
**BUTLER COMMUNITY COLLEGE
BOARD OF TRUSTEES
MINUTES OF THE SPECIAL BOARD MEETING
5:00 p.m., July, 28, 2020 – Dankert Board Room**

STAFF ATTENDANCE

Kim Krull	Lora Jarvis
Bill Young (Z)	Matt Jacobs
Jessica Ohman (Z)	Shelley Stultz (Z)
Kim Sherwood (Z)	Kent Williams (Z)
Esam Mohmmad (Z)	Tom Borrego (Z)
Terry Sader (Z)	Bill Rinkenbaugh (Z)
Lori Winningham (Z)	

* (Z) Denotes attendance via Zoom

BOARD ATTENDANCE

Mary Martha Good (Z) Late – 6:10 p.m.
Doug Law
Lance Lechtenberg
Forrest Rhodes (Z)
Shelby Smith
Julie Winslow

Absent:

Jim Howell

GUESTS – NONE**CALL TO ORDER**

Vice-Chair Lechtenberg called the regular monthly meeting of the Board of Trustees to order at 5:01 p.m.

APPROVAL OF THE AGENDA

Trustee Law moved to approve the agenda as presented. Trustee Rhodes seconded. The motion passed unanimously.

BOARD ACTION ITEMS

Notice of Public Hearing – The Trustees must approve the Notice of Public Hearing for the 2020-2021 budget tonight. Approval and publication of the Notice sets the maximum amount of taxes to be levied by fund and the maximum expenditures by fund.

Arrangements have been made to publish the Notice in the Butler County Times Gazette. The public hearing is scheduled for Tuesday, August 11, 2020 preceding the regular August Board meeting.

The Trustees were presented two options for consideration for the legal budget. The first option was in the budget manual mailed prior to the meeting. Dr. Krull and Kent Williams, VP of Finance, presented option two at the meeting. Dr. Krull explained that some new information had become available that would allow a lower tax request as it is anticipated that additional stimulus funding will be available.

The Kansas SPARK Task Force distributed funding to Kansas counties with Butler County receiving just short of \$14 million. Along with other taxing entities and businesses, Butler will have the opportunity to apply for that funding via the county. The SPARK task force will also be directly distributing about \$10 million for the 2-year higher education sector. This money will be used for PPE, technology needs and costs related to K-12 and their reopening.

It is anticipated there will be another stimulus package from the federal level that will include additional funds for higher ed.

With the potential for these additional funds, Dr. Krull noted it made sense to leave the local tax request at the same level as last year as noted in option two.

Kent Williams discussed the Notice itself which indicated the Board will meet in the Dankert Board Room at 4:30 p.m. on August 11th. He noted that because meeting size is still being limited, the public could again join by Zoom and requests for Public Comment or questions could be submitted to Lora Jarvis.

Kent indicated that the Trustees will be asked to approve both the legal and operating budgets at the August Board meeting both of which were sent out earlier this month. Dr. Krull told the Board that their decision tonight would allow the college to publish a legal budget which would then be on the August Board meeting agenda for final approval.

Trustee Smith moved that the tax rate be moved from 16.681, noted in Option 2, to 15.209. Trustee Winslow seconded.

Trustee Smith noted he was on the Board to get the mil levy lowered. He also noted additional cash reserves from last budget year and this year.

Kent asked that the Unencumbered Cash summary be distributed to the Board for discussion to provide correct information related to cash reserves. (The following page has the spreadsheet shared.)

Butler Community College
Fund (Unencumbered Cash) Balance Summary Unaudited from Year-End BOT Reports
June 30, 2018, 2019, 2020

	Unencumb. Cash <u>6/30/2018</u>	Increase Decrease <u>FY 2019</u>	Unencumb. Cash <u>6/30/2019</u>	Increase Decrease <u>FY 2020</u>	Unencumb. Cash <u>6/30/2020</u>	Increase Decrease <u>2018 to 2020</u>
General Fund Operating	\$8,412,437	(\$3,151,667)	\$5,260,770	\$2,470,943	\$7,731,713	(\$680,724)
Program Development Fund	216,868	117,375	334,243	40,000	374,243	157,375
Facilities Fund	102,949	357,374	460,323	(12,375)	447,948	344,999
Capital Projects Fund	2,183,220	4,413,366	6,596,586	(2,830,548)	3,766,038	1,582,818
Technology Fund	96,169	551,464	647,633	(14,824)	632,809	536,640
Designated Funds	<u>1,804,230</u>	<u>(444,212)</u>	<u>1,360,018</u>	<u>140,792</u>	<u>1,500,810</u>	<u>(303,420)</u>
General Fund Total	12,815,873	1,843,700	14,659,573	(206,012)	14,453,561	1,637,688
Post Secondary Techl Ed Fund	1,185,093	914,796	2,099,889	(1,333,658)	766,231	(418,862)
Student Life Funds	4,253,439	(465,967)	3,787,472	243,220	4,030,692	(222,748)
EduCare Fund	0	(148)	(148)	148	0	0
Restricted Funds	0	24,172	24,172	29,147	53,319	53,319
Parking Fund	125,398	(124,959)	439	0	439	(124,959)
Agency Funds	455,768	74,338	530,106	(18,428)	511,678	55,910
Capital Outlay Fund	816,626	327,692	1,144,318	(396,464)	747,854	(68,772)
Adult Basic Education Fund	72,329	(72,329)	0	0	0	(72,329)
Non-Credit Education Fund	<u>0</u>	<u>(564)</u>	<u>(564)</u>	<u>564</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$19,724,526</u>	<u>\$2,520,731</u>	<u>\$22,245,257</u>	<u>(\$1,681,484)</u>	<u>\$20,563,774</u>	<u>\$839,248</u>

Trustee Rhodes asked for clarification on what the Board was approving. His understanding was that the published legal budget could still be decreased with less taxes to be levied for final approval in August but could not be increased. Kent confirmed this was correct.

Trustee Rhodes expressed concern that without any additional discussion of budget implications with the uncertainty of enrollment, state funding, and other available resources, the decision to just lower the mill levy was reckless. Trustee Rhodes indicated he was willing to continue to discuss additional mill levy reduction but more data was needed for that discussion.

Vice-Chair Lechtenberg called for a vote. Trustees Smith & Winslow voted in favor. Trustees Lechtenberg, Law and Rhodes voted against. The motion failed.

Dr. Krull asked for clarification if a Notice wasn't approved at this meeting. Kent stated a notice has to be passed because state statute requires a 10-day period before the public hearing. If the notice is not approved, and to stay within required statute, another special meeting would have to be held very soon.

Trustee Rhodes moved to accept the alternate proposal that was made today that provides a mil number reflecting the same revenue generated as last year with the express expectation and understanding that that is a no greater than number and not the number that necessarily has to be approved at the August meeting. Trustee Law seconded.

After a brief discussion, Trustee Lechtenberg called for a vote. Trustees Lechtenberg, Law and Rhodes voted in favor. Trustees Smith and Winslow voted against. The motion failed to pass because the affirmative vote of a majority of the full membership of the Board (or 4 votes) is required for the passage of any motion or resolution according to the by-laws.

Trustee Smith then motioned to make the mil levy 15.500. Trustee Winslow seconded. Trustee Rhodes expressed his concern again that there was not data to support that request. He thought it best to have more data to vote on it by the next meeting. Vice-Chair Lechtenberg called for a vote. Trustees Smith and Winslow voted in favor. Trustees Lechtenberg, Law and Rhodes voted against. The motion failed.

Dr. Krull suggested that the Board plan a special work session to discuss the budget.

Trustee Smith moved to make the mil levy 15.681. Trustee Winslow seconded. Trustee Rhodes again opposed the motion because of the lack of data available.

Trustee Winslow asked Kent what percentage of funds were required by the state of Kansas to keep on reserve. He indicated that there were not any state laws. Dr. Krull said that every institution sets their own goal. Trustee Smith asked what we currently had kept and Kent noted it was 10.5% of the expenditure budget.

Dr. Krull again reiterated that she felt it would be beneficial to have a work session to further discuss the budget questions.

Trustee Good joined the meeting at 6:10 p.m. Vice-Chair Lechtenberg gave her a brief overview of the previous discussions.

Vice-Chair Lechtenberg called for a vote. Trustees Smith and Winslow voted in favor. Trustees Lechtenberg, Law, Good and Rhodes voted against. The motion failed.

Trustee Law moved that the Notice of Public Hearing for the FY2021 budget be approved as presented setting the maximum amount of tax to be levied at \$14,970,129 and the maximum amount of expenditures at \$77,915,445. Trustee Rhodes seconded.

Trustee Good asked if the motion could be amended to indicate that the Trustees would do everything in their power to lower the amount of taxes levied and remove \$800,000 from the budget. Vice-Chair Lechtenberg said that the motion cannot be amended but that this was the point Trustee Rhodes was attempting to make in that the mil can be lowered prior to the vote in August, but it cannot be raised.

Trustees Lechtenberg, Law and Rhodes voted in favor. Trustees Good, Smith, and Winslow voted against. The motion failed.

Trustee Good asked how much a mil generated in Butler County. Kent stated it was roughly \$800,000 prior to delinquencies which would make it about \$780,000.

Trustee Good then moved the public hearing FY2021 budget to be approved as presented and setting the mil no higher than 16.0 mils. Kent asked to clarify and confirm that she wanted the general fund mil levy at 16.0 and leave the capital outlay fund at 1.846 for a total mil levy at 17.846. Trustee Smith seconded. Trustee Rhodes again expressed his concern that the mill levy was being set without needed data. Vice-Chair Lechtenberg called for a vote. Trustees Law, Good, Smith and Winslow voted in favor. Trustees Lechtenberg and Rhodes voted against. The motion passed 4-2. The Notice of Public Hearing will be printed as seen on the next page.

Discussion was then held about the format of the August Board meeting. Trustee Smith questioned if classes began on August 10th why the Board meeting needed a Zoom option for the Budget Hearing. It was noted that the public should be able to attend the meeting in person. Trustee Good said she would be fine with a public meeting if everyone wore a mask.

Kent said that if they were going to change the location, the Trustees would need to make a motion. Trustee Smith moved that the public be allowed to come to the meeting, Tuesday, August 11th at 4:30 p.m. in person wearing masks if they are required in the Clifford/Stone Room of the Hubbard Welcome Center. Trustee Good seconded. The motion passed unanimously.

**NOTICE OF PUBLIC HEARING
2020-2021 BUDGET**

The governing body of Butler Community College, Butler County, will meet on August 11, 2020, at 4:30 p.m., at the Clifford Stone Room of the Hubbard Welcome Center for the purpose of answering objections of taxpayers relating to the proposed use of all funds, and the amount of tax to be levied, and to consider amendments. Detailed budget information is available at the office of the Vice President for Finance and will be available at this hearing.

BUDGET SUMMARY

The Expenditures and the Amount of 2020 Tax to be Levied (as shown below) establish the maximum limits of the 2020-2021 budget. The "Est. Tax Rate" in the far right column, shown for comparative purposes, is subject to slight change depending on final assessed valuation.

	2018-2019		2019-2020		Proposed Budget 2020-2021		
	Actual Expend. & Transfers	Actual Tax Rate*	Actual Expend. & Transfers	Actual Tax Rate*	Budgeted Expend. & Transfers	Amount of 2020 Tax to be Levied	Est. Tax Rate*
Current Funds Unrestricted							
General Fund	49,626,491	18.068	43,919,879	17.409	53,802,610	12,928,138	16.000
Postsecondary Tech Ed	12,843,638		11,665,993		13,166,058	XXXXXXXXXX	XXX
Adult Education	421,252	0.000	452,763	0.000	531,882	0	0.000
Adult Supp Education	435,817	xxx	388,404	xxx	506,075	XXXXXXXXXX	XXX
Motorcycle Driver	9,750	xxx	6,630	xxx	13,000	XXXXXXXXXX	XXX
Truck Driver Training	0	xxx	0	xxx	0	XXXXXXXXXX	XXX
Auxiliary Enterprise	6,776,415	xxx	5,613,845	xxx	7,500,000	XXXXXXXXXX	XXX
Plant Funds		xxx		xxx		XXXXXXXXXX	XXX
Capital Outlay	1,909,923	2.000	1,303,468	1.927	2,395,820	1,491,937	1.846
Bond and Interest	0		0		0	0	0.000
Special Assessment	0		0		0	0	0.000
No Fund Warrants	0		0		0	0	0.000
Revenue Bonds	0	xxx	0	xxx	0	XXXXXXXXXX	XXX
Total All Funds	72,023,286	20.068	63,350,982	19.336	77,915,445	XXXXXXXXXX	17.846
Total Tax Levied	14,970,129		14,970,129		XXXXXXXXXX	14,420,075	
Assessed Valuation	745,970,166		774,228,168		808,008,633		
Outstanding Indebtedness, July 1							
	2018		2019		2020		
G.O. Bonds							
Capital Outlay Bonds	4,440,000		3,200,000		1,930,000		
Revenue Bonds							
No-Fund Warrants							
Temporary Notes							
Lease Purchase Principal	8,494,338		15,868,202		14,719,734		
Total	12,934,338		19,068,202		16,649,734		

* Tax Rates are expressed in mills.

Signature - Vice Chair

SPARK Grant Application – Also presented to the Board was information related to the SPARK Grant Application the college will be submitting to Butler County. The College has the opportunity to access funds through the Federal SPARK grant that is managed by Butler County for expenditures necessitated by the COVID-19 pandemic. The emphasis of the County will be on expenditures needed to reopen College operations in a safe manner.

The list of College needs presented below (in a preliminary prioritization) is for information only at this time.

Due to timing concerns for reopening the campus some of these items may need to be purchased with General Fund dollars with the anticipation of reimbursement from Federal funds. In that case a recommendation will be made for board approval if the purchase exceeds the president’s authority.

Priority	Item	Estimated Cost (Per Unit)	Units	Extended Estimated Cost
1	Infrared No Touch Thermometers	\$55.00	40	\$2,200.00
1	Henry Schein Digital Thermometers (12 per Box)	\$56.82	5	\$284.10
1	Electrostatic Sprayers for Stadium	\$4,000.00	3	\$12,000.00
1	AHU Air scrubbers/Air Purifiers w/Local Vendor install	\$833.67	150	\$125,050.50
1	Information Services expenses (equipment/hotspots)	\$30,000.00	1	\$30,000.00
1	Telephone (Hotspots)	\$3,132.95	24	\$75,190.80
1	Internet/Bandwidth	\$139.98	1	\$139.98
1	COVID Testing - Students and Staff	\$150.00	700	\$105,000.00
1	Lecture Recording Studios	\$7,000.00	4	\$28,000.00
1	Webcams	\$40.07	200	\$8,014.00
1	PPE Items (Gloves, Masks, Electrostatic Equipment)	\$200,000.00	1	\$200,000.00
1	Various Custodial Supplies	\$50,000.00	1	\$50,000.00
1	Student Chromebooks	\$250.00	500	\$125,000.00
1	Laptops for Checkout	\$800.00	125	\$100,000.00
2	Classroom Chair Replacement of Fabric Chairs for Better Cleaning	\$121.66	1008	\$122,633.28

2	Replace Fabric Student Guest Chairs for Better Cleaning	\$228.23	196	\$44,733.08
2	Replace Cloth Instructor Stools for Better Cleaning	\$269.61	84	\$22,647.24
2	Replace Fabric Computer Lab Chairs for Better Cleaning	\$269.61	168	\$45,294.48
2	Replace Lab Chairs for Better Cleaning	\$246.20	82	\$20,188.40
2	Replace Porous Tables with Laminate	\$354.46	480	\$170,140.80
2	Replace Fabric Common Area Chairs for Better Cleaning	\$924.29	41	\$37,895.89
2	VDI Solution - accessibility to anything regardless of device	\$118,000.00	1	\$118,000.00
2	Event-Stadium Cleaning W/Local Vendor	\$960.00	13	\$12,480.00
3	Office Supplies	\$231.52	1	\$231.52
3	Teaching and Lab Supplies	\$245.00	1	\$245.00
3	Equipment	\$3,186.48	1	\$3,186.48
	Total			\$1,458,555.55

Additionally, a resolution is required by the County for distribution of any funds granted and because the County submission deadline is between meetings, the administration felt it was important to share this information with the Trustees tonight.

Adoption of Resolution 20-10 –

RESOLUTION 20-10

WHEREAS, securing the health, safety, and economic well-being of our students is Butler Community College's top priority;

WHEREAS, Butler County is facing both a public health and economic crisis – the pandemic and public health emergency of COVID-19 – which has resulted in illness, quarantines, school closures, and temporary closure of businesses resulting in lost wages and financial hardship to Kansas citizens;

WHEREAS, the World Health Organization declared a global pandemic on March 11, 2020;

WHEREAS, on March 13, 2020, the President of the United States pursuant to Sections 201 and 301 of the National Emergencies Act, 50 U.S.C. § 1601, et seq. and

consistent with Section 1135 of the Social Security Act, as amended (42 U.S.C. § 1320b-5), declared a national emergency that the COVID-19 outbreak in the United States constitutes a national emergency beginning March 1, 2020;

WHEREAS, on June 16, 2020 the State Finance Council approved the Strengthening People and Revitalizing Kansas (SPARK) Taskforce's proposal to distribute money to Butler County to help address the health and economic challenges inflicted by COVID-19 based on Butler County's population and impact from COVID-19 with funds provided for reimbursement of COVID-19 related costs and as direct aid unless otherwise approved by the SPARK Taskforce.

WHEREAS, to ensure that all educational and municipal entities within counties receive Coronavirus Relief Funds to meet their respective health and economic challenges, the SPARK Taskforce Executive Committee passed a motion on June 2, 2020, to direct counties to allocate and share Coronavirus Relief Funds with public educational and municipal entities within their counties.

WHEREAS, Butler County adopted a Resolution to accept and distribute funds to cities within Butler County.

Be it resolved that, pursuant to the authority vested in Butler Community College, including the authority granted to this body by Chapter 71, Article 2 of the Revised Statutes of the State of Kansas, Butler Community College accepts any funds appropriated to Butler Community College by the State of Kansas through the State's Coronavirus Relief Fund and distributed by Butler County pursuant to terms set forth by the SPARK Task Force that are designed to ensure the lawful use of funds and transparency, equity, and accountability.

1. Section 5001 of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, as codified in 42 U.S.C. § 801, provides the eligible purposes for which Coronavirus Relief Fund ("CRF") payments may be used. Under 42 U.S.C. § 801(d) funds may be used for:
 - a. necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
 - b. not accounted for in the budget most recently approved for the county as of March 27, 2020; and
 - c. incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.
2. The following are examples of public health expenditures allowed pursuant to paragraph 1.a. above and 42 U.S.C. § 801(d):
 - COVID-19 related expenses of public hospitals or clinics
 - COVID-19 testing and quarantine costs
 - Payroll of employees substantially dedicated to COVID-19 mitigation or response
 - Expenses for establishing and operating public telemedicine capabilities
 - Technological improvements to facilitate distance learning

- Improving telework capabilities
 - Grants to small businesses to reimburse the costs of business interruption caused by required closures
 - Government payroll support program
 - Unemployment insurance costs related to COVID-19
3. The following are examples of public health expenditures NOT allowed pursuant to paragraph 1.a. above and 42 U.S.C. § 801(d):
 - Damages covered by insurance
 - Payroll or benefits for employees not substantially dedicated to mitigating or responding to COVID-19
 - Expenses that will be reimbursed under any federal program
 - Reimbursement to donors for donating items or services
 - Workforce bonuses other than hazard pay or overtime
 - Severance pay
 - Legal settlements
 4. Additionally, as outlined in guidance issued by the Congressional Research Service on April 14, 2020, "Coronavirus Relief Fund payments may not be used to directly account for revenue shortfalls related to the COVID-19 outbreak. Such funds, however, may indirectly assist with revenue shortfalls in cases where expenses paid for by the Coronavirus Relief Fund would otherwise widen the gap between government outlays and receipts."
 5. To ensure effective and timely oversight of local spending, Butler Community College will comply with reporting requirements established by Butler.
 6. To ensure transparency and accountability in the deliberation, expenditure, and oversight processes associated with CRF funds, Butler Community College, will comply with all requirements of the Kansas Open Meetings Act.
 7. The COVID-19 pandemic has disproportionately impacted racial minorities within the State of Kansas, illustrating long-standing health disparities for African-American, Latino, and other racial minority populations in the United States. Accordingly, Butler Community College will consider and incorporate efforts to address such disproportionate impacts on racial minorities in its direct aid plan.
 8. As provided in 42 U.S.C. § 801(f), the Inspector General of the Department of the Treasury determines whether CRF payments have been used for eligible purposes. Fund payments that are deemed to have been used for ineligible purposes are treated as a debt owed by the implementing government to Treasury. This resolution signifies that, upon approval, Butler Community College agrees to cooperate with any audits or inquiries by the Department of the Treasury concerning CRF funds and agrees to pay any debt incurred to the Department of the Treasury due to ineligible expenditures of appropriated CRF funds.

9. Butler Community College understands that the United States Department of the Treasury or the Governor's Office of Recovery may issue guidance regarding the transfer, expenditure, reimbursement, or other use of CRF funds.
10. Butler Community College understands and agrees that any unspent funds must be returned to the State for recoupment. Butler Community College understands that Butler must return all unspent funds no later than December 30, 2020, and will make any unspent funds available for return prior to December 30, 2020. All reconciliation documents submitted to the SPARK Taskforce will be made publicly available by the Governor's Office of Recovery, including supporting documentation submitted by Butler Community College to Butler County.

This document shall be filed with the Secretary to the Butler Community College Board of Trustees. It shall become effective as of July 28, 2020.

Butler Community College
Board of Trustees

Lance Lechtenberg, Vice-Chair

ATTEST:

Lora Jarvis, Secretary, Butler Community College Board of Trustees

Trustee Law moved to adopt Resolution 20-10. Trustee Good seconded. The motion passed unanimously.

ADJOURNMENT

Trustee Winslow moved to adjourn the meeting. Trustee Smith seconded. The motion passed unanimously. The special meeting of July 28, 2020 was adjourned at 7:04 p.m.

Doug Law – Secretary