

GATEWAY TECHNICAL COLLEGE DISTRICT BOARD
Regular Meeting
April 16, 2015

The Gateway Technical College District Board met on Thursday, April 16, 2015 at the Elkhorn Campus, South Building Room 112, 400 County Road H, Elkhorn, WI. The meeting was called to order at 8:00 am by Gary Olsen, Chairperson.

**I. Call to Order**

A. Open Meeting Compliance

- K. Bartlett confirmed the meeting was duly noticed in accordance with state statutes for open meeting compliance.

**II. Roll Call**

Ram Bhatia	Present
William Duncan	Present
Ronald J. Frederick	Present
Susan Greenfield	Excused
Bethany Ormseth	Present
Scott Pierce	Present
Roger Zacharias	Present
Pamela Zenner-Richards	Excused
Gary Olsen	Present

Also in attendance were Bryan Albrecht, Kelly Bartlett, Mary Harpe, and 32 citizens/reporters.

**III. Approval of Agenda**

A. It was moved by R. Zacharias, seconded by W. Duncan and carried to approve the agenda.

**IV. Approval of Minutes**

A. It was moved by R. Frederick, seconded by S. Pierce and carried to approve the minutes of the March 19, 2015 Regular Meeting.

Susan Greenfield arrived at 8:09 am.

**V. Citizen Comments**

A. There were no in-person citizen comments, but there was a letter submitted to the Board from Walworth County Economic Development Alliance. WCEDA's letter follows:

- Dear Board of Trustees, I regret that I will not be able to thank you in person at your April Board meeting in Elkhorn. However, I want to let you know how grateful WCEDA is for your continued commitment to economic development in Walworth County through your generous arrangement with us. The new accommodations are beautiful. The South Building has a very contemporary, professional feel to it. I can envision doing a number of our events in the new conference space and would hope this would give good visibility to Gateway. I also want to extend my gratitude to you for your commitment to bringing CNC boot camp training to Elkhorn Campus as part of your Manufacturing Center expansion. This will be a great way to help local businesses and attract new ones.

**VI. Chairperson's Report**

A. Board Goals Monitoring

- Effective Meetings – Summary of Responses:
  - Ends statement #1 report was another example of the impact the college has on the lives of our students and community, great meeting. Good meeting. It was great to see Paul Gabriel. Enjoyed his legislative updates. Similarly enjoyed Lolli Haws presentation on next generation learning & academic concepts, and how Gateway helped with the programs selection. Good presentations by all. No Problems. Continues to be a positive, worthwhile experience. Board gets the information needed to make good decisions. Meeting went good, nice to see Paul again. I thought the presentation by the RUSD Superintendent was nice to show the connection to K-12.
- Business and Community Involvement
  - Beth Ormseth attended the United Way Annual Meeting and Dinner
  - Gary Olsen attended Emergency Response Training
  - Beth Ormseth attended the ITEEA National Conference
- District Boards Association Involvement
  - No District Boards Involvement
- College Involvement
  - Beth Ormseth attended the UW Parkside Articulation Signing
  - Pamela Zenner-Richards helped facilitate graduation for a student
- B. Dashboard Monitoring
  - Gary Olsen reported that Gateway is moving in the right direction, summer enrollment is moving upward. Gateway received a nice letter from Badger High School stating that Gateway was saving parents lots of money towards college credits. More than 300 students received college credits.

## VII. President's Report

### A. Announcements –

- Journey Members in Attendance: Sherry Bigalke, Paul Eggers, Maria Abrego, and Danyanna Dunn
- Bryan Albrecht welcomed everyone to the newly remodeled South Building on the Elkhorn Campus.
- A lot of guests in the audience today including Stan Manning, Chair of the Foundation Board, several other Foundation Board members in attendance today along with other special guests sharing about investments in the college.
- Stephanie Sklba announced the Survivor Tree that will be planted in the arboretum on the Kenosha Campus during Gateway's Earth Day Celebration on Saturday, April 25, 2015. The survivor tree was received from a 9/11 high school organization. There was one tree that survived the 9/11 attack and a high school organization graft the tree and shared one of these trees with Gateway.
- Bryan Albrecht announced that we have two 9/11 artifacts now; the I Beam at the HERO Center and now the survivor tree in the arboretum on the Kenosha Campus.
- Bryan Albrecht announced that Stephanie Sklba will receive a CTE Leader award next week, congratulations Stephanie.
- Jeff Robshaw spoke on the Boy Scout event that took place at Gateway. This was a great experience and showed the boys scouts many educational opportunities for their futures.
- Debbie Davidson announced that Gateway is the center of excellence for Lean in Education.
- Debbie Davison reported on Boot Camp Graduation, there were lots of opportunities after graduation, employees were hiring on the spot, one employer hired six people.
- Zina Haywood just got back from Italy where she was there setting up for staff and students. There are two opportunities, one for engineering and one for global enrichment.
- John Thibodeau reported that Gateway is continuing to work on the outreach and recruitment strategies, high school numbers are increasing, a successful call night took place the end of March, the overall philosophy of making connections with students is paying off. Stacy Riley was a huge driving force in the call nights and outreach efforts.
- Bryan announced our first guest Mike Reader, President of Precision Plus and great friend of Gateway.

- B. Introduction of Mike Reader, Precision Plus and Wally Mulvaney, Haas
- Mike Reader spoke about Precision Plus which has been in the community since 2000. Manufacturing opportunities in Walworth, very envious of Gateway's facility in Sturtevant, excited to see the expansion plans for the Elkhorn Campus. Biggest challenge for our ongoing success is finding the next generation of talented manufacturing professionals. To see the addition going on to the south building and to have partners like Haas, Morris Midwest, MTA, and CNC Industry Group along with others is great. Lots of other partners and excited to work with all of them to leverage more connections in the industry. Thank you for the commitment from the Gateway family, Precision Plus is here for the long haul.
  - Bryan Albrecht thanked Mike Reader for his vision, passion, and for bringing his energy to this project. Bryan thanked Precision Plus for their donation of \$50,000 to be used towards the Elkhorn Campus Manufacturing Expansion.
  - Wally Mulvaney said on behalf of Gene Haas, Haas Foundation, and HTEC Organization we are here to work with you to start the program and excited to be a part of it.
  - Haas network definition: HTEC network is an association of manufacturing technology educators who actively network with and leverage the capabilities and technologies of Haas, Haas factory outlets, HTEC partners to work with local industries, schools at all levels, government and manufacturing to exchange the best manufacturing practices and educational methods and to exploit the power of modern manufacturing equipment for educational purposes. This is a long definition, but what I saw recently that helped me understand this, at the ITEEA Conference recently in Milwaukee they had a blurb: The most important benefit that you can get from an association is the ability to contribute to and share with others as well as learn from their experiences. So what HTEC does is take all the experiences with all of the schools we are involved with, about 2,900 in USA and 400 in Europe and China is just starting up, sharing experiences, and giving an opportunity to help them grow their programs and overcome any obstacles. On behalf of Haas we are happy to get this going with a donation of \$10,000.
  - Bryan Albrecht thanked the Gene Haas Foundation. This money will be used for scholarships for students engaged in the machining programs.
  - Bryan Albrecht thanked everyone involved in the manufacturing expansion on the Elkhorn Campus. This facility is going to be world class.
- C. Tour of the Elkhorn Campus South Building
- A tour of the newly remodeled Elkhorn Campus South Building was given in two groups.

## VIII. Operational Agenda

### A. Action Agenda

There were no Action Agenda items for April 2015

### B. Consent Agenda

**It was moved by R. Zacharias, seconded W. Duncan and carried that the following items in the consent agenda be approved:**

1. **Finance**
  - a) **Financial Statement and Expenditures over \$2,500:** Approved the financial statement and expenditures as of March 31, 2015.
  - b) **Cash and Investment Schedules:** Approved the monthly cash reconciliation, investment schedule and investment report.
2. **Personnel Report:** Approved the personnel report of two (2) promotions; three (3) retirements; one (1) termination; no employment approvals-casual, non-instructional; and no employment approvals-adjunct faculty.
3. **Grants Awards:** There were no Grant Awards for Approval

4. **Contracts for Instructional Delivery:** Approved the contracts for instructional delivery report for March 2015
5. **Advisory Committee Activity Report:** Approved the advisory committee 2014-2015 meeting schedule and new members as of April 1, 2015

## IX. Policy Governance Monitoring Reports

### A. Ends Statement Monitoring

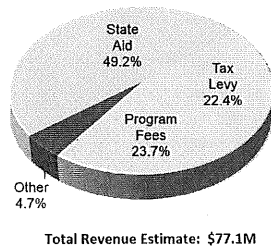
1. End Statement #5 – **Gateway provides** a positive return on taxpayer and community investment by leveraging its core capabilities in a financially and socially responsible manner. Quarterly Financials Report (B. Thomey)

### FY15 General Fund Financials

General Fund Operations					
Stated in Thousands	FY14 Final	FY15 Budget	FY15 Forecast	Favorable (Unfavorable)	
Tax Levy	\$ (48,885)	(17,250)	(17,250)	0	
State Aids	(5,616)	(37,989)	(37,989)	0	
Tuition & Fees	(18,917)	(19,885)	(18,295)	(1,590)	
Other Revenue	(3,140)	(3,850)	(3,608)	(242)	
<b>TOTAL REVENUES</b>	<b>\$ (76,558)</b>	<b>\$ (78,974)</b>	<b>\$ (77,142)</b>	<b>\$ (1,832)</b>	
Salaries & Wages	\$ 45,780	46,563	46,235	328	
Benefits	\$ 16,959	19,019	18,241	778	
Other Expenses	\$ 11,911	13,862	13,136	726	
<b>TOTAL EXPENSES</b>	<b>\$ 74,690</b>	<b>\$ 79,444</b>	<b>\$ 77,612</b>	<b>\$ 1,832</b>	
Net Operating (Rev) Exp	\$ (1,868)	470	470	-	
Transfer Out	\$ 2,113	150	150	150	
General Fund - (Surplus) Deficit	\$ 245	620	620	150	

Tuition & fees reduced 8%, offset by a reduction in salaries, benefits & other expenses. Use of reserves for one time initiatives: HS TC; Job placement svcs; Quality; temp. rental exp & Enrollment Task Force.

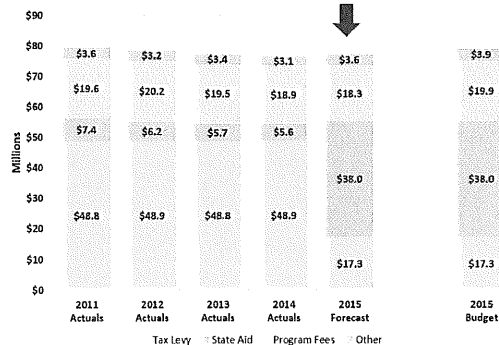
### FY15 Forecast General Fund Revenues



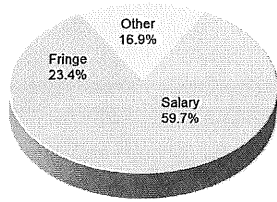
Total Revenue Estimate: \$77.1M

- State aid expected as budgeted
- Tax Levy expected as budgeted
- Program fees \$1,590,000 less than budgeted
  - FTE down ~ 8%
- Other revenues \$242,000 below budget
  - AHS & Bookstore revenue
- Overall General Fund revenues are anticipated to be \$1,832,000 under budget

### FY15 Forecast General Fund Revenues



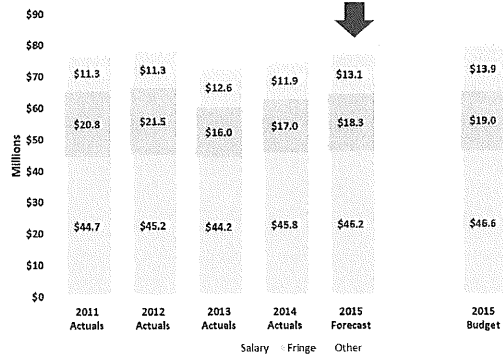
## FY15 Forecast General Fund Expenses



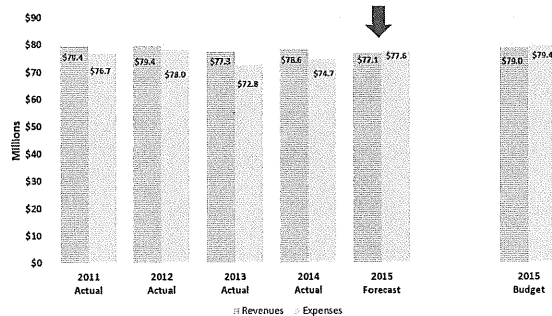
Total Expense Estimate: \$77.6M

- Salary net reduction of \$328,000
  - Vacant position savings
  - Adjunct salaries deficit
- Fringe net reduction of \$778,000
  - Vacant positions budgeted for family coverage
  - WRS & FICA budgeted at a higher salary
- Other Expenses net reduction of \$726,000
  - Savings in supplies, service contracts, rentals & utilities
  - Uncollectable fees deficit
- Overall expenses are anticipated to be \$1,832,000 below budget

## FY15 Forecast General Fund Expenses



## FY15 Forecast General Fund Revenues & Expenses



### • FY 15 Forecast – Other Funds

#### Special Revenue Fund (grant activity)

- Revenue expected to be \$3.5M less than budget; expenses expected to be \$2.6M due to Blueprint for Prosperity Grant estimates

#### SRF Non-Aidable Fund (financial aid, student activity funds, student clubs and consortiums)

- Revenues & expenses expected to come in under budget

#### Capital Projects Fund (capital purchases)

- Over \$12.5m in capital purchases made year-to-date; as of 3/31/15, \$4.4M in equipment \$8.1M in remodeling/construction

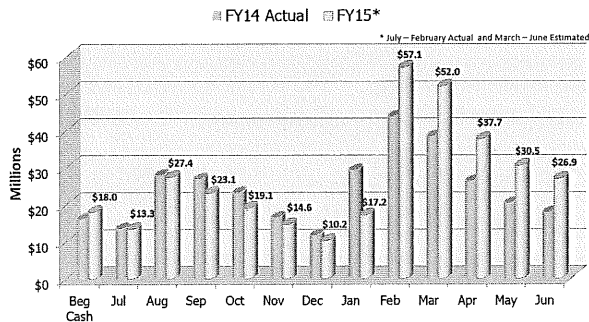
#### Debt Service Fund (debt activity for capital purchases)

- Spending this year includes \$8.0M in debt principal payments and \$1.5M in interest payments on debt

Enterprise Fund (activities financed through user fees)

- No significant cost variances from budget for FY 2015; Revenues & expenses expected to come in close to budget

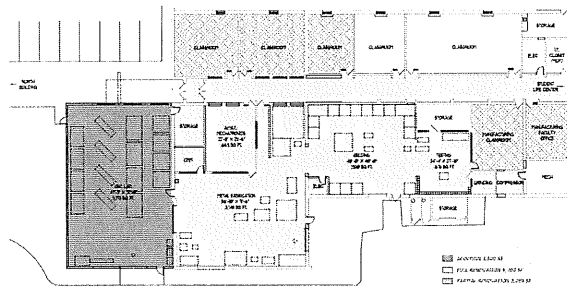
### FY 15 Forecast Operating Cash Balances



Following discussion, it was moved by R. Zacharias, seconded by R. Bhatia and carried that this report is evidence that the college is making progress on Ends Statement #5.

- End Statement #3 – **Gateway provides** leadership in tri-county community and workforce development through collaborative partnerships with business, industry, labor, and community organizations to support economic development, keeping in mind the desire not to duplicate services for an efficient use of taxpayer dollars. Workforce Development- Elkhorn Manufacturing Center (M. O'Donnell)
  - Mike O'Donnell thanked the Board of Trustees for their investment in Walworth County. Mike is proud of the Elkhorn Campus and the changes that are taking place.
  - Ben McFarland and Richard Shouse presented on the Elkhorn Manufacturing Expansion
  - Increasing capacity and updating the manufacturing facility in Elkhorn is greatly needed to meet the needs of Walworth County. Walworth County is hugely in need of hands on type of training.
  - Connecting with industry partners really helped to understand how to fill the challenges in the community. There are only a small pool of qualified skilled manufacturing workers and Gateway is here to change that. Moving forward, Gateway has a strong industry backing which is very important to our program. Gateway will offer additional programs and advanced programs to train students on skills that will meet the needs of the employers.
  - New Building for CNC and Manufacturing Presence
  - Advisory board: Precision Plus, Bliss Machine, Propshaft Supply, MicroPrecision, Integre, Elkhorn High School (referendum )

### Plan



**Hoss Manufacturing Center**  
7300 S. Highway 100, Elkhorn, WI 53121



**Hartman Design**  
ARCHITECTS

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11.14.15

Following discussion, it was moved by S. Pierce, seconded by R. Zacharias and carried that this report is evidence that the college is making progress on Ends Statement #3.

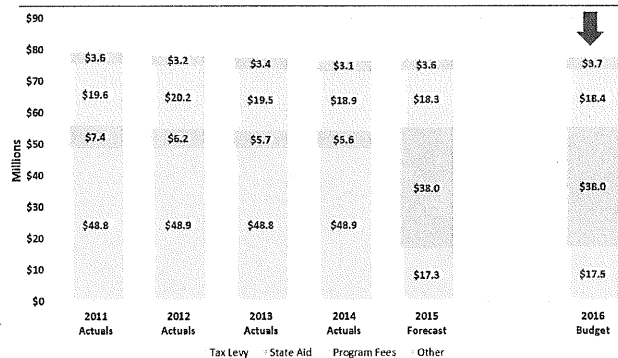
## B. Executive Limitations

### 1. 3.4 Budgeting/Forecasting, 3.5 Financial Condition (B. Thomey)

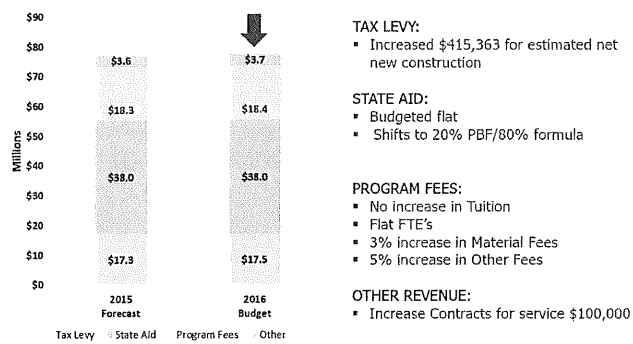
- 3.4 Budgeting/Forecasting - Budgeting for any fiscal year or the remaining part of any fiscal year shall follow Board Ends priorities, control College financial risk, and accurately reflect projections of income and expenses. The President shall propose a budget after first seeking board input from all College constituencies. Budgets will become effective upon approval by the board.
- 3.5 Financial Condition - The President shall administer the board approved budget without material deviation and shall protect the College from financial risk.
- FY16 Proposed Budget Summary:

Revenues	
Tax Levy	\$ 17,500,083
State Aid	37,989,039
Tuition & Fees	18,410,994
Other Revenue	3,708,749
<b>Total Revenue</b>	<b>\$ 77,608,865</b>
Expenses	
Salaries & Wages	\$ 46,203,684
Employee Benefits	18,371,522
Other Expenses	13,033,659
<b>Total Expenses</b>	<b>\$ 77,608,865</b>
<b>Net Revenue / (Expenses)</b>	<b>\$ -0-</b>

## General Fund Revenues



## General Fund Revenues



## FY16 Tuition & Fees

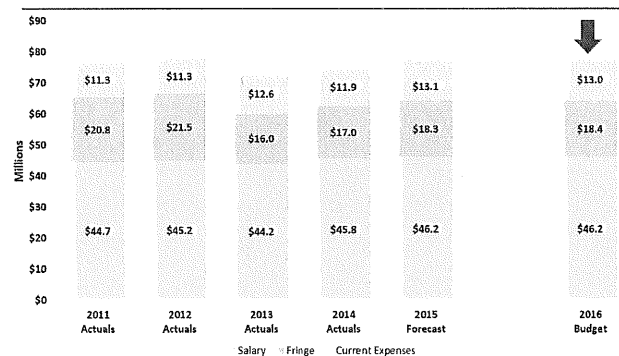
	FY14 Actual	FY15 Forecast	FY16 Budget	Incr (Decr)	%
Tuition	\$16,376,974	\$15,672,142	\$15,672,142	\$0.00	0.0%
Material Fees	764,658	733,670	755,680	22,010	3.0%
Other Fees	1,774,454	1,888,736	1,983,172	94,436	5.0%
<b>Total</b>	<b>\$18,916,087</b>	<b>\$18,294,548</b>	<b>\$18,410,994</b>	<b>\$116,446</b>	<b>0.6%</b>

FY 2016 Tuition reflects a 0.0% tuition rate increase and flat enrollment.  
Cost per credit remains at \$125.85

## FY16 Other Revenues

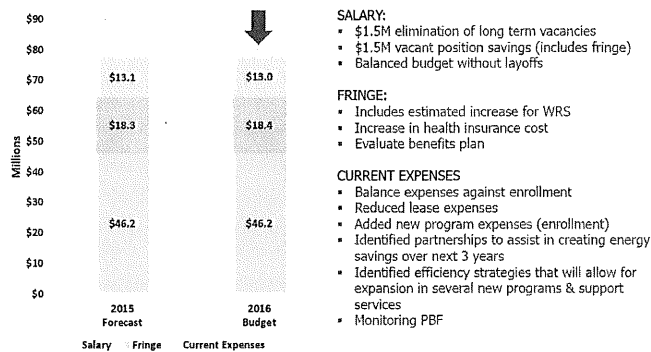
	FY2014 Actual	FY2015 Forecast	FY2016 Budget	Incr (Decr)	%
High School and Service Contracts	\$2,149,357	\$2,670,000	\$2,770,000	\$100,000	3.6 %
Book Store Royalties	592,404	588,334	588,334	-0-	0.0 %
Interest, Rent, and Other Misc. Revenue	398,712	350,415	350,415	-0-	0.0 %
<b>Total</b>	<b>\$3,140,473</b>	<b>\$3,608,749</b>	<b>\$3,708,749</b>	<b>\$100,000</b>	<b>2.7%</b>

## General Fund Expenses





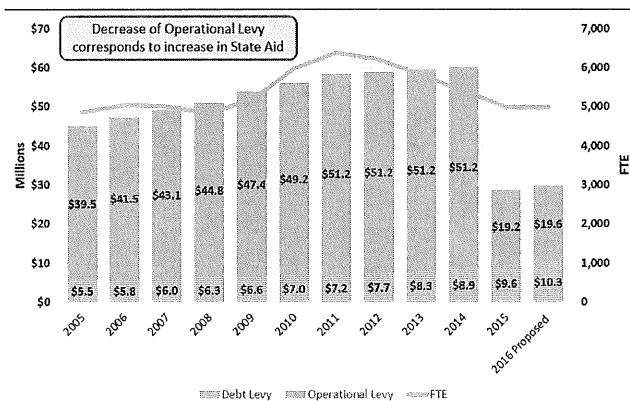
## General Fund Expenses



## FY16 Operating Expenses

	FY 2014 Actual	FY 2015 Forecast	FY 2016 Budget	Incr (Decr)	%
Salaries & Wages	\$45,779,815	\$46,235,910	\$46,203,684	(\$32,226)	(0.1%)
Employee Benefits	16,999,303	18,241,447	18,371,522	130,075	0.7%
Other Expenses	11,910,815	13,135,561	13,033,659	(131,973)	1.0%
<b>Total</b>	<b>74,689,933</b>	<b>\$77,612,918</b>	<b>\$77,608,865</b>	<b>(\$34,124)</b>	<b>0.04%</b>

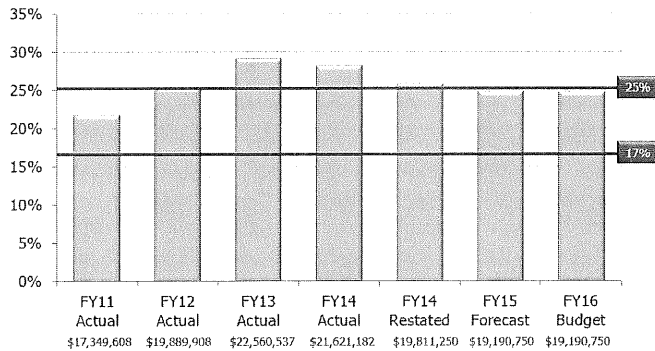
## Total Tax Levy



- Property Tax Impact:
  - Operating tax levy budgeted at \$19,594,288
    - Increase of \$415,363; net new construction
    - Slight increase of 2.17%
  - Debt levy budgeted at \$10,316,000
    - Increase of \$716,000
    - Slight increase of 7.46%
  - Total mill rate is 0.80059 compared to 0.77031 last year, an increase of 3.93%
  - Tax rate assumes assessments are flat
  - Homeowner will pay \$120.09 for a home valued at \$150,000
    - \$4.54 increase over last year

## General Fund Reserves

Percent Designated for Operations to Revenue



- Long-Term Capital Financing - The capital borrowing plan includes \$12M borrowing for general equipment, building remodeling and improvements, expansion & site improvements.
  - Borrowing decrease of \$1M over last year
  - 7.46% increase in debt levy totaling \$10,316,000
    - Increase of \$716,000
- FY16 Capital Budget

Building Remodeling & Improvement Projects		Equipment		Expansion		Site Improvements	
CNC Manufacturing Lab	\$600,000			CNC Manufacturing Lab	\$400,000		
General Maintenance	500,000	New Program Classroom Furniture	\$250,000	Shooting Range	1,500,000	Parking Lot Resurface	\$1,000,000
Air Handler- Racine Lake Building	250,000	Academic Classroom Equipment	2,500,000				
Boiler Repairs - Kenosha	50,000	BWS Training Equipment	250,000				
Sprinkler Install - Kenosha	100,000	Police Academy Equipment	1,000,000				
ADA Audit Upgrades - District	100,000	IT Equipment & District Infrastructure	2,500,000				
Exterior Skin Repairs - Lincoln & Lake Buildings	250,000						
District Signage	250,000						
Police Academy & SIM City Remodel	500,000						
<b>Total:</b>	<b>\$2,600,000</b>	<b>Total:</b>	<b>\$6,500,000</b>	<b>Total:</b>	<b>\$1,900,000</b>	<b>Total:</b>	<b>\$1,000,000</b>

Following discussion, it was moved by R. Zacharias, seconded by R. Bhatia and carried to approve 3.4 Budgeting/Forecasting, 3.5 Financial Condition.

- 3.1 General Executive Constraint; 3.2 Human Relations and 3.3 Human Relations, Comp and Benefits (B. Whyte & J. Frost)
  - Policy 3.1 – General Executive Constraint - The President shall act at all times in an exemplary manner consistent with the responsibilities and expectations vested in that office. The President shall act in a manner consistent with Board policies and with those practices, activities, decisions, and organizational circumstances which are legal, prudent, and ethical.
  - Accordingly, the President may not:
    1. Deal with students, staff, or persons from the community in an inhumane, unfair or undignified manner.
    2. Make decisions except by a process where openness is maintained.
    3. Permit financial conditions which risk fiscal jeopardy or compromise Board Ends priorities.
    4. Provide information to the community, board, or College constituencies which is knowingly untimely, inaccurate, or misleading.
    5. Permit conflict of interest in awarding purchases or other contracts or hiring of employees.
    6. Allow the day-to-day operations to impede the vision or prevent the achievement of the Ends of the College.

7. Manage the College without adequate administrative policies.

8. Fail to take prompt and appropriate action when the President becomes aware of any violation or potential violation of any laws, rules, or regulations, or of any breach of Board policies.

9. Enter into any lease or purchasing agreement for any land or facilities nor name facilities or parts of facilities without prior Board knowledge and authorization.

**None of these Executive Constraints have been violated this past year.**

- Policy 3.2 – Human Relationships - The President shall create and sustain an environment for learning, working, and teaching that supports the development and realization of human potential and promotes the College's core values. Treatment of and dealing with students, staff, and persons from the community, shall be humane, fair, and dignified.
- Accordingly, the President may not: Operate without administrative policies and/or procedures which set forth staff and student rules, provide for effective handling of grievances (complaints), and protect against wrongful conditions.
  - *Administrative Procedures and College Practices Manual*
  - *Student Handbook*
  - *Faculty Handbook*
  - *Employee Handbook*

**These documents are distributed in hard copy and are on Gateway's Internet site and/or Intranet site. They are updated at least annually.**

- Accordingly, the President may not: Fail to comply with all laws, rules, and regulations pertaining to employees and students including those pertaining to:
  - *Discrimination*
  - *Equal Opportunity*
  - *Sexual Harassment*
  - *Rights of Privacy*
  - *Title IX*
  - *VAWA*

**There were no violations of these laws this past year.**

- Accordingly, the President may not: Prevent students and staff from using established grievance (complaint) procedures. Fail to acquaint students and staff with their rights and responsibilities.

**There were no violations this past year.**

- Policy 3.3 – Compensation and Benefits - The President shall maintain fiscal integrity and a positive public image with respect to employment, compensation, and benefits to employees, consultants, and contract workers.
- Accordingly, the President may not: Change his or her own compensation and benefits.

**The Board adjusts B. Albrecht's contract annually.**

- Provide for or change the compensation and benefits of other employees except in accordance with collective bargaining agreements entered into by the Board or in accordance with salary schedules and plans adopted by the Board.

**All staff are either covered by a Collective Bargaining Agreement under Act 10 or receive an annual compensation increase in accordance with the merit program.**

- Accordingly, the President may not: Promise or imply permanent or guaranteed employment. Employ persons not covered by a collective bargaining agreement for more than one year's duration without Board approval.

**None of these were violated this past year.**

**Following discussion, it was moved by S. Pierce, seconded by R. Zacharias and carried to approve 3.1 General Executive Constraint; 3.2 Human Relations and 3.3 Human Relations, Comp and Benefits.**

**X. Board Member Community Reports**

- Ram Bhatia mentioned that he was looking forward to the Spring District Boards meeting in Stevens Point.
- Bryan Albrecht congratulated Scott Pierce, Roger Zacharias, and Gary Olsen on their reappointment taking place in July.

**XI. Next Meeting Date and Adjourn**

- A. Budget Hearing – Monday, May 4, 2015, 7:00 pm, Racine Campus
- B. Regular Meeting – Thursday, May 14, 2015, 8:00 am, Burlington Center
- C. At approximately 10:18 a.m. it was moved by S. Pierce, seconded by R. Zacharias and carried by roll call vote that the meeting was adjourned and the District Board move to executive session pursuant to Wisconsin Statutes 19.85(1)(c) to discuss personnel issues. The Board reserves the right to reconvene in open session to take action on items discussed in executive session.

**Aye: 8**

**Nay: 0**

**Absent: 1**

**XII. Executive Session**

At approximately 10:25 am, the Board convened in executive session.

**XIII. Open Session**

At approximately 10:45 am, the meeting was called to order by Gary Olsen, Chairperson.  
It was motioned by S. Pierce, seconded by W. Duncan to accept administrations recommendation.

At approximately 10:50 am, it was moved by S. Pierce, seconded by R. Frederick and carried by roll call vote that the meeting adjourn.

**Aye: 8**

**Nay: 0**

**Absent: 1**

Submitted by,



Ronald J. Frederick  
Secretary