

# OGDEN-WEBER APPLIED TECHNOLOGY COLLEGE

## BOARD OF DIRECTORS MEETING

October 27, 2011

Harold W Ritchey Board Room

4:00 p.m.

### MINUTES

#### **MEMBERS PRESENT**

Michael Beardall	Business/Industry
Sharilyn Gerber	Weber County School Board
Thomas Hardy	Business/Industry
Jeff Harris	Ogden School Board
Steve Moore, Chair	Business/Industry
Jerry Ropelato	Business/Industry
Frank Ruiz	Business/Industry
Kevin Sullivan	WSU Institutional Council
Richard Taylor	Business/Industry
Joyce Wilson, Vice chair	Ogden/Weber School Boards

#### **EX-OFFICIO MEMBERS**

Collette Mercier	Ogden-Weber Applied Technology College
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#### **GUESTS**

Nancy Van Valkenburg	Standard Examiner
Emma Anderson	Ogden-Weber Applied Technology College
Tyler Call	Ogden-Weber Applied Technology College
Rhonda Lauritzen	Ogden-Weber Applied Technology College
Karen Thurber	Ogden-Weber Applied Technology College
Tina Smith	Recording Secretary

The Board of Directors of the Ogden-Weber Applied Technology College met on Thursday, October 27, 2011, at 4:00 p.m. in the C. Brent Wallis Student Services Building, Harold W Ritchey Board Room. The meeting was conducted by Steve Moore, chair. The agenda proceeded as follows:

President Mercier related that she has asked the Culinary Arts program to highlight the talents of three students each month. All food items for the meeting were prepared by students.

Mr. Moore introduced audience members: Emma Anderson, medical assisting instructor; Nancy van Valkenburg, Standard Examiner; and Karen Thurber, development director.

Mr. Moore noted the college had hosted a dedication for the sculptures in the Barker Family Health Technology Building at 3:00 p.m. today. President Mercier explained that when the state builds a facility, it sets aside one percent of the construction budget for public art. The public art program coordinates the selection process. The college had approximately 100 artists submit proposals, and four were selected. They made final presentations, and Molly Mason was selected. She is a certified welder who has taught at several universities. She has several art installations located around the country. The sculptures that Ms. Mason created for the Barker Family Health Building are made of stainless steel, bronze, and glass, and sit on a base of Utah rock. President Mercier invited the board to view the two sculptures (one inside the building and one outside). Mr. Moore shared the dedication program with members as a matter of information.

**1. APPROVAL OF THE MINUTES OF THE MEETING HELD SEPTEMBER 29, 2011**

A motion to approve the minutes of the meeting held September 29, 2011, was made by Joyce Wilson, seconded by Sharilyn Gerber, and carried unanimously.

**2. APPROVAL OF CONSENT CALENDAR**

A motion to approve the Consent Calendar was made by Kevin Sullivan, seconded by Sharilyn Gerber, and carried unanimously.

**3. APPROVAL TO RENEW ROY CAMPUS LEASE**

Mr. Call explained that the college has leased the space at the Roy campus for the past five years. The initial lease was for 15,000 square feet but was increased to 24,000 to accommodate a partnership with the Northern Utah Academy for Math, Engineering, and Science (NUAMES) and the expansion of the Real Estate and Custom Fit programs.

Since that time, NUAMES relocated to the Weber State Davis Campus and the economy experienced a downturn; as a result, the additional space is not needed. The current lease is up for renewal in 2012, and the college is proposing that the agreement be renewed for a lesser amount of time (e.g., three years) and space. The landlord is agreeable to reducing the lease back to the original 15,000 square feet. This action will allow the college to maintain a presence in the southern part of the county.

Mr. Call referenced page 14 of the board booklet which shows a map of the Roy campus. The space the college is interested in maintaining is shaded.

The college has discussed one and two-year leases with the landlord; he is not interested in a one-year commitment.

Because of the Delegation of Authority policy at the UCAT level, all leases have to be approved by the local board, followed by final approval by the UCAT Board. The college would like to submit the Roy lease to the UCAT Board in January.

Mr. Call proposed that the board renew the lease for either two or three years. The college will determine the best option after it reviews all data. It will then submit its proposal to the UCAT Board.

Mr. Call noted that the landlord will provide a three percent cost escalation on a three-year lease if the lease is signed by the end of December.

Mr. Beardall asked about the current rate per square foot vs. the proposed rate per square foot. Mr. Call indicated the college currently pays 66 cents per square foot with CAMS versus a proposed 68 cents per square foot (based on a three-year lease). Mr. Moore asked if this is one-time or year over year; Mr. Call explained that there would be a three percent escalation each year. He noted that the landlord was proposing a seven-and-a-half percent escalation if the two-year lease option was chosen.

Mr. Call stated that the college has reviewed its use of the Roy campus space. The Cosmetology school is located there and works very well in the facility. Math, Real Estate, and Custom Fit are also located there. The college has looked at other spaces and costs in the Roy area and further south. If there is interest, the college could also look at lease-to-own options; however, some of these options would take additional time, and the college would have to work through the Division of Facilities Construction and Management to get them on the Building Board schedule.

Mr. Call felt the the two- and three-year lease options would best meet the college's needs.

Mr. Ruiz asked about the number of students the changes would affect; Mr. Call will verify the number. He noted that the majority of students who would be impacted if the college wasn't located in the facility are enrolled in the Cosmetology and math programs. The Real Estate program is located there, but the college is looking at moving it to the Business Depot Ogden (BDO) site.

Mr. Beardall asked if the lessor built out the space. Mr. Call stated that the landlord contributed a small amount toward renovation, but the college covered the majority of the costs.

Mr. Hardy asked if the space being used by Cosmetology is full. Mr. Call stated that the space the college is proposing to keep is being utilized. The unshaded areas on the map aren't being used to their full capacity.

Mr. Harris asked if the college will still be able to meet the needs of students if it downsizes; Mr. Call stated that it would. The college would also have better space utilization.

Both Mr. Ropelato and Mr. Beardall agreed that 66 cents per square foot was a good rate. Mr. Call agreed, noting that as he compared prices, he found that the college was receiving a competitive rate.

Ms. Lauritzen noted that the college put some nice finishes on the facility. She also noted that having the finishing school at that location has worked out well--students perform at a higher level there. Mr. Hardy agreed that the layout looked good. Mr. Call indicated that the college put a lot of thought into the design when remodeling the facility.

Mr. Call reiterated that the college is proposing that it remain in the facility, lease less space, and consider either a two- or three-year lease. The college is not interested in a five-year lease as it would like more flexibility. Mr. Moore said that the final decision will depend on the college's strategy and how it wants to grow its presence. If the college wants to attract more students in that area and feels that the southern section of the county will continue to grow, then a three-year lease might be more feasible. If the strategy is for the college to own a facility in that area, then a two-year lease might be more beneficial.

Mr. Beardall felt that that the seven to ten percent escalation rate was high. In this market, the college should still be able to maintain a three percent escalation rate. Mr. Call indicated that he has not negotiated the escalation cost with the landlord at this point. The landlord is aware that the college also has the option of vacating the space and combining the finishing school with the regular program on the main campus. The landlord is aware that it may be difficult to fill the space, and his broker recommended he take the three-year lease even with a reduction in the square footage. The college can attempt to press him on the two-year lease; this option hasn't been fully negotiated at this point.

Mr. Beardall recommended allowing the college to go up to a three-year lease, doing what's best for the institution, while keeping escalation costs down. He did not feel that the current market supported seven to ten percent escalation rates. Mr. Ropelato noted that his company has been looking for space and there are many properties available in that area; this should work to the college's advantage in negotiating the lease.

A motion to allow the college to decide which lease option (two- or three-year) best meets its needs based on its strategies was made by Frank Ruiz, seconded by Jerry Ropelato, and carried unanimously.

#### **4. APPROVAL OF PROPOSED CHANGES TO BOARD BY-LAWS: OFFICIAL MEETINGS**

President Mercier explained that the college has been reviewing state statute regarding board compensation and stipends, and the law allows members to be reimbursed for attendance at "official" meetings. The board's By-laws do not identify official meetings beyond regular board meetings. College administration felt that Board Leadership

should be considered an official meeting. Board Leadership includes the chair and vice chair, and they meet on a monthly basis to review the upcoming board agenda and discuss other issues as needed. The board also has an Audit Committee that meets three times per year, and these meetings should also be considered official.

Page 15 and 16 of the board booklet outlines the proposed changes to the By-laws, Article VI, Meetings, to include Board Leadership and Audit Committee meetings as official meetings of the board.

A motion to amend the Board of Directors By-laws to include a section on official meetings (including Board Leadership, Board of Directors, and Audit Committee meetings) was made by Richard Taylor, seconded by Frank Ruiz, and carried unanimously.

## **5. ANNUAL OPEN MEETINGS TRAINING**

Mr. Moore indicated that per state statute, the board must receive open meetings training on an annual basis. Training was provided by Mr. Moore. Members were also provided with information on the changes that were made to the Open Meetings Law during the 2011 legislative session.

## **6. INFORMATION/DISCUSSION**

Mr. Call related the budget is on target.

Referencing the Enrollment Report, page 21 of the board booklet, Mr. Moore noted that the college experienced increases in adult and secondary enrollments in September. President Mercier indicated that the Apprenticeship, Information Technology, Media Design, Culinary Arts, Composites, YouthBuild, and health programs are seeing increases.

Ms. Wilson asked if Weber State counts the enrollments for the Registered Nursing program; it does.

When asked about the Marketing Update, page 27 of the board booklet, Ms. Lauritzen explained that the list of activities is provided to the board on a monthly basis so members have an idea of what college reps are doing in the community. The Marketing Department has a “channel management” strategy whereby it identifies all the organizations in the community, and staff is assigned to make contact with them.

Mr. Moore pointed out that the Quarterly Business Plan Report is included on pages 29 through 32. President Mercier reiterated that this information will be provided to the board on a quarterly basis. The report includes the college’s goals and the activities that are implemented to accomplish those goals. The college received a commendation from the Council on Occupational Education (COE) site team for its strategic planning which includes these reports and the information that is posted in the hallway. The Strategic Plan is a living document that drives the college’s Business Plan. The quarterly report provides an overview of where the college is at in terms of meeting its goals.

Referencing page 32, Student Services, Mr. Moore noted that the outcomes listed are the same as the actions listed on page 31. Ms. Lauritzen indicated that this is an error, and she provided an update for these two items. Benchmarks in the customer service initiative have been met. Phone calls used to be routed to an auto-attendant; calls are now answered by a person who then forwards calls to individuals who can answer questions in more depth. Customers were complaining that they couldn't get a live person, so the college hired two receptionists and established a help desk.

With regard to the marketing initiative, Ms. Lauritzen explained that the Marketing Department was charged with drafting an 18-month plan; the plan has not been completed. The plan should be finalized by the next quarter.

## **7. UCAT BOARD OF TRUSTEES' REPORT**

Mr. Moore reported that the UCAT Board has not held a formal meeting since the college's board met in September.

The UCAT Board held a closed meeting yesterday to discuss the 218 agreement. The UCAT tech colleges voted to opt out of the social security program, and an employee has questioned the voting process. The board met to discuss this issue.

President Mercier indicated that employees were informed about changes to payroll as a result of the vote. As of October 1 (affecting the October 15 payroll), the college is no longer participating in social security. The college is also developing a plan for requesting a refund for the employer/employee (if approved by employee) contributions made between 2008 and 2011.

Mr. Sullivan asked about the alternative to social security. President Mercier indicated that the Utah Retirement System (URS) serves as the alternative.

President Mercier explained that, as a state institution that participates in URS, the college needed a 218 agreement. When UCAT was established, it was thought that tech colleges would be grandfathered in; however, the Internal Revenue Service (IRS) stated that UCAT is a new organization, and as such, would have to vote on whether it would remain in social security or not.

Mr. Beardall asked if employees are happy about the direction of the vote. President Mercier stated that employees voted overwhelmingly to leave the social security program. Mr. Call noted that this change only affects employees who receive state retirement. Hourly employees that are not part of state retirement will continue to participate in the social security program.

Mr. Beardall said that it was his understanding that there has to be a certain percentage of wage that goes toward social security, and with the refund, employees' social security statements will show no earnings for those years; President Mercier indicated that this is correct.

Mr. Beardall asked about the percentage of wages that are allocated to social security. Mr. Call indicated that for 2011, the employer portion is 6.2 percent, and the employee portion is 4.2 percent (a total of 10.4). Traditionally, the rate is 12.4 percent. This

change in payroll does not impact Medicare—just payments that were going to social security.

Mr. Call noted that the funds that the college was paying into social security on behalf of the employee will now be put into their 401(k) account. The money is still being used for their retirement.

## **8. PRESIDENT'S REPORT**

President Mercier reported on the following items:

- Winter graduation is scheduled for Thursday, November 10 at 6:30 p.m.
- GSBS Architects updated the campus master plan which is now hanging in the Board Room. GSBS added the new Barker Family Health Technology Building to the plan.
- President Mercier attended an awards breakfast sponsored by Engineering News Record—an organization that focuses on construction—as a guest of Okland Construction. Firms can submit building projects for various awards, and Okland submitted the Barker Family Health Technology Building. The building received an award for “Best Green Project.” Okland will prepare a duplicate copy of the award which will hang in the building.

## **9. NEXT MEETING**

The Board of Directors is scheduled to meet on Thursday, November 17, 2011, at 4:00 p.m. in the C. Brent Wallis Student Services Building, Harold W Ritchey Board Room.

Meeting adjourned at 5:00 p.m.

/tms