

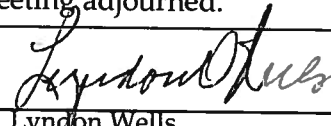
**Sedgwick County Technical Education and Training Authority**  
**The Governing Board of Wichita Area Technical College**  
**Board Minutes**  
**Thursday, May 19, 2011**

	<p>Sedgwick County Technical Education and Training Authority Governing Board of Wichita Area Technical College, Sedgwick County, Kansas, met in regular session at <b>NCAT Campus Aviation Training Building #300, Conference Room S210</b>, 4004 North Webb Rd., Wichita Kansas, at 3:05 pm, on <b>May 19, 2011</b>.</p> <p><b>Present:</b>          Jim Walters, John Dieker, Dave Unruh, Brad Gorsuch, Cindy Hoover, Kim Shank and Rich Jiwanlal</p> <p><b>Absent: Jeff Turner, Lyndon Wells, Matt Leary and Sharon Fearey</b></p>
<p><b>Public Communications</b></p>	<p>Patty Aubert, Administrative Assistant, Southside Campus          Joyce Garrad, Coordinator, Admissions Office, NCAT Campus          Joyce Young, Supervisor, Business Office, NCAT Campus          Crissie Moffet, Admin Assistant, Manufacturing/Aviation Technology</p> <p>The above employees addressed the Board regarding discontinue of the Voluntary Early Retirement. They requested that the Board table the matter for more evaluation in light of the complex legal and tax issues involved.</p>
<p><b>Committee Reports</b></p>	<p><b>Personnel and Compensation Committee – Dr. Tony Kinkel</b>  <i>PowerPoint Presentation</i></p> <p>Reviewed and discussed the current policy</p> <p>3. The <b>Board</b> shall have the sole discretion to alter the form, procedures, or substance of the early retirement program in any manner at any time. In such case, the discontinuance of alteration shall not be applied retroactively to affect any retired employee receiving benefits from the program.</p> <p>According to the law firm of Foulston Siefkin, the college may change the policy, but the people already receiving benefits must continue to receive them.</p> <p>1. Continued participation in the early retirement program by employees in any employee group shall be contingent upon that group's continued willingness to allocate from within its salary/benefit package its share of the cost of the program as determined by the administration.</p> <p>Currently, the college has not been complying with this policy. Early Retirement Benefits have been paid for out of the General Fund rather than from the employee group salary and compensation packages. In addition, employees have not been asked if they wish to continue paying for this program to benefit their colleagues. The college is paying approximately \$98,000 out of the general fund this year for this program. The cost will escalate to \$232,000 by 2015.</p> <p>Another issue was brought to the Leadership Team's attention concerning IRS tax policy. The law firm of Foulston Siefkin shared with the college in a legal memo that they believe IRS would take the position that benefits payable under the Voluntary Early Retirement Program are immediately taxable upon vesting, meaning at the time a participant elects to retire under the program and signs an agreement to do so, they must pay the taxes upfront.</p> <p>There are Five employees who have signed contracts, but are not yet receiving benefits. Two of those signed their contract in the prior year. On advice of our attorney those employees can be grandfathered in.</p> <p>The three employees who signed contracts in the current fiscal year must have taxes withheld on the present value of their benefit. Since the college</p>

	<p>was not aware of the tax code requirement when they signed their agreement the college is proposing the following assistance:</p> <ul style="list-style-type: none"> <li>-The college will pay all taxes on behalf of the employee in advance which complies with the IRS regulations.</li> <li>- -Employee must sign a promissory note for the amount financed with an agreement to pay the college back within two years</li> <li>-The college will use the minimum IRS interest rate of .055% for the period financed</li> <li>-Loans will be repaid from the stream of payments of their benefit</li> </ul>
<b>Executive Session</b>	<p><b>Motion for Executive Session –4:15 pm-</b> Jim Walters/John Dieker I move that this governing board recess into executive session for 10 minutes to consider consultation with legal counsel on matters privileged in the attorney-client relationship relating to legal advice, and that the board return to this room from executive session no sooner than 4:25 pm</p>
<b>Reconvened</b>	<p>At approximately 4:30 p.m. the meeting reconvened. Jim Walters noted that no formal action was taken in executive session and continued with the meeting.</p> <p>Board member Cindy Hoover left the meeting at 4:30 pm.</p>
<b>New Business</b>	<p><b>Voluntary Early Retirement</b> Jim Walters thanked the employees who addressed the Board. In light of the complex legal and tax issues involved, the Board decided to defer this issue until the WATC Leadership can research the tax issue and speak with Foulston Siefkin for clarification on this matter. The Leadership will bring back this issue at the next Board meeting.</p>
<b>Committee Reports Continued</b>	<p><b>Finance Committee – Doug Brantner</b> <u>April Financials</u> Hours growing towards goal will probably end up just short of original budget \$1.1 million of cash was used during the month Only limited cash receipts were available to offset a full month worth of expenses BlueCross Blue Shield loss premium refund offset the payment to the county for 2009 Gateway change orders Income on plan for the month except for two unusual items recorded: -County reimbursement for NIAR operating expenses -Refund of loss premium from BCBS</p> <p><b>2012 Budget – Dr. Tony Kinkel</b> <i>PowerPoint Presentation</i> Leadership Council met and reviewed the budget at the last council meeting. We have removed all furloughs We will pay \$98,000 for the retirement bridge out of the General Fund We eliminated the longevity pay Health Insurance Rate reduction due to changing the company Reduction in utilities vs. 2011 Budget The budget includes a \$500 net bonus for all full time employees and \$250 net bonus for part time employees. The bonuses will cost \$126,000. The college believes it can afford these bonuses even after the state cut us another \$120,000. We have included a \$250,000 reserve to help prepare us for the balloon payment in 2014. The College paid the County invoice early. The invoice was for all the changes that were done in the Gateway Building.</p> <p><b>Curriculum Committee</b> <u>Approval for Goodwill</u> – Sheree Utash The approval to move forward with the partnership with Goodwill was considered and discussed and thereupon on motion of Board Member Kim Shank, seconded by Board Member John Dieker, the partnership with Goodwill was approved. This partnership will be approximately a \$50,000 gain.</p>

	Motion carried: 5-0 approved with Dave Unruh abstained and Jeff Turner, Lyndon Wells, Matt Leary, Cindy Hoover and Sharon Fearey noted absent
<b>Consent Agenda</b>	<p><b>A. 2012 Budget</b>  Recommendation action:  Approval of the 2012 Budget as presented by Dr. Tony Kinkel and the Finance Committee</p> <p><b>B. Security Policies</b>  Recommendation action:  Approval of the Security Policy Statements to include in the student handbook which were provided to the Board electronically</p> <p><b>C. BOT Meeting Minutes</b>  Recommendation action:  Approval of the SCTETA meeting minutes for March 17, 2011 which were provided to the Board electronically</p> <p>The above consent agenda items were considered and discussed and thereupon on motion of Board Member Kim Shank, seconded by Board Member Dave Unruh, the consent agenda items were approved.</p> <p>Motion carried: 6-0 approved with Jeff Turner, Lyndon Wells, Matt Leary, Cindy Hoover and Sharon Fearey noted absent</p>
<b>Adjournment</b>	At approximately 5:00 p.m., the meeting adjourned.

Approved:



Lyndon Wells  
Signature

7/21/11  
Dated