



Executive Summary
Board of Directors Meeting
Wednesday, May 29, 2013
Edgewood Campus, Room E210
Edgewood, KY

Call to Order and Approval of the Minutes

Chair Martha Johnson called the meeting to order and declared a quorum was present. The minutes of the March 21, 2013, meeting were approved as presented.

Officer and Standing Committee Reports

Chair's Report

- Chair Johnson thanked all Gateway faculty and staff for another successful academic year despite budgetary challenges and commended faculty and staff for a job well done in hosting this year's KCTCS New Horizon's Conference in Covington.
- Upon the chair's request, President Ed Hughes introduced the new student representative to the board, Krista Breeden, whose term begins Sept. 1. Chair Johnson thanked Ms. Rebecca Raynor, current Student Representative, for her service during the past academic year. The board approved a resolution recognizing Ms. Raynor.
- Chair Johnson recognized Ms. Cindy Sproehnle's dedication and service to the Board of Directors for the past six years. Dr. Hughes presented Ms. Sproehnle with a service recognition plaque, and the board approved a resolution in her honor. Ms. Sproehnle noted that she will retire effective June 30. Chair Johnson announced that the new staff representative is Dr. Amber Decker, whose term will begin July 1.
- Chair Johnson noted her attendance at recent college events and addressed upcoming issues that need board attention, including approval of the College's revised Mission, Vision and Values statement that will be reconsidered and approved by the KCTCS Board of Regents in November/December. Ms. Johnson proposed and the board agreed to a joint session between the College and the Foundation Boards of Directors to secure external input to the MVV. Ms. Johnson directed Ms. Sharon Poore to poll both boards to determine a date for a working dinner session in August. The board's regular September meeting would then have MVV approval as an agenda item, along with a review and discussion of the College's business plan.

Bylaws/Rules Committee

- The committee did not meet since the March board meeting so there was no report.

Budget/Summary Review

- The Budget Committee met on Monday, May 13, to review Gateway's FY2013-14 Operating Budget and Assumptions. Committee Chair Rick Jordan asked Dr. Hughes to review the budget assumptions and highlights. After Dr. Hughes' presentation, the board approved the 2013-14 Revenue and Projection Plan for submission to KCTCS. Highlights of Dr. Hughes' presentation were as follows :
 - Total resources available for FY2013-14 operations are \$18,997,100.
 - State appropriation is \$6,220,500.
 - FTE enrollment is budgeted to grow a modest 1.2% (120 FTE) over the actual FTE for the 2012-13 year, generating \$257,472 in new revenue (the majority of this growth will be in Gateway VETS program, online learning, and Workforce Solutions).
 - Tuition revenue is set at \$144 per credit hour depending on approval by KCTCS Board of Regents at its June meeting.
 - The unrestricted fund balance is projected to be \$1,251,300 (compared to \$1,555,387 in 2011-12).
 - Gateway will continue to set aside \$651,300 of its unrestricted assets in a required reserve as mandated by the KCTCS Board of Regents.
 - The operating budget does not contain any new operating funds for the Urban Campus because no new renovated space will be occupied in the 2013-14 academic year.
 - Budget Reductions – the overall budget is reduced by \$886,200, beginning July 1, 2013, and represents the following recurring adjustments to the original 2012-13 operating budget:
 - Elimination of full-time, currently vacant positions in History, Visual Communications, and Admissions – \$208,771.
 - Outsourcing food service – \$44,021.
 - Closing the Park Hills Center – \$50,000.
 - Realignment of two full-time vacant positions into one full-time position, with reassignments of duties in Student Services – \$22,574.
 - Reductions of part-time positions and utilities in Finance/Operations and Maintenance – \$68,727.
 - Reduction in college memberships and college-wide symposia expenditures in President's Office – \$16,598.
 - Reduction in expenditures related to contract training in Workforce Solutions – \$21,441.
 - Reduction in operations/reassignment of duties in Admissions/Financial Aid – \$31,159.
 - Reduction of special marketing promotions in Advancement/Marketing – \$22,973.
 - Shift from full-time faculty to adjunct faculty; some operating reductions in Academic Affairs – \$180,032.
 - Reduction in operations in Knowledge Management – \$6,282.
 - Reduce operations to one campus for Saturday classes – \$30,000.
 - Reduction of operating hours and routes of TANK service – \$40,000.

- Expenditure Priorities:
 - o Departmental operating budgets restored to the original proposed levels as of 2011-12.
 - o Planned uses of fund balance include \$508,000 to cover only non-recurring operating costs necessary to increase recruitment, improve retention, and improve completion.

- Budget Contingency Plan
 - o The college will continue to set aside \$651,300 of unrestricted assets as mandated by the KCTCS Board of Regents.
 - o Current vacant positions that total more than \$500,000 can be frozen should revenues not meet projections.
 - o Reduction in operating budgets of 25% will produce \$400,000, if needed.
 - o Recruitment plan will detail new areas for growth (1 FTE student = \$2,160).

- Summary of the FY2013-14 Budget Assumptions:
 - o State allocation has declined to 18% of revenues from 44% in 10 years, while tuition revenue has increased to 31% of the total.
 - o Budget reductions of \$886,200 required reduction of services, closing of Park Hills Center, consolidation of some positions, and elimination of vacant positions.
 - o Enrollment Management Team will take aggressive actions short and long term that will drive the Business Plan.
 - o Strategic use of non-recurring budget to support recruitment, retention, and completion.
 - o Contingency financial plans are in place.

Performance Evaluation of the President

- Mr. Ken Paul, Committee Chair, reported that the committee's report would be reviewed during the Executive Session later in the meeting.

President's Report

- Dr. Hughes highlighted a few of the accomplishments contained in his report previously posted to the website, http://www.gateway.kctcs.edu/About_Us/Our_Leadership/Board_of_Directors/Board_Meetings.aspx
- He said Gateway has received an unrestricted gift of \$25,000 from Tony & Gerry Zembrod; announced that Workforce Solutions has just received a \$25,000 grant from Partners for a Competitive Workforce and another \$5,000 to expand the college's STEM days and thanked staff members for planning the New Horizons conference reception.

EXECUTIVE SESSION

The board then moved into closed session in accordance with KRS 61.810 (1) (f) guidelines, "Discussions or hearings which might lead to the appointment, discipline, or dismissal of an individual employee, member, or student without restricting that employee's, member's, or

student's right to a public hearing if requested." The board went into Executive Session at 6:37 p.m. for a discussion on the performance evaluation of the president.

The board meeting resumed at 8:32 p.m., and Chair Johnson announced that no action was taken during the session.

ANNOUNCEMENTS

Chair Johnson called attention to the important dates that are listed on the agenda and the meetings of the Board of Directors:

- A. Dedication of The Bank of Kentucky Center – June 20, 2013
- B. Next Board of Directors Meeting (tentative) – July 25, 2013
- C. Board of Directors Meeting – September 19, 2013
- D. Budget Committee Meeting – October 31, 2013
- E. Board of Director's Meeting – November 14, 2013

ADJOURNMENT

The meeting was adjourned at 8:35 p.m.