

Public Hearing on the FY 2018-18 Budget and Regular Meeting

of the

Blackhawk Technical College District Board

June 21, 2017

Minutes

The Public Hearing on the Fiscal Year 2017-18 Budget and regular meeting of the Blackhawk Technical College Board was held on Wednesday, June 21, 2017, at the BTC Administrative Center, 6004 S. County Road G, Janesville, in the Board Room. The following members were present: Eric Thornton, Chairperson; Barbara Tillman, Vice Chairperson; Laverne Hays, Secretary; Rick Richard, Treasurer; Traci Davis (attended via phone until 4:30 p.m.); Tom Heeg; Mark Mayer; Dr. Karen Schulte; and Malik Surani. Board member absent: Traci Davis (Public Hearing and Open Session). Staff present: Dr. Tracy Pierner, Lynn Neitzel, Brian Gohlke, Renea Ranguette, Jackie Pins, Dr. Jon Tysse, Gary Kohn, Brad Smith, Andy McGrath, Steve Kormanak, Dr. Gina McConoughey, Brooke Johnson, Dr. Garry Krause. Guests present: None

Chairperson Thornton called the meeting to order at 3:30 p.m. He indicated the District Board would adjourn to a closed session pursuant to Wisconsin Statutes 19.85 (1)(c) for the purpose of continuing the process for the annual review of the President and evaluation of personnel as it relates to superior performance recognition. The Board would reconvene in open session at approximately 4:30 p.m. to conduct the Public Hearing on the Fiscal Year 2017-18 Budget. If the review of the President does not conclude prior to 4:30 p.m., the Board will recess from closed session and reconvene in closed session at the conclusion of regular agenda business. Any action which might result from the closed session will be taken in open session, scheduled for action in open session at the next regular meeting, or scheduled for action at a special meeting called on notice.

It was moved by Ms. Tillman and seconded by Mr. Richard to adjourn to a closed session pursuant to Wisconsin Statutes 19.85 (1)(c) for the purpose of continuing the process for the annual review of the President and evaluation of personnel as it relates to superior performance recognition.

The roll was called and the following voted affirmatively: Mr. Hays, Dr. Schulte, Ms. Davis, Mr. Richard, Ms. Tillman, Mr. Mayer, Mr. Heeg, and Mr. Thornton.

Motion carried.

Dr. Pierner, Mr. Gohlke, and Ms. Pins remained in closed session.

Mr. Surani arrived at 3:34 p.m. and voted to go into closed session.

Dr. Pierner, Mr. Gohlke, and Ms. Pins were excused from closed session at 3:39 p.m.

Dr. Pierner was recalled into closed session at 3:45 p.m.

It was moved by Mr. Mayer and seconded by Ms. Tillman to adjourn the closed session at 4:28 p.m.

The roll was called and the following voted affirmatively: Mr. Hays, Dr. Schulte, Ms. Davis, Mr. Surani, Mr. Richard, Ms. Tillman, Mr. Mayer, Mr. Heeg, and Mr. Thornton.

Motion carried.

Chairperson Thornton opened the public hearing on the FY 2017-18 budget at 4:30 p.m.

The proposed budget for FY 2017-18 was presented. Enrollment is predicted to remain flat, with the exception of enrollment for new fall 2017 programs. The operations budget was reviewed, which is comprised of the General Fund and Special Revenue Fund (grants). The total operating revenue in the proposed budget is \$29,048,613, of which 49% is generated from state funding, 23% from local taxes, 22% from tuition and fees, and 3% from both federal funding and institutional revenue. Total operating expenses in the proposed budget is \$29,051,985, of which 77% is payroll/benefits, 22% is other expenses, and 1% is contingency. The operating Fund Balance is estimated to close at \$10 million in Fiscal Year 2016-17 and projected to remain at the same level through Fiscal Year 2017-18. The proposed budget contains no planned draw on fund balance in the coming year. The Capital Fund consists of annual capital borrowing of \$3.5 million, water main phase 2 borrowing of \$1,468,000, capital carryover of \$592,912 from Aviation Center sale proceeds and unexpended funds, and grant funds of \$292,609 (includes \$35,810 in matching funds). The Debt Service Fund reflects new bond issues proposed at \$5 million. Bond issues would carry a 10-year maximum term with debt retirement matched to asset life for repayment schedule planning. The proposed Debt Service levy is \$8,154,200, with a mill rate of 0.68227 based on the assumption of a 2% increase in equalized values. A property tax comparison between 2016-17 and 2017-18 was provided. The operational mill rate is proposed to decrease from 0.57077 to 0.57004. The debt service mill rate is proposed to increase from 0.64198 to 0.68227. Total mills will increase from 1.21275 to 1.25231. The total operational levy will be \$14,966,912, an increase of \$757,069. Fiscal Year 2017-18 All Funds Revenue is proposed to be \$47,788,466, which is a decrease of approximately \$500,000. All Funds Expenses are proposed to be \$53,422,528, which is a decrease of approximately \$1 million. The distribution of All Funds Expenses by functional area reflects 34% related to instruction, 26% related to physical plant, and 24% related to Student Services. The next step in the Budget process is for the District Board to take action to adopt the budget; action to do so is planned during the June Board meeting which immediately follows the Public Hearing.

As there were no additional questions/comments, Chairperson Thornton closed the Public Hearing at 4:45 p.m.

It was moved by Mr. Mayer and seconded by Mr. Malik to reconvene in closed session pursuant to Wisconsin Statutes 19.85 (1)(c) for the purpose of continuing the process for the annual review of the President.

The roll was called and the following voted affirmatively: Mr. Hays, Dr. Schulte, Mr. Surani, Mr. Richard, Ms. Tillman, Mr. Mayer, Mr. Heeg, and Mr. Thornton.

Motion carried.

Dr. Pierner remained in closed session.

It was moved by Mr. Richard and seconded by Dr. Schulte to adjourn the closed session at 5:04 p.m.

The roll was called and the following voted affirmatively: Mr. Hays, Dr. Schulte, Mr. Surani, Mr. Richard, Ms. Tillman, Mr. Mayer, Mr. Heeg, and Mr. Thornton.

Motion carried.

Chairperson Thornton called the regular meeting to order at 5:05 p.m.

Chairperson Thornton called for Public Comment. There was none.

Chairperson Thornton called for Special Reports. There were none.

Chairperson Thornton called for Information/Discussion items.

The May financial statement was reviewed.

Dr. Pierner presented the President's monthly report. State and local meetings attended were shared. A meeting was held with CCI and Assoc. Builders & Contractors which led to a new carpentry apprenticeship opportunity. He attended a meeting in Kenosha to represent the College for an economic development opportunity. Additional activities included meeting with Regal Beloit, attending a Goodwill Industries scholarship luncheon, met with a representative of CUNA Mutual on a partnership opportunity, attended a philanthropic seminar in Madison, attended the Party at the Pitts, worked as a Rotary volunteer for Bike Night at Boardtrackers, and hosted an appreciation event for Youth Apprenticeship. Graduation was held on May 20; pinning ceremonies were held, GED and Law Enforcement Academy Graduations held, and the employee picnic held. We are currently in the final stages of the Vice President-Academic Affairs search. BTC in the local media was summarized; we received great press on the fire demo which was held on campus on June 20.

The draft 2017-2020 Strategic Plan was presented. Dr. John Delany, Giraffe, LLC, led discussion on the process used to create the Plan document. The strategy is built around flexible delivery of educational content, meeting students when and where they have an opportunity to learn, and supporting them with services that enable them to succeed. The plan establishes five three-year strategic objectives—enrollments, credential completion, placement, \$27 million annual revenue, and 0%, 2% (0% change in the target debt mill rate; 2% of operating margin to new initiatives). Audiences targeted are high school students and parents, adult learners, K-12 districts, employers, transfers and completers. The Promise to our stakeholders is "Build your future with flexible education in a supportive environment". Five strategic initiatives identified in the Plan are flexible education, Guided Pathways, marketing and communications, organizational development, and financial stability. The Plan's benefits include enrollment growth, build stronger employer relationships, grow revenue and margin, shrink debt, BTC becomes a great place to

work, we build stronger community relationships, we change the perception of technical colleges, and we deliver flexible education in a supportive environment. Board member comments were shared. A question posed was how the economy was taken into account within the Plan. Dr. Pierner responded that we will not overcome the impact of the local economy in the next couple of years. The Plan focuses internally so we are as good as we can possibly be (more efficient), and to fight the margins (obtain greater share of market). We will be better able to optimize resources so funds are available where they are needed. Board action to approve the Plan is scheduled for the July meeting.

Chairperson Thornton called for the Consent Agenda.

It was moved by Mr. Hays and seconded by Mr. Heeg to approve the consent agenda which included the minutes of the Regular Meeting held on May 17, 2017; current bills from the month of May – Voucher #00241649 to and including #00241842 and direct deposit expense reimbursements in the total amount of \$758,846.61 (includes student-related payments), a payroll total for the month of May of \$799,869.70, payroll tax wire transfers for the month of May of \$375,090.89, other wire transfers for the month of May of \$56,255.25, WRS wire transfers for the month of May of \$146,687.08, P-card disbursements for the month of May of \$159,273.83, a bond payment for the month of May of \$0, and a health insurance wire transfer for the month of May of \$293,036.02, for a grand total of \$2,589,059.38; approval of 21 training contracts negotiated since the last meeting totaling \$150,542; acceptance of three resignations—Dr. Doris Ellison, Associate Dean-Nursing, effective August 4, 2017, David Linton, Information Technology Instructor, effective the end of the Spring 2017 semester, and Dr. Samantha Samreth, Advisor, effective June 16, 2017; confirmation of an instructional employment contract issued to Traci Newcomer for the position of Associate Degree Nursing Instructor at a salary of \$59,768, effective August 18, 2017; confirmation of an administrative employment contract issued to Jeffery Ziegler for the position of Instructional Design Specialist, at a salary of \$62,000, effective June 20, 2017; confirmation of an instructional employment contract issued to Linda Becker for the position of Nursing Assistant Instructor, at a salary of \$53,760, effective August 18, 2017; and confirmation of an instructional employment contract issued to Tiffany Garrison-Stanley for the position of Science Instructor, at a salary of \$66,786, effective August 18, 2017.

Motion carried.

Chairperson Thornton called for Action Items.

It was moved by Mr. Mayer and seconded by Mr. Surani to approve revisions to District Board Policies B-222 – New Member Orientation, B-223 – Board Member Development Opportunities; and J-710 – Student Activity Fees and Fund Management, as presented.

Motion carried.

It was moved by Dr. Schulte and seconded by Mr. Surani to approve the 2016-17 Remission of Out-of-State Tuition Report, as presented.

Motion carried unanimously.

The Three-year Facilities Plan was reviewed. The Plan is an annual requirement of the WTCS Board. Construction, remodeling, and capital improvement projects anticipated in the upcoming three years include remodeling ITS administrative work space, renovations to the library and teaching and learning support services space, and a stand-alone insulated metal building constructed at the Monroe Campus to support expansion of hands-on training needs of the agribusiness program. The latter will house a shop/storage with an instructional lab and adjoining greenhouse. Separate Board action is required when these projects move forward.

It was moved by Mr. Richard and seconded by Ms. Tillman to approve the Three-Year Facilities Plan for July 1, 2017 – June 30, 2020, and to submit the document to the WTCS.

Motion carried unanimously.

District Board approval was requested to begin offering a Carpentry Apprenticeship program. Associated Builders and Contractors (ABC) of Wisconsin predicts there could be 13 apprentices in a first start-up apprenticeship class offering at the College. District Board approval is the first step required in the process to become a provider for this form of apprenticeship.

It was moved by Mr. Mayer and seconded by Mr. Heeg to approve the Carpentry Apprenticeship (50-410-9) Program.

Motion carried unanimously.

Chairperson Thornton called for Committee Reports. The Finance Committee did not meet in May or June.

It was moved by Mr. Malik and seconded by Mr. Hays to adopt the resolution to create district reserves and establish reservations of fund balances.

Motion carried unanimously.

The proposed Fiscal Year 2017-18 Budget was presented at a Public Hearing prior to the start of the regular Board meeting. There were no questions raised at the Hearing. The District Board was asked to adopt the Budget as presented.

It was moved by Mr. Mayer and seconded by Ms. Tillman to approve the attached resolution to adopt the 2017-18 Budget for the Blackhawk Technical College District in the total amount of \$53,422,528, with the amount of \$14,966,912 to be generated from local tax sources.

Motion carried unanimously.

The Personnel Committee met in May; meeting minutes were reviewed.

It was moved by Mr. Hays and seconded by Ms. Surani to approve Superior Performance Recognition Awards, as presented during Closed Session.

Motion carried unanimously.

Chairperson Thornton called for New Business.

The Board reviewed one Bylaw, #B230 – Board Committees, and two Policies, B-230.1 – Board Committees – Finance Committee, and B-230.2 – Board Committees – Personnel Committee. No revisions were recommended.

A presentation was made on campus security. Administration sought Board input on what the expectations were of the security presence at Central Campus and other BTC locations in the event of a human threat. Board consensus was the expectation is safety of staff and students on campus. The Board requested an internal committee be formed to research security options. A follow-up report will be provided to the Board in September on what other colleges in the state are doing, recommendations done on threat assessment, armed security/weapons as a minimum, types of training, mental health services provided for students, availability of Narcan, etc. The internal committee was requested to provide pros/cons and recommendations.

Chairperson Thornton called for Other Business.

Discussion continued regarding professional development expectations for Board members. Dr. Pierner recommended the College continue membership with ACCT for one additional year and requested one or two Board members who have attended ACCT attend the AACC conference with him in spring 2018.

A draft agenda was shared for the August 16 District Board Retreat. Board members requested a closed session during the afternoon to discuss the President's Goals and conduct a Board self-evaluation process.

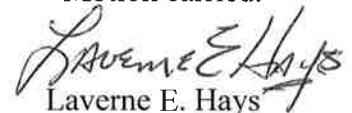
A reminder was provided on the District Boards Association Summer Meeting being held in Kenosha on July 14-15.

A reminder was provided on the ACCT 2017 Leadership Congress being held in September in Las Vegas. Mr. Hays indicated he would like to attend.

Chairperson Thornton called for Future Agenda Items. There was none.

It was moved by Mr. Heeg and seconded by Ms. Tillman to adjourn the meeting at 7:47 p.m.

Motion carried.

  
Laverne E. Hays  
Secretary

## RESOLUTION

### To Create District Reserves and Establish Designations of Fund Balances June 30, 2017

**WHEREAS**, the Wisconsin Administrative Code TCS - 7.05 requires the Board annually to adopt a resolution creating district reserves and establishing designations of fund balances prior to adoption of the District's budget, and,

**WHEREAS**, the Blackhawk Technical College District Board will be approving the District's 2017-18 Annual Budget,

**THEREFORE, BE IT RESOLVED**, that the Blackhawk Technical College District Board hereby approves the following reservations and designations of fund balances:

#### General Fund

- Designated for Operations Balance of \$6,400,000 provides for fluctuations in operating cash balances with a range of 16.7% to 25% of budgeted operational expenditures (General & Special Revenue Fund) established in accordance with District Board Policy.
- Designated for State Aid Fluctuations of \$290,000 provides for fluctuations in general state aid and may not exceed 10% of the budgeted state revenues, excluding property tax relief aid.
- Designated for Subsequent Years Balance of \$435,000 is designated for FY 2017-18 and beyond and may not exceed 15% of budgeted state revenues, excluding property tax relief aid.
- Designated for Subsequent Year Balance of \$2,025,000 represents all fund balance not reserved or designated in other classifications.
- Reserve for Prepaid Expenses Balance of \$250,000 is equal to the prepaid expenses.

#### Special Revenue Fund - Operational

- Designated for Operations Balance of \$600,000 provides for fluctuations in operating cash balances with a range of 16.7% to 25% of budgeted operational expenditures (General & Special Revenue Fund) established in accordance with District Board Policy.

#### Capital Projects Fund

- Reserve for Capital Projects Balance of \$930,000 which is unexpended general obligation debt funds that must be used for the specified purposes.

#### Debt Service Fund

- Reserve for Debt Service Balance of \$600,000 provides the funds for principal and interest payments prior to the collection of the subsequent year's tax levy. A majority of the fund balance is required to pay debt service prior to the next tax levy.

#### Enterprise Fund

- Retained Earnings balance of \$506,000 provides for fluctuations in operating cash balances.

#### Internal Service Fund

- Reserve for Self Insurance of \$161,000 provides funds for property and liability losses.

#### Fiduciary Fund (Trust and Agency)

- Reserve for Student Financial Assistance Balance of \$448,000 provides District matching funds for the student financial aid program, and a Reserve for Student for Organizations for the activity of student organizations supported by segregated fees and revenue raised by student organizations.

ENCLOSURE #16

7. Committee Reports

- b. Adoption of Fiscal Year 2017-18 Budget for the Blackhawk Technical College District (Action – Renea Ranguette)

Assuming there are no changes to the budget as presented at the public hearing, the following resolution is recommended for adoption:

WHEREAS, the proposed budget for the 2017-18 fiscal year for the Blackhawk Technical College District was presented to the electors of the District on June 21, 2017 at a Public Hearing, and a full hearing held thereon, and;

WHEREAS, the Public Hearing was held in accordance with the notice published in the manner provided in Section 65.90 of the Wisconsin Statutes, and which notice included a summary of said budget;

NOW THEREFORE, BE IT RESOLVED, that the Blackhawk Technical College District Board adopt the Budget and appropriate for expenditure the sums in the Budget for the 2017-18 fiscal year as presented at such public hearing in the total amount of \$53,422,528 with the amount of \$14,966,912 to be generated from local tax sources, and that a full copy of the budget be recorded in the minutes of this meeting as the Budget for the Blackhawk Technical College District for the period July 1, 2017, to June 30, 2018.

The 2017-18 Budget Book is accessible from the College Governance page of the website. Hard copy of the Budget Book will be available at the Board meeting.