

Attachment FPO - 1

**MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT BOARD
Finance, Personnel, and Operations Committee Minutes**

ADMINISTRATION PRESENT: Theresa Barry
Joseph Bauer
Pablo Cardona
Darnell Cole
Janice Falkenberg
Robert Hartung
Rick Kettner
Nina Jo Look
Michael Sargent
Mark Trask
Jim Walsh

GUESTS PRESENT: Tom Held, Milwaukee Journal Sentinel
Renee Messing, Virchow Krause

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, February 16, 2005, and called to order by Chairperson Webber at 2:05 p.m. in the Board Room, Room M210, at the Milwaukee Campus of Milwaukee Area Technical College.

ITEM A. ROLL CALL

Present: Earle, Webber
Excused: Hughes

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 C. APPROVAL OF MINUTES – January 12, 2005 – Attachment 1

Motion It was moved by Mr. Earle, seconded by Mr. Webber, to approve the minutes of the January 12, 2005, committee meeting as submitted.

Action Motion approved.

ITEM D. COMMENTS FROM THE PUBLIC

JoAnn Haglund spoke on behalf of Local 587 regarding the need to consider operating expenses if a residence hall were to be built.

ITEM E. APPROVAL OF CONSENT AGENDA ITEMS

E-1 Bills – January, 2005 – Attachment 2

E-2 Financial Report – January, 2005 – Attachment 3

E-3 Human Resources Report – Attachment 4

E-4 Procurement Report – Attachment 5

Mr. Earle requested that a detailed report be provided to this committee at their March meeting on minority advertising statistics for both MATC advertising and Public Television advertising.

E-5 Affirmative Action Quarterly Report – Attachment 6

Dr. Pablo Cardona provided a review of the Affirmative Action report, and responded to committee member questions. At the request of Mr. Earle, Dr. Cardona will provide more detailed statistics at the full board meeting, specifically as it relates to minority recruitment, to include statistics on apprenticeship program minority faculty composition.

In addition, Dr. Cole will provide an update at the full board meeting on the status of the minority recruitment task force being developed in response to the resolution passed by the board in January.

Motion It was moved by Mr. Earle, seconded by Mr. Webber, to approve items on the consent agenda as submitted.

Action Motion approved.

ITEM F. ACTION ITEMS

F-1 Resolution Authorizing the Sale of \$1,000,000 General Obligation Promissory Notes, Series 2004-05D of Milwaukee Area Technical College District, Wisconsin – Attachment 7

Motion It was moved by Mr. Earle, seconded by Mr. Webber, to recommend to the full board approval of the Resolution Authorizing the Sale of \$1,000,000 General Obligation Promissory Notes, Series 2004-05D of Milwaukee Area Technical College District, Wisconsin, as submitted.

Action Motion approved.

F-2 Resolution Authorizing the Issuance of \$1,000,000 General Obligation Promissory Notes, Series 2004-05E of Milwaukee Area Technical College District, Wisconsin – Attachment 8

Motion It was moved by Mr. Earle, seconded by Mr. Webber, to recommend to the full board approval of the Resolution Authorizing the Issuance of \$1,000,000 General Obligation Promissory Notes, Series 2004-05E of Milwaukee Area Technical College District, Wisconsin, as submitted.

Action Motion approved.

F-3 FY2004-05 Budget Update, Including Position Analysis – Attachment 9

Mr. Michael Sargent provided an update of the FY2004-05 budget, including recent updates, as requested. He noted that the format of the report has change slightly, where savings related to frozen positions are netted in the related line items on the report.

Mr. Cardona provided an updated position analysis report, including an administrative recommendation to release four positions currently frozen by the board, providing justification for each position.

Mr. Earle shared his concern with filling the Senior Specialist-Public Relations position, considering the current financial situation at MATC. Mr. Robert Hartung responded, providing further information on the justification for filling this position.

After a detailed discussion, it was determined that further time and consideration be given to the decision to release this position. Therefore, it was decided to release the other three positions (Painter, Carpenter, Sheet Metal Worker) recommended, and to defer the Senior Specialist-Public Relations position until the March meeting, to allow more thoughtful consideration by this committee.

Motion It was moved by Mr. Earle, seconded by Mr. Webber, to recommend to the full board approval of the FY2004-05 Budget Update and Position Analysis Recommendations, with the exception of Senior Specialist Public Relations position.

Action Motion approved.

F-4 Resolution to Revise FY2004-05 Renovation/Remodeling (Capital) Projects – Attachment 10

Mr. Al Evinrude noted that the Resolution to Revise the FY2004-05 Renovation/Remodeling (Capital) Projects listing is merely a periodic adjustment which is typically completed once or twice annually. He provided justification for the adjustments, citing changes in structure which require changing facility needs.

Mr. Earle noted that, for future facility project planning, he would like for consideration to be given to improvements to the Sixth Street parking lot, to provide ample parking for board member needs.

Motion It was moved by Mr. Earle, seconded by Mr. Webber, to recommend to the full board, approval of the Resolution to Revise FY2004-05 Renovation/Remodeling (Capital) Projects, as presented.

Action Motion approved.

F-5 Policy B0806, Procurement Card – Attachment 11

Mr. Sargent provided a summary of cost savings and revenue generated by the Purchasing Department since Ms. Kristin Phelps joined MATC in 2002.

Ms. Kristin Phelps presentation information, as requested, on the expansion of the existing procurement card program. She shared additional benefits, recommendations and reasons for expansion, and potential cost savings. Ms. Phelps answered questions from the committee members on control and audit issues, outlining strategies to alleviate various deficiencies found with the existing program

At the request of Mr. Earle, committee members will be provided with an historic review of materials previously reviewed by the board regarding the Procurement Card program, as well as the corresponding minutes of such meetings.

Ms. Janice Falkenberg reviewed the draft policy to be implemented in conjunction with the procurement card expansion. Upon approval of this committee, the policy will be forwarded to the full board as a first-read at their February meeting.

Motion It was moved by Mr. Earle, seconded by Mr. Webber, to recommend to the full board, approval of Policy B0806, Procurement Card, as submitted.

Action Motion approved.

ITEM G. DISCUSSION ITEMS

G-1 FY2005-06 Budget Development

Mr. Sargent provided an update on the FY2005-06 budget developing, noting that budget materials have been distributed, including the reviewed budget principles which are to be incorporated into the budget process.

G-2 Preliminary FY2005-06 through FY2007-08 Planning Assumptions – Attachment 12

Mr. Sargent reviewed the preliminary planning assumptions in detail, addressing all questions of the committee members. He noted that in addition to merely simple averaging, a regression analysis was prepared for the asset base growth of each community in the MATC district to aid in forecasting equalized property value.

Mr. Earle stressed the importance of using caution when estimating property tax information, so as to not propose an inflated planning tool.

As in previous years, final planning assumptions will be presented for approval at the March meeting.

G-3 Residential Hall

Mr. Al Evinrude provided background information on the recent interest in possible development of student housing for MATC. Although student housing is not historically seen as affordable, recent changes in the downtown Milwaukee area have spurred a renewed interest in redeveloping parcels of land in the downtown area.

Mr. Earle stressed the importance of maintaining the mission of MATC, and always considering the needs of the institution above that of independent proposals.

Mr. Evinrude noted that, through a formal Request for Proposal (RFP), an independent consultant would be chosen to conduct a demographic study on the demand for Residential Student Housing. Mr. Hartung noted that an MATC Foundation private donor will be funding this study.

Mr. Earle asked that a copy of the RFP be provided to MATC board members prior to its implementation.

G-4 Insurance Quote from DMI – Attachment 13

Mr. Sargent provided a comparative analysis of insurance premiums throughout the technical college system. Prior to joining District Mutual Insurance (DMI) in 2004, MATC was self insured.

By way of historical background, in December of 2003, the Board was presented information on the Wisconsin Technical College System Municipal Mutual Consortium Proposal. On June 22, 2004 the MATC Board approved DMI coverages for MATC insurance, and by doing so, would accrue significant savings.

Mr. Sargent noted that the quoted premium received from DMI is \$1,648,000; an increase of \$483,000 over the previous year. In the interest of fiscal responsibility to the college, Mr. Sargent proposed that a competitive bid be completed, to ensure that MATC is getting the best possible return on our insurance premiums.

Mr. Earle requested that the committee members be provided with an historic review of materials previously reviewed by the board regarding the WTCS Insurance Trust, as well as the corresponding minutes of such meetings.

G-5 Audit Committee – Attachment 14

Mr. Craig Piotrowski, and Ms. Renee Messing provided information, as requested, regarding the handling of the internal audit function at MATC. Mr. Piotrowski provided his professional recommendation that MATC seriously consider chartering an audit committee to assist the MATC Board in fulfilling its financial/oversight responsibilities.

Mr. Piotrowski share research gathered from other institutions and organizations of the recommended responsibilities, as well as the proposed composition and reporting structure of such a committee.

Mr. Earle voiced support of the development of a formal audit committee, rather than the hiring of an internal auditor, noting that it expands the experience base and the technical knowledge of the board.

It was requested that Mr. Piotrowski provided his findings to the board at their February 22, 2005 meeting for their review. A final recommendation will be presented to the FPO committee at their March meeting for action.

ITEM H. INFORMATION ITEMS

H-1 MEC Report – Attachment 15

H-2 Grants Management Report – Attachment 16

ITEM I. MISCELLANEOUS ITEMS

I-1 COMMUNICATIONS AND PETITIONS

I-2 INFORMATION ITEMS

ITEM J. OLD BUSINESS/NEW BUSINESS

Date of Next Meeting: Wednesday, March 16, 2005 at 2:00pm

ITEM K. COMPLIANCE WITH THE OPEN MEETINGS LAW

Chairperson Webber stated that the committee intended to convene into Closed Session.

Motion It was moved by Mr. Earle, seconded by Mr. Webber that the committee move into Closed Session pursuant to Section 19.85(1)(b)(c) and (f) to discuss Consideration of Preliminary Notice of Nonrenewal of Nonrepresented Employees, to consider employment, dismissal, and/or disciplinary data of specific public employees over which the committee has jurisdiction or exercises responsibility, and pursuant to Section 19.85(1)(e) to discuss Applied Technology Center, to deliberate or negotiate the purchasing of public properties, and/or the investing of public funds where competitive or bargaining reasons require a closed session, and pursuant to Section 19.85(1)(g) of the Wisconsin Statutes to discuss Litigation, and to confer with legal counsel with respect to litigation in which the District is involved. The committee may reconvene into Open Session to take action on matters discussed in closed session.

Action Motion carried, the vote being as follows:

Ayes – Mr. Earle, Mr. Webber

Noes – None.

CLOSED SESSION

The committee convened into Closed Session at 4:36 p.m.

ADJOURNMENT

The committee adjourned at 4:48 p.m.

Respectfully submitted,

Caryn Dohring

Administrative Specialist