

RECORD OF THE PROCEEDINGS OF THE GOVERNING BODY

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May 25, 2016

I. CALL TO ORDER

A special meeting of the Board of Trustees of Colby Community College, Thomas County, Kansas was held in the Board room in Thomas Hall on May 25, 2016 at 7:15 a.m.

MEMBERS PRESENT

Audrey Hines, Carolyn Armstrong, Linda Vaughn, Kenton Krehbiel, Arlen Leiker and Seth Carter.

MEMBERS NOT PRESENT

Quintin Flanagan

OTHERS PRESENT

John Haas, Doug Johnson, Penny Cline recorded the minutes of the meeting.

CALL MEETING TO ORDER

Board Chairman Audrey Hines called the meeting of the Colby Community College Board of Trustees to order at 7:15 a.m.

II. REVIEW AND APPROVE NOTICE OF SPECIAL HEARING

Carolyn Armstrong made a motion to approve the Review and Approve Notice of Special Meeting. Arlen Leiker, seconded; motion passed unanimously.

III. BUSINESS

A. BOND REFINANCING REVIEW

John Haas with Ranson Financial reported that he, President Carter and CCC staff members had spent significant time reviewing the options after the board approved refinancing the bonds earlier in the year. Mr. Haas reviewed two bonds for refinancing, Series 2007 Student Housing System Revenue Bonds and the Series 2011 Certificates of Participation. The Series 2007 has \$4,435,000 outstanding with the redemption date of May, 2017. This means at the option of the college the bonds can be called in and paid off or issue bonds to replace the current bonds. The Series 2011 there were Certificate of Participation issued which has \$4,480,000 outstanding with the redemption date of August, 2016. The estimated cost to refinance both bond issues would be \$9,080,000.00. The interest rate would range from 3 to 3.8., which is not much lower but the underwriter is willing to buy those at a net premium and would reduce the overall cost of the transaction. He said the annual savings on the refinancing plan is estimated to save the college around \$100,000 a year over the remaining life of the bonds. Mr. Carter reported the upfront savings is about \$1.4 million, and the \$100,000 a year savings provides immediate and consistent cash relief for the institution. He said it would give the college the best chance to be successful. Carolyn Armstrong agreed with Seth's assessment. Mr. Haas reported the college is looking at \$2 million in cash savings over the life of the bonds. The present about of that savings is about 1.5 million. This means if there is 1.5 million and it could be invested at the rate of the bonds there would be an annuity of \$100,000.00 per year (present value of the future cash flows). Mr. Haas recommended that it is a reasonable time to refinance. Mr. Haas presented an updated resolution and calendar of events for consideration by the board for Ranson to continue. The board will approve the financing resolution on or about July 1, 2016 with the closing on or about July 28, 2016. Carolyn Armstrong made a motion to approve the resolution selecting a purchaser for, and authorizing the offering for sale of lease agreement refunding certificates of participation, series 2016 with a present value

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savings of a minimum of 1 million dollars. Arlen Leiker seconded the motion; motion passed unanimously.

B. APPROVAL OF VICE PRESIDENT OF ACADEMIC AFFIARS

Seth Carter asked for contract approval for Brad Bennett, Vice President of Academic Affairs for May 23-June 30, 2016. At that time a new contract will be issued for the next academic term. The contract will give Mr. Bennett the opportunity to work with Mr. Nichols before he leaves. Kenton Krehbiel made a motion to approve the contract for Brad Bennett. Linda Vaughn seconded the motion; motion passed unanimously.

C. LENGTH OF CONTRACTS FOR VICE PRESIDENTS

Seth Carter asked for approval to extend the contracts of vice presidents to two-years instead of one. Arlen Leiker made a motion to approve moving the vice presidents to a two-year rolling contract. Carolyn Armstrong inquired if the contract will automatically be renewed. Arlen Leiker stated the board will still approve the contract each year and with approval the contract rolls into the next year. Linda Vaughn asked for further explanation. Arlen Leiker explained that the vice presidents will be given a two-year rolling contract. One year from now the board will vote to roll the contract for another two years. If the board is not satisfied at that time they can decline to approve the contract for another two years. With past employee issues and one-year versus two-year rolling contracts, Mr. Carter recommended going to a performance-based agreement/contract for staff. Carolyn Armstrong stated she does not feel this is the appropriate time to put the performance agreement/contract in place for staff due to all the unrest the college has had the past few years. Carolyn Armstrong's recommendation is to wait until August 2017 to put the performance agreement/contract in place. Carolyn Armstrong seconded the motion; motion passed unanimously.

IV. ADJOURNMENT

Carolyn Armstrong made a motion to adjourn. Arlen Leiker seconded the motion; motion carried unanimously. The meeting was adjourned at 7:51 a.m.

Signed _____
Chairman

Signed _____
Secretary