CALL TO ORDER

The regular monthly meeting of the Finance, Personnel, and Operations Committee of the Milwaukee Area Technical College District Board was held in open session on Wednesday, December 13, 2006, and called to order by Ms. Jeannette Bell at 2:15 p.m. in the Board Room, Room M210, at the Milwaukee Campus of Milwaukee Area Technical College.

ITEM A. ROLL CALL

Present: Bell, Colón (2:29PM arrival)
Excused: Hughes

Prior to Mr. Colón’s arrival, Ms. Bell discussed with MATC Administration agenda items which do not require a quorum.

ITEM B. COMPLIANCE WITH THE OPEN MEETINGS LAW

The Finance, Personnel, and Operations Committee meeting was noticed in compliance with the Wisconsin Open Meetings Law.

ITEM D. COMMENTS FROM THE PUBLIC

None

ITEM G. DISCUSSION ITEMS

G-1 Budget Variance Report – Fifth (5) Month Ended November 2006 FY 2006-07 – Attachment 10

Michael Sargent reported that MATC has experienced an overall decline in revenues, largely due to state aid decreases and lower tuition and fees. Administration responded to the decline by decreasing expenses in
proportion. Salaries are $2.2 million below last year’s numbers. In addition, monies previously allocated for increased spending in supplies have gone unutilized. Mr. Sargent anticipates that MATC will close the year at forecasted levels. He reminded members of the Committee that no funds have been allocated for a general salary increase.

The bookstore took a physical inventory during the month of November and came up with shortfall. Investigation revealed various discrepancies in the department’s report. Corrections will be brought before the Committee next month.

Michael Sargent stated that food service continues to work with culinary arts to discover ways to improve service and decrease deficit. Implementation of changes will take place after the close of the semester. Mr. Sargent is optimistic that MATC will begin to see improvements as a result of collaboration.

Childcare is operating at expected levels. Nevertheless, the liaison of the department continues to work to find ways to improve operations.

The Milwaukee Enterprise Center continues to make changes in how it functions. Administration expects to see improvements in operating results within the near future.

Mr. Sargent also reported that receivables are down. MATC continues to improve its collections and reduce its exposure to bad debts.

G-2 FY2007-08 Budget Development – Attachment 11

Michael Sargent provided members of the FPO Committee with the MATC budget schedule for fiscal year 2007-2008. This schedule includes the dates on which budget-related documents will come before the Committee. He stated that instructions pertaining to the construction of a department’s capital budget are available on the internet. Training session will also be provided to budget managers. After capital budget submissions are made, budget managers will meet to discuss requests, allocating funds when necessary.

Ms. Bell expressed her concerns pertaining to MATC expenditure increases as relative to the rate of inflation.

Mr. Sargent explained that due to the nature of MATC as an institution of higher learning, the CPI index is not always a proper measure of institution expenditures as they relate to inflation. He also commented on the Administration’s routine practice of investigating requests for increased spending per credit.

Christy Brown, General Counsel, stated that individuals contributing to the operating budgets receive direction about constructing their budget, including directions on cutting expenses in their budgets.
G-3 Property Tax Refund – Attachment 12

Mr. Sargent reported that the refund of property taxes to taxed municipalities by MATC is an annual event. This year, the majority of the refund will be provided to the City of Milwaukee. Michael Sargent explained that an error in the original calculation was the taxation of property belonging to Habitat for Humanity, which is tax-exempt.

Mr. Colón arrives.

**ITEM C. APPROVAL OF MINUTES – November 22, 2006 – Attachment 1**

Motion/Action Ms. Bell and Mr. Colón moved forward the minutes of the November 22, 2006 committee meeting, as submitted, without objection.

**ITEM E. APPROVAL OF CONSENT AGENDA ITEMS**

**E-1 Bills – November, 2006 – Attachment 2**


**E-3 Human Resources Report – Attachment 4**

**E-4 Procurement Report – Attachment 5**

Kristin Phelps, Procurement Manager, provided a handout detailing procurement item III.2, Legal Services.

Motion/Action Ms. Bell and Mr. Colón moved forward the consent agenda, without objection.

**ITEM F. ACTION ITEMS**

**F-1 Resolution Authorizing the Issuance of $1,000,000 General Obligation Promissory Notes, Series 2006-07E of Milwaukee Area Technical College District, Wisconsin – Attachment 6**

Motion/Action Ms. Bell and Mr. Colón moved forward the Resolution Authorizing the issuance of $1,000,000 General Obligation Promissory Notes, Series 2006-07E of Milwaukee Area Technical College District, Wisconsin.

**F-2 Resolution Authorizing the Revolving Business Note/Short-Term Line of Credit of Milwaukee Area Technical College District, Wisconsin, in an Amount not to Exceed $3,000,000 – Attachment 7**
Michael Sargent, Vice President – Finance, stated that funds from property taxes do not flow to MATC until they are collected by taxed municipalities. Though MATC is not currently in need of $3,000,000, Administration is in active negotiations with union representatives, which may result in a settlement. Administration is thus requesting approval of this contingency resolution in anticipation of property tax collection.

Motion/Action

Ms. Bell and Mr. Colón moved forward the Resolution Authorizing the Revolving Business Note/Short-Term Line of Credit of Milwaukee Area Technical College District, Wisconsin, in an Amount not to Exceed $3,000,000, without objection.

F-3 Resolution to Revise FY2006-07 Renovation/Remodeling (Capital) Projects – Attachment 8

Al Evinrude, Director of Construction Services, reported that Administration is seeking reallocation of $100,000 for two infrastructure projects. One project concerns the Mequon Campus courtyard. As it is roughly thirty years old, the courtyard has come under disrepair, the concrete pavement and sub-drainage system in particular. The second project relates to the conversion of a MEC South passenger elevator from a single piston to a dual piston system. Coding officials discovered this deficiency.

Mr. Evinrude also stated that the Construction Department planned for such contingencies, allocating portions of the budget for these purposes.

Motion/Action

Ms. Bell and Mr. Colón moved forward the Resolution to Revise FY2006-07 Renovation/Remodeling (Capital) Projects, without objection

F-4 Resolution to Approve Acceptance of the Single Audit Report and the Report on Internal Control – Attachment 9

Mr. Sargent reported that the Single Audit Report and the Report on Internal Control are part of the annual audit relating to grants. It is forwarded to the grant providers and Federal Government to assure MATC’s proper use of the funds and its exercise of good fiduciary and reporting responsibility. He stated that no material issues were found.

Motion/Action

Ms. Bell and Mr. Colón moved forward the Resolution to Approve Acceptance of the Single Audit Report and the Report on Internal Control, without objection.

ITEM H. INFORMATION ITEMS

H-1 Grants Management Report – Attachment 13

Michael Sargent stated that information presented in the monthly Grants
Management Reports contribute to the annual single audit. For two consecutive years, these monthly reports have been successful in identifying potential problems before they solidify. Mr. Sargent also reported that MATC has been operating grants within proper levels.

ITEM I. MISCELLANEOUS ITEMS

I-1 COMMUNICATIONS AND PETITIONS

I-2 INFORMATION ITEMS

ITEM J. OLD BUSINESS/NEW BUSINESS

Scheduled Date of Next Meeting: Wednesday, January 17, 2007 – 2:00 P.M.

ADJOURNMENT
The committee adjourned at 2:45 p.m.

Respectfully Submitted,

Karen Esche
Administrative Specialist - Finance