

**Board of Trustee Minutes of July 29, 2024
Special Board Meeting**

Pratt Community College

*The mission of Pratt Community College is maximum student learning,
individual and workforce development, high quality instruction
and service, and community enrichment.*

I. Call to Order – 5:39 p.m. Mike Koler, Chair called to order the July 29, 2024 Special Board of Trustees meeting.

II. Pledge of Allegiance was led by Dean Fitzsimmons, Vice Chair

Trustees Present: Mike Koler, Chair, Dean Fitzsimmons, Vice Chair (VC), Ed Barrett, Michele Hamm, Eric Scott Killough, Mark Morgan, and Suzan Patton

Administration Present: Dr. Michael Calvert, President, Kent Adams, VP Finance and Operations, Monette DePew, VP Instruction, Dr. Kwanna King, VP Student Services, Larry Johnston, Director of Athletics, Jerry Sanko, Chief Information Officer, Donna Meier Pfeifer, Clerk of the Board.

III. Public Comments – No representation from the public

IV. Introduction of Guests – No guests were introduced

V. Discussion:

A. Review Fiscal Year 2024-2025 Budget and Reach Consensus to Support Published Budget - *Kent Adams, VP Finance and Operations / Dr. Michael Calvert, President*

Prior to the meeting the Board of Trustees and President's Cabinet received:

- Agenda
- Budget Scenarios 2024-2025, 1, 2 and 3
- FY2024-2025 Kansas Community College State Appropriations

Dr. Calvert, President

The Board at prior meetings requested to have more information / data to review, different options presented and opportunities pertaining to the 2024-2025 Budget. This special meeting's intent is to reach an agreement to finalize the budget and have the Boards consensus they will support it when this is presented at the Public Budget Hearing on August 26, 2024. Mr. Kent Adams, VP of Finance and Operations, will need to finalize the legal budget and put it out for legal notice which is required by statute and must be met.

Mr. Adams explained the three scenarios presented and how they would affect Pratt Community College 2024-2025 Estimated Cash Flow.

- CD interest from the various reserves will go back into the respective reserves.
- 5% CD rate are 11 months; 12 months rate is 2.75%.

Budget Scenarios 2024-2025

The Administration Recommends Scenario 1

SCENARIO 1

2023-2024 Cash Flow \$64,000

2.5% Enrollment Growth/Mill Levy 42.5

Revenue Changes

Credit Hour Growth 2.5% \$102,098

Tuition Increase \$3 PCH \$83,720

Valuation Decrease \$13.7 Million (Mill levy 42.5) \$100,266

State Funding (Tiered and Non-Tiered) (\$37,777)

State Grant Funds That Could Supplant Existing Funds \$150,000

Miscellaneous Revenue (Interest From Maturing CD) \$300,000

Revenue Change \$698,307

Expenditure Changes

Salary and Benefits Increase \$306,775

Capital Outlay Increase \$35,000

Debt Service Series 2024 COP EPT Building \$148,616

Increased Cost of Insurance, Utilities, Etc. \$95,751

Expenditure Change \$586,142

FY 2024/2025 Estimated Cash Flow \$112,165

SCENARIO 3

2023-2024 Cash Flow \$64,000

2.5% Enrollment Growth/Mill Levy 41.43

Revenue Changes

Credit Hour Growth 2.5% \$102,098

Tuition Increase \$3 PCH \$83,720

Valuation Decrease \$13.7 Million (Mill Levy 41.43) (\$99,840)

State Funding (Tiered and Non-Tiered) (\$37,777)

State Grant Funds That Could Supplant Existing Funds \$150,000

Miscellaneous Revenue (Interest From Maturing CD) \$300,000

Revenue Change \$498,201

Expenditure Changes

Salary and Benefits Increase \$306,775

Capital Outlay Increase \$35,000

Debt Service Series 2024 COP EPT Building \$148,616

Increased Cost of Insurance, Utilities, Etc. \$95,751

Expenditure Change \$586,142

FY 2024/2025 Estimated Cash Flow (\$87,941)

SCENARIO 2

2023-2024 Cash Flow \$64,000

1.5% Enrollment Growth/Mill Levy 42.0

Revenue Changes

Credit Hour Growth 1.5% \$61,259

Tuition Increase \$3 PCH \$82,904

Valuation Decrease \$13.7 Million (Mill levy 42.0) \$0

State Funding (Tiered and Non-Tiered) (\$37,777)

State Grant Funds That Could Supplant Existing Funds \$150,000

Miscellaneous Revenue (Interest From Maturing CD) \$300,000

Revenue Change \$556,386

Expenditure Changes

Salary and Benefits Increase \$306,775

Capital Outlay Increase \$35,000

Debt Service Series 2024 COP EPT Building \$148,616

Increased Cost of Insurance, Utilities, Etc. \$95,751

Expenditure Change \$586,142

FY 2024/2025 Estimated Cash Flow (\$29,756)

The Revenue Neutral Rate shown on the data sheet from the County Clerk is based on the total valuation without considering the impact of the Neighborhood Revitalization Tax property. Therefore, the Revenue Neutral Rate of 41.43 would result in revenue estimated to be about \$100,000 less than the prior year. To generate the FY24 ad valorem tax revenue of \$7,747,867 would require a mill levy of 42.0 considering the Neighborhood Revitalization Tax Credit property.

Each 0.5 mill generates about \$100,000 tax revenue, each 0.5% of credit hour growth generates \$20,420.

The administration recommends Scenario 1 with a 42.5 Mill Levy. This gives the institution some flexibility i.e. increases in salaries, equipment, etc.

Each Trustee shared their concerns with the presented scenarios and concerns about the upcoming tax assessment.

Discussion:

Community Awareness - Suggested an article from Dr. Calvert to the community explaining why PCC is an asset to the Pratt Community and the need to maintain the institution.

Chair Koler asked each Trustee for their choice of the scenarios presented with each scenario having a 2.5% enrollment growth / Mill Levy 42.0.

Result:

The consensus of the Board was to accept Scenario 2 with a 2.5% enrollment growth/42.0 Mill Levy.

At 6:19 p.m. Chair Koler called for a motion to adjourn the special meeting. VC Fitzsimmons made a motion to adjourn, and motion seconded by Trustee Barrett. With no further discussion the motion was carried out unanimously.

Special Board Meeting Minutes Recorded by:
Donna Meier Pfeifer
Clerk of the Board of Trustees