

Manhattan Area Technical College
Board of Directors Meeting
Tuesday, November 8, 2005

Call to Order – Jerry Mayo, Board Chair

1. The Board of Directors of the Manhattan Area Technical College met in Regular Session at the MATC Library on Tuesday, November 8, 2005 at 7:00 p.m.

Members present: Dr. Craft, David
 Davin, Beverly
 Kice, John
 Kohlmeier, Stacy
 Mayo, Jerry
 Shipps, Dale
 Thornberg, Willie
 Dr. Wika, Norris

Members absent: Fowles, Brad

Also present were Jane Bloodgood, Vice President of Business Services; Dr. Rich Fogg, Assistant Vice President of Institutional Advancement; Dr. Linda Hertzell, Vice President of Instructional Services; and Kim Kickhaefer, Vice President of Student Services.

2. CONSENT AGENDA

Mr. Mayo added several items to the agenda. Board Retreat and Report on College Ownership were added under New Business, and President's Comments was added under Correspondence/Presentations. A correction was made to the President's Report: Barbara Hawk was changed to Barbara Craft. Dr. Wika moved to approve the consent agenda as amended. Mr. Kice seconded. Motion carried 8/0.

3. OLD BUSINESS

Tour Andover Controls (TAC) Update

John O'Herron, Midwest Sales Representative and Joseph Hurla, K-12 Customer Representative, Tour Andover Control (TAC); and Dale Worley, FCIP Manager, Corporation Commission reported on the building improvement energy savings project for MATC. The team presented MATC's Final Project Summary.

Mr. O'Herron gave a summary of the project. Heating and air conditioning will be upgraded throughout the MATC facility. Ductwork will be reworked to accommodate changes in facility's occupancy. Lighting will be upgraded to improve light quality, and to generate energy and equipment savings. Ceilings in classroom spaces will be lowered to create a more aesthetically pleasing environment as well as produce energy savings. An Energy Management System (EMS) will be installed to generate energy and cost savings.

Mr. Hurla shared with the Board the guaranteed energy savings that will be used to fund the cost of improvements. MATC's current baseline annual utility cost is \$79,296 and the potential annual savings is \$29,108 or 37%.

The analysis reflected several cash flow scenarios. To implement a comprehensive facility

improvement project, MATC would have to contribute additional capital for only the first seven years assuming the utility rates rise at an average rate of three percent annually. During the eighth year, the project would begin to generate a positive cash flow, if the expected savings are achieved. Even if only the minimum level of guaranteed savings accrues, the project would be adding money back to the college before the end of the 15-year term. This assumes no money is put down, and all costs associated with the project are financed as well.

Mr. Hurla handed out information from First Bank on the lease purchase agreement. Ms. Bloodgood noted that the interest rate is 4.10%. Upon closing this loan the money that is put into escrow will be drawn on as the construction project moves along. The loan has no prepayment penalty and no closing cost or settlement costs beyond the interest rate. The funds in escrow will generate some interest income for the college. It is important to note that the payback would be recognized in a short period of time if MATC has major capital fund raising opportunities.

Ms. Davin moved to adopt the TAC proposal as set out in the MATC Final Project Summary. Ms. Kohlmeier seconded the motion. Motion carried 8/0.

Mr. Thornberg made a motion to accept the lease purchase agreement as written by First Bank. Ms. Kohlmeier seconded the motion. Motion carried 8/0.

4. CORRESPONDENCE/PRESENTATIONS

Betty Johnson, Fund Raising Consultant, Betty Johnson and Associates

Ms. Johnson gave a presentation on how to establish a successful development program and the importance of hiring a development director.

Ms. Kohlmeier proposed that the Board move forward and put together a development committee that would work with a funding consultant to compose a job description for a development director. The Development Committee could then update the Board on their progress at the December Board meeting. Mr. Shippy seconded the motion. The motion went to the floor for discussion.

Ms. Bloodgood noted that due to several costly projects going on and budget constraints it will be difficult for MATC to hire a full time development director at this time without prioritizing and making adjustments in the budget.

Ms. Kohlmeier amended the motion. She proposed that the Development Committee prepare a job description, determine how the position could be worked into the budget and determine what the next step is in hiring someone to fill the position. Motion carried as amended 8/0.

The Development Committee is comprised of five members; Ms. Kohlmeier, Chair, Dr. Craft, Dr. Edleston, Mr. Mayo and Dr. Wika.

President's Comments

Dr. Edleston reported that he, along with KBOR and KATSC, members testified before the Legislative Educational Planning Committee on November 7th regarding waiting lists at Kansas technical colleges, and how the state can help eliminate waiting lists by increasing state funding to the schools and colleges. KATSC lobbyists believe that legislators are very interested in the funding of technical education this year.

Dr. Edleston also attended a KATSC meeting at Colby Community College this morning. Dr. Bob

Masters, Vice President for Academic Affairs and Dr. Blake Flanders, Director of Career and Technical Education, Kansas Board of Regents, also attended the meeting to answer questions. KBOR is working on a funding formula to present to the Legislature and currently has KATSC's funding formula. KBOR is also looking at the governance of two year institutions and higher education throughout the state.

In October a letter was sent out to dentists in the region informing them that MATC is looking at establishing a dental hygiene program. The dentists were asked if they would be willing to help in various ways such as: act as a clinical site for the MATC program, provide financial support for the program if necessary, and possibly serve as a program advisor. MATC was recently notified by a local dentist saying he was interested in assisting MATC in all these areas.

Dr. Edleston is preparing a grant proposal to Delta Dental of Kansas Foundation, hoping to receive funding for the dental hygiene program. If the program would become self-sustaining, and receive state funding, after three years or so MATC may actually see significant revenues from the program. Due to the high cost of operating a dental hygiene program MATC may consider increasing the tuition for that particular program. For example, instead of charging the dental hygienist student \$55 a credit hour MATC may charge them a \$110 a credit hour. If the dental hygiene program comes to fruition enrollment would possibly start in August 2007.

5. NEW BUSINESS

Assessment of Policy Governance

After some discussion it was decided that the Board could use some assistance from a Policy Governance facilitator in accomplishing the tasks the Board had set for themselves. One critical task is preparing the President's performance evaluation. Mr. Mayo will contact a Policy Governance facilitator and report back at the December Board meeting.

Update on Building Trades Facility

Dr. Edleston reported that MATC had to refigure the cost of the Building Trades Facility. An HVAC subcontracted will oversee the labor regarding the installation of the air conditioning; MATC HVAC students will do the rest of the labor. The value of the MATC students building a house for the construction company is approximately \$38,000. The value of the Building Trades building is about \$36,000. It will cost approximately \$2,000 to have the main steel erected. Building Trades students will put up the exterior walls and do the interior work.

Board Retreat

After some discussion the Board agreed to have a retreat in January. Dr. Edleston and Ms. Robinson will make the arrangements.

College Ownership

Mr. Mayo stated that the Board had set a goal of November to provide a report on college ownership. Dr. Edleston noted that the ownership has not been clearly defined. Mr. Mayo agreed and decided to postpone this discussion until after the Board Retreat.

6. EXECUTIVE SESSION

Mr. Thornberg moved to go into Executive Session to discuss personnel matters on non-elected personnel in order to protect the privacy interests of the individual(s) to be discussed, and that they return to Open Session in this room at 9:05 p.m. Dr. Wika seconded. Motion carried 8/0. Board

returned to regular session at 9:06 p.m.

7. CITIZENS' COMMENTS

No citizens' comments were reported at this time.

8. GOOD OF THE ORDER

Dr. Wika thanked Dr. Hertzell for doing a great job on the KMAN radio show.

Mr. Mayo thanked Roberta Robinson, Sally Vonada, and team for all their work in MATC hosting the Chamber's Business After Hours. He thanked Dr. Edleston for his success in securing an agreement with a local construction company to trade a \$36,000 building for a Building Trades facility in exchange for MATC BT students building one of their houses next fall. Mr. Mayo also thanked Brent Boring, Rex Fair, Ron Bell, Wes Chambers, Don Jensen, Mick Cook and Gary Weakland for securing equipment donations for their programs.

9. FUTURE AGENDA ITEMS

Development Committee will provide a report. Board will discuss retreat agenda.

The next MATC Board meeting is scheduled for December 13th at the Geary Community Hospital, Junction City.

10. ADJOURNMENT

Mr. Mayo, Chair, adjourned the meeting at 9:15 p.m.

Roberta Robinson, Board Clerk
Manhattan Area Technical College
Board of Directors