

GATEWAY TECHNICAL COLLEGE DISTRICT BOARD
Public Budget Hearing
May 2, 2016

The Gateway Technical College District Board met on Monday, May 2, 2016 at the Elkhorn Campus, Rooms 112-114, 400 County Road H, Elkhorn, Wisconsin. The meeting was called to order at 7:00 pm 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	Excused
Ronald J. Frederick	Present
Susan Greenfield	Present
Bethany Ormseth	Present
Scott Pierce	Present
Roger Zacharias	Excused
Pamela Zenner-Richards	Present
Gary Olsen	Present

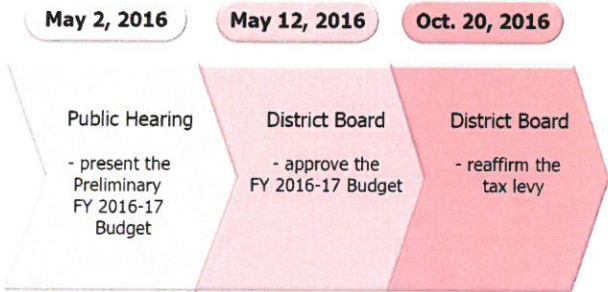
Also in attendance were Bryan Albrecht, Kelly Bartlett, and 10 citizens/reporters.

III. Approval of Agenda:

- A. It was moved by S. Pierce, seconded by S. Greenfield, and carried to approve the agenda.

IV. Budget Presentation (B. Thomey):

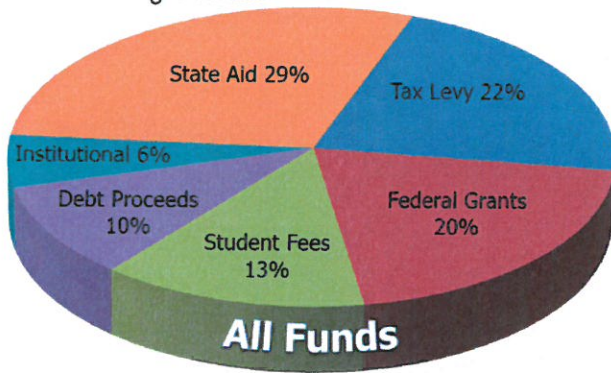
- A. FY17 Budget Calendar



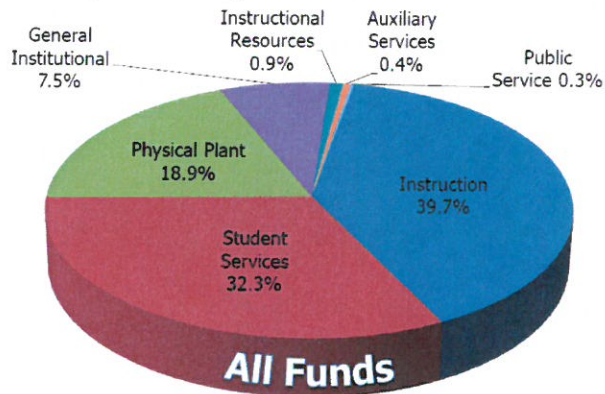
B. Gateway Fund Structure

Total Gateway					
General Fund	Special Revenue - Operational Fund	Special Revenue - Non-Aidable Fund	Capital Fund	Debt Service Fund	Enterprise Fund
\$79.0M	\$6.8M	\$33.8M	\$14.3M	\$11.3M	\$0.65M
<i>General operations</i>	<i>Grant activity</i>	<i>Financial aid and student clubs</i>	<i>Purchases for equipment and site improvements</i>	<i>Financing of debt and interest for capital purchases</i>	<i>Activities financed through user fees</i>

C. Total Funding Sources



D. Total Expenditures by Function

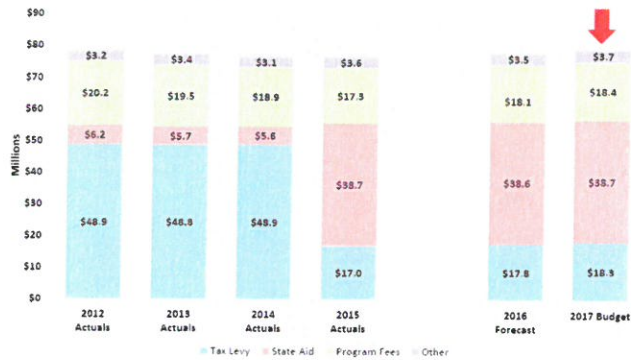


E. FY17 Proposed Budget Summary

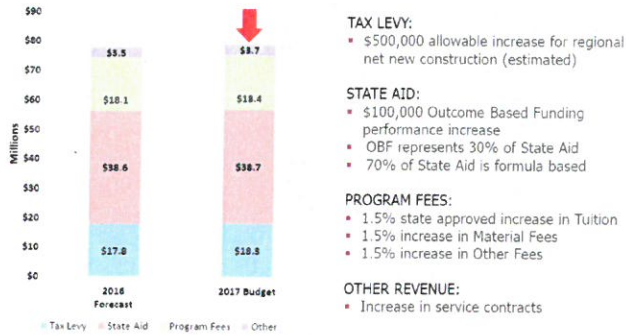
Revenues	
Tax Levy	\$ 18,313,826
State Aid	38,675,296
Tuition & Fees	18,372,682
Other Revenue	3,682,905
Total Revenue	\$ 79,044,709
Expenses	
Salaries & Wages	\$ 47,328,075
Employee Benefits	18,666,153
Other Expenses	13,050,481
Total Expenses	\$ 79,044,709

Net Revenue / (Expenses)	\$ -0-
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F. General Fund Revenues



G. General Fund Revenues



H. FY17 Tuition & Fees

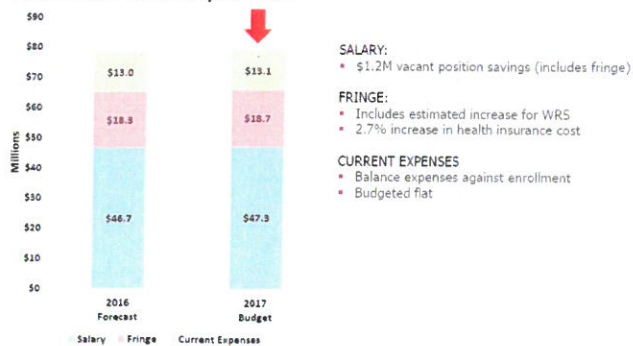
	FY15 Actual	FY16 Forecast	FY17 Budget	Incr (Decr)	%
Tuition	\$15,397,383	\$15,444,478	\$15,676,145	\$231,667	1.5%
Material Fees	746,748	733,010	744,005	10,995	1.5%
Other Fees	1,781,542	1,923,677	1,952,532	28,855	1.5%
Total	\$17,925,673	\$18,101,165	\$18,372,682	\$271,517	1.5%

FY 2017 Tuition reflects a 1.5% state approved tuition rate increase.
2017 cost per credit is \$130.35

I. FY17 Other Revenues

	FY2015 Actual	FY2016 Forecast	FY2017 Budget	Incr (Decr)	%
Total Other Revenue	\$3,626,377	\$3,529,422	\$3,682,905	\$153,483	4.3%

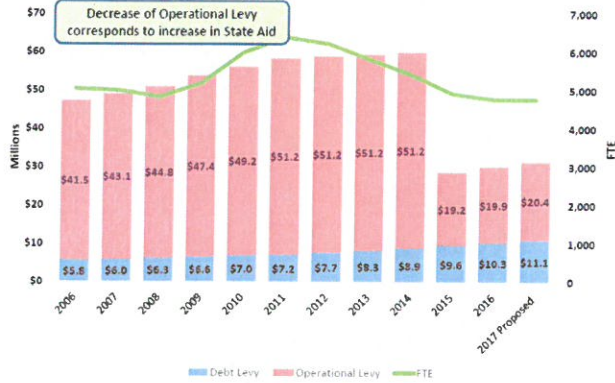
J. General Fund Expenses



K. FY17 Operating Expenses

	FY 2015 Actual	FY 2016 Forecast	FY 2017 Budget	Incr (Decr)	%
Salaries & Wages	\$45,608,816	\$46,701,677	\$47,328,075	\$626,398	1.3%
Employee Benefits	17,304,927	18,489,544	18,666,153	176,609	0.9%
Other Expenses	12,761,858	13,028,488	13,050,481	21,993	0.1%
Total	75,675,601	\$78,219,709	\$79,044,709	\$825,000	1.0%

L. Total Tax Levy



M. Property Tax Impact

- Operating tax levy budgeted at \$20,408,031
 - Increase of \$500,000; net new construction
 - Increase of 2.51%
- Debt levy budgeted at \$11,081,000
 - Increase of \$765,000
 - Increase of 7.42%
- Total mill rate is 0.82816 compared to 0.79489 last year, an increase of 4.19%
- Tax rate assumes assessments are flat
- Homeowner will pay \$124.22 for a home valued at \$150,000
 - \$4.99 increase over last year

N. General Fund Reserves



O. Moody's Bond Rating: Aaa Rating – indication of Moody's high level of confidence in Gateway's fiscal policies and governance.

- Moody's believes the district's financial operations will remain sound due to:
 - Prudent financial management
 - Solid General Fund reserves
 - Sizeable, stable tax base; favorable location between Chicago and Milwaukee
- Moody's expects the district's debt levels to remain manageable:

- Average overall debt burden
 - Low direct debt
 - Rapid principal amortization
 - Moody's notes the following challenges to the district:
 - Limited revenue generating flexibility due to state imposed levy restrictions
 - Moderate declines in enrollment
- P. Long-Term Capital Financing: The capital borrowing plan includes \$14M borrowing for general equipment, building remodeling and improvements, expansion & site improvements.
- Borrowing increase of \$2M over last year
 - 7.42% increase in debt levy totaling \$11,081,000
 - Increase of \$765,000
- Q. FY17 Capital Budget

Building Remodeling & Improvement Projects		Equipment		Site Improvements	
Elkhorn Manufacturing	\$270,000	Academic Classroom Equipment	2,500,000	Elkhorn Manufacturing	\$130,000
Racine Lake Building Classroom remodel 2 nd floor	1,000,000	New Program Classroom Furniture	\$300,000	Police Academy	455,000
Kenosha classroom	500,000	IT Equipment & District Infrastructure	2,500,000	General Repairs	45,000
Kenosha Technical Building	500,000	Operations and Facilities Equipment	100,000		
Elkhorn Eng Wing	1,000,000	BWS Training Equipment	100,000		
Racine Tech Building 3 rd floor classroom remodel & Corridor	1,000,000				
General repairs	2,455,000				
Police Academy	1,045,000				
Total:	\$7,770,000	Total:	\$5,500,000	Total:	\$730,000

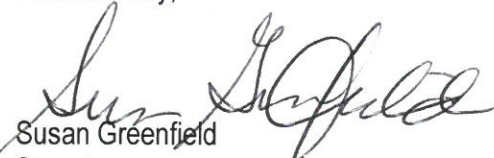
V. Citizen Comments

- A. A written citizen comment was received by Bane Thomey prior to the Public Hearing in regards to Net New Construction. B. Thomey address this comment to the Trustees during the Public Hearing to clarify how Net New Construction is estimated.

VI. Next Meeting Date and Adjourn

- A. Regular Meeting - Thursday, May 12, 2016, 8:00 am, SC Johnson iMET Center, Room 104
 B. At approximately 7:22 pm it was moved by S. Pierce, seconded by R. Bhatia and carried that the meeting adjourn.

Submitted by,


 Susan Greenfield
 Secretary