

Attachment FPO - 1

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

STAFF/ADMINISTRATION PRESENT:	Theresa Barry	Robert Hartung
	Kathy Brehmer	Rick Kettner
	Ellis Bromberg	Patricia Martinez
	Pablo Cardona	Jason Nygard
	Darnell Cole	Al Pinckney
	Al Evinrude	Mike Sargent
	Janice Falkenberg	Carol Seaman
	Terri Gayhart	John Stilp
	Jim Gribble	Dave Turner
	Cherlyn Hanneman	Jim Walsh
		Mike Walsh

GUESTS None

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, March 21, 2007, and called to order by Dr. William Hughes at 2:00 p.m. in the Board Room, Room M210, at the Milwaukee Campus of Milwaukee Area Technical College.

ITEM A. ROLL CALL

Present: Bell and Hughes

Excused: Colón

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 17, 2007 – Attachment 1

Motion/
Action Ms. Bell and Dr. Hughes moved forward the minutes of the January 17, 2007 committee meeting, as submitted, without objection.

ITEM D. COMMENTS FROM THE PUBLIC

Robert Miranda, executive director - Esperanza Unida, voiced his enthusiasm for a partnership between Milwaukee Area Technical College and Esperanza Unida. He included that M&I Bank is interested in providing debt financing for this activity.

David Bodoh, chief financial officer and president – Red Tail Restoration Group, described Red Tail Restoration’s involvement with Esperanza

Unida.

A petition supporting the partnership of Milwaukee Area Technical College and Esperanza Unida was provided to Administration.

ITEM E. APPROVAL OF CONSENT AGENDA ITEMS

E-1 Bills – February, 2007 – Attachment 2

E-2 Financial Report – February, 2007 – Attachment 3

E-3 Human Resources Report – Attachment 4

E-4 Procurement Report – Attachment 5

Michael Sargent, vice president – Finance, noted a high minority media percentage spending for the month of February and reported that Administration recommends the selection of Virchow Krause to be MATC's auditor based on responses to an RFP.

Motion/
Action Ms. Bell and Dr. Hughes moved forward the consent agenda, without objection

ITEM F. ACTION ITEMS

F-1 Resolution (F0011-03-07) Authorizing the Sale of \$1,000,000 General Obligation Promissory Notes, Series 2006-07G of Milwaukee Area Technical College District, Wisconsin -Attachment 6

Motion/
Action Ms. Bell and Dr. Hughes moved forward the Resolution Authorizing the Sale of \$1,000,000 General Obligation Promissory Notes, Series 2006-07G of Milwaukee Area Technical College District, Wisconsin.

F-2 Resolution (F0012-03-07) Authorizing the Issuance of \$1,000,000 General Obligation Promissory Notes, Series 2006-07H of Milwaukee Area Technical College District, Wisconsin -Attachment 7

Motion/
Action Ms. Bell and Dr. Hughes moved forward the Resolution Authorizing the Issuance of \$1,000,000 General Obligation Promissory Notes, Series 2006-07H of Milwaukee Area Technical College District, Wisconsin

F-3 Resolution (F0009-02-07) to Revise FY2006-07 Renovation/Remodeling (Capital) Projects – Attachment 8

Al Evinrude, director – Construction Services, reported that the minor project construction budget is now listed by campus.

Mr. Evinrude also reported that MATC is requesting State approval of additional funds for the manufacturing project in the T-Building. This request is presently being written for approval.

The West Allis Campus expansion project has been advised to first install fire sprinklers in the southern half of the existing structure and then begin class room construction.

Mr. Evinrude reported an adjustment to the science project. The adjustment is based on feedback provided by consultants.

Regarding the Blue Hole site, Mr. Evinrude stated that monies are spent on necessary updates and semi-annual inspections.

Motion/
Action Ms. Bell and Dr. Hughes moved forward the Resolution to Revise FY2006-07 Renovation/Remodeling (Capital) Projects.

F-4 Resolution (F0013-03-07) to Approve FY2006-2007 Budget Modification – Attachment 9

Jason Nygard, budget coordinator, reported budget adjustments for the month of March, 2007. In the General Fund, \$15,000 was allocated for a MATC job fair to be held April 3, 2007 at the Oak Creek Campus. He also reported an adjustment for \$2,560 to account for additional rental income and expense at the Oak Creek Campus. In the Capital Fund, a budget adjustment was made to refund a prior year capital project.

Motion/
Action Ms. Bell and Dr. Hughes moved forward the Resolution to Approve FY2006-2007 Budget Modification.

ITEM G. DISCUSSION ITEMS

G-1 Budget Variance Report - Seventh (7) Month Ended January FY06-07 – Attachment 10

G-2 Budget Variance – Eighth (8) Month Ended February FY06-07 – Attachment 11

In discussing Items G-1 and G-2, Terri Gayhart, controller, reported that revenues are under budget \$1.6 million year-to-date; however, the impact of this shortfall is offset somewhat by expenditures being \$2.8 million less year-to-date. She also stated that revenues are forecasted to exceed expenditures before adjustments for labor contract settlements.

Bookstore operations continue to generate a profit; nevertheless, their overall margin is declining. This is being investigated.

Ms. Gayhart also reported that capital expenditures are under budget year-to-date; however, most capital spending takes place towards the end of fiscal year to take advantage of the summer months for installation.

G-3 Preliminary Budget Planning Assumptions – Attachment – 12

Michael Sargent provided an updated version of the Preliminary Budget Planning Assumptions. This handout includes projected tuition rates being proposed to the WTCS board.

Mr. Sargent reported that tuition rates are expected to increase between five and eight percent, in-state being between five and six percent. He also reported an expected increase of seven percent in equalized values. This is greater than expected due to the volume of new construction.

Michael Sargent included the expected increases in healthcare, dental, and retiree healthcare costs.

Concerning debt borrowings, Administration is planning to recommend borrowing twenty-six million dollars. This is almost equal to planned FY07-08 debt retirement.

Following completion of negotiations, adjustments to the Budget Planning Assumptions will be made where needed.

G-4 Child Care Business Plan – Attachment 13

Carol Seaman, interim director – Enterprise Services, stated that employees within Child Care have put forth an application for an Early Reading First Project. Should MATC be awarded the grant, the Child Care Business Plan will be modified.

Ms. Seaman also reported that Child Care employees are actively seeking reaccreditation for the four MATC child care centers. They also support activities of Patricia Martinez, child care liaison, who is seeking grants.

Ms. Seaman described difficulty in filling vacant positions at the child care centers. She stated that quality of child care remains high due to the flexible schedules of her staff.

G-5 Draft Resolution to Approve Lease from Esperanza Unida – Attachment 14

Dr. Darnell Cole, president, stated that item G-5, Draft Resolution to Approve Lease from Esperanza Unida – Attachment 14, is included in the FPO report as a discussion item in anticipation that the Committee moves it forward as an action item. He requested that Dr. Dave Turner, interim dean – Technology and Applied Sciences, discuss this draft resolution.

Dr. Turner stated that Administration is expecting to offer nine sections of heavy welding training, one of which would be offered at Esperanza Unida. With these nine sections, MATC anticipates training one hundred welders while increasing diversity amongst welding students. MATC has selected Esperanza Unida for a number of reasons. First the

space can accommodate a section of sixteen (16) students compared to twelve (12) students that can be taught simultaneously at the West Allis and downtown Campus of MATC. Second, the Esperanza Unida site includes an existing jib crane which will allow a more complete curriculum for the students. Third, Esperanza Unida is an existing MATC CBO and consequently offers additional services to the MATC students.

Dr. Cole stated that William Andrekopoulos, superintendent – Milwaukee Public Schools, stated in a letter to MATC his disinterest in participating in MATC's heavy metal welding program. His letter was included in a comprehensive packet sent to board members summarizing welding activities.

Dr. Turner stated that Administration considered another facility on Buffum Street; however, it did not have all the characteristics desired. He stated that Administration looked for a facility which had ample parking and ease of access. He also stated that Administration requests the facility chosen reflects the community. Dr. Turner noted that the Esperanza Unida facility, in addition to having the above noted characteristics, also has a child care facility.

Dr. Turner expects two or three months will be necessary to complete the build out activity.

Dr. Turner reported that of the eleven graduates, five successfully completed the Bucyrus International pretest. Three are scheduled to take the pretest at a later date, and two will be retaking it. Upon successfully completing the pretest and subsequent seven-week training period, individuals are hired. Tramont has also expressed interest in any graduates of the heavy plate welding program.

Dr. Hughes requested that a summary of Administration's comments and the comprehensive packet sent last week regarding this item be provided to the board.

Motion: It was moved by Ms. Bell, seconded by Dr. Hughes, to move forward to the Board the Resolution to Approve Lease from Esperanza Unida.

Action: Motion approved.

G-6 LAB Audit – Attachment 15

Dr. Pablo Cardona, associate vice president – Human Resources and Labor Relations, provided a handout detailing highlights of the LAB Audit Report. This handout has since been added to the February, 2007 FPO report and made available online.

Dr. Cardona clarified that recommendations noted in the report pertain to the whole of the Wisconsin Technical College System.

Recommendations are as follows:

- Improve the accuracy of reporting long-term employee absences. To meet this recommendation, Administration will require employees to complete timesheets before taking a long-term absence.
- Improve compliance with requirements for reporting sabbatical outcomes. Dr. Cardona stated that mid-year and year-end reports concerning employee progress towards sabbatical goals will be submitted to the Provost for his approval. The College is considering alternatives to address this.
- Ensure that procurement practices for retainer agreements comply with state law and Wisconsin Technical College System policies. Dr. Cardona reported that no discrepancies regarding procurement were found at MATC.
- Annually report to the Wisconsin Technical College System Board on the number, type, and cost of any settlement agreements they enter into. Dr. Cardona stated that MATC entered into two negotiated settlements.

Dr. Cardona stated that the Legislative Audit Bureau voiced concerns over MATC's ability to meet OPEB liability. A report addressing this issue will be issued to the state by July 1, 2007. Ms. Bell requested that additional information regarding the institutional liability of Other Post-Employment Benefits be provided to members of the Board.

ITEM H. INFORMATION ITEMS

H-1 Grants Management Report – January - Attachment 16

H-2 Grants Management Report – February – Attachment 17

H-3 TID #2 City of Cedarburg – Attachment 18

H-4 TID #5 Village of Grafton – Attachment 19

H-5 Quarterly Semi-Annual MEC Report – Attachment 20

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, April 18, 2007 – 2:00 P.M.

ADJOURNMENT

The committee adjourned at 3:00 p.m.

Respectfully Submitted,

Karen Esche

Administrative Specialist - Finance