

MINUTES
KCTCS Board of Regents
Finance, Technology, and Human Resources Committee
December 6, 2018

Committee Members Present:

Ms. Lisa V. Desmarais, Committee Chair
Mr. Mark A. Wells, Committee Vice-Chair
Dr. Gail R. Henson
Ms. Mary R. Kinney

Mr. Ricky T. Shaw
Mr. Mark A. Wells

Committee Members Absent:

Mr. Donald R. Tarter

CALL TO ORDER

Committee Chair Lisa V. Desmarais called to order the meeting of the Kentucky Community and Technical College System Board of Regents Finance, Technology, and Human Resources Committee at 1:24 p.m. (ET) on December 6, 2018. The meeting was held in Conference Room 102B of the KCTCS System Office in Versailles, Kentucky. The press was notified of the meeting on November 28, 2018. Hon. Michael Murray, KCTCS General Counsel, served as parliamentarian.

There being a quorum present, the meeting began with the approval of minutes.

APPROVAL OF MINUTES

Chair Desmarais asked if there were any corrections to the September 13, 2018, minutes presented in the meeting materials. There being none, the minutes were declared approved as presented.

ADDITIONS OR CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

***ACTION:
RATIFICATION OF
PERSONNEL ACTIONS***

RECOMMENDATION: That the KCTCS Board of Regents ratify the personnel actions listed in the agenda materials.

Chair Desmarais called on KCTCS President Jay K. Box to present the item. KCTCS Vice President Wendell Followell assisted with the presentation. It was noted that the personnel actions presented were in accordance with reporting guidelines and policies adopted by the KCTCS Board of Regents.

Chair Desmarais called for discussion.

During discussion, it was noted that the personnel action agenda item now includes regular full time positions broken down by the number of employees in each retirement system, including KERS and KTRS. We should see this number decreasing over time, as no new employees could enter these systems.

Chair Desmarais called for a motion.

MOTION: Ms. Roth moved and Mr. Shaw seconded that the Finance, Technology, and Human Resources Committee recommend that the KCTCS Board of Regents ratify the personnel actions listed in the agenda materials.

VOTE: The motion was approved unanimously.

Chair Desmarais moved to the next agenda item.

**ACTION: 2017-18
ANNUAL AUDIT
REPORT**

RECOMMENDATION: That the KCTCS Board of Regents accept the financial audit results for the 2017-18 fiscal year.

Chair Desmarais called on President Box to present the item. KCTCS Vice President Wendell Followell assisted with the presentation. President Box introduced Pete Ugo, a Crowe, LLP partner, to present the audit findings to the committee.

The independent audit issued by Crowe, LLP is an unmodified opinion. This opinion means that the KCTCS financial statements present fairly, in all material respects, the KCTCS financial position on June 30, 2018. The KCTCS financial statements and the audit firm's opinion letter are included in the document titled *2017-18 Annual Financial Report*.

The audit firm has reported that there are no significant deficiencies in the KCTCS internal controls considered material weaknesses. The audit firm's management comment letter, KCTCS responses, and other related correspondence from the audit firm are included in the document titled *2017-18 Audit Correspondence*.

The audit firm has audited the KCTCS major federal programs in compliance with the requirements of the *U.S. Office of Management and Budget Uniform Guidance*. That audit report is in the document titled *Report on Audit of Institutions of Higher Education in Accordance with Uniform Guidance*.

Chair Desmarais called for discussion.

During discussion, it noted that the KCTCS President's Office was also audited for a review of expenses and there were no findings and all proper

controls are in place. The auditing staff was commended for their excellent work on procedures and reporting.

Chair Desmarais called for a motion.

MOTION: Mr. Wells moved and Mr. Shaw seconded that the Finance, Technology, and Human Resources Committee recommend that the KCTCS Board of Regents accept the financial audit results for the 2017-18 fiscal year.

VOTE: The motion was approved unanimously.

Chair Desmarais moved to the next agenda item.

**UPDATE:
ADMINISTRATIVE
SERVICES REPORT**

Chair Desmarais called on President Box to present the item. Vice President Followell assisted with the presentation.

President Box noted the Statement of Revenues and Expenditures reflects the actual program and operational expenditures compared to the 2018-19 budget approved by the KCTCS Board of Regents, June 30, 2018. This report reflects total revenues of \$386,197,000 or 45 percent of the budgeted revenue and appropriated funds.

It was noted that the Statement of Revenues and Expenses also reflects current fund expenses and budget reserve of \$268,720,000, or 31 percent of the expenses budgeted for the year. The Statement of Net Position reflects the overall financial position of the System and includes assets deferred outflows; liabilities deferred inflows, and net position. KCTCS's net position remains a strong \$541,298,000 as of September 30, 2018.

President Box shared information from the *Facilities Management and Sustainability Report*. The report provided online details KCTCS capital construction projects; facilities support services, sustainability initiatives, and facilities utilization.

Chair Desmarais called for discussion.

During discussion, the Committee thanked the KCTCS staff for addressing the deferred maintenance issues.

Chair Desmarais called for further discussion. There being none, she moved to the next agenda item.

**UPDATE: RESOURCE
DEVELOPMENT
REPORT**

Chair Desmarais called on President Box to present the item. System Director of Development Kay Yates assisted with the presentation.

Dr. Yates distributed a copy of the *Resource Development Report* to the committee.

President Box shared that the report provides an update on the private giving and sponsored projects, grants, and contracts. Private gift income by donor purpose and source for the System and the donor source by college for each KCTCS college are presented in this report.

Sponsored Projects, Grants, and Contract funds are stated by source and purpose for the System Office in total; total awards to each KCTCS college are included in the report. The top grants and contracts received during the reporting period are highlighted. This report covers gifts from July 1, 2018 – October 31, 2018.

Chair Desmarais called for discussion.

During discussion, Chair Desmarais asked for the next report to cover year-to-year comparisons for resource development. President Box noted the report would be prepared to show that breakdown.

Chair Desmarais called for additional discussion. There being none, she moved to announcing the next meeting.

NEXT MEETING

The next regularly scheduled Finance, Technology, and Human Resources Committee meeting is for March 14, 2019, at the KCTCS System Office, Versailles, Kentucky.

ADJOURNMENT

Ms. Kinney moved and Dr. Henson seconded that the Finance, Technology, and Human Resources Committee adjourn.

VOTE: The motion was approved unanimously. The Finance, Technology, and Human Resources Committee meeting adjourned at 2:22 p.m. (ET).

03/14/19

Date Approved by the
Finance, Technology, and Human
Resources Committee

Lisa V. Desmarais
Committee Chair