
**BUTLER COMMUNITY COLLEGE
BOARD OF TRUSTEES
MINUTES OF THE REGULAR BOARD MEETING
4:30 p.m., Tuesday, April 9, 2019 – Dankert Board Room**

STAFF ATTENDANCE

Rodney Dimick	Kim Krull
Lora Jarvis	Esam Mohammad
Bill Rinkenbaugh	Terry Sader
Kim Sherwood	Kelly Snedden
Shelley Stultz	Ireland Turner
Kent Williams	Lori Winningham
Bill Young	Jon Craig
Troy Nordman	Heather Rinkenbaugh
Susan Bradley	Noreen Templin

BOARD ATTENDANCE

Eileen Dreiling
Ron Engelbrecht
Jim Howell
Greg Joyce
Lance Lechtenberg

ABSENT:

Ken Bohon
JoAnn Craven

GUESTS

Vince Haines – Gravity::Works
Lee White – Press
Josh Vogel – Simpson Construction
John Hass – Ranson Financial Group
Larry Kleeman – Ranson Financial Group
Linda Jolly – *Butler for Butler Co-Chair*
Travis Griffin – *Butler for Butler Co-Chair*

CALL TO ORDER

Chair Joyce called the regular monthly meeting of the Board of Trustees to order at 4:30 p.m.

APPROVAL OF THE AGENDA

Chair Joyce shared the revised agenda with the Board. Because of the availability of Legal Counsel and time restrictions of some of the Trustees, the first two action items, Approval of Sale of Certificates of Participation and 5000 Building Construction Bid, have been moved to the top of the agenda, followed by Executive Session then the other Action Items, Approval of Audit Engagement Letter and resignation of Trustee JoAnn Craven, then the Consent Agenda. Following all of those approvals will be Recognitions, Public Comment, Standing Reports, Monitoring Reports, Strategic Discussions and Supplemental Information. Trustee Engelbrecht moved to approve the agenda as revised. Trustee Lechtenberg seconded. The motion passed unanimously.

BOARD ACTION ITEMS

Sale of Certificates of Participation – Kent Williams presented to motions for approval. John Haas from Ranson Financial informed the Board that they had received 3 bids for the sale. IFS Securities, Inc. had the lowest interest rate and recommended we proceed with their bid.

Trustee Engelbrecht moved to approve the sale of certificates of participation in the amount of \$8,260,000 to IFS Securities, Inc in accordance with the Resolution of Intent passed on August 14, 2018 to fund the 5000 Building improvement project. Trustee Dreiling seconded. The motion passed unanimously.

Trustee Lechtenberg moved to approve Resolution 19-08 as presented below. Trustee Dreiling seconded. The motion passed unanimously.

RESOLUTION NO. 19-08

A RESOLUTION AUTHORIZING BUTLER COUNTY COMMUNITY COLLEGE TO ENTER INTO A LEASE PURCHASE TRANSACTION, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING CERTAIN COLLEGE BUILDING IMPROVEMENTS AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, under the constitution and statutes of the State of Kansas, particularly K.S.A. 71--201, Butler County Community College, Butler County, Kansas (the "College") is empowered to enter into certain leases and lease purchase agreements for the lease and/or acquisition of property; and

WHEREAS, the College has immediate need to substantially remodel and construct additions to the 5000 Building at the College's Andover campus, all in connection with the closing and vacation of the 6000 Building in Andover, Kansas (the "Improvements"), which will further its educational and public purposes, but does not have sufficient moneys on hand legally available to purchase the Improvements for its use; and

WHEREAS, the governing body of the College has heretofore adopted a Resolution on August 14, 2018 (the "Intent Resolution") declaring the intent of the College to enter into a financing arrangement for the Improvements involving a lease purchase agreement with total payments in an amount not to exceed \$11,887,096, subject to the provisions of K.S.A. 10-1116c; and

WHEREAS, the Intent Resolution was duly published and no sufficient petition in opposition of the lease purchase agreement was filed with the County Clerk of Butler County, Kansas; and

WHEREAS, the governing body of the College now finds and determines that it is advisable to enter into a financing arrangement involving a lease purchase agreement (the "Lease") and the issuance and delivery of corresponding Certificates of Participation, Series 2019 in the principal amount of \$8,260,000 (the "Certificates"), evidencing proportionate interests of the owners thereof in basic rent payments to be made by the College under the Lease and to provide financing for the Improvements; and

WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the College to take the following actions:

1. Enter into a Site Lease (the "Site Lease") with the College, as lessor, and Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"), as lessee, pursuant to which the College will lease certain real property (the "Real Property") to the Trustee on the terms and conditions set forth therein, a form of which has been submitted to the governing body for review;
2. Enter into a Lease Purchase Agreement (the "Lease") with the Trustee, pursuant to which the College will lease the Improvements and the Real Property (jointly the "Project") (as defined in the Lease) from the Trustee with an option to purchase the Trustee's interest in the Project, a form of which has been submitted to the governing body for review;

3. Approve a Declaration of Trust (the "Declaration of Trust"), by the Trustee, pursuant to which the Certificates will be executed and delivered to the purchaser of the Certificates (the "Underwriter"), a form of which has been submitted to the governing body for review;

4. Approve a final Official Statement respecting the Certificates;

5. Authorize a Tax Compliance Agreement (the "Tax Compliance Agreement") pursuant to which the College and Trustee covenant and agree to comply with various federal tax requirements necessary to maintain the exemption from federal income taxation of the Interest Portion of Basic Rent Payments under the Lease; and

6. Authorize a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") to allow the Underwriter to comply with the provisions of Rule 15c2-12 of the Securities and Exchange Commission.

The Site Lease, the Lease, the Official Statement, the Tax Compliance Agreement and the Continuing Disclosure Undertaking are referred to together herein as the "College Documents."

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BUTLER COUNTY COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. Authorization and Approval of College Documents and Declaration of Trust.

(a) The College Documents and the Declaration of Trust are hereby approved in substantially the forms submitted to and reviewed by the governing body on the date hereof, with such changes therein as shall be approved by the Chairman, the Chairman's execution of the College Documents to be conclusive evidence of such approval.

(b) The obligation of the College to pay Basic Rent Payments (as defined in the Lease) under the Lease shall constitute a current expense of the College and shall not in any way be construed to be an indebtedness or liability of the College in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness or liability by the College, and all provisions of the Lease shall be construed so as to give effect to such intent.

(c) The Chairman is hereby authorized and directed to execute and deliver the College Documents and to approve changes to the Declaration of Trust on behalf of and as the act and deed of the College. The Secretary of the Board of Trustees is hereby authorized to affix the College's seal to the College Documents and attest said seal.

Section 2. Approval of Official Statement. The final Official Statement is hereby authorized and approved, supplementing, amending and completing the Preliminary Official Statement, with such changes therein and additions thereto as shall be approved by the officer of the College executing the final Official Statement, said officer's execution thereof to be conclusive evidence of said officer's approval thereof, and the public distribution of the final Official Statement by the purchaser of the Refunding Certificates of Participation are in all respects hereby authorized and approved. The Chairman of the College is hereby authorized to execute and deliver the final Official Statement on behalf of and as the act and deed of the College.

Section 3. Further Authority. The College shall, and the officials and agents of the College are hereby authorized and directed to, take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the College with respect to the College Documents, the other documents authorized or approved hereby and the Project.

Section 4. Mandatory Provisions. Pursuant to K.S.A. 71-201c, the College shall omit from the College Documents the mandatory contract provisions of DA-146a.

Section 5. Effective Date. This Resolution shall take effect and be in full force from and after its passage by the governing body.

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ADOPTED by the governing body and approved by the Chairman of Butler County Community College, this 9th day of April, 2019.

(SEAL)

Chairman



ATTEST:

Secretary



Approval of the 5000 Building Construction Bid – Kent Williams presented the project bid to the Board. There are two numbers they will be approving for the project. The total project cost of \$12,448,687 and the overall project cost of \$13,550,327 neither of which includes previous packages approved by the Board.

Trustee Lechtenberg moved to approve the 5000 Building construction bid including alternates and re-roof allowances as shown on the bid summary in the amount of \$12,448,687 and the overall project budget of \$13,995,327 as shown on the bid summary. Trustee Engelbrecht seconded. The motion passed unanimously.

EXECUTIVE SESSION

Trustee Engelbrecht moved that the Board recess into executive session for discussion of real property and contracts with consultation with legal counsel to include the Board, Dr. Kim Krull, Vince Haines (Gravity::Works), Josh Vogel (Simpson Construction) and Ray Connell (legal counsel) via phone conference call not to exceed 45 minutes. Trustee Dreiling seconded. The motion passed unanimously.

The Board entered Executive Session at 4:56 p.m.

The Board returned to Open Session at 5:44 p.m.

Trustee Lechtenberg had to leave the meeting at this time.

BOARD ACTION ITEMS

Audit Engagement Letter – In March of 2018, the Board of Trustees approved a five-year contract with BKD to perform audit services for fiscal years ending June 30, 2018, 2019, 2020, 2021, and 2022. Kim Sherwood asked the Board to approve the engagement letter confirming the arrangements of the engagement and the nature of services performed for fiscal year ending June 30, 2019. Engagement fees for FY 2019 are \$55,520, which is a 3% increase from prior year, as agreed to in contract. Trustee Dreiling moved to accept BDK's audit engagement letter for services for fiscal year ending June 30, 2019. Trustee Engelbrecht seconded. The motion passed unanimously.

Resignation of JoAnn Craven from the Board – Dr. Krull informed the Board that Trustee Craven will be resigning from the Board effective May 14, 2019. Her husband is retiring and they will be traveling and enjoying retirement together. The selection process can be started with the Board's acceptance of her resignation. We will advertise the opening twice in the Times-Gazette and allow those interested to send in their letters and join the Board in June. They will remain in office for the remainder of Trustee Craven's term. Trustee Engelbrecht moved to accept her resignation with regrets. Trustee Howell seconded. The motion passed unanimously with regrets.

CONSENT AGENDA

Trustee Engelbrecht moved to approve the consent agenda as presented. Trustee Dreiling seconded. The motion passed unanimously. The consent agenda included the following items:

- Approval of Minutes of the Regular Board Meeting of March 2019
- Approval of Bills and Warrants for March 2019 - \$4,051,365.48 (includes Expenditure Approval List - \$1,445,257.44 and Payroll - \$2,606,108.04)
- Approval of Classroom Audio/Video Replacement plan in the amount of \$94,204.46
- Approval of 2019 Computer Replacement plan not to exceed \$222,783.50
- Approval of Renewal of Microsoft Licensing True Up in the amount of \$50,081.50
- Approval of TouchNet Annual Subscription in the amount of \$114,237.00
- Ratification of Strata Information Group Consulting Proposal in the amount of \$57,420.00
- Ratification of the Daktronics Agreement in the amount of \$1,770
- Approval of Sabbatical Leave for Andrea McCaffree-Wallace, Cheryl Johnson, Katheryn McCoskey, and Kerry Fahnestock
- Approval of Contract with Arnold Group for Temporary Custodial needs
- Approval of Contract Renewal for Abby Fawcett as Assistant Women's Basketball Coach at an annual salary of \$42,292
- Approval of Contract Renewal for Mike Helmer as Head Women's Basketball Coach at an annual salary of \$60,788. \$58,588 is paid by the college and \$2,200 is paid by Grizzlybackers

RECOGNITIONS

- **Andre Davis, Emily Wagner, Grant Pritz, Ian Kissel, and Kenyatta Nyirenda** – PBL Students Qualified for Nationals
- **Bob Peterson, Sophie Watkins, Morgan Hailey, Nathan Huyett, Dakota Alvord, Christopher Reardon** for writing and performing a skit for the Joint Advisory Committee Meeting
- **Emily Wagner & Kyla Beasley** for speaking at the Joint Advisory Committee Meeting
- **Makenzie Jackson, Lori Winningham, Kim Jackson, Mel Whiteside, Tiffani Price, Christy Streeter, Beth Eagleton, Kellee Kruse, Kelly Snedden, Rodney Dimick, James Schisler, Michelle Ruder, Aletra Chaney-Profit, Jan Stitt, Dr. Kim Krull** – for help in preparing for and hosting the Joint Advisory Committee Meeting
- **Kristen Crane** – Kansas State Board of Nursing Scholarship Recipient
- **Linda Jolly, Travis Griffin, Eileen Dreiling, Rod Young** – *Butler for Butler* co-chairs
- **Harold Beedles, Marla Canfield, Randall Chickadonz, Jill Lachenmayr, Tom Leffler, Chase Locke, Jessica Rall, David Sundgren, Tiya Tonn, Matt Ward** – *Butler for Butler* Task Force
- **Trustee Jim Howell** – April Birthday

PUBLIC COMMENT – NONE

STANDING REPORTS

Student Government Association – SGA President Christian Leis gave the board a longer report because they were not able to speak at the March meeting due to Spring Break. SGA completed February with more information on Black History Month. In March they did their free bowling again and it was a very successful event where SGA purchased meals and drinks for everyone attending.

SGA attended the free vocal concert and women's regional basketball tournament. They also gave care packages to the team members and took a pep bus for the game. When they aren't doing activities, they are hanging flyers for other clubs and providing popcorn at special events. This week they are sponsoring a 90s themed party in the small gym. On April 25th they are partnering with Butler Radio for Spring Fling. Before finals they plan to host a game of Who's Line.

Operational Staff – President Aubrey Pirtle provided a written report for the board that included the following information:

- Grizzly Give Back Day – OpStaff joined with Student Life to purchase \$500 of fleece to make blankets for those in need in our community
- Annual AKCCOP Conference – 17 office professionals from Butler attended the 2019 AKCCOP Conference that was held at Hutchinson Community College. Butler will host the 2020 conference which will bring close to 150 college employees from across the state to campus.
- Silent Auction – Each year OpStaff hosts a silent auction during IDD to raise funds for different needs.
- Officer Elections – 2019 is an election year for OpStaff and the search for officer candidates began in March. Nominations for President, Vice-President, Secretary and Treasurer will be presented in April.

Professional Employees – Terry Sader said that there wasn't really anything to report. They are matriculating the back end of the semester and anticipation of the renovations is high.

Board Finance Committee – Trustee Engelbrecht said that at three-fourths through the year, Butler is on track, slightly ahead on revenue and behind just a little on expenses.

Foundation Board Report – Though there was not a report for the Board, Dr. Krull said that the search for the Executive Director is underway and moving forward.

President's Report – Dr. Krull said that HB2144 which was introduced by Representative Kristey Williams had passed both the House and Senate in an amended format. The bill really focuses on transparency in reporting on tuition, fees, tax dollars and enrollment numbers. Most of the information is already submitted to KBOR so it's a matter of the community college deciding how they will share it on their webpages.

Dr. Krull also gave a brief update on Higher Ed funding. The Budget Conference Committee agreed to add \$7.5 million to the Governor's recommendation of \$8.9 million for a total increase to the higher education base of \$16.4 million. The Senate will look at adding at \$33 million in omnibus, but the two-year sector will likely see less than \$2 million.

Education Facilities Authority Report – At their last meeting, the discussed how the different entities would help contribute towards expenses like the electric bill. They also got a positive review of the turf which is testing as it should and will make its life as anticipated.

Trustee Engelbrecht had to leave at this time leaving only three members of the Board present.

MONITORING REPORTS

Sabbatical Leave Report – Noreen Templin provided a summary report and PowerPoint presentation on her Sabbatical from Spring 2018.

Division Report – Dean Susan Bradley and Associate Deans Troy Nordman and Jon Craig presented the annual report for the Humanities and Social & Behavioral Sciences Division.

BOARD STRATEGIC DISCUSSION – ISSUES AND OPPORTUNITIES

Butler for Butler Survey Review – Travis Griffin and Linda Jolly, the Co-Chairs for the *Butler for Butler* initiative along with Trustee Dreiling and Rod Young, presented the results of a recent community survey as well as what they learned in their visioning meetings in November and December of 2018.

Payroll Distribution Process – Shelley Stultz updated the Board on her research findings about going to a Paperless Payroll System. Currently of the approximately 1,300 employees who receive a check from the college each month, about 225 receive a paper check. The breakdown for the month of March was 158 student workers, 34 full-time employees, 4 temporary employees, and 33 are adjunct instructors. Human Resources has reached out to all of the full-time employees and explained the potential change and asked for feedback. Of those responding most have indicated that they have no problem with Direct Deposit and have just not put in the paperwork. One faculty member indicated they would like to think about which option would work better for them. Trustee Howell asked if there would be a phase in period which Shelley agreed there would be. The Board agreed to allow HR to move forward towards a paperless payroll system.

Property Insurance Update – Kent Williams presented the Board with potential changes to our insurance when it comes up for renewal in July that might have negative consequences for the college.

1. MHEC will likely change the policy renewal date from July 1 to January 1 by issuing an 18-month policy. This would increase the college's cash expenditures by ½ year's premium, (roughly \$50,000) for the first year only.
2. MHEC will likely raise the deductible for hail damage to 1% per building up to \$300,000 per occurrence. They will also likely change the water damage deductible to \$100,000 per occurrence. The college's current deductible is \$25,000 per occurrence. Ryan Murry recommends consideration of a wind/hail deductible buyback policy for the wind/hail exposure. He will check to determine if there is a policy available to reduce the water damage exposure.

MHEC has informed the college that rates will be increasing at renewal. The cost is unknown at this time.

SUPPLEMENTAL INFORMATION

Key Performance Indicators Update – Submitted by Esam Mohammad

Statement of Revenue & Expenditures – Submitted by Kim Sherwood

Thank You Notes – Troy Morrell & Family, Jordan Buxton (El Dorado Chamber), and Linda Fund (KACCT)

Board Calendars

**BOARD OF TRUSTEES CALENDAR OF ACTIVITIES
APRIL - MAY**

April Board Finance Committee	Tuesday, April 9, 3:30 p.m. President's Conference Room	Ron Engelbrecht Lance Lechtenberg
April Board Meeting	Tuesday, April 9, 4:30 p.m. Dankert Board Room	ALL TRUSTEES
PTK Induction	Sunday, April 28, 2:00 p.m. Clifford/Stone Room	Trustee Welcome Jim Howell
Early College Academy Graduation	Sunday, May 12, 3:00 p.m. Gym	Trustee Welcome Eileen Dreiling
May Board Finance Committee	Tuesday, May 14, 3:30 p.m. President's Conference Room	Ron Engelbrecht Lance Lechtenberg
May Board Meeting	Tuesday, May 14, 4:30 p.m. Dankert Board Room	ALL TRUSTEES
Nurses Pinning	Thursday, May 16, 7:00 p.m. Gym	Trustee Welcome Jim Howell
Order of the Purple	Friday, May 17, 2:30 p.m. Gym	Trustee Welcome TBD
Commencement	Friday, May 17, 7:00 p.m. BG Products Veterans Sports Complex	Trustee Roles TBD

2018-2019 Board Meeting Dates
Tuesday, April 9, 2019
Tuesday, May 14, 2019
Tuesday, June 11, 2019
Tuesday, July 9, 2019

<u>LOOKING AHEAD</u>		
June Board Finance Committee	Tuesday, June 11, 3:30 p.m. President's Conference Room	Ron Engelbrecht Lance Lechtenberg
June Board Meeting	Tuesday, June 11, 4:30 p.m. Dankert Board Room	ALL TRUSTEES
July 4	OFFICES CLOSED	
July Board Finance Committee	Tuesday, July 9, 3:30 p.m. President's Conference Room	Ron Engelbrecht Lance Lechtenberg
July Board Meeting	Tuesday, July 9, 4:30 p.m. Dankert Board Room	ALL TRUSTEES

Friday, May 17, 2019

6:00 p.m. Gathering of dignitaries on second level of Stadium (More details closer to date)
 6:45 p.m. Procession to Field
 7:00 p.m. Commencement:

- Welcome – _____
- Intro of David Carter, Speaker – _____
- Introduction of Noreen Templin, 2019 Master Teacher – Terry Sader
- Announcement of Order of the Gold Recipients – Noreen Templin
- Presenter of Order of the Gold Medallions – _____
- Presentation of the Hubbard Award of Excellence – _____

SPRING 2019 ACTIVITY CALENDAR

Student Forums	Wed, April 10 BOA – 11:30 a.m. BOE – 6:00 p.m.
E.B. White Gallery of Art Annual Juried Student Art Exhibit Reception	April 12-May 6 Fri, April 12 @ 6:00 p.m.

Second Saturday (BOA 5000)	Sat, April 13
Theatre	Thurs, April 18 @ 7:30 p.m. Fri, April 19 @ 7:30 p.m. Sat, April 20 @ 2:00 & 7:30 p.m.
Institutional Development Day (IDD) – NO CLASSES	Thurs, April 18
Good Friday – COLLEGE CLOSED	Fri, April 19
Instrumental Concert	Thurs, April 25 @ 7:30 p.m. Fri, April 26 @ 7:30 p.m. Sat, April 27 @ 2:00 & 7:30 p.m.
Employee Forums	Tues, April 30 BOA – 11:30 a.m. BOE – 2:00 p.m.
Vocal Concert	Thurs, May 2 @ 7:30 p.m. Fri, May 3 @ 7:30 p.m. Sat, May 4 @ 2:00 & 7:30 p.m.
Early College Academy Graduation	Sun, May 12 @ 3:00 p.m.
Finals Week	May 13-17
E.B. White Gallery of Art Student Art Sale	Tues, May 14, 10:00 a.m. – 4:00 p.m.
Nurses Pinning	Thurs, May 16 @ 7:00 p.m.
Order of the Purple	Fri, May 17 @ 2:30 p.m.
Commencement	Fri, May 17 @ 7:00 p.m. <i>(Severe Weather Date, Sat. May 18)</i>
BCC Foundation Board of Directors Meeting	Tues, May 21 @ 4:00 p.m.
Memorial Day – COLLEGE CLOSED	Mon, May 27
Summer Semester Begins	Mon, June 3
Independence Day – COLLEGE CLOSED	Thurs, July 4
Summer Classes End	Fri, July 26

ADJOURNMENT

The Board did not have a quorum at the end of the meeting to pose a motion, but was released at 7:03 p.m.

Jim Howell – Secretary