Meeting called to order by Roy Schafer: 12:05 pm

Director, Becky Warren, introduced new corporate member Eric Tincher, Rita Johnson’s replacement as KBOR representative, and facility host member, Bruce Fritz, Sherry Utash’s replacement as WATC representative.

President, Roy Schafer asked attendees to introduce themselves.


**Approval of Minutes:** March 2015 minutes were presented for approval. Eric Tincher moved to accept the minutes, PJ Riley seconded the motion. Motion carried.

**Finance Review:** Becky Warren presented the treasurers report. Kent Thomas moved to accept treasurer report. Beth Conrad seconded the motion. Motion carried.

**State Director’s Report:** Becky Warren submitted the State Directors report which included:
- Membership total 3,262; National contestants total 117; National medals total 13 (5 Gold, 2 Silver, and 6 Bronze).

The National Leadership and Skills Championship (NLSC) comparison report was shared with the committee showing Kansas scores compared to national scores. Dwayne Hale recommended student grades be added to the report to give addition perspective and value to the report. It was suggested these scores be shared with contest chairs in preparation for the 2016 contests.

The Board recommended that the instructors who attended the NLSC visit with the Kansas contest chairs about what was experienced at NLSC. Becky said the contest chairs will be invited to attend the September 4, 2015 advisor workshop and will have the opportunity to visit with advisors.

**NEW BUSINESS**

**Bank Authorization 2015-2016:** Becky presented concern due to resignations and job promotions, those assigned overseer and signage for the SkillsUSA Kansas Bank funds are no longer available. It is hereby necessary to appoint new members to oversee the SkillsUSA Kansas funds and be named signers of the account. Recommended overseers and signers of business transactions include:

- Becky Warren, SkillsUSA Kansas State Director
- Peggy Torrens, SkillsUSA Kansas Corporate Member
- KSDE Consultant (RJ Dakes replacement), SkillsUSA Kansas Corporate Member
• Eric Tincher, SkillsUSA KBOR Corporate Member (Rita Johnson’s replacement)
• Pam Lamb, KSDE-FCCLA Director, as emergency signer only and be taken off once KSDE Consultant is hired.

Also recommended:
• Kelli Byrne continues to keep track of expenditures and deposits and prepare the books for audit. She will also prepare checks for assigned signees to sign, for outstanding expenses to vendors or services SkillsUSA Kansas contracts with.
• Becky Warren is to be assigned online access to bank account transactions and oversee
• Kelli Byrne to be assigned online viewing access to bank accounts
• Bank account be fixed as non-profit account (Change classification)
• Open 3 Savings Accounts (1. Savings; 2. Scholarship; 3. Endowment). Endowment will be transferred to an annuity account when an Endowment Committee is formed.
• Any changes directly made in setting up, changing authorization, or eliminating bank accounts must be approved by the Board of Directors and recorded in the minutes and be submitted to the bank as proof of change.

Peggy Torrens moved to accept the bank authorizations and recommendations, all but opening up savings accounts until further research is done on non-profit savings. Kent Thomas seconded the motion. Motion carried.

Discussion: A concern of a non-profit organization having a saving account was discussed. Becky explained SkillsUSA Kansas needs a reserve fund in case of emergencies such as the Kansas Contests relocating that is taking place now. The only account this organization has is a checking account, and we cannot determine what is scholarship, endowment donations etc. Becky recommends the SkillsUSA Kansas takes 10% of the general fund and disburse it into 3 accounts as such: Savings-Reserve 5%; Scholarship 2.5%; and Endowment 2.5%, operating on only 90% of the income. Roy Shafer asked Eric Tincher to research and report on the regulations of non-profit savings accounts. The topic was then tabled until the next Board of Directors meeting on November 6, 2015 after consultation with an accountant or the national SkillsUSA headquarters.

FY2016 Operating Plan: Becky Warren presented the FY2016 Operating Plan to the board. Board elections, to fill vacant positions, will be conducted on September 4, 2015 at the Advisor Workshop. Dwayne Hale moved the board offices be assigned November 6, 2015 at the Board of Directors meeting. Kent Thomas seconded the motion. Motion carried.

The following documents were materials within the Operation plan: 2015-2016 calendar schedules, 2015-2016 budget review, 5 year strategic plan, and the 2016 Contest Chair confirmation list.

Becky asked board members to help find chairs for the vacant chair positions. Stefanie Hayes would like to assist with Medical Math, Medical Terminology and possibly Nurse Assisting if that contest is added for 2016.
Becky urged the Board to become bigger partners of SkillsUSA Kansas by taking on leadership roles throughout the year. She would like to see more participation by the Board at the Fall Conference and the Kansas State Championship Conference. Board members need to be visual to the membership, especially at the awards ceremonies of our conferences.

In regards to increasing Business and Industry involvement:
- David Praiswater suggested contacting Tim Clothier, Director of Business and Industry, Washburn Tech.
- Bruce Fritz suggested speaking with Heath Kohler, Spirit Aerosystems, Wichita.
- Stefanie Hayes suggested conducting Skype tours / Virtual tours to show students actual production/job sites.
- It was also suggested to assign a High School State Officer to shadow a Post-Secondary State Officer on Business and Industry visits in order to learn more about interaction with Business and Industry Partners.

Discussion was held on how to increase Scholarship applications and it was suggested promoting at the Fall Leadership Conference – possibly conducting a workshop on how to fill out applications and using the Scholarship application as an example. Also suggested was to make sure the SkillsUSA Kansas Scholarship Applications are sent to guidance counselors and postsecondary institutions so they can help inform the students of these opportunities.

**Kansas State Championships (KSC) Site:**
Becky reminded the board, merging the State Conference to one location will take at least 3-5 years:
Year 1: SkillsUSA Kansas merged 16 locations down to 8 locations (Wichita; Hutchinson; Kansas City; Lenexa; Beloit; Fort Scott; Pittsburg; Salina).

Year 2: SkillsUSA Kansas goal is to be in 4 locations (Wichita; Hutchinson; Kansas City Kansas; Fort Scott) and to establish the permanent location for the Kansas State Conference.

The bids from Wichita and Hutchinson were reviewed and opened up for discussion. Both pros and cons were discussed. Cloys Bayless and Rod Murphy each sent an email with concerns of the consolidation. Becky addressed their concerns in a power point presentation:
- Contest Chairs and Judges are working hand in hand with facility host and the State Director to address equipment needs and power requirements. Becky assured the board that we will only be moving contests as chairs support the process.
- Concern of hotel space: the City of Hutchinson has confirmed they have ample space to house all schools who would need rooms. The fairgrounds have opened their dorm facilities and camper area to SkillsUSA Kansas as well.
- Working with WATC: WATC is a part of the SkillsUSA Kansas board, and discussions with members at WATC are being conducted and they are in support of the merge and understand the reasoning behind it. Concern of the WATC/WSU merge came up and Bruce Fritz addressed the concern.
- It was asked of Bruce Fritz, if the State Conference was moved to Hutchinson would WATC participation change, and he indicated that it would probably remain the same.
Becky shared the actual hosting numbers for each city, with current contestant numbers, so the Board could see the impact of either move.

The Hutchinson location has financial and transportation advantages with the contest sites being closer together and the fairgrounds housing being $15/day and local hotels ranging from $73-110/day.

It was recognized that Hutchinson appears to want the organization to be hosted in their city. City leaders have jumped on the opportunity to help SkillsUSA with reduce costs, scheduling and facilities usage opposed to Wichita’s bid which appeared to be “strictly business” due to Wichita not willing to work with our dates requested and the hotels averaging about $120/day.

The question was raised if there will be Contest Chair and Business and Industry support for either move. Becky reassured the board that she is keeping in contact with all contest chairs and Business and Industry partners as each of them move, to make sure their needs are met. And she will not move a contest to the main location until she has Contest Chair approval.

Stefanie Hayes made the motion to move the Kansas State Conference to Hutchinson based on financial and transportation considerations, with the cooperation of the Contest Chairs, within 3-5 years. Kent Thomas seconded the motion. 9 votes in favor and 1 vote abstained. Motion carried.

**Board of Director Application Review**

Becky Warren announced Dianne Steadham will be joining the board as a Business Industry Representative. She reviewed Dianne’s qualifications with the board and the board approved.

Presenting to the board, Roy reviewed 3 candidate applications for Board of Director positions, 2/High School Board Applications and 1/PS Board Application:

- Deb Hargrove/ representative from Winfield High School
- Tod Johnson / representative from Remington High School
- Frank Avila / representative from Manhattan Area Technical College

All candidates were in good standing and approved to run in the Board of Directors election, September 4, 2015. Candidates will prepare a 1-5 minute speech on why they want to serve on the board and present it to the Kansas advisors.

The board also asked Becky to send out one last plea for more candidates, to make it a competitive election.

Roy asked for any other business. None was presented.

Roy and the Board thanked Steve Venne for providing the lunch to the Board today.

Meeting adjourned at 3:30 p.m.
Next meeting will be held on November 6, 2015.

Minutes Recorded by: Kelli Byrne
Minutes Reviewed and submitted by:
Actions Completed:

9/8/2015 NLSC Comparison Report: It was suggested to add the student’s grade level to the document adding perspective to the report. Student’s grade level is not collected as part of the registration. Student age is part of the registration process but is not a true report of what grade a student may be in.

The NLSC Comparison Report was emailed to the contest chairs.

9/8/2015 NLSC Contest Chair/Advisors: Contest Chairs have been invited to attend the Advisor Workshop giving them time to visit with those that attended the NLSC Conference in June.

9/8/2015 Scholarship Promotions: Scholarship Workshop is scheduled for the Fall Conference

SkillsUSA Scholarship Applications were sent out to Kansas School Administrators asking them to make sure the counselors of their schools distribute the application.

9/8/2015 Added Board of Director Applications: Becky received one more candidate, Steve Polley PS, and added him to the list of candidates.

9/8/2015 2016 Financial Proposal-Saving Accounts for non-profits: Peggy Torrens submitted a question to the national executive director, Tim Lawrence, if non-profits organizations can hold savings accounts. Mr. Lawrence replied: Nonprofits like SkillsUSA need a reserve fund. This is out of responsibility to the membership and to assure services can be continued in case of an emergency. It is part if the board’s fiscal and fiduciary responsibility to protect the organization and keep it alive and vibrant for the membership. I will have Kim Graham, our Director of Administration and Finance, send you our board policy on reserve funds and the percentage of savings we are required to maintain.

Kim Graham sent the attached documents: Reserves Fund Guideline; and Skills Investment Policy

9/10/2015 Banking authorization completed.

Actions Not Completed:

- Board of Directors office assignments to be completed November 6, 2015 at the Board of Directors meeting.
Financial Proposal-Saving Accounts for non-profits: The following information is from the National Documents to be used as an example:

SkillsUSA, Inc. and the SkillsUSA Foundation, Inc.
Reserve Funds Guideline

SkillsUSA and the SkillsUSA Foundation will maintain adequate reserves for the following purposes:

- An Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding or loss of a major revenue stream.
- A Capital Improvements Reserve is intended to provide a ready source of funds for repair of building, furniture, fixtures and equipment necessary for the effective operation of the organization and programs.

The reserves will be invested according to the guidelines in each established Investment Policy. They will be tracked in supplementary schedules and will be treated as unrestricted funds. Loans are permitted from one fund to another and are subject to approval of the Board of Directors.

The target minimum Operating Reserve is equal to four (4) months of average fixed costs or approximately $1,000,000. The calculation includes all recurring, predictable expenses such as salaries and benefits, office operations and insurances. Depreciation, in-kind, and other non-cash expenses are excluded.

The Capital Improvements Reserve was funded by the accumulation of $160,000 annual mortgage payment being put in an investment account after the building payoff in February 2005. The reserve amount of $800,000 is based upon the ten year capital improvement plan approved by the Board of Directors.
SKILLSUSA, INC.
INVESTMENT POLICY STATEMENT

Introduction

This statement of investment policy has been adopted by the Board of Directors of SkillsUSA to provide guidelines for the investment of funds held by the association.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into three separate investment pools. The process for determining the dollar amount in each pool is set forth in the "Procedures" section of this document. The three investment pools shall be called the "Operating Fund", the "Short-Term Fund" and the "Long-Term Fund".

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of SkillsUSA and accurately reflects the current financial condition:

   A.) This investment policy shall be reviewed annually by the Corporate Treasurer who will recommend any necessary revisions to the Board of Directors.

   B.) The Board of Directors will have final approval on any changes to the policy.

2. The following procedures will be used to determine the dollar amounts to be placed in the Short-Term Fund and the Long-Term Fund.

   A.) The Corporate Treasurer, in consultation with the Board Finance Committee will recommend the dollar amounts to be placed in the Short-Term and Long-Term Funds.
SKILLSUSA, INC.
OPERATING FUND

Purpose

The purpose of the SkillsUSA Operating Fund is to provide sufficient cash to meet the financial obligations of SkillsUSA in a timely manner. To protect SkillsUSA lines of credit, the operating funds shall be maintained with banking institutions.

Investment Objectives

The investment objectives of the Operating Fund are:

1.) Preservation of Capital
2.) Liquidity
3.) Optimize Return

Investment Guidelines

ALLOWABLE INVESTMENTS

The Operating Fund may be invested as follows:

1.) Federally insured certificates of deposit not to exceed $100,000 per institution;
2.) Interest bearing checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts;
3.) Direct obligations of the U.S. Government, its agencies and instrumentalities;
4.) Repurchase agreements;
5.) Commercial paper;
6.) Money Market Funds

MATURITY

The maximum maturity shall be 3 months or less. The Corporate Treasurer shall be responsible for scheduling maturities.
SKILLSUSA, INC.
SHORT-TERM RESERVE FUND

Purpose

The purpose of the SkillsUSA Short-Term Reserve Fund is to meet the expenses occurring as the result of unanticipated activities, to improve the returns on funds held for expenditure over the next 1 to 5 years, and to manage investment risk.

Investment Objectives

The investment objectives of the Short-Term Reserves are:

A. Liquidity
B. To optimize the investment return within the constraints of (A) and (C):
C. Preservation of capital.

Investment Guidelines

The investment policies and restrictions presented in this statement serve as a framework to achieve the investment objectives at a level of risk deemed acceptable. These policies and restrictions are designed to minimize interfering with efforts to attain overall objectives, and to minimize excluding any appropriate investment opportunities. The policy allows substantial discretion in the asset allocation and diversification of the assets for the purpose of increasing investment returns or reducing risk exposure. The Manager of these funds has broad responsibility to shift the commitment of assets among asset classes, industry sectors, and individual securities to pursue opportunities presented by long-term secular changes within the capital markets.

ALLOWABLE INVESTMENTS

The Corporate Treasurer shall be authorized to invest the SkillsUSA Short-Term Reserve Fund as follows:

A.) Any investment appropriate for the Operating Fund;
B.) Agency discount notes;
C.) Corporate Notes rated investment grade or better;
D.) Mortgage backed securities where the mortgage are 100% government backed;
SKILLSUSA, INC.
LONG-TERM FUND

Purpose

The purpose of the SkillsUSA Long-Term Reserve Fund is to provide financial stability of the association, to enhance the purchasing power of funds held for future expenditure, and maximize investment returns.

Investment Objectives

The objectives of this account should be pursued as a long-term goal designed to maximize the returns without exposure to undue risk. It is understood that fluctuating rates of return are characteristic of the securities markets. The greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in the account performance, the expectations of the account will be to achieve the following objectives over a three to five year time period:

A. The account's total return should exceed the increase in the Consumer Price Index by 4% per year.

B. The account's total return should exceed the increase in the Treasury Bill Index by 4% per year.

3. The portfolio should be invested to minimize the likelihood of low negative total returns, defined as a one year return worse than negative 10%.

Investment Guidelines

The investment policies and restrictions presented in this statement serve as a framework to achieve the investment objectives at the level of risk deemed acceptable. These policies and restrictions are designed to minimize interference with efforts to attain overall objectives. The Corporate Treasurer in consultation with the Investment Consultant, has a broad responsibility to shift the commitment of assets among asset classes and maturities within the constraints of the Investment Policy.
SKILLSUSA
TARGET ASSET ALLOCATION

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Minimum Weight</th>
<th>Target Weight</th>
<th>Maximum Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Value Stocks</td>
<td>25%</td>
<td>30%</td>
<td>35%</td>
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<tr>
<td>Mid Cap/Small Cap Stocks</td>
<td>8%</td>
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<td>International Stocks</td>
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<td>Intermediate Bonds</td>
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<td>High Yield Bonds</td>
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<td>18%</td>
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<tr>
<td>Total</td>
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<td>100%</td>
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</tr>
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</table>

**FIXED INCOME**
Investments in fixed income securities will be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. The investment may be selected from U.S. corporate debt and instrumentalities. These investments will be subject to the following limitations:

A. Any investment appropriate for the Short-Term Reserve;
B. High Yield corporate bonds;
C. Foreign government bonds;
D. Foreign corporate bonds;
E. Mutual funds which invest in any of the above.

**EQUITIES**
The part of the portfolio invested in stocks should be representative of the overall stock market. The objective of the stock portfolio is to outperform the S&P 500 Index (net of expenses) over a five year period. Allowable investments include:

A. Large capitalization stocks;
B. Mid capitalization stocks;
C. Small capitalization stocks;
D. Stocks of foreign corporations;
E. Stocks of real estate investment trusts;
F. Mutual funds which invest in any of the above.

**PROHIBITED INVESTMENTS**
The following investments are prohibited:

A. Private Placements;
B. Letter stock;
C. Options, except in mutual funds;
D. Commodity or futures trading, except in mutual funds where the trading objective is to preserve principal;
E. Short selling;
F. Margin transactions.
**Reporting**

The Investment Consultant shall prepare a report to the Executive Director, Corporate Treasurer and Board of Directors on a quarterly basis. The report shall contain a schedule of holdings, asset class percentages, and performance compared to the objectives.

The following indices, as applicable, will be used to gauge the performance of various asset classes:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Stocks</td>
<td>S&amp;P 500 Composite</td>
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<tr>
<td>Small Stocks</td>
<td>Russell 2000</td>
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<tr>
<td>International Stocks</td>
<td>MSCI-Europe, Australia, Far East</td>
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<td>Intermediate Bonds</td>
<td>Lehman Brothers Intermediate</td>
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<tr>
<td>International Bonds</td>
<td>Merrill Lynch High Yield Master</td>
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<tr>
<td>High Yield Bonds</td>
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