

The Utah College of Applied Technology (UCAT)
Board of Trustees Meeting
DATE: 17 September 2015
TIME: 10:00 AM – 2:00 PM
LOCATION: Utah College of Applied Technology
2801 Ashton Boulevard
Lehi, UT 84043

(Anchor location for electronic access)

MINUTES (DRAFT – Pending Board Approval)

Board of Trustees Present

Tom Bingham, Chair – TATC
Michael Madsen, 1st Vice Chair – BATC
Jim Evans, 2nd Vice Chair – MATC
Michael Jensen – DATC
Mitch Cloward – DXATC Proxy
Steve Moore – OWATC
Jerry Taylor – SWATC
Mike Angus – UBATC
Brian Florang – Snow College
Brad Tanner – Non-Union Apprenticeship
Dale Cox – Union Apprenticeship
Jim Olsen – Governor’s Appointee Business/Industry
Barbara Corry – State Board of Education

Board of Trustees Absent

Stephen Wade – DXATC
Richard Tranter – Salt Lake Community College
Val Hale – Governor’s Office of Economic Development
Jessie Anderson – State Board of Regents

UCAT Administration

Robert Brems – President
Jared Haines – VP, Instruction and Student Services
Tyler Brinkerhoff – VP, Administrative Services
Elsa Zweifel – Director of Public Relations
Kristin Smith – Executive Assistant
Doug Richards – Legal Counsel
Zachary Barrus – Director of Institutional Data

Others Present

Chad Campbell – BATC, Campus President
Mike Bouwhuis – DATC, Campus President
Kelle Stephens – DXATC, Campus President*
Clay Christensen – MATC, Campus President
Collette Mercier – OWATC, Campus President
Brennan Wood – SWATC, Campus President*
Scott Snelson – TATC, Campus President
Aaron Weight – UBATC, Campus President
Jacob Wright – Governor’s Office of Management & Budget
Spencer Pratt – Legislative Fiscal Analyst’s Office
Jill Curry – Legislative Fiscal Analyst’s Office

*participated via electronic access

MINUTES OF MEETING

UTAH COLLEGE OF APPLIED TECHNOLOGY
Board of Trustees
17 September 2015

I. INTRODUCTION ITEMS

I. Call to Order

Meeting was called to order at 10:27 a.m.

I.B Pledge of Allegiance

I.C Approval of Agenda

The Board was presented with the agenda for the meeting.

I.D Approval of UCAT Board of Trustees Meeting Minutes

The Board reviewed the Board of Trustees meeting minutes from 26 May 2015, 11 June 2015, and 28 August 2015.

Motion to approve the 26 May 2015, 11 June 2015, and 28 August 2015 Meeting Minutes.

Motion: Dale Cox, Second: Brian Florang

Voting: Unanimous

I.E Executive Committee Report

Chair Bingham informed the board that the Executive Committee had met this morning to approve minutes of previous Committee meetings and to make preparations for the full Board meeting.

I.F Oath of Office for UCAT Trustee Jerry Taylor

Kristin Smith administered the Oath of Office to Jerry Taylor, beginning his term of office as SWATC Representative expiring June 30, 2019.

II. ACTION ITEMS

II.G UCAT Executive Committee Appointment

Chair Bingham announced that he had appointed Trustee Jerry Taylor to the UCAT Executive Committee, and requested confirmation of the appointment by the Board.

Motion to confirm Trustee Taylor's appointment to the UCAT Executive Committee.

Motion: Thomas Bingham

Voting: Unanimous

II.H Policy 201 & 205 Adjustments

Vice President Haines and Director Barrus gave an overview of the proposed revisions of Policies 201 and 205 to the Board as shown in the agenda. Trustee Jensen had a few questions regarding the policy. Director Barrus clarified that these revisions will not affect the membership hours of DATC.

Motion to approve the revisions proposed for Policies 201 and 205.

Motion: Mike Jensen, Second: Mike Angus

Voting: Unanimous

II.I Approval of FY 2015 Student Data

Vice President Haines and Director Barrus presented summaries of the student data submissions for each campus. Campus presidents have certified that their data is correct and the campus boards have also approved the campus president's certification of the data.

Motion to accept and approve the FY 2015 year-end campus data submissions and certifications, as summarized in the reports attached to the agenda.

Motion: Jim Evans, Second: Brad Tanner

Voting: Unanimous

II.J Capitol Development Scope & Budget

Vice President Brinkerhoff reviewed the Capitol Development projects with the Board. A few items had updated budget estimates that require Board approval.

Motion to approve the updated budget estimates for the Capitol Development projects.

Motion: Steven Moore, Second: Dale Cox

Voting: Unanimous

II.K DXATC Building Funding Plan

Vice President Brinkerhoff reviewed the current status of the DXATC Building. The Building Board voted in their last meeting to certify the funds. The Legislative Fiscal Analyst's Office indicated that UCAT would not need legislative approval to decrease the scope of the project. Overall the project was reduced by 5 million dollars. DXATC Campus President Kelle Stephens was introduced to give details about the \$8 million bond DXATC was able to secure with Washington County. She explained that they were losing 27,000 sq. feet of their project. DXATC has received \$500,000 in private donations and she is hoping that they will receive more donations before they finish designing the building so that more square footage can be added back in for program space.

Motion to approve DXATC's Building Funding Plan and the associated bond repayment to Washington County.

Motion: Mike Jensen, Second: Jim Evans

Voting: Unanimous

II.L Approval of FY 2017 Budget Request

VP Brinkerhoff reviewed the budget request priority highlights with the Board as listed in the agenda. There was discussion regarding DATC and the duplication of hours from the WSU-RN program that DATC runs on their campus.

Motion to amend the budget request to include an increase of the Marketing Budget to \$400K, to be split between UCAT and the campuses to help increase the exposure of the campuses, certificates, and job potential.

Motion: Steven Moore

Voting: Unanimous

Motion to approve the Unified UCAT FY 2017 Budget Request as amended.

Motion: Jim Evans, Second: Brad Tanner

Voting: Unanimous

II.M 2015 UCAT Annual Report

Director Zweifel presented the Board with a draft of the 2015 UCAT Annual Report. She reviewed the differences between previous editions and the current 2015 publication. Trustee Tanner made a few recommendations regarding the Custom Fit pages in the report. Upon board approval, it will be provided in electronic format to the Governor and the Legislation Education Interim Committee in accordance with Utah statute, with preliminary completion data. A

final report will be presented for approval and printing in January after placement and completion have been reported.

Motion to approve the 2015 Annual Report with the recommendation for the Custom Fit pages.

Motion: Brian Florang, Second: Jerry Taylor

Voting: Unanimous

Motion to recess for lunch: Jim Evans

Back in Session: 12:38 p.m.

II.N UCAT Strategic Planning & Governor's Education Plan

Vice President Haines presented a conceptual draft for an updated UCAT Strategic Plan to the Board. UCAT's current ten-year strategic plan was developed and approved by the Board of Trustees on 22 September 2011. UCAT President's Office staff have drafted an initial framework for an updated 2015-2025 UCAT strategic plan (attached to the agenda) that incorporates the eight anchors outlined in the Governor's statewide plan. The framework includes elements of the 2011 plan that might be relevant to the updated plan, and suggests additional elements called for in the Governor's plan that might be considered. These items will be developed and discussed further before they are finalized in consultation with the President's Cabinet.

Motion to approve the conceptual draft of the UCAT Strategic Plan, with authorization to the President's Office to fine-tune the items.

Motion: Mike Madsen, Second: Brian Florang

Voting: Unanimous

III.O Legislative Audit: Review of CTE Coordination & Program Duplication

President Brems gave a brief overview of the Legislative Audit regarding duplication of programs offered by UCAT with public education. The audit found that there was very little unnecessary duplication. In the case of some, President Brems recommended forming a small committee representing the UCAT and public education state boards, and the school districts and campuses mentioned.

Motion to appoint the committee listed in the agenda to meet with representatives from the Utah State Board of Education to begin a dialogue towards addressing duplication concerns that are indicated in the Legislative Auditor General's report.

Motion: Jim Olsen, Second: Steven Moore

Voting: Unanimous

III.P UCAT Audit Committee Appointments

Chair Bingham explained that with changes in Board members, it is necessary to appoint a new UCAT Audit Committee. In accordance with the bylaws, he announced that he had appointed Trustee Dale Cox as Chair, with Trustee Mike Angus and Trustee Brad Tanner as members, and requested confirmation of the appointments by the Board.

Motion to approve the appointments of the UCAT Audit Committee.

Motion: Jim Evans, Second: Jerry Taylor

Voting: Unanimous

III.Q Adjustments to DATC & MATC Campus Presidents' Compensation

President Brems explained President Bouwhuis had served at DATC for 20 years. It is their tradition to award employees who have completed 20 years of service with a \$500 one-time award. When there are alterations made to a campus president's compensation, it must be approved by the Board of Trustees. It was also proposed that

President Christensen's salary to be adjusted by \$2,420.00 that was afforded to all MATC employees to offset the cost of a decreased HSA campus contribution.

Motion to approve the adjustments to the DATC & MATC Campus Presidents' Compensation.

Motion: Dale Cox, Second: Brad Tanner

Voting: Unanimous

III.R Compensation Study

Vice President Brinkerhoff indicated that in accordance with direction from the Board, the President's Office conducted a search for a suitable consultant to perform a compensation study and engaged Payscale, Inc., who has a database of 40 million unique salary profiles that is constantly updated. This company is skilled in providing real-time compensation values.

President Brems reviewed the results of the study, which recommended targeting the 50 percentile for each position. A number of campus presidents that were in the bottom 1/3 of the range might be green-circled for consideration of increased salaries. Middle range is normal. Top 1/3 of the range is where red-circle strategy would be considered for salary caps.

Motion to approve the new FY 2016 Campus President salary figures and the one-time stipend figure as determined through UCAT Administration and UCAT Board of Trustees leadership consultation with Payscale, Inc. and recommended in the September 17, 2015 letter from President Brems to the Board, and that the adjustments be made retroactive to July 1, 2015.

Motion: Jim Evans, Second: Brian Florang

Voting: Unanimous

III.S Search Process for New UCAT President

Chair Bingham stated that since President Brems had announced he would retire at the end of the year it was necessary to rescind previously approved Board actions.

Motion to rescind the previously approved leave of absence for President Brems approved 26 May 2015, and to withdraw the appointment of the interim UCAT President approved 11 June 2015.

Motion: Jim Olsen, Second: Steven Moore

Voting: Unanimous

Chair Bingham reviewed a seven-step process that was formed from suggestions in Executive Committee, which was included in the agenda. A search committee would be formed to narrow down the high volume of anticipated applications. The search committee would consist of Jim Evans, Michael Madsen, Steven Moore, Jim Olsen, Rob Brems, and Tom Bingham would serve as Chair.

Mitch Cloward recommended that since the campus presidents are key stakeholders that they also be included in the process. President Brems suggested the President's Cabinet could be invited to meet with the finalists for an hour each after they are announced, and that perhaps others within the system could also be invited to meet with them. Board members also discussed the involvement of President Brems in the process and the roles of private-sector CEO's in selection of successors.

Trustee Jensen recommended that all candidates interview with the President's Cabinet and UCAT staff on the same day they interview with the Board. After that, it could be expanded to the community. He stated it is important to develop a standardized Q&A form with metrics so it is a consistent process with each candidate.

Motion to approve the Search Process for the New UCAT President to include the suggestions listed above.
Mike Madsen, Second: Mike Angus
Voting: Unanimous

III. INFORMATION ITEMS

III.T Marketing Update: FY 2016 UCAT Brochure

Director Zweifel gave a short presentation of the updates and goals of the Marketing team for the rest of the fiscal year.

III.U Program Approvals

Vice President Haines reported to the Board that President Brems had approved five programs listed in the agenda since the last time the board had met.

III.V Trustee Jensen Request for Additional Information

In the 11 June 2015 Board meeting, Trustee Jensen requested in seconding the motion to approve the 26 March 2015 minutes that additional information be provided relative to the salary adjustment approved for former BATC Campus President Richard Maughan. To provide the requested information to address Trustee Jensen's second, President Brems provided the following in today's meeting agenda which will become part of today's (17 September 2015) minutes.

During the period of FY 2002 through FY 2010, the process for setting campus president compensation was primarily accomplished through the individual campus boards of directors. In addition to salary, four campus boards of directors provided vehicle allowances to their campus presidents. Six boards provided mobile phone allowances and one board provided an annual annuity payment. Beginning with FY 2011, a change in state law required the compensation for UCAT campus presidents to be set by the UCAT president, with the approval of the UCAT Board of Trustees.

In the spring of 2010, President Brems and UCAT Board of Trustees leadership collected campus president compensation information from campuses prior to setting FY 2011 campus president compensation. At that time, and in consultation with the UCAT Audit Committee, a decision was made to not reduce any compensation provided up to that point through salary, allowances and annuities, but to set a goal to eliminate allowances and annuities as soon as practical. That process was completed on June 11, 2014 when the Board voted unanimously to add the value of all remaining allowances and annuities to the salaries of affected campus presidents.

In the case of the increase provided to former Campus President Maughan on March 26, 2015 the adjustment was made with the intent of addressing the reduction of salary that he voluntarily incurred during the period of FY 2009 through FY 2015. The motion passed unanimously as indicated in the minutes.

A salary analysis (excluding his vehicle allowance) between 2009 and 2015 shows that he earned \$24,266 less during that period than if he had not taken a voluntary salary cut. The difference in salary between FY 2014 and FY 2015 was \$24,376. He was paid \$110 more in salary than if he had not been subject to the voluntary salary cut between FY 2009 and FY 2014.

The table below indicates the actual salary paid to former President Maughan each year starting with FY 2009 through FY 2015 and what his salary would have been during those years if he had not taken a voluntary salary cut in FY 2009 to mitigate budget reductions (the table does not show his \$12,000 per year annual vehicle allowance.)

Year	Actual	w/o Reduction	Difference
2009	144,086	146,280	2,194
2010	141,892	146,280	4,388
2011	141,892	146,280	4,388
2012	141,892	146,280	4,388
2013	143,311	147,743	4,432
2014	144,744	149,220	4,476
2015	169,120	169,120	0
Total	1,026,937	1,051,203	24,266

Actual FY 2015 - FY 2014 = 24,376

III.W Office of the UCAT President Budget Report

Vice President Brinkerhoff presented the board with a report detailing appropriated revenues and expenditures by category for the Office of the UCAT President for the current fiscal year through August 31, 2015, as well as check and credit card registers for July-Aug 2015.

VI. ADJOURN

Motion to Adjourn: Jim Olsen
Voting: Unanimous

Meeting adjourned at 1:47 p.m.