee Kenneth Smith (by phone); Trustee Stephen Smith (by
18 phone); and Trustee Christian Spilker (by phone).

19
20 *Not Present:* Trustee Blake Gable – Chair (Excused Absence); Trustee Darlene Cors
21 (Excused Absence); and Trustee Jalisa White (Excused Absence).
22

23 **Others:**

24 *Staff:* President Mike Martin; Provost and Vice President for Academic Affairs James
25 Llorens; Vice President for Administrative Services and Finance, and Executive Director
26 of FGCU Financing Corporation Steve Magiera; Vice President for University
27 Advancement, and Executive Director of FGCU Foundation Chris Simoneau; Vice
28 President and General Counsel Vee Leonard; Vice President for Student Success &
29 Enrollment Management Mitchell Cordova; Director of Internal Audit Bill Foster; Director
30 of Equity, Ethics and Compliance, and Title IX Coordinator Precious Gunter; Director of
31 Operations Tiffany Reynolds; Assistant Director of Board Operations Tiffany Jackson;
32 Project Manager Melissa Pind; and Executive Assistant to the Vice President and Chief
33 of Staff Bruna Ugolotti.
34
35

36 **Item 1: Call to Order, Roll Call, and Opening Remarks**

37 Vice Chair Robbie Roepstorff called the meeting to order at 9 a.m. and said the meeting
38 had been duly noticed and was originating from Edwards Hall Room 309 on the campus
39 of Florida Gulf Coast University. She requested Vice President and General Counsel
40 Vee Leonard call the roll and state for the record which trustees and staff members
41 were present. Roll call was taken with 10 of 13 members present, thus meeting
42 quorum requirements.
43

44 Vice Chair Roepstorff said that while the standing presentation given at regular FGCU
45 Board of Trustees meetings on the University's Student Success and Enrollment

46 Management Initiative would be made at the January 8, 2019 meeting, the President
47 had a few brief updates to provide. She called on President Mike Martin.
48

49 President Martin stated the Student Engagement Unit was now up and running and an
50 Integrated Care Council had been created to ensure that every student had a full
51 package of health care including mental health. He stated FGCU opened this fall with
52 close to 100 percent occupancy which indicated FGCU continued to attract students to
53 the residence halls which he felt was important. He stated buildings were being added
54 to create a “one-stop-shop” area for non-direct academic support on Campus in the
55 plaza area near Howard Hall, McTarnaghan Hall, and the Wellness Center. He stated
56 he believes a more functional articulation arrangement with Florida SouthWestern State
57 College (FSW) had been reached which would provide students a smoother transition
58 from FSW to FGCU. He stated attention was being focused on a targeted recruitment
59 of those students who choose FGCU as a first choice. He stated a \$1 million
60 investment had been made in additional scholarships.
61

62 President Martin reported FGCU had reorganized advisors into a new classification and
63 as a result almost each of the advisors received significant increases in salary. He
64 explained if the Public Employees Relations Commissions (PERC) decided the advisors
65 needed to reenter the Union, the advisor’s salaries would revert to their June 30 salary,
66 plus 2 percent or \$1500, whichever was greatest. He stated there were three searches
67 underway: the Associate Vice President for Enrollment Management, the Bower School
68 of Music Director, and the Dean of Marieb College of Health and Human Services.
69

70 Vice Chair Roepstorff thanked President Martin for his remarks and called for questions
71 from the Board. There were no questions or comments.
72

73 **Item 2: Approval of Minutes (See Tabs #1-2)**

74 Vice Chair Roepstorff stated there were two action items for the Approval of Minutes.
75

76 **September 10, 2018 Workshop (TAB #1)**

77 Vice Chair Roepstorff called for a motion for the minutes of the September 10, 2018
78 Workshop.
79

80 Trustee Joseph Fogg made a motion to approve the minutes of the September 10, 2018
81 Workshop. Trustee Richard Eide seconded the motion. There was no public comment,
82 or Board discussion. The vote was 10-0 in favor of the motion.
83

84 **September 11, 2018 Meeting (TAB #2)**

85 Vice Chair Roepstorff called for a motion for the minutes of the September 11, 2018
86 Meeting.
87

88 Trustee Leo Montgomery made a motion to approve the minutes of the September 11,
89 2018 Meeting. Trustee Mike McDonald seconded the motion. There was no public
90 comment, or Board discussion. The vote was 10-0 in favor of the motion.
91

92 **Item 3: Finance, Facilities and Administration Committee (See Tabs #3-4)**

93 Vice Chair Roepstorff called on Committee Chair Ken Smith to present this information.

94

95 Trustee K. Smith stated there were two action items on the agenda. He called on Vice
96 President for Administrative Services and Finance, and Executive Director of FGCU
97 Financing Corporation Steve Magiera to present the items.

98

99 **Carryforward Funds from Fiscal Year Ending June 30, 2018 (TAB #3)**

100 Vice President for Administrative Services and Finance, and Executive Director of
101 FGCU Financing Corporation Steve Magiera reported the carryforward discussion
102 stemmed from the inappropriate use of carryforward funds by the University of Central
103 Florida (UCF). He stated the University of South Florida (USF) also indicated a misuse
104 of carryforward funds. He explained as a result of fund misuse, the Board of Governors
105 (BOG) approved a Strategic Deployment Plan of university carryforward funds. Mr.
106 Magiera briefly reviewed the State-wide numbers involved. He reported the BOG
107 requested that all universities present a Carryforward Funds Plan for spending and all
108 carryforward funds were frozen until the approval of plans at the January BOG Meeting.
109 He stated on June 30, 2018 FGCU had just over \$13 million in carryforward funds,
110 which included the Statutory Reserve Requirement amount of just under \$8 million. He
111 reported it also included the \$5 million required in the FGCU Board of Trustees (BOT)
112 Reserve, and \$512,000 in the Talent Gap Program. He stated expenditures on the
113 Talent Gap Program were appropriated by the State. He stated the carryforward
114 balance as of October 31, 2018 was \$13.4 million; the Statutory Reserve Requirement
115 remained the same at just under \$8 million. He reported the FGCU BOT required
116 Reserve Requirement fund had been zeroed out (but not removed) in case it was
117 funded again in the future. He stated the Talent Gap Programs was at \$437,000
118 because some of the money had been spent since July 1. He stated there was about
119 \$5.1 million for Facilities, Infrastructure, and Information Technology which was a
120 reservation of funding for the purchase and installation of a new Enterprise Resource
121 Planning (ERP) system for Financial and Human Resource (HR) management. He
122 explained the reason numbers were higher now than in June was because governments
123 used encumbrance accounting, which was when an item was ordered the money was
124 set aside, or encumbered, and upon receipt the money became accounts payable. He
125 explained on occasion the payment was less than the monies set aside which caused
126 the slight increase in carryforward funds from June 30 to today.

127

128 Mr. Magiera stated the BOG would approve the spending plans of the universities in
129 January and this was the Carryforward Funds Plan that FGCU would put forward if the
130 FGCU BOT approved.

131

132 Trustee Fogg stated he understood the \$5 million FGCU Board of Trustees Reserve
133 Requirement, which the BOG no longer allowed, was to be removed and added to a
134 new reserve for the purpose of purchasing a new computer system. He asked if this
135 was correct. Mr. Magiera responded in the affirmative. Trustee Fogg asked if FGCU
136 was currently waiting for the BOG to agree to this plan. Mr. Magiera responded that
137 Trustee Fogg was correct.

138 Trustee Eide asked if the computer system update would have been done with or
139 without the opportunity to change funds around. Mr. Magiera responded in the
140 affirmative; he briefly explained how it would have been done without this change in
141 funds. Mr. Magiera stated that the computer system upgrade was originally planned for
142 a year or two in the future, and if FGCU was rewarded new monies from the Legislature,
143 he would have asked President Martin to reserve some funding for this project. He said
144 that since they have the money for the upgrade now, they will move the money and
145 hopefully move forward and have the new system under contract by June 30, 2019.
146 Trustee Eide asked if this would have been a budget item otherwise. Mr. Magiera
147 confirmed that the upgrade was coming sooner rather than later, but this was speeding
148 it up about a year sooner than originally planned.

149
150 Trustee Fogg asked if the BOG would ever consider restoring the \$5 million FGCU BOT
151 Trustee Reserve Requirement. Mr. Magiera responded that he did not believe the
152 funds would be restored.

153
154 President Martin stated he and Chair Blake Gable were invited to a workshop prior to
155 the last BOG meeting with the BOG leadership and Chancellor. He reported the
156 general message was to spend down the carryforward monies and not hold a large
157 amount in reserve. He stated the BOG indicated technology was an approved method
158 of spending down the carryforward monies. He explained had the BOG not required the
159 universities to spend the accumulated carryforward monies, FGCU would have sat on
160 the funding it received for five or six months to accumulate the carryforward fund before
161 it was allocated to operations to pay for the computer system; now the operation
162 allocations would be made earlier in the fiscal year and the carryforward monies would
163 still accumulate, but would be committed toward the end of the fiscal year to prevent
164 over accumulation.

165
166 Vice Chair Roepstorff stated at the annual BOG Trustee Summit, all university board
167 chairs and vice chairs were instructed to spend any reserves.

168
169 Trustee S. Smith asked for more information regarding the \$5.132 million estimated
170 funding for the purchase of the ERP and where the number came from. Mr. Magiera
171 responded two different programs, Oracle and Workday, were being considered. He
172 said Workday was popular with other universities. He stated this was a two-part system
173 starting with installation of the financial system and the HR system, followed by the
174 student services system. He stated the estimated cost of phase one was approximately
175 \$4 million, and phase two (student services) would also be approximately \$4 million. He
176 stated FGCU had a contract with Gartner who was assisting with pricing and
177 implementation. Trustee S. Smith asked if the \$4 million included software and
178 pricing/implementation services, but not internal costs, such as time spent by staff. Mr.
179 Magiera responded in the affirmative. He stated the \$4 million was a ballpark figure at
180 this time; more specific figures would be forthcoming. Trustee S. Smith stated he was
181 experienced in this type of venture and offered to assist in any way.

182

183 Trustee K. Smith asked if there was any further discussion. Hearing none, he called for
184 a motion.

185
186 Trustee S. Smith made a motion to approve the Carryforward Funds from Fiscal Year
187 Ending June 30, 2018. Trustee Eide seconded the motion.

188
189 Trustee K. Smith stated the FGCU BOT Trustee Reserve was originally created to cover
190 storm costs and was created during a time when funding was limited and difficult to
191 acquire. He cautioned the FGCU BOT to consider items of recent history. He stated
192 FGCU was a smaller school with a smaller budget, thus the dollars were smaller. He
193 stated if Hurricane Irma had made landfall in Fort Myers the damage could have been
194 exponentially more than it was. He asked Mr. Magiera how many payrolls could be paid
195 with the current reserves. Mr. Magiera responded the FGCU BOT Reserve would have
196 covered one payroll and the statutory reserve would have covered two payrolls.

197 Trustee K. Smith stated if there was a serious event the reserve funds were crucial for
198 FGCU. He stated he understood that the Federal Emergency Management Agency
199 (FEMA) and the State would assist, but he worried about how quickly assistance would
200 arrive. He said FEMA was currently a year behind. He stated he worried about
201 spending these reserve funds as there was a fiduciary responsibility to ensure the
202 University was fiscally secure. He stated he was mentioning this to ensure the Board
203 members had a firm understanding of what they were being asked to do. He wanted
204 the Board to understand the consequences of these actions. He explained as a
205 younger school, FGCU would be more detrimentally affected by the action as opposed
206 to more established schools which might have more options fiscally.

207
208 Trustee Eide stated he understood that FGCU had lost the autonomy to build a reserve
209 fund. He asked Trustee K. Smith to offer some solutions. Trustee K. Smith responded
210 he had none and asked President Martin for any suggestions. President Martin stated
211 he agreed the Board needed to understand its fiduciary responsibility. He stated he
212 agreed the Board needed to understand the consequences of following BOG directives,
213 even though it was mandatory. Vice Chair Roepstorff thanked Trustee K. Smith for his
214 comments and she agreed the reserve funds had been set up responsibly for
215 emergency use.

216
217 President Martin stated, assuming this went forward as directed by the BOG, he and the
218 Cabinet would attempt to delay financial commitments, as much as possible, until the
219 fourth quarter of the fiscal year. He explained this would leave funds in the reserve for
220 emergencies during the first three quarters of the Fiscal year.

221
222 Trustee K. Smith noted he felt the computer software system an appropriate choice for
223 the funds. He stated he understood this was a BOG directive, but he cautioned the
224 Board if there was a problem, it was the Board who would be liable. He stated he felt
225 he had an obligation to explain what the potential problematic issues were.

226
227 Trustee Christian Spilker stated he understood the Board had a fiduciary responsibility,
228 but he also felt the Board had no choice in the matter. He asked if this was something

229 the Board was required to approve. He stated if the BOG was mandating this, then this
230 was a BOG matter and maybe Board approval was not required. Trustee K. Smith
231 responded he was unsure. Mr. Magiera indicated the BOG required a spending plan be
232 sent to the BOG which would then be approved at the January meeting. He reported if
233 a plan was not submitted, or if the BOG did not approve the submitted plan, the money
234 would remain frozen.

235
236 Trustee Fogg explained the Legislature did not approve of the large reserves, and while
237 FGCU did not have the large reserves over which the Legislature was concerned,
238 FGCU was still subject to the new laws.

239
240 Trustee Spilker stated that he intended to vote "no." He asked if there was an option to
241 take the risk of frozen funds for a time, work with the Legislature, get to the delegation,
242 and see if there was a solution during the upcoming session which would permit the
243 retention of the emergency reserve.

244
245 Vice Chair Roepstorff asked if there was a way to move the funds from the reserve into
246 an account which the Board had authority over in the event of an emergency. Mr.
247 Magiera responded if there was a major hurricane or emergency event, funds would be
248 reallocated as needed to cover payroll.

249
250 Trustee S. Smith asked about Directors and Officers (D&O) Insurance. Vice President
251 and General Counsel Vee Leonard responded the University did have D&O Insurance.
252 She stated this insurance did not cover everything, but generally speaking if a trustee or
253 the Board was acting and making decisions in the capacity of a trustee then the
254 insurance would cover it. She stated an additional \$1 million in individual liability had
255 also been acquired for each trustee.

256
257 Trustee Fogg stated he joined the Board a short time ago and had thoroughly reviewed
258 the insurance coverage, had outside counsel review it, made suggestions which were
259 honored, and as a result he was satisfied with the liability coverage.

260
261 Trustee Montgomery asked if there was insurance coverage for hurricane damage, and
262 business interruption insurance. Mr. Magiera responded most universities were self-
263 insured through the Department of Management Services at the State, but carried
264 insurance for catastrophes. Trustee K. Smith indicated the issue was cash flow needs
265 versus reimbursement time.

266
267 Trustee Fogg stated he intended to vote in favor of this item for two reasons. The first,
268 was if the University ran into an emergency situation such as a hurricane, there was
269 flexibility to move monies around to cover obligations and he felt the State would come
270 to the University's aid in case of an emergency. The second reason was that he felt it
271 was unwise to ignore the directive from the BOG.

272
273 Trustee Eide agreed with Trustee Fogg's reasons and would also vote in favor of the
274 motion. He stated the same Legislature which required the reserve fund sweep was the

275 same Legislature FGCU was approaching with a substantial monetary request this year.
276 Trustee Eide stated he would not like to see FGCU singled out as the “red flag”
277 institution in this matter at the same time the University was requesting funds.

278
279 Trustee K. Smith asked if there was any more discussion or public comment. There
280 was none. The vote was 7-3 in favor of the motion, with Trustees K. Smith, S. Smith
281 and Spilker dissenting.

282

283 **Regulation: FGCU-PR7.006 Waivers of Tuition and Fees (TAB #4)**

284 Mr. Magiera stated the Stanley Tate Project STARS Scholarship Program which was
285 started a long time ago and had affiliates such as Take Stock in Children, etc.,
286 purchased prepaid programs for disadvantaged youths. He stated on June 16, 2009
287 the FGCU Board of Trustees put into place a new fee called the Tuition Differential Fee.
288 He explained this fee came into play after the prepaid programs were purchased, and it
289 was agreed all Universities would waive the Tuition Differential Fee for these prepaid
290 plans that were already purchased. He stated the Board of Governors (BOG) asked the
291 boards of trustees at each university to approve an actual waiver to make it official in
292 writing that this fee was not being collected. He stated this also allowed the State
293 University System (SUS) to collect data regarding how much this cost the SUS. He
294 stated Metric 3 was the metric which determined the cost to attend, and this would now
295 be included in that metric as a negative or an adjustment against the cost to attend. He
296 explained this particular regulation had been adjusted to include this waiver specifically.

297
298 Trustee Fogg stated that he would like to learn more information about the waiver. Mr.
299 Magiera stated he would contact Trustee Fogg regarding this matter.

300

301 Trustee McDonald made a motion to approve Regulation: FGCU-PR7.006 Waivers of
302 Tuition and Fees. Trustee Eide seconded the motion. There was no public comment or
303 Board discussion. The vote was 9-0 in favor of the motion.

304

305 **Item 4: Old Business**

306 There was no old business for discussion.

307

308

309 **Item 5: New Business**

310 There was no new business for discussion.

311

312

313 **Item 6: Closing Remarks, and Adjournment**

314 Vice Chair Roepstorff stated the next Board Meeting would be held Tuesday, January 8,
315 2019 at 8:30 a.m. She wished everyone a joyful holiday season.

316

317 Vice Chair Roepstorff adjourned the meeting at 9:56 a.m.

318

319

320

321 Minutes prepared by Transcription Experts, and reviewed by Tiffany Jackson, FGCU
322 Assistant Director of Board Operations.

323

324 Agenda Items:

325 A. See Tabs #1 – 4

326 a. [https://www2.fgcu.edu/Trustees/AgendaFile/2018/12-7-](https://www2.fgcu.edu/Trustees/AgendaFile/2018/12-7-2018/FGCUBOTMTG%20-%20AGENDAPACKET_12-7-2018.pdf)
327 [2018/FGCUBOTMTG%20-%20AGENDAPACKET_12-7-2018.pdf](https://www2.fgcu.edu/Trustees/AgendaFile/2018/12-7-2018/FGCUBOTMTG%20-%20AGENDAPACKET_12-7-2018.pdf)

328

329 Attachment:

330 A. Record of Votes

Record of Votes FGCU Board of Trustees DATE: <u>12/7/18</u>		September 10, 2018 Workshop (TAB #1) 1- Fogg 2- Eide	September 11, 2018 Meeting (Tab #2) 1- Montgomery 2- McDonald	Carryforward Funds from Fiscal Year Ending June 30, 2018 (Tab #3) 1- S. Smith 2- Eide	Regulation: FGCU-PR7.006 Waivers of Tuition and Fees (Tab #4) 1- McDonald 2- Eide
	TRUSTEES	Yes/No	Yes/No	Yes/No	Yes/No
1	Trustee Ashley Coone	Yes	Yes	Yes	Yes
2	Trustee Darleen Cors (excused absence)				
3	Trustee Richard Eide	Yes	Yes	Yes	Yes
4	Trustee Joseph Fogg	Yes	Yes	Yes	Yes
5	Trustee Blake Gable (excused absence)				
6	Trustee Mike McDonald	Yes	Yes	Yes	Yes
7	Trustee Leo Montgomery	Yes	Yes	Yes	Yes
8	Trustee Kevin Price	Yes	Yes	Yes	
9	Trustee Kenneth Smith	Yes	Yes	No	Yes
10	Trustee Stephen Smith	Yes	Yes	No	Yes
11	Trustee Christian Spilker	Yes	Yes	No	Yes
12	Trustee Jalisa White (excused absence)				
13	Trustee Robbie Roepstorff	Yes	Yes	Yes	Yes