

**OGDEN-WEBER TECHNICAL COLLEGE
BOARD OF DIRECTORS MEETING**

June 28, 2018

C. Brent Wallis Student Services Building

Harold W Ritchey Board Room

4:00 p.m.

MINUTES

MEMBERS PRESENT

Kearston Cutrubus

Slade Opheikens

William Shafer

Toni Ure

Matt Wardle, Chair

Paul Widdison

Joyce Wilson, Vice Chair

WSU Board of Trustees

Business/Industry

Business/Industry

Business/Industry

Business/Industry

Weber School Board

Ogden School Board

MEMBERS EXCUSED

Mark Jenkins

Cameron Cook

Richard Taylor

Business/Industry

Business/Industry

Business/Industry

EX-OFFICIO MEMBERS

James R. Taggart

Ogden-Weber Technical College

GUESTS

Chad Burchell

Tyler Call

Stephanie Hardy

Steve Moore

Monica Schwenk

David Woolstenhulme (via phone)

Ogden-Weber Technical College

Ogden-Weber Technical College

Ogden-Weber Technical College

USTC Board of Trustees

Ogden-Weber Technical College

Utah System of Technical Colleges

Tina Smith

Recording Secretary

The Board of Directors of the Ogden-Weber Technical College met on Thursday, June 28, 2018, at 4:00 p.m. in the C. Brent Wallis Student Services Building, Harold W Ritchey Board Room. The meeting was conducted by Matt Wardle, chair, and the agenda proceeded as follows:

1. EXECUTIVE SESSION

A motion to move to a closed session per Utah Code 52-4-2-2-5 to discuss the character, professional competence, or physical or mental health of an individual was made by Paul Widdison and seconded by Joyce Wilson.

Ms. Smith conducted a roll call vote on the motion:

Kearston Cutrubus: Yes
Mark Jenkins: Yes
William Shafer: Yes
Matt Wardle: Yes
Paul Widdison: Yes
Joyce Wilson: Yes
Slade Opheikens: Yes
Toni Ure: Yes

The motion carried unanimously.

The board moved to an Executive Session (closed meeting) at 4:02 p.m.

A motion to return to the regular board meeting was made by Joyce Wilson, seconded by Kearston Cutrubus, and carried unanimously.

The board returned to the regular meeting at 4:52 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD APRIL 26, 2018, 2018

A motion to approve the minutes of the meeting held April 26, 2018, was made by Kearston Cutrubus, seconded by Paul Widdison, and carried unanimously.

Ms. Wilson reviewed the list of food items prepared by students in the Culinary Arts program.

Mr. Wardle noted that Cameron Cook, Richard Taylor, and Mark Jenkins had asked to be excused from the meeting.

Mr. Wardle introduced guests in the audience: Steve Moore, member, Utah System of Technical Colleges Board of Trustees; Monica Schwenk, development director; Stephanie Hardy, custom fit manager; and Commissioner David Woolstenhulme, Utah System of Technical Colleges (via phone).

3. APROVAL OF FY19 OPERATING BUDGET

The board approved the Strategic Plan at its last meeting, and the document included general information about the FY19 budget. Mr. Call provided the board with additional budget detail:

- Federal Grants and Contracts increased by \$53,000 due in large part to increases in YouthBuild grant funding.
- State and Local Grants increased by \$293,000 due in large part to the new Talent Ready Utah grant and an increase in Millcreek Construction funding.
- Sales and Services of Educational Departments increased by \$88,000 due to higher revenue projections in the Culinary Arts and Cosmetology programs.
- Salaries and Benefits increased due to a 2.5 discretionary increase provided by the legislature and an 8.5 percent increase in health insurance renewal. The college also received funding to expand market-driven programs which includes adding positions.
- Capital Expenditure budgets decreased by \$694,000 because the college did not include fund balance projects in the FY19 budget. Administration is reviewing the fund balance list and will present it to the board in August.

Mr. Wardle explained that fund balance is derived from excess revenues generated by the college, e.g., interest income, fees, revenue from the College Store/Cosmetology program. These monies are not part of the college's annual state appropriation.

Mr. Call explained the college set aside funds to establish an emergency fund several years ago. Once the balance reached an appropriate level, the college recommended establishing a base dollar amount which would remain untouched. Any monies over that amount could be used for special projects (fund balance), e.g., capital improvement, capital equipment.

Administration is currently waiting to see how the budget lands and will then prioritize the FY19 fund balance list. Fund balance will then be added to the budget through a modification. This provides the college with additional time to obtain realistic cost estimates for the projects.

Mr. Wardle noted that the college has requested fund balance in the past but hasn't always spent it.

Mr. Opheikens asked about the balance in the college's emergency fund. Mr. Call indicated that, based on last year's audited financial statements, it was \$3.7 million (funding accumulated over 10-11 years). When Mr. Call was hired, he was directed to add \$250,000 to fund balance each year over the next 4 years; ended up adding more than that amount. At that time, the college determined that some of the funding should be used for special projects.

President Taggart indicated that the college wanted to be prepared in the event of an economic downturn. The board directed that the college must maintain a certain corpus that cannot be touched—enough to operate for three months if needed. This action was not mandated by the state—it was implemented based upon recommendations from the Audit Committee, Board Leadership, and the board.

Mr. Call explained the college sets aside 15 percent of the current year's appropriated monies for this purpose. Most fund balance requests are between \$300,000 - \$500,000, with last year's request being slightly higher due to the number of projects, e.g., bathroom remodel in Multipurpose Facility, sidewalks, signage, accreditation.

- State Appropriations grew by \$1.1 million along with a one-time Operations and Maintenance reduction of \$38,500 for BDO Bay 2 (college was overfunded for the project). New funding includes \$330,900 for compensation; \$304,000 for expanding programs; \$376,300 ongoing equipment money; and \$104,000 for career and technical education (CTE) scholarships.
- The Division of Facilities Construction and Management (DFCM) Appropriations budget will decrease by \$250,000. The college receives capital improvement funds, but the amount is down from the prior year. The amount varies from year to year based on the college's and the Utah System of Technical Education's needs. The college's FY19 projects include a campus-wide metering project, secondary water upgrade, and parking lot upgrades for a total of \$2 million.

Ms. Wilson asked if the funds for the CTE scholarship monies will be allocated evenly across all the technical colleges. President Taggart explained that the allocation is based on a formula. Half of the monies will be divided evenly among the colleges, while the other half will be allocated based on the number of secondary students served.

- Interest income increased to reflect current interest earned on investments in the Public Treasurers Investment Fund.
- Capital Expenditures budgets have decreased by \$694,000 since the college did not include any fund balance projects in the FY19 budget.

A motion to approve the FY19 operating budget was made by Slade Opheikens, seconded by Toni Ure, and carried unanimously.

4. APROVAL OF PRIORITIZED FY20 CAPITAL IMPROVEMENT PROJECTS

Mr. Call explained that the college's capital improvement projects are for FY20 and require board approval. Past projects have included upgrading fire alarm systems; replacing HVAC units; and replacing chillers in the Health Tech Building. The college generally receives \$1 million from DFCM—enough to fund 2-4 projects.

The colleges' top four projects include:

1. Replace transformers on campus. Some transformers have never been replaced and have exceeded their life expectancy. This is a life/safety issue, making it a priority.
2. Replace/repair steam infrastructure. All buildings, with the exception of Health Tech, are heated by the Heat Plant via steam tunnels installed throughout the campus. Would like to evaluate the entire system to determine if the tunnels should be repaired or if boilers should be installed in each building.

President Taggart explained that the heat plant was built in the 80s, with some of the steam tunnels installed in the 30s or 40s. A study has not been completed yet. Mr. Call indicated that the amount is an estimate; this could be a multi-year project.

Mr. Taggart noted that Weber State implemented geothermal energy and removed several boilers. Mr. Widdison noted that his company is moving to high-efficiency boilers, indicating that it's often difficult to repair steam tunnels.

Mr. Opheikens indicated that he was willing to ask CCI Mechanical to look at the college's steam tunnels.

DFCM audits the college's infrastructure on a regular basis. There are \$17 million of projects that need to be addressed, but the college generally receives \$1 million per year for capital improvements, making it difficult to resolve the issues.

3. Replace caulking sealant. Window gaskets on campus have never been replaced, no have exterior windows, storefronts, louvers, etc., been caulked.
4. Student Services Building sewer pipe. Need to replace cast iron pipe with newer ABS sewer pipe.

The college will submit the capital improvements list to the Building Board in August for approval.

Mr. Widdison noted that his company transferred ownership of several transformers to Utah Power, and Utah Power maintains them. Mr. Call will look into this option for the college.

Mr. Moore recommended the college consider potential brick and mortar projects for the future; need to get on USTC's list as a placeholder. President Taggart explained there are two processes—one for capital improvements and one for capital development (brick and mortar buildings). The college is in discussions with some of its partners about shared space on campus and other options for sharing resources.

A motion to approve the FY20 capital improvements list was made by Paul Widdison, seconded by Kearston Cutrubus, and carried unanimously.

5. APPROVAL OF LEASE FOR FORMER JUVENILE JUSTICE SERVICES BUILDING AND PROPERTY

The college needs room to expand, and the Juvenile Justice System's (JJS) Observation and Assessment Building on Monroe Boulevard is vacant. The college originally owned the land (5 acres) where the building is located and deeded it over to JJS in 1985. The USTC Board supports the college taking ownership of the land and building.

Legislation to confer ownership of the land/building to the college was drafted during the 2018 session but did not pass. State statute does not address transferring property to another state entity; usually have to sell it. Senator Gregg Buxton will submit another bill during the next session.

In the interim, DFCM offered the college a one-year, no-cost lease rather than leave the property vacant. The college won't make any major upgrades to the building's infrastructure but will take care of the landscaping. If the property is deeded back to the college, the building will require some demolition to make it usable. DFCM will take care of removing lead paint and asbestos.

DFCM shared the five-year utility history with the college, and the college can cover the costs in its budget.

The college is considering various options for the building, including providing offices for educational partners, offering classes to secondary students so they can complete their high school requirements/college courses conjointly, etc.

The local board must approve agreements that are a year or less in length. Mr. Wardle stated that he supported the lease but cautioned against doing major demolition until the college officially owns the land/building.

A motion to approve the one-year lease for the property/building was made by Joyce Wilson, seconded by Matt Wardle, and carried unanimously.

6. APPROVAL OF FY19 REGIONAL CUSTOM FIT PRIORITIES

USTC policy states that each region shall develop regional Custom Fit priorities. The college uses Custom Fit funds to meet the training needs of new or expanding businesses and works closely with the Governor's Office of Economic Development, Department of Workforce Services, Weber Economic Development Partnership, and others to ensure regional needs are being met. The college often offers Custom Fit funds as part of incentive packages for employers looking to locate to the area.

Per policy, USTC will redistribute any unused Custom Fit funds among the colleges. If the college receives additional monies in FY19, it will use the funds to support the following key industry sectors:

1. Manufacturing
2. Aerospace
3. Construction
4. Healthcare
5. Administrative Support Services

The college has set a goal of increasing the number of new companies that have not received Custom Fit funding by five percent.

Ms. Ure noted that she hired 46 new employees during the past quarter, and approximately 25 percent of Chromalox's employees have been with the company for less than a year. This impacts the company's training needs, and Chromalox relies on Custom Fit funding.

A motion to approve the FY19 regional Custom Fit priorities was made by Kearston Cutrbus, seconded by Toni Ure, and carried unanimously.

Mr. Wardle commented that it would be beneficial to hold on using Custom Fit funds for companies looking to locate to the region until the unemployment rate rises—it's difficult to find workers for companies already in the area. President Taggart explained that Custom Fit funding is used as an incentive for relocation; however, oftentimes the companies aren't ready to use the monies right away.

The college received \$500,000 of Custom Fit funding and used 100 percent of the appropriation for training. Next year, three tech colleges—including Ogden-Weber—plan to request additional Custom Fit funding due to increased demand. Ogden-Weber's monies are generally committed by early third quarter.

7. APPROVAL OF APPLICATION TIMELINE FOR NEW BOARD MEMBER

Due to changes in the tech college statute, the Ogden-Weber board will add another business/industry representative (total of 8 reps), bringing total board membership to 11. The change ensures there is an unequal number of members to avoid tie votes.

Interested individuals can apply online. Under the new process, the Governor reviews all applications and makes the nominations; the Senate approves them. The educational representatives are exempt from this process since they are elected or approved by the Governor in another capacity, e.g., Weber State board member.

The board can continue operating as a functioning entity while filling the new position.

The Governor's Office has asked the college's board to set an application deadline.

The proposed key dates for the process include:

Application Deadline	Governor Review	Senate Committee	Senate Confirmation
July 8, 2018	August 8, 2018	August 2018	8.15.18 or 10.17.18
August 7, 2018	September 10, 2018	October 2018	October 17, 2018
September 9, 2018	October 10, 2018	November 2018	November 14, 2018
November 5, 2018	December 5, 2018	2019 Session	2019 Session

President Taggart asked members to encourage individuals to apply. Mr. Opheikens asked if there is a specific industry area to target. President Taggart stated that the college generally seeks representatives from areas that mirror its program clusters (Business/Information Technology, Construction Technology, Health Technology, Manufacturing Technology, Service Industry Technology). He mentioned aerospace as another possibility.

Members discussed which application deadline would work best.

A motion to set an application deadline of September 9, 2018, was made by Kearston Cutrube, seconded by Slade Opheikens, and carried unanimously.

In the future, this process will take place automatically as vacancies occur.

Mr. Wardle noted that the college maintains a list of potential board members. He asked members to send in names of individuals they feel should be added.

8. INFORMATION/DISCUSSION

President Taggart stated that he is proud of employees' accomplishments this year—passed Council of Occupational Education reaffirmation; grew enrollment during a tight economy; increased instructor outreach; increased completions by 12 percent; served an additional 300 students; working on increasing secondary completions. Students completed 837 certificates; of those, 146 were earned by secondary students.

9. UTAH SYSTEM OF TECHNICAL COLLEGE'S BOARD REPORT

Mr. Moore reported on the following items from the May 17, 2018, Board of Trustees meeting:

- Bridgerland Tech presented a request for a Health Sciences Building; was prioritized by the board and included on the USTC capital facilities request list. Davis Tech presented on a Technology Building (information only).
- Approved Policy 208 – UTech Scholarship.
- Approved changes to Policy 200 – Program/Course Approval and Reporting and Policy 205 – Student Enrollment and Outcome Reporting. The policies were revised in response to changes in how USTC reports data to the legislature.

- Approved the FY19 Data Dictionary.
- Tabled approval of Policy 102 – Delegation of Authority; trustees requested additional information.
- Approved the 1.5 percent base budget reallocation.
- Approved the FY19 Commissioner’s Office budget.
- Approved five-cent tuition increases for Ogden-Weber and Bridgerland. Also approved a \$20 differential tuition rate for Ogden-Weber.
- Approved allocation of equipment funding. Will allocate half of the amount equally among the colleges; the other half will be based on membership hours.
- Approved up to \$200,000 as one-time funds to support a “Year of Technical Education” marketing campaign.
- USTC trustee Dale Cox was elected to the Murray City Council and is stepping down from the USTC Board.

10. PRESIDENT’S REPORT

President Taggart reported on the following items:

- The college has moved to three graduations per year and held its latest one on June 21.
- The college is updating signage on campus and at BDO with the college’s new name. Also added President Mercier’s name to the BDO building. Will schedule a reception for her after the lobby is remodeled.
- Replacing all cobblestone on the main campus with cement.
- Holding summer camps for district instructors and counselors during June and July. Those who participate will receive State Board of Education certification credits.
- Held a Business summer camp for teachers and students. They developed lemonade recipes and marketed the drinks to students and employees as part of a contest.
- Shiane Lowe, former Cosmetology graduate, was selected as this year’s Miss Rodeo Ogden. She has spoken free of charge at several college events, and the president used discretionary funding to sponsor her chaps as a way to support her and promote the college.

- The college collaborated with Weber State (WSU) on a Strategic Workforce Investment grant for the Automotive program. The funds will be used to integrate programs between the high schools, college, and WSU. The college purchased a hybrid vehicle with some of the funding; gives students experience working on a broader array of vehicles.
- Uintah Basin Tech celebrated its 50th anniversary and is in the process of building a new Welding facility. Each tech college created a piece of welding art in honor of the occasion. Ogden-Weber's item was a cutout of the state of Utah, and all the tech colleges are included on it. The Metal Fabrication instructors and 11 students created the piece.
- The National SkillsUSA competition finishes tonight, and the winners will be announced tomorrow. President Taggart will send the board an email with the results.

11. NEXT MEETING

The Board of Directors is scheduled to meet on Thursday, August 23, 2018, at 4:00 p.m. in the C. Brent Wallis Student Services Building, Harold W Ritchey Board Room.

Meeting adjourned at 6:12 p.m.