

GATEWAY TECHNICAL COLLEGE DISTRICT BOARD
Public Budget Hearing
May 3, 2017

The Gateway Technical College District Board met on Wednesday, May 3, 2017 at the Kenosha Campus, Pike Creek Horticulture Center, Room 120, 3520 30th Avenue, Kenosha, Wisconsin. The meeting was called to order at 7:00 pm by William Duncan, 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	Excused
Ronald J. Frederick	Excused
Gary Olsen	Present
Bethany Ormseth	Present
Kimberly Payne	Present
Scott Pierce	Present
Roger Zacharias	Excused
Pamela Zenner-Richards	Present
William Duncan	Present

Also in attendance were Bryan Albrecht, Kelly Bartlett, and 13 citizens/reporters.

III. Approval of Agenda:

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

IV. Budget Presentation (Bill Whyte):

A. FY17-18 Budget Calendar

- May 3, 2017 = Public Hearing – present the Preliminary FY 2017-18 Budget
- May 11, 2017 = District Board – approve the FY 2017-18 Budget
- October 19, 2017 = District Board – reaffirm the tax levy

B. Gateway Fund Structure

- General Fund \$79.4M *General operations*
- Special Revenue – Operational Fund \$5.3M *Grant activity*
- Special Revenue Non-Aidable Fund \$31.7M *Financial aid and student clubs*
- Capital Fund \$13.4M *Purchases for equipment and site improvements*
- Debt Service Fund \$12.5M *Financing of debt and interest for capital purchases*
- Enterprise Fund \$0.65M *Activities financed through user fees*

C. Total Funding Sources

- State Aid 30%
- Tax Levy 23%
- Federal Grants 19%
- Student Fees 13%
- Debt Proceeds 9%
- Institutional 6%

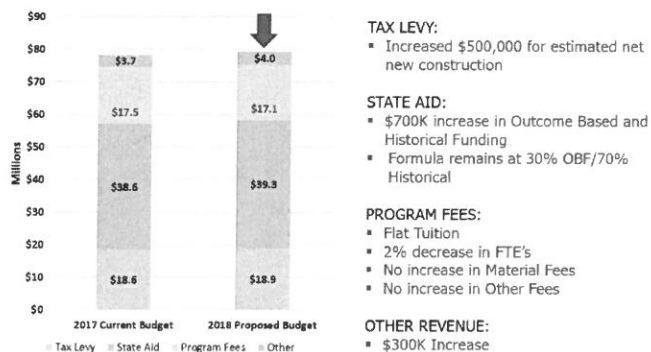
D. Total Expenditures by Function

- Instruction 39.9%
- Student Services 31.4%
- Physical Plant 19.2%
- General Institutional 7.7%
- Instructional Resources 1.0%
- Auxiliary Services 0.5%
- Public Service 0.3%

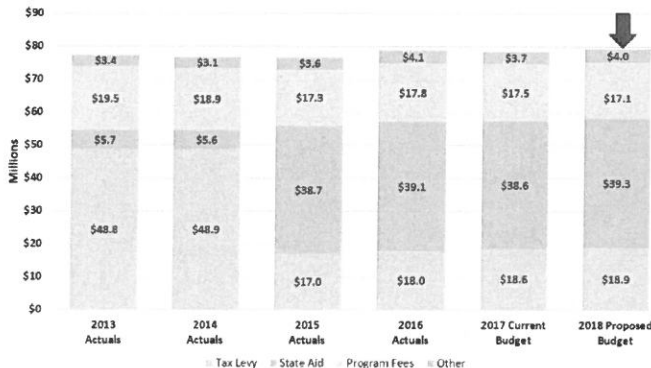
E. FY18 Proposed Budget Summary

- Revenues:
 - Tax Levy \$18,928,071
 - State Aid \$39,316,969
 - Tuition & Fees \$17,104,967
 - Other Revenue \$4,016,572
 - Total Revenue \$79,366,579
- Expenses:
 - Salaries & Wages \$47,090,843
 - Employee Benefits \$18,122,318
 - Other Expenses \$14,153,418
 - Total Expenses \$79,366,579
- Net Revenue / (Expenses) \$0

F. General Fund Revenues



G. General Fund Revenues



H. FY18 Tuition & Fees

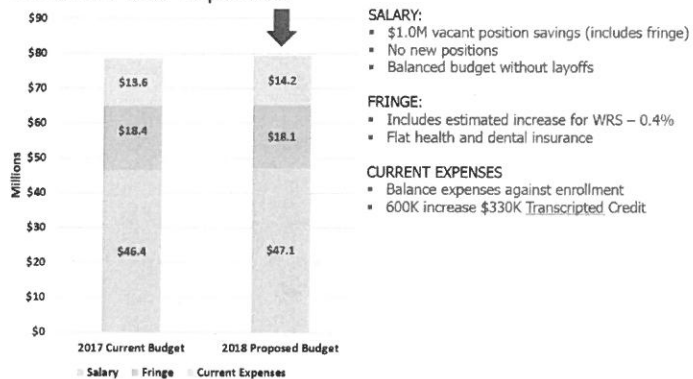
	FY16 Actual	FY17 Budget	FY18 Budget	Incr (Decr)	%
Tuition	\$15,070,118	\$14,892,338	\$14,594,491	\$(297,847)	(2.0%)
Material Fees	742,978	706,805	692,669	(14,136)	(2.0%)
Other Fees	1,953,294	1,854,905	1,817,807	(37,098)	(2.0%)
Total	\$17,766,390	\$17,454,048	\$17,104,967	\$(349,081)	(2.0%)

FY2018 Tuition reflects flat tuition and a 2% decrease in enrollment. Cost per credit will remain flat at \$130.35

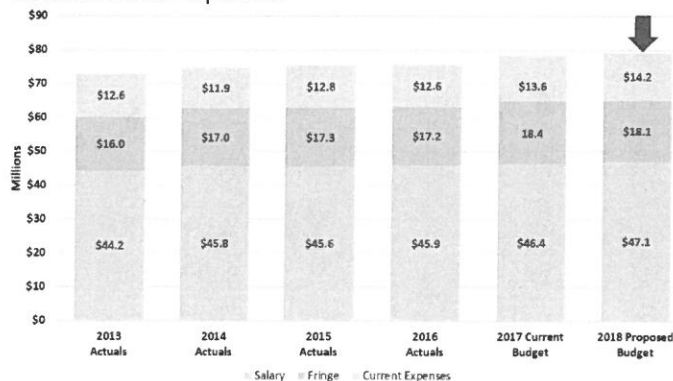
I. FY18 Operating Expenses

	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	Incr (Decr)	%
Salaries & Wages	\$45,928,430	\$46,392,984	\$47,090,843	\$697,859	1.5%
Employee Benefits	17,212,629	18,437,746	18,122,318	(315,428)	(1.7%)
Other Expenses	12,626,277	13,605,268	14,153,418	548,150	4.0%
Total	75,767,336	\$78,435,998	\$79,366,579	\$930,581	1.2%

J. General Fund Expenses



K. General Fund Expenses



L. FY18 Capital Budget

- Expansion \$1,500,000

- Remodel \$4,100,000
- Repair \$1,900,000
- Equipment \$5,500,000
- Total \$13,000,000

M. FY18 Capital Projects

- Police/Fire Training Track \$1,500,000
- Nursing Labs \$1,400,000
- Classroom Remodeling \$2,000,000
- Infrastructure Upgrades \$1,400,000
- General Maintenance \$1,200,000

N. Long-Term Capital Financing

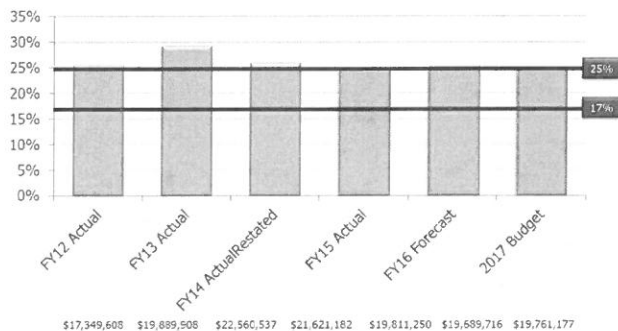
The capital borrowing plan includes \$13M borrowing for general equipment, building remodeling and improvements, expansion & site improvements.

- Borrowing decreased by \$1,000,000 compared to last year.
- 7.62% increase in debt levy totaling \$11,925,000.
 - Increase of \$844,000

O. Property Tax Impact

- Operating tax levy budgeted at \$21,022,276
 - Increase of \$500,000; net new construction
 - Increase of 2.44%
- Debt levy budgeted at \$11,925,000
 - Increase of \$844,000
 - Increase of 7.62%
- Total mill rate is 0.83695 compared to 0.80281 last year, an increase of 4.25%
- Tax rate assumes assessments are flat
- Homeowner will pay \$125.54 for a home valued at \$150,000
 - \$5.12 increase over last year

P. General Fund Reserves



Q. 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
 - Healthy and improving financial position
 - 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.

V. Citizen Comments

There were no citizen comments.

VI. Next Meeting Date and Adjourn

- A. Regular Meeting - Thursday, May 11, 2017, 8:00 am, Racine Campus, Room R301
- B. At approximately 7:32 pm it was moved by S. Pierce, seconded by G. Olsen and carried that the meeting adjourn.

Submitted by,

A handwritten signature in cursive script that reads "Kimberly Payne".

Kimberly Payne
Secretary