

RECORD OF THE PROCEEDINGS OF THE GOVERNING BODY

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April 27, 2015

- Call to Order The regular meeting of the Board of Trustees of Colby Community College, Thomas County, Kansas was held in the Board room in Thomas Hall, on Monday, April 27, 2015, at 4:00 p.m.
- Members Present Arlen Leiker, Dale Herschberger, Kenton Krehbiel, Linda Vaughn, Carolyn Armstrong, Audrey Hines and Seth Carter
- Others Present Greg Nichols, Vice President of Academic Affairs; Dr. George McNulty, Vice President of Student Affairs; Ryan Sturdy, Athletic Director; Doug Johnson, Public Information Director; Brad Bennett, Interim CFO; Jane McDougal; Lacy Ralston, Christine Ellison, Dr. Beth Fenton; Dr. Jennifer Martin; Angel Morrison, Quintin Flanagin, Doug McDowall, and Richard Headley, *Colby Free Press*, Lisa Failla recorded the minutes of the meeting
- Call Meeting to Order Board Chairman Arlen Leiker called the meeting of the Colby Community College Board of Trustees to order at 4:00 p.m.
- Amend Agenda Chairman Leiker requested a motion to amend the agenda to add an additional resignation under Item C and add Item T for an executive session for non-elected personnel. Kenton Krehbiel made a motion to amend the agenda. Dale Herschberger seconded; motion passed unanimously.
- Introductions Seth Carter asked the visitors to introduce themselves. Dr. Beth Fenton, Dr. Jennifer Martin, Angel Morrison, Jane McDougal, Lacy Ralston, Chriss Ellison, and Quintin Flanagin.
- Consent Agenda Carolyn Armstrong made a motion to approve the consent agenda including minutes of the March 23, 2015 regular Board meeting; March 30, 2015 special Board meeting; April 14, 2015 special Board meeting; agreements; contracts; and Resolution 10. Linda Vaughn seconded the motion. The motion passed unanimously.
- Administrative Reports
Dr. George McNulty Dr. McNulty reported spring enrollment is up 4.5 percent compared to this time last year. Currently summer enrollment is up 80 percent compared to last year at this time. Dr. McNulty thanked Monique Eaton, Alisha Janousek, Charles Keefer Sami Tolle, Jeanie Quist, Angel Morrison, Marie Kersenbrock, Brandon, Katie and Ryan Hale for their help during Violence Prevention week. Sixty people attended the "Walk a Mile in Her Shoes," event and raised \$800 from sponsors to be donated to Options, Inc. Dr. McNulty met with Consolidated Management, CCC's new food service provider, to start hiring, setting up and getting a feel for the area. They also discussed how to use the \$25,000 check to upgrade the cafeteria area. Consolidated Management will begin on July 1. Audrey Hines asked questions regarding the number of students in Living Center North. Dr. McNulty explained there were 35 students living in the ten units, but there is space for as many as 80 if two students were in a room. Discussion took place regarding the quality of the rooms. Dr. McNulty also mentioned the residence halls are up 25 students over last year at this time. [See Student Services report attached.]

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Greg Nichols

Greg Nichols reported Prairie Fair will be May 8, an event that includes students in grades K-5 from surrounding school districts. There was a site visit at the WaKeeney nursing location from The Higher Learning Commission. An additional location report will be sent to us by the end of the month. The PTA program hosted a site visit from on Accreditation in Physical Therapy Education (CAPTE) for the program accreditation. CAPTE was impressed at the number of students that use the CCC library. Greg Nichols stated the library staff conducted a patron survey last month. Seventy-three percent of the students surveyed indicated they studied in the library. Angel Morrison reported IPEDS fall 2014 Enrollment Survey Results. These include information on race/ethnicity; gender; graduation and retention rates. Nichols reported on events at the CCC farm, including the Great Northwest Judging contest for 4-H and FFA; and District FFA Horse Judging contest.

Greg Nichols gave an update on Title III funds. Nichols spoke with the Department of Education regarding 2013-14 Audit. The Department of Education felt CCC had complied with Federal Regulations and CCC had requested and received approval for change of funds. There should be no consequence related to that finding. The Department of Education felt that particular finding was not accurate in the audit report. CCC received notification for the Carl Perkins Grant that the funds are down this year, approximately \$25,000. CCC received \$61,000 this year. He said the amount of those funds is influenced by the number of students in the programs, costs, and CCC's performance. [See attached report regarding Academic Affairs.]

Brad Bennett

Brad Bennett thanked everyone in Business Affairs office for bringing him up to speed. Brad reported that the department is working on the purchase order request system, credit card process, travel policy and all other areas where money is being spent to ensure it is as efficient as possible. Business Affairs is also correcting items in the audit as well as items with this year's budget. He said the department has a good plan in place and is confident the areas of concern will be cleaned up. Audrey Hines asked if the Trustees will be receiving the departmental budget reports. Brad indicated he would like to clean them up more before it is distributed, but indicated they would be sent out by the end of the week. A question was asked regarding the procedure for credit cards. Brad explained the procedure and indicated the department is working on a more efficient way to handle the credit cards. For example, implementing a calendar to track the credit card checkouts. Seth Carter stated the College currently has 28 total credit cards. He has spoken with various institutions and the highest number of credit cards they have is five. Seth also suggested the College needs to reduce the number of credit cards, and for efficiency there needs to be one person administering the credit card process. [See attached report regarding Business Affairs.]

Doug Johnson

Doug Johnson reported a reception will be held next week for Dr. McMulkin's retirement. He also reported that CCC served approximately 175 people at the benefit barbeque for Virgil and Ruby Brungardt on Friday, April 25. A number of community members called wanting to know how they could help and donate. [See Public Information Report

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attached.]

Ryan Sturdy

Ryan Sturdy reported regular season spring sports were finishing and beginning post season play – softball in Garden City, baseball at Cowley County, and men’s and women’s track in El Dorado. He said sophomore golfer Marissa Bland qualified for the national meet in Mesa, AZ, in May. [See Athletic report attached.]

Foundation Report

Seth Carter reported the Endowment Foundation auction raised \$117,000. In addition, \$62,000 was raised for the CCC bus. He mentioned that it was a very positive event for the Endowment. Seth reported Jayme Pfeifer’s last day is in mid-May. [See Foundation notes attached.]

Old Business

There was no old business to discuss.

Audit Findings Progress Report

Brad Bennett reminded the Trustees that there were 14 audit findings, but that some of those finding may not be accurate. He also said the finding on the Perkins loan program would be carried over from year to year because there are files from 25 years ago that were destroyed. Christine Ellison stated per the KBOR training, it was recommended that the Perkins loan program be included in the Great Plains software, beginning on July 1, 2015. She said she would take on the responsibility of adding the accounts and working with Cindi Kriss. Seth Carter reported several of the negative accounts have been cleaned up and that the accounts were not originally funded correctly. Carolyn Armstrong asked if the book balance was reconciled to the bank balance. Brad Bennett said it had been done. Christine Ellison stated the Business Department was strengthening internal control documentation, and now the petty cash and reconciliation process has documentation. She also said the recent KBOR training she attended was excellent. She made state contacts, and is now on the list serve for municipalities. She noted that she, Lacy Ralston and Jane McDougal would be attending budget training in May.

Approval of Resignations

Seth Carter stated the additional resignation added to the agenda was Jennifer Landis, Director of Nursing, and effective May 19. Carolyn Armstrong made a motion to approve the resignations of Jennifer Landis, Director of Nursing; Shane Zemer, Custodian; and Jacqueline Langwell, Admissions Counselor. Audrey Hines seconded; motion passed unanimously.

Booster Club Accounts

Seth recommended moving booster club accounts back to the Endowment Foundation where they were once administered. In past years the accounts had been moved to an institutional line item. Discussion took place regarding negative accounts. Christine Ellison said that in the past coaches were allowed to incur expenses without revenue being monitored, and now she and Jane McDougal communicate on specific account balances. Ryan Sturdy assured that the coaches will check with him monthly to ensure there is a balance in the accounts prior to making a purchase. Discussion continued regarding booster and institutional funds. Linda Vaughn made a motion to move the Booster Club accounts to the Endowment Foundation

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as of July 1, 2015. Carolyn Armstrong seconded; additional discussion took place regarding student club accounts and the difference between services and donations. Seth Carter recommended that donations be processed through the Endowment Foundation, and services be processed through the College. He then suggested that the subject needs to be discussed further with the Endowment Foundation. Linda Vaughn rescinded the motion and Carolyn Armstrong rescinded her second. Chairman Leiker stated this will be discussed with the Endowment Foundation and brought back to the Trustees at a later meeting.

Policy Governance Discussion

Chairman Leiker addressed the Trustees regarding how the Higher Learning Commission and Dr. Brian Inbody addressed policy governance to CCC. Chairman Leiker stated he attended a conference in Atlanta on policy governance. Several trustees attending the conference were new to their boards and it was educational training for them. He was told policy governance is not mandatory but it would make it easier running the College. Carolyn Armstrong added that the Trustees should release some of their hands-on management and return those duties to the office of the president. Armstrong also said the Board of Trustees should establish appropriate policies on governing, but the facilitation should be handled by the President. Chairman Leiker stated policy governance would not be easy, but a process that the entire Board needs to accept. He recommended that the Trustees read two books, titled *The Policy Governance Model* and *The Role of the Board Member* by John Carver and Miriam Carver so they could discuss them at the next meeting.

Fund Raiser Position Discussion

Seth Carter said the Endowment Foundation would like the Endowment Foundation Director to be a college employee. The Endowment would like to reimburse the College for the salary and have CCC pay for fringe benefits. He said that both boards need to communicate and write clearly defined policy and procedure for shared governance. Seth suggested hiring a federal or institutional work study work to do the clerical duties. Carolyn Armstrong made a motion to proceed with the work to hire an institutional advancement director with local shared governance between the Board of Trustees and Endowment Foundation Board of Directors. The college would cover the fringe benefits and the Endowment Foundation would reimburse the College for the salary portion, contingent upon agreeing on shared governance policies. Audrey Hines seconded; motion passed unanimously.

Policy and Procedure Discussion

Seth Carter stated the College is lacking several policies that put CCC out of federal compliance as of December 26, 2014. That includes a micro-purchase policy, conflict of interest policy and travel policy. Seth asked for consensus to move forward and start a policy review committee before seeking Board approval on the updated policies. The Trustees agreed to let Seth proceed with the policies.

Baseball Field

Seth Carter stated he has been speaking with the City Manager about possibly sharing a baseball field. Many colleges are currently utilizing one

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field with the college, high school and town. CCC and the city would take the best of both facilities and essentially create a “super field.” In the long run it would save CCC money. Seth spoke with baseball coach Ryan Carter and learned the maintenance of the field is expensive. Seth emphasized the need for coordination between the city and CCC, including a daylight clause, and a Memorandum of Understanding in case either party would like to withdraw. Seth reminded the Board that The Higher Learning Commission (HLC) cited CCC for the lack of diversity. A potential future use for the CCC baseball field would be soccer because it may attract a diversity of students. Seth asked for a motion to continue the discussion. The Board agreed to a consensus to allow Seth Carter to move forward with additional discussions.

Approval of Bus

Seth Carter said the Endowment Foundation raised \$62,000 for CCC to purchase a bus. He he wants to get competitive bids, most likely on a used bus so CCC could pay cash. He asked for approval to purchase a bus and move forward with the bid process to present to the Trustees next month. Carolyn Armstrong made a motion to authorize solicitation of bids for a new or used bus. Audrey Hines seconded; motion passed unanimously.

Mill Levy Discussion

Seth Carter reported on discussions with several individuals to review the current mill levy. With state appropriations he anticipates CCC taking at least a three percent reduction for 2014-15 fiscal year, equating to approximately \$66,000. He also noted a \$650 million deficit at the state level for the next fiscal year, resulting in CCC seeing a six to eight percent cut for the 2015-16 fiscal year, equating to approximately \$160,000. He said to bridge the gap CCC needs to either increase revenue or cut expenses, and raising the levy two mills could potentially offset state reductions. However, after learning more about local increased land evaluations, CCC may have additional incoming funds. Seth Carter recommended not increasing the mill levy due to the additional funds from the county.

Distance Learning

Doug McDowall reported that the Kansas Research Education Network (KANRAN) will no longer support the existing video conferencing solution. Moving to the new solution will be approximately \$1,000 - \$2,000 less and provides 625 accounts instead of five, allowing for more growth. He mentioned that Oakley school district would like to be in a partnership agreement with CCC. He recommended a \$5,000 equipment deployment with each partner school. Seth Carter said HLC would like to see improvement with the CEP, and video conferencing is one way CCC can meet this need by providing qualified faculty to other locations. The solution also provides CCC with “GoToMeeting,” and makes it possible to record lectures. There would be a one year contract beginning in July. Dale Herschberger made a motion to proceed to when a contact can be brought to the Board. Linda Vaughn seconded; motion passed unanimously.

Approval of Residence Hall Increase

Seth Carter stated that according to information reported to the state, CCC’s highest-priced student housing is less than housing at any other

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Kansas community college. The rate in CCC's two-story housing is \$4,000 per academic year. Even if rates were raised \$400 per year, CCC would still have the least expensive residence halls in Kansas. Seth Carter recommended a \$400 per academic year increase for both the two-story housing units and for Living Center Northeast, and a \$200 per academic year increase for Living Center North. The rates for Living Center East would remain the same, as there have been no improvements at this time. Audrey Hines made a motion to raise the cost for the residence halls as presented. Dale Herschberger seconded; motion passed unanimously.

Approval of Residence Hall North Renovation

Seth Carter reported that a community member has done the majority of work raising approximately \$230,000 of the \$289,000 necessary to renovate Living Center North. Seth noted that there are three options to pay the remaining costs: continue raising funds, a lease purchase agreement, or to pay with CCC's current funds. Stephens Construction of Colby would begin renovations in mid-May and be completed when school begins in August. Linda Vaughn asked if there was a reason competitive bids were not obtained and if CCC had to use this vendor to receive the donations. Seth Carter said there was no competitive bid and Stephens Construction was the preferred vendor of the donor. He cited CCC's policy, "The financial responsibility for all purposes rests with the President or his designee. This policy does not apply to educational materials directly related to curriculum and secured by copy right. The Board of Trustees reserves the right to suspend the formal bid procedure in the event of a disaster, emergency or if the Board otherwise determines it is within the best interest of the College." In Seth's opinion CCC defaults to this policy and it is in the best interest of the college. He also said the bid does not include the cost of furnishings or wireless internet, but that the College would pay for the additional expenses. There was discussion regarding how many students would be in each room. Dale Herschberger made a motion to use Stephens Construction's bid and begin construction when school is out; if the donations do not meet the construction cost, the remainder of expenses would be paid for by lease purchase agreement, and the College would pay for furnishings and wireless internet with current funds. Kenton Krehbiel seconded the motion; motion passed unanimously.

Approval of Student Housing Contract

Dr. McNulty said he worked with Jim Rorabaugh, Director of Housing, and John Gatz, Board Attorney, to refine the contract to reduce repetition. The group talked about the housing deposit. Among all colleges, CCC has one of the lowest room reservation deposits. It was determined that a \$175 deposit would be required to secure a room -- \$25 is a non-refundable application fee, and \$50 is a non-refundable maintenance fee. \$100 could be refunded if the student if there are no damages to the room or other common areas. Dr. McNulty asked for approval of the contract and terminology changes in addition the housing deposit. Seth Carter said the \$50 maintenance fee would be reinvested back into the residence halls. Audrey Hines made a motion to accept the housing contract as presented. Carolyn Armstrong seconded; motion passed unanimously.

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- Check Writing Process Seth Carter reviewed CCC's current process for check writing, and recommended having a designated day to sign checks each week to increase efficiency. Discussion took place regarding who writes the checks, when checks should be issued, how many banks are used, etc. Greg Nichols stated this should be an internal discussion for the President and the executive team not the Trustees to decide. There was discussion on how many signatures a check needed. Carolyn Armstrong stated three signatures should be required on the checks as part of CCC's control, but the Business department needs to decide when the checks are issued. Audrey Hines asked if the checks were looked at upon signing them. After further discussion it was determined this was an internal control by consensus of the Trustees.
- Budget Review Brad Bennett stated that in the past CCC has had an expense-driven budget, but is changing to a revenue-driven budget philosophy. Bennett shared a PowerPoint presentation [see attached]. He said the Business department is close to being finished with the first draft of FY 2015-16 budget. The Trustees thanked Brad for his hard work.
- Financial Report Brad Bennett reported this during the Budget Review.
- Heightened Cash Monitoring Status Update Seth Carter stated CCC is no longer on heightened cash monitoring after two and a half years. CCC had not received the official letter, but he will forward it to the HLC as soon as it arrives.
- HLC Update Seth Carter reported that he, Arlen Leiker, Greg Nichols, and Brad Bennett were in Chicago, IL, last week to meet with the HLC Institutional Actions Committee regarding the site visit in September, 2014. He then reviewed some of the findings for the Trustees. In Chicago, the CCC team presented solutions to many of the original findings. Dr. Hamel told the CCC team it was a positive hearing and that the proposed changes were well-received. HLC noted CCC did not submit an institutional budget to HLC for review. HLC also stated some financial information that was not forthright. Seth stated this will be corrected and will provide that information. The team was notified that it would be about two weeks to receive information from the IAC committee. CCC will then have the opportunity to appeal. Seth and the other team members agreed they think CCC will be placed on probation due to the financials of the College. CCC will then have two years to correct the deficiencies. There will be another full site visit if CCC is placed on probation in the fall of 2016. Arlen Leiker reported the IAC committee wanted to know what CCC did for Board Education. There needs to be a discussion at the next Board meeting to determine who will attend the ACCT conference in San Diego. He noted there is also new Trustee orientation the June 12 & 13 at the KACCT/COP Quarterly meeting in which Carolyn Armstrong and Linda Vaughn will be attending. Carolyn Armstrong also stated there are webinars via ACCT for training.
- Chairman Leiker called a 5 minute break at 6:42 p.m.
- Open Meeting The Trustees reconvened in open meeting at 6:47 p.m.

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- Executive Session Carolyn Armstrong made a motion for an executive session for non-elected personnel to include the Trustees and Seth Carter for 10 minutes. Audrey Hines seconded, motion passed unanimously at 6:47 p.m.
- Open Session Trustees reconvened in open session at 6:57 p.m.
- President's Report Seth Carter stated he had nothing else to report.
- Trustees' Comments Linda Vaughn thanked the Business Affairs Department and Brad Bennett for giving the Trustees information that helps them understand what is happening at CCC. She appreciates their hard work and Greg Nichols work on HLC. Audrey Hines reports she feels the same, and thanked the Business Affairs Department and Brad Bennett. Carolyn Armstrong reported CCC is only as great as it is because the quality of people employed and thanked everyone. Kenton Krehbiel thanked everyone for their hard work and was looking forward to dinner with the students. Dale Herschberger suggested removing a dead pine tree from campus in case it has been attacked by the western pine beetle. He contacted an individual on the Tree Board for someone to examine the tree. Dale stated he would be happy to help remove the tree. Audrey Hines stated that Mike Tubbs volunteered to take care of the trees at CCC. Arlen Leiker thanked everyone.
- Student/Trustee Dinner Dale Herschberger made a motion to adjourn to allow the Trustees to move to the Fireside Lounge for the Student/Trustee dinner. Kenton Krehbiel seconded the motion; motion carried unanimously at 7:01 p.m.
- Open Meeting The Trustees reconvened the meeting at 7:04 p.m. in the Fireside Lounge.
- Adjournment Carolyn Armstrong made a motion to adjourn; Dale Herschberger seconded the motion; motion passed unanimously. The meeting was adjourned at 9:04 p.m.

Signed _____
Chairman

Signed _____
Secretary

Colby Community College

2015 / 2016 Budget Review

April 27, 2015

1	Cash Flow Projections April 27th-June 30th 2015		
2		May	June
3	Beginning Balance	\$ 3,760,972.00	\$ 2,461,472.00
4			
5	<u>Money In</u>		
6	Local Revenue		\$ 1,058,818.00
7	Tuition and Fees		\$ 85,000.00
8	State Revenue		
10	Restricted Grants		\$ 100,000.00
12	Total Money In		\$ 1,243,818.00
13			
14	<u>Money Out</u>		
15	Open Encumbrances	\$ 122,000.00	
16	Projected Encumbrances	\$ 75,000.00	\$ 60,000.00
17	Payroll Expenses	\$ 635,000.00	\$ 535,000.00
18	All other operational expenses	\$ 24,000.00	\$ 24,000.00
19	Bond and Interest Payments	\$ 240,000.00	
20	State Send Back	\$ 42,000.00	
21	Other Expenses	\$ 161,500.00	\$ 85,000.00
22			
23	Total Money Out	\$ 1,299,500.00	\$ 704,000.00
24			
25	Closing Balance	\$ 2,461,472.00	\$ 3,001,290.00

2015 / 2016 Budget Summary

- Total State-Wide Operating Grant Forecast Reduction; Colby's Share Forecast Down 7%
- Enrollment Based on a 10% reduction
- Resident Halls
 - Net increase of 5%
- Restricted Grants \$573,000 reduction
- Unrestricted funding reduced to a realistic number

2015 / 2016 Budget Summary (2 of 2)

- Budgeted **Zero** Pay Increases
- Total Expenditures will increase from absorbing salaries and expenses from grant funding
- Significant Increases in institutional operating expenses

2015 / 2016 Budgeted Revenue Overview

- Total Preliminary Revenue Forecast at \$13,335,992
 - State Grant – \$1,841,000
 - Local Taxes – \$4,950,000
 - Student-Based Tuition & Fees – \$3,200,000
 - Room & Board – \$1,657,992
 - Restricted Grant Funding – \$377,000
 - Other Unrestricted Funding – \$760,000
 - Auxiliary Income – \$550,000