

Regular Meeting

of the

Blackhawk Technical College District Board

June 20, 2018

Minutes

The regular meeting of the Blackhawk Technical College Board was held on Wednesday, June 20, 2018, at the BTC Administrative Center, 6004 S. County Road G, Janesville, in the Board Room. The following members were present: Barbara Tillman, Vice Chairperson; Laverne Hays, Secretary; Rick Richard, Treasurer; Tom Heeg; Mark Mayer; Dr. Karen Schulte; and Malik Surani. Board members absent: Eric Thornton, Chairperson; Traci Davis. Staff present: Dr. Tracy Pierner; Renea Ranguette; Dr. Zahi Atallah; Brian Gohlke; Jackie Pins; Dr. Jon Tysse; and Andy McGrath (Public Hearing only).

Vice Chairperson Tillman opened the public hearing on the FY 2018-19 budget at 4:30 p.m.

The proposed budget for FY 2018-19 was presented. Operating Revenue Assumptions: 1) Property taxes are based on a valuation which is estimated to increase 2.5% and a Net New Construction increase of \$150,000. 2) State aid is predicted to be flat (Outcomes Based Funding (OBF) and Formula Funding). A communication was received recently which provided the OBF for the upcoming year; BTC's funding will decline. A budget mod will be brought forth in August to reflect the decline in state aid funding. 3) A decrease is projected for State grants in the amount of \$60,867 (related to WAT grants). 4) Enrollment for credit-bearing instruction is predicted to remain level with FY18. 5) The FY19 tuition rate increased 1.5%. 6) Federal grants will reflect a decrease of \$237,205 as a result of AEFL funding and the end of TAACCCT grants. 7) Institutional revenue is anticipated to increase due to business & industry contracts, interest income, and miscellaneous revenues. Total operating revenue is projected to be \$30,447,400, which reflects an increase of 0.6% from FY18. Operating Expense Assumptions: 1) Within personnel, salary and wages reflect a net increase of 2.1%. 2) Employee benefits reflect a reduced OPEB contribution and no change in contributions for other benefits; the net change reflects an increase of 0.3%. 3) Non-personnel reflects a decline within budgets and an increase of \$20,000 to contingency. Beloit Center building and administrative expenses have been removed from budget. The net change within non-personnel reflects a decrease of 4.4%. Total proposed operating expenses will be \$30,404,400, or an increase of 0.6% from FY18. The Operating Fund Balance is proposed to close in years 2017-18 and 2018-19 at \$10,600,000 after all designations have been allocated. Capital funding sources for FY19 include bond proceeds of \$2,900,000, grants and donations of \$64,257, interest income of \$7,659, and a draw on fund balance of \$1,396,479 for completion of the water main loop project in July. Total resources are \$4,348,395, not including the potential sale of the Center for Transportation Studies facility. Based on an estimate 2.5% increase in equalized valuation, the total operational and debt service levy would be \$15,085,491, which reflects a 1.7% increase to the total levy. The total property tax mill rate is projected to be 1.19366, which reflects a 0.8% decrease to the total mill rate change. The FY 2018-19 budget reflecting all Funds totals \$52,478,706.

As there were no additional questions/comments, Vice Chairperson Tillman closed the Public Hearing at 4:52 p.m.

Vice Chairperson Tillman called the regular meeting to order at 5:01 p.m.

Vice Chairperson Tillman called for Public Comment. There was none.

Vice Chairperson Tillman called for Special Reports.

BTC retiree Gail Pauletto was recognized for 16½ years of service to the District.

Outgoing Board members Dr. Karen Schulte and Tom Heeg were recognized for their dedication and service to the District Board.

Vice Chairperson Tillman called for Information/Discussion items.

The May financial statement was reviewed.

Dr. Pierner presented the President's monthly report. Community engagement activities included: the third group of students is now going through the United Alloy Welding Academy; Sheldon Newkirk was honored at a luncheon as the Beloit Rotary Teacher of the Month; a presentation on the pipeline initiative was made at a committee meeting for the Greater Beloit Economic Development Corp.; attended the UW-Rock County student housing forum; met with Beloit City officials and Public Library Director regarding a long-term vision for BTC programming at the Beloit Library; a group from Janesville Noon Rotary toured the AMTC; the National Center for Supply Chain Automation (an NSF project) toured AMTC; met with Badger State Ethanol; was invited to attend the Dare to Dream event – Joe Newborn participated; Matt Urban attended a recent Monroe School District initiative; attended SWWDB meeting; attended the Party at the Pits event; and, was contacted by Assoc. Builders & Contractors, who are interested in HVAC apprenticeship and initiatives. College events held included: graduation ceremonies; CPI Team report-out for spring 2018; Strategic Plan year-end overview provided in Town Hall Meeting; Professional Development Day break-out sessions which provided in-depth detail on the Strategic Plan project teams' work; a risk analysis was conducted for College security; attended RUHS graduation; and, attended a Rock Internship orientation event. Upcoming events included: Leadership Team retreat on July 10 and our Chinese contact will be here on July 25 with an investor interested in development of student housing in downtown Janesville. Other communications included: fall 2018 enrollment update; and, notification has been received that the College's Outcome Based Funding being received in FY19 will reflect a decline.

Dr. Pierner reviewed the 2017-18 State of the College Report and answered questions.

Executive leadership presented an update on Strategic Plan Year 1 initiatives/projects.

Vice Chairperson Tillman called for the Consent Agenda.

It was moved by Mr. Richard and seconded by Mr. Surani to approve the consent agenda, which included the minutes of the Regular Meeting held on May 16, 2018; current bills from the

month of May – Voucher #00264358 to and including #00264644 and direct deposit expense reimbursements in the total amount of \$557,018.95 (includes student related payments), a payroll total for the month of May of \$873,202.29, payroll tax wire transfers for the month of May of \$388,493.48, other wire transfers for the month of May of \$42,824.08, WRS wire transfers for the month of May of \$147,068.21, P-card disbursements for the month of May of \$175,763.99, a bond payment for the month of May of \$0, and a health insurance wire transfer for the month of May of \$293,140.94, for a grand total of \$2,477,511.94; 32 training contracts negotiated since the last meeting totaling \$134,996; acceptance of three resignations – Peter Mizera, Chief Information Officer, effective May 21, 2018, Mark Prosser, Welding Instructor, effective June 29, 2018, and Kevin Purcell, Criminal Justice Instructor, effective the end of the Spring 2018 semester; confirmation of an administrative employment contract issued to Jennifer Thompson for the position of Marketing & Communications Manager at a salary of \$77,000, effective July 2, 2018; confirmation of a non-instructional employment contract issued to Rachel Jorgenson for the position of LTE Mental Health Counselor at a salary of \$77,100, effective June 18, 2018; and confirmation of an administrative employment contract issued to Gary Saganski for the position of Dean – Manufacturing, Apprenticeship, Technology, & Transportation at a salary of \$116,000, effective August 8, 2018.

Motion carried.

Vice Chairperson Tillman called for Action Items.

It was moved by Mr. Mayer and seconded by Mr. Heeg to approve revisions to Board Policy E-222 - Sexual Misconduct, as presented.

Motion carried.

It was moved by Mr. Richard seconded by Dr. Schulte to approve the 2017-18 Remission of Out-of-State Tuition Report, as presented.

Motion carried unanimously.

An updated Facilities Master Plan was presented for approval. The Plan is the detailed work which was completed by a Strategic Plan project team. Broad-based input was received from employees, students, and RUHS students to gain insight into facilities' needs. Based on the input received, a brainstorming session, vetting of ideas generated, determining viability of ideas, and prioritization of ideas were done. The information was then shared with employees for additional feedback. Proposed projects line up well with the long-term debt service plan and could be completed in a five-year timeframe. Projects and prioritized order were reviewed. No major projects within the plan would begin prior to the FY 2019-20. Discussion followed.

It was moved by Mr. Richard and seconded by Mr. Surani to approve the Facilities Master Plan, as presented.

Motion carried.

Suspension of the Pharmacy Technician program was recommended by Administration. Enrollment numbers have been low for many years. In addition, feedback from advisory committee members and the WTCS Apprenticeship Education Director indicates the entry point for pharmacy technicians is either through an apprenticeship program or a streamlined training option, without a credential required in Wisconsin.

It was moved by Mr. Surani and seconded by Mr. Heeg to approve suspension of the Pharmacy Technician Program.

Motion carried.

Vice Chairperson Tillman called for Committee Reports.

The Finance Committee did not meet in May or June. Finance-related items were presented for approval.

It was moved by Mr. Mayer 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 2018-19 Budget was presented at a Public Hearing prior to the start of the regular Board meeting. No one from the public was in attendance. There were no questions raised at the Hearing. The District Board was asked to adopt the Budget as presented.

It was moved by Mr. Hays and seconded by Mr. Heeg to approve the attached resolution to adopt the 2018-19 Budget for the Blackhawk Technical College District in the total amount of \$52,478,706, with the amount of \$15,085,490 to be generated from local tax sources.

Motion carried unanimously.

Mr. Richard reported the Personnel Committee met earlier in the evening and will present its recommendation with regard to approval of superior performance awards.

It was moved by Mr. Mayer and seconded by Mr. Hays to approve the superior performance recognition awards, as recommended.

Motion carried unanimously.

Vice Chairperson Tillman called for New Business.

An update was provided on the Monroe Agricultural Training Center project. Due to significant changes within the steel industry, no bids were received during the original bid process. The steel package was rebid, with one bid received. Bids units (trades) varied greatly from budget estimates and resulted in the bid total exceeding the revised project budget of \$546,000. Subsequent work has been done to modify the project plan to bring the project within budget.

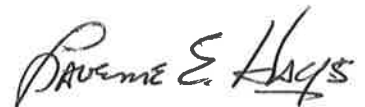
Construction documents are being revised to reflect the recommended changes. The project is scheduled for rebid in Fall 2018 with an early spring 2019 construction start.

Vice Chairperson Tillman called for Other Business.

A reminder was provided on the District Boards Association Summer Meeting in Green Bay on July 13-14.

Vice Chairperson Tillman called for Future Agenda Items. Attendance at the ACCT Conference was requested for future discussion.

It was moved by Mr. Surani and seconded by Mr. Mayer to adjourn the meeting at 7:47 p.m.



Laverne E. Hays
Secretary

RESOLUTION

To Create District Reserves and Establish Designations of Fund Balances June 30, 2018

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 2018-19 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 \$6,836,000 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 \$284,000 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 \$425,000 is designated for FY 2018-19 and beyond and may not exceed 15% of budgeted state revenues, excluding property tax relief aid.
- Designated for Subsequent Year Balance of \$2,441,470 represents all fund balance not reserved or designated in other classifications.
- Reserve for Prepaid Expenses Balance of \$75,000 is equal to the prepaid expenses.

Special Revenue Fund - Operational

- Designated for Operations Balance of \$664,457 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 \$1,748,988 which is unexpended general obligation debt funds that must be used for the specified purposes.

Debt Service Fund

- Reserve for Debt Service Balance of \$640,385 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 \$537,060 provides for fluctuations in operating cash balances.

Internal Service Fund

- Reserve for Self-Insurance of \$161,253 provides funds for property and liability losses.

Fiduciary Fund (Trust and Agency)

- Reserve for Student Financial Assistance Balance of \$571,496 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 #18

7. Committee Reports

b. Adoption of Fiscal Year 2018-19 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 2018-19 fiscal year for the Blackhawk Technical College District was presented to the electors of the District on June 20, 2018 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 2018-19 fiscal year as presented at such public hearing in the total amount of \$52,478,706 with the amount of \$15,085,490 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, 2018, to June 30, 2019.

The FY18-19 Budget Book is accessible from the About/Governance page on the website. A hard copy of the Budget Book will be available at the Board meeting.