

Board of Trustee Budget Update Minutes of July 06, 2020 Meeting

I. Chairman Dwane DeWeese called the Pratt Community College Board of Trustees Budget Update meeting to order at 6:02 p.m.

II. **Trustees Present:** Dwane DeWeese, Chair, Mike Koler, Vice Chair, Ed Barrett, Stan Reimer, **Teleconference:** Kim DeClue, Michele Hamm, and Jeff Shumway.

Trustee(s) Absent: None

Administrative Present: *Dr. Michael Calvert*, President, *Kent Adams*, VP of Finance and Operations; *Monette DePew*, VP of Instruction, *Lisa Perez Miller*, VP of Students/Enrollment and Management, *Tim Swartzendruber*, Athletic Director, and *Donna Meier Pfeifer*, Clerk of the Board.

Media Representation: None Present

III. **Enrollment Update – July 6, 2020 Board Report – Lisa Perez Miller**

Ms. Perez Miller had sent out an Enrollment Update for July 6, 2020 prior to the meeting for the board to review.

1. **2020-2021 Academic Year** – Credit hour production for the academic year is 10,296 and -5.8% below the figure reported on July 8, 2019.
2. **Summer 2020 Semester Enrollment**
 - Summer Semester credit hour production is 2,311 and 14% greater than the same period last year.
 - Student headcount is 462 and 18% greater than the same period last year.
 - EduKan credit hour production is 1,497 and 1% greater than the same period in 2019.
 - College Start/High School enrollment is 222 credit hours, a 134% increase over the same period in 2019.
 - Credit hour production for the “Nine Core County Region” (*Barber, Comanche, Harper, Kingman, Kiowa, Pratt, Reno, Sedgwick, and Stafford*) is 874 credit hours, a comparison with the 2019 Summer Semester total of 629 for the Nine Core County Region.
3. **Fall 2020 Semester Enrollment**
 - Fall Semester credit hour production is 7,985 and -10% less than the same period last year.
 - Student headcount is 597 and -14% less than Fall headcount for the same period last year.
 - EduKan credit hour production is 548 and -36% less than production for the same period in 2019.
 - College Start/High School enrollment is 512 credit hours, a -38% decrease in production compared to the same period in 2019.
 - Credit hour production for the “Nine Core County Region” (*Barber, Comanche, Harper, Kingman, Kiowa, Pratt, Reno, Sedgwick, and Stafford*) is 3,061 credit hours, a comparison with the 2019 Fall Semester total of 5,595 for the Nine Core County Region. *Note: The Fall 2019 figure has not been submitted to KSPSD, so the number is not an “official final” figure until it is submitted by Data Services.*
 - EduKan Fall Term start dates:
 - Fall Term 1 & Fall Term 2 Last Date to Enroll: August 14
 - Fall Term 3 Last Date to Enroll: September 25
 - Fall Term 4: Last Date to Enroll: October 9
 - Fall Term 5: Last Date to Enroll: November 20

4. **Fall 2020 Residence Hall Occupancy**

- Residence hall occupancy is 61% or 201 students compared to the same period in 2019 of 61% or 210 students. *Note: In 2019 the total occupancy was 346 and in 2020 it is 330, thus the reason 61% represents a different number of students.*

IV. Budget Update – Kent Adams and Dr. Calvert

Mr. Adams presented the *Most Likely Now On July 7, 2020* scenario to the Board. Dr. Calvert expressed these numbers could change depending on enrollment numbers. He referenced the Enrollment Update provided by Ms. Perez Miller the credit hour production for the academic year is 10,296 and -5.8% below the figure reported on July 8, 2019. The budget is using a 10% decrease in enrollment and in state funding.

FY21 Valuation (Most Likely Case)	\$ 167,704,608
FY 20 Final Mill Levy	39.011
Revenue Impact of hange in Valuation	\$ 29,862
Revenue Impace of Increase Mill Levy	\$ 76,255
Increase in Mill Levy ot Offset Loss of Valuation	\$ -
FY21 Mill Levy	39.4657
Credit Hour Production	
FY20 Budget Built on 2% Increase Over FY19	\$ 27,287
FY20 Current Credit Hour Production	\$ 26,137
FY21 Credit Hour Loss at 10% Reduction	\$ 2,614
Revenue Impact of Enrollment Decrease	\$ (184,287)
State Funding 10% Decrease	\$ (239,973)
Overall Revenue Impact	\$ (394,398)
Tax Revenue From Inceased Mill Levy	\$ 106,117
Cash Reserve	\$ -
Budget Cuts	\$ 361,504
Net Impact	\$ 73,223
CARES Funds	\$ 259,182

Dr. Calvert expressed the Fall semester with regular start in mid-August, then COVID-19 upsets the routine sometime later. Past trends/history cannot be used, it is irrelevant. Concern is, can we retain the students? Mr. Adams does not feel the state revenue is going to recover in the 3-4 years. The Neighborhood Revitalization coming back on the tax roll made the \$700,000 increase in the valuation. Dr. Calvert feels Plan B currently would be to switch everything to online. Mr. Adams said the institution could be sustainable for a year, but three to five years would be questionable. Consensus centers on a 10% increase which has been consistent throughout the discussion of KACCT and state call. FY2022 deal with valuation, state money will not come back, cannot with the \$360,000 of cuts every year.

FY21 Mill Levy increase to 39.4657 creating \$106,117 tax revenue.

Ms. DeClue expressed that PCC is not the only community taxing entity considering a mill increase. She would prefer the budget be considered without a mill levy increase. And with a mill levy increase what perception does this express to the community which has been effected by COVID-19.

Ms. DeClue sent an email to Dr. Calvert: *I see in yesterday's Pratt Tribune that the Pratt Airport Authority "intends to levy a tax of one mill upon each dollar of the assessed tangible valuation of the property of the city of Pratt for the purpose of providing matchings funds in order to qualify for federal / state grant(s) related to the development, improvement, operation or maintenance of the public airport". I believe they received some FEMA funds in connection with COVID-19.*

My concern is that if the PCC Board approves to raise the mill on PCC and the rest of the taxing entities also increase the mill we will be looking at a larger increase than expected. Just my thoughts.....Kim

Ms. DeClue spoke with the Diana Garten, City of Pratt Finance Director, the Airport already has 3 mills, but they have the ability to use the 4th mill, which is not much of an increase, and they have been using that 4th mill since 2018. Each year they have to post legal notice in the paper.

Chairman DeWeese asked if the mill was not increased funds would have to be taken out of the reserves. Mr. Adams concurred but everything would have to go as stated, the amount of withdrawal would be \$76,000. Next year withdrawal would be a much larger amount to get through the state funding and no budget cuts. Mr. Barrett expressed the function of a Trustee is to represent PCC in the best interest and it looks like there is no choice.

VC Mr. Koler is concerned about what is going to happen next year. If the mill is raised a half a mill this year to ease the operation next year and we may be able to lower the mill next year. We need to keep the best interest of the college, keep the college viable, and viability is money.

IV. Action Items

Approve Health Insurance for 2020/2021 – Kent Adams

Chairman DeWeese asked for a motion to accept the administrations recommendation renewal of the Blue Cross Blue Shield (BCBS) Fully Funded Plan (which includes dental) with plan changes. Motion was made by Mr. Barret to accept the administrations recommendation to the renewal of the Blue Cross Blue Shield Fully Funded Plan with changes. Motion was seconded by VC Mr. Koler.

BCBS has a 36% increase to maintain PCC's current plan. Quotes were solicited Aetna and United Health Care declined due to 10-12 large claims and only two would drop off. Self-Funded from BCBS and insurance broker PIC. Self-funding has an attaching charging up to 125% of expected claims, fully funded. Rates to self-fund were higher due to PCC's experience over the past year. With BCBS renewal with plan change is a 24.6% increase.

Renewal Plan Change BCBS: Single \$804.95; Family \$1,828.79
Deductible: Single: \$1,500; Family \$3,000; Co-Insurance 80/20
Emergency Room Copay \$100; Primary Care Co-pay \$35
Preventative Care Paid at 100%

With no further discussion, motion passed unanimously.

Ideatek ISP, Phone System, Wi-Fi – Kent Adams

Chairman DeWeese asked for a motion to accept the administrations recommendation to approve the Ideatek proposal. Mr. Reimer made a motion to accept the administration’s recommendation to approve the Ideatek proposal. Motion was seconded by Mr. Barrett.

Ideatek has provided PCC with a proposal to provide internet service, Wi-Fi throughout the campus, replace the telephone system with a VOIP. Upfront cost is \$20,000 with a monthly charge of \$8,640 for a six year term. If cable is eliminated in the residence halls the proposal will save approximately \$4,000 per month. If the cable is provided in the residence halls the proposal would cost an additional \$500 per month. Similar proposals have been reviewed from Cox and ATT and neither is able to provide the turn-key service. Therefore, this is a sole-source proposal.

With no further discussion, motion passed unanimously.

Global Plasma Solutions Needlepoint Bipolar Ionization Air Purification System – Kent Adams

Chairman DeWeese asked for a motion to accept the administrations recommendations to approve the GPS Needlepoint Bipolar Ionization Air Purification Systems with TMI-ASG. Mr. Barrett made the motion. Motion was seconded by Mr. Reimer.

TMI-ASG is the distributor in the Kansas region for GPS. This is equipment only for ionization of the air handling units throughout campus. Cost is \$100,806, approximately \$45,000 of the cost is for the residence hall units and the remainder is for the other buildings on campus. This is a proprietary technology that inactivates 99.4% of COVID-19 in the air. PCC will install the units. First priority will be the units installed in the residence halls. These units are in stock and can be shipped within two weeks. The larger units are not in stock. TMI-ASG has the state contract for this equipment. This is a sole-source purchased since TIM-ASG is the only distributor of this equipment in the State of Kansas.

Funds from the CARES Act cannot be used towards this purchase. Pratt County is going to be receiving \$1.8M from CARES Act to reimburse taxing entities in Pratt County and to the business community if there is any remaining funds. Dr. Calvert has sent a letter to the County requesting \$220,000 of reimbursement and this item was included in the request. There has been a group formed to discuss and approve the requests made (USD 382, USD 438, PCC, PRMC, and Pratt County) and 4 community representatives. PRMC recommends this equipment. FEMA has a grant for a 75% match and the institution 25%.

With nor further discussion, motion passed unanimously.

V. Training on Open Meetings – Tom Black

Mr. Black had provided to the Trustees earlier a printout of The Kansas Open Meetings ACT.

In 1972, the Kansas Legislature enacted The Kanas Open Meetings Act (KOMA).

1. It was designed to shed some sunshine upon the workings of the government. KOMA has been referred to as the “cornerstone of public access to state and local government in Kansas”,
2. Kansas Supreme Court has declared democracy is threatened when public decisions are not made in public.
3. These statements evidence the importance of the KOMA to our system of government.

May people confuse state sunshine laws with the federal Freedom of Information Act (FOIA). The FOIA does not generally apply to the meetings or records of state or local government agencies, nor to private business or individuals. The purpose of the KOMA is to promote an informed electorate. Elected officials have no constitutional right to conduct government affairs behind closed doors. Their duty is to inform the electorate, not hide from it.

What is a meeting? (1) A gathering, assembly, telephone call or any other medium for interactive communication (2) by a majority of the membership of an agency or public body (3) for the purpose of discussing the business or affairs of the public body or agency. Currently, a majority of the membership of an agency or public body is now required to trigger the KOMA requirements. A majority of the PCC Board of Trustees would be four (4). The discussion between a majorities of a quorum of the body be “for the purpose of discussing the business or affairs of the body”. It is not necessary that a vote or binding action be taken. *Discussion of public business is what triggers application of the KOMA.*

Mr. Black covered several different parts of KOMA such as:

- Bodies Subject to the KOMA

1. All legislative and administrative bodies, state agencies, and political and taxing subdivisions

2. Which receive or expend and are supported in whole or in part by public funds.

- Enforcement of KOMA – Methods used to enforce the KOMA are primarily designed to encourage and ensure compliance, rather than to punish the guilty or disrupt the orderly flow of the public’s business.

- Open Meetings and Executive Sessions – KOMA does not require an executive session for any purpose. Executive sessions are permitted for the purposes and topics specified by statute. Discussion is all that can occur in an executive session; binding action may not be taken. Reaching a consensus in executive session is permitted. A consensus, may constitute binding action and violate the KOMA if a body fails to follow up with a formal open vote on a decision that would normally require a vote.

Public notice of regular meetings or special meetings by posting it on the PCC website is sufficient.

- Conclusion – The KOMA and KORA ensure that citizens have the right to see public documents and attend public meetings. With the passage of the KOMA and the KORA, the burden of proof shifted from the individual to the government. The affairs of government are not intended to be conducted in an atmosphere of secrecy since at all time the public is to be the beneficiary of any action taken any level of government.

(Document filed with the Official Minutes)

VI. Executive Session for Non-Elected Personnel Matters (If Needed)

VII. Adjourn Meeting

Chairman DeWeese asked for a motion to adjourn the meeting.

Mr. Barrett made the motion to adjourn the meeting. Motion was seconded by VC Koler.

With no further discussion, motion passed unanimously.