Regular Meeting

of the

Blackhawk Technical College District Board

April 21, 2010

Minutes

The regular meeting of the Blackhawk Technical College Board was held on Wednesday, April 21, 2010, at the Blackhawk Technical College Monroe Campus, 210 4th Avenue, Monroe, in Rooms 413-414. Board members present: Thomas Westrick, Chairperson; Lauri Steeber, Vice Chairperson; Chris Olson, Secretary; Jim Munro, Treasurer; Richard Bostwick; Heidi Carvin; Víctor González; and Mary Soddy. Board members absent: Kevin Leavy. Staff present: Dr. Larson; Dr. Kennedy; Brian Gohlke; Renea Ranguette; Edward Robinson; Jackie Pins; Len Walker; Chris Wellington; Lori Rodefeld; Andy McGrath; and a representative of the Blackhawk Technical Faculty Federation. Guests present: John Waelti.

Earlier in the evening, Board members participated in a tour of The MERIT Center and viewed training activities in-process.

Chairperson Westrick called the meeting to order at 7:00 p.m.

It was moved by Mr. Bostwick and seconded by Ms. Steeber to approve the minutes of the Regular Meeting held on March 17, 2010.

Motion carried.

Chairperson Westrick called for Public Comment. Rubina Jan provided “60 Second Success Stories” which recognized staff and students for accomplishments and activities in which they have been involved.

The March financial statement and quarterly update were reviewed.

Chairperson Westrick called for special reports.

Chairperson Westrick recognized Josephine Pinnow, who will be retiring from the District with 26 years of service.

Teresa Tyche, incoming Vice President of Student Government at the Monroe Campus and President of Student Activities, provided a report on student activities at the Monroe Campus this past year. An upcoming event is the End-of-the-Year Luau on May 4. She stated the Student Activities Committee is planning for the upcoming year and hopes to build on the success of the past year as they look to the future.

Lauri Steeber provided an update on BTC Foundation activities.
Dr. Larson presented the President’s monthly report and circulated correspondence and other information received by the District since the last meeting.

Chairperson Westrick called for Unfinished Business. There was none.

Chairperson Westrick called for the Consent Agenda.

It was moved by Mr. Olson and seconded by Mr. Bostwick to approve the consent agenda, which included current bills from the month of March – Voucher #00189402 to and including #00190292 and direct deposit expense reimbursements in the total amount of $863,539.35 (includes student related payments), a payroll total for the month of March of $1,024,411.18, payroll tax wire transfers for the month of March of $447,005.62, other wire transfers for the month of March of $71,466.77, WRS wire transfers for the month of March of $134,285.90, P-card disbursements for the month of March of $367,558.58, a bond payment for the month of March of $3,276,920.63, and a health insurance wire transfer for the month of March of $297,609.80, for a grand total of $6,482,797.83; and business and industry contracts negotiated since the last meeting—Adams Columbia Co. Electric Coop, $2,092.00; Applied Ecological Services, $1,388.00; Applied Ecological Services, $2,288.00; Aqua World Daycare Center, $257.00; The Bank of New Glarus, $814.00; Community Action, Inc., $614.00; Emmi-Roth Kase USA, Ltd., $885.00; Kerry Ingredients & Flavours, $400.00; and School District of New Glarus, $1,739.00; and confirmation of an administrative employment contract issued to Dr. John Brackin for the position of Dean of Public Safety at a salary of $90,000, effective June 21, 2010.

Motion carried.

Chairperson Westrick called for New Business/Committee Reports.

Ms. Ranguette provided a strategic direction update on College Operations. Information shared included a recap of the progress made to-date on the benchmarks established for 2009-10 to address the goals identified for College Operations. She noted a new Master Plan will be developed for the next 3-5 years to support new and changing educational demands and highlighted the increase in headcount and FTEs at the Beloit Center since its relocation to the Eclipse Center.

Finance Committee Chair Chris Olson reported the Committee met on April 8, 2010.

It was moved by Committee and seconded by Committee action to approve the attached budget modifications for the fiscal year 2009-10 budget as recommended.

Motion carried.

Ms. Ranguette provided a summary of the proposed fiscal year 2010-11 budget. The significant challenge was prediction of future enrollment. The adopted fiscal year 2009-10 budget reflected 2,401 FTEs. As of April 5, 2010, anticipated FTEs for credit/non-credit in fiscal year 2009-10 are 2,843. More normalized enrollments are predicted to begin in fall 2010. Operating revenue assumptions were shared—property values are anticipated to decline 1%; the total property
levy will remain unchanged; the tuition rate will increase 4.5% to $106/credit; enrollments will
decline; state aid will decline proportionately with enrollments; state grants will decline; and federal
grants will increase due to the CATE funding. Operating expense assumptions were shared—salaries
are expected to reflect an average rate increase of 3.125%; however, 21 LTEs within the 2009-10
budget will be reduced to 8 LTEs in 2010-11, with 2 staff moved to regular positions; benefits are
expected to increase 6.4%; non-payroll expenses are expected to increase 2%; and CATE grant
expenditures will match revenue. We anticipate closing the fiscal year 2009-10 budget with a
deficit of $455,741 instead of $1,455,741. The Fund Balance is expected to close at $11,035,922
due to increased tuition revenues generated from enrollment growth. As the Designated for
Operations Fund Balance is projected to close at an amount higher than the maximum percentage
established by policy, Administration recommends excess funds be utilized in the 2010-11 budget
year to assist with funding temporary and one-time expenditures ($717,213 and $190,052
respectively) and OPEB expenditures ($437,976). The planned reduction will result in the fiscal
year 2010-11 Fund Balance projected to close at $9,690,681. Ms. Ranguette stated additional
decreases are anticipated in the Fund Balance for the next several years as enrollments normalize.
Several operational changes will be reviewed over the next several years, including revenue growth
development of an Office of Accountability & Resource Development to assist in development of
additional external funding opportunities) and resource re-allocation to downsize/eliminate
programs/services based on the needs within the community. We will need to focus on those areas
of operational change to stay within the fund balance ranges in the future. The Fiscal Year debt
issue is recommended to be $1,750,000--$1,283,450 for capital equipment and $466,550 for capital
improvements.

Highlights of the Debt Service Fund were shared. Two bond issues will be retired in
2009-10, which will reduce principal payments in 2010-11 by $260,000. The accumulated Debt
Service Fund Balance is $863,019. The Fund must support the October interest payment ($382,691
in 2009). Remaining debt obligations are funded with property tax collections which begin arriving
in December. The proposed budget is built to use $234,525 in accumulated Debt Service Fund
Balance for 2010-11 interest expenses, with the balance of debt obligations funded by the tax levy.
Utilization of the Fund Balance in these ways will reduce the Fund Balance to a more reasonable
level and result in a decrease in the debt service levy of 14.35%.

The proposed budget provides for an Operational Fund Levy increase of $519,488, a Debt
Service Levy decrease of $717,332, and a Trust Fund Levy decrease of $9,565. The total levy is
anticipated to decline from $20,749,303 to $20,541,854 (~$207,449), or -1%. The proposed
operational tax rate increases to $1.39255. The total tax levy remains unchanged from the 2009-10
rate of 1.72928. Ms. Carvin stated the Madison area recently reported a preliminary property value
decrease of 3.5% for the year. Ms. Ranguette stated if our District's change in valuation was that
significant, Administration would revisit the budget components to make modifications reflective of
the change.

Ms. Ranguette provided a historical review of components from within the General Fund.
Salaries and benefit expenditures historically have averaged 3.3% below budget and non-salary
expenditures have averaged 9.7% under budget. If we continue to follow the trending, we should be
below budget on those expenditures again for fiscal year 2009-10. In that event, additional OPEB prior service cost funding could be considered by the Board.

Mr. Munro commended Administration for the work accomplished over the last couple of years without large budgetary increases.

It was moved by Committee and seconded by Committee action to place the Fiscal Year 2010-11 Budget on the May Board agenda for adoption and presentation at a public hearing.

Motion carried.

Mr. Gohlke provided information on the updated study of the Administrative Compensation System which was conducted by QTI Consulting, Inc. In 2001, the Board asked Administration to review administrative compensation due to retention issues and directed Administration to continue the market review on a 3-year basis. In the recently completed analysis, the lower pay grades showed greater discrepancies in pay ranges than did the higher pay ranges. Mr. Gohlke reported Administrative pay grades 11-17 are reflective of a more local job market, while pay grades 18-23 reflect a more nationalized market. Overall, the salary grade structure moved an average of 7.4%. Within the benchmark jobs, three positions were found to be low compared to the market, and one was found to be high compared to the market. In addition, two administrative positions fall below the minimum of the proposed new pay grade ranges. Mr. Gohlke stated the fiscal year 2010-11 budget provided for a 3.125% increase in salaries. The recommended changes for the administrative compensation structure would be brought forward for approval at the May Board meeting.

Chairperson Westrick called for Wisconsin Technical College District Boards Association items. A reminder was given regarding the Association's Spring Meeting being held next week in Racine. As Mr. González is not able to attend the meeting, Mr. Westrick volunteered to act as the Board's voting delegate in Racine. Mr. Munro reported two individuals are seeking election to the DBA Secretary/Treasurer position. Elections will be held during the meeting in Racine.

Chairperson Westrick called for other items. There were no Emerging Issues. Dr. Larson provided a brief report on his attendance at the AACC Convention in Seattle. Chairperson Westrick recognized Mr. González on his appointment to the Board in the unexpired term for the Additional Member seat. Reminders were given regarding the Student Awards Banquet on April 24 and the Employee Recognition Breakfast on April 27.

It was moved by Mr. Olson and seconded by Mr. Bostwick to adjourn the meeting at 8:32 p.m.

Motion carried.

Christopher Olson
Secretary