

MID-STATE TECHNICAL COLLEGE

OFFICIAL PROCEEDINGS

Wisconsin Rapids

June 20, 2016

PUBLIC HEARING

Board Chairperson Betty Bruski Mallek called the Public Hearing to order at 5:00 p.m.

Roll call was as follows:

PRESENT: Robert Beaver, Betty Bruski Mallek, Justin Hoerter, Joseph Kinsella, Lynneia Miller, Peggy Ose, Charles Spargo (via phone), and Dr. Sue Budjac

EXCUSED: Dr. Colleen Dickmann

OTHERS: Nelson Dahl, Mike Grambow, Sandy Kiddoo, Dr. Mandy Lang, Richard O'Sullivan, Brianne Petruzalek, Lance Pliml, Matt Schneider, and Angie Susa

NOTE: Patrick Costello passed away February 18, 2016

Ms. Bruski Mallek announced that Wisconsin Statutes require the Mid-State Board to publish the proposed budget and hold a Public Hearing prior to formal adoption of the budget. The purpose of this Public Hearing is to receive input from the general public. A formal budget presentation has been made to the Mid-State Board and was accessible by the general public through public access television. Publication of the FY17 budget summary and notice of this Public Hearing occurred in three community newspapers. A copy of the FY17 Budget Booklet, meeting WTCS requirements, is available upon request.

There being no comments from the audience, Vice President of Finance & IT Nelson Dahl highlighted the most significant changes within the FY17 budget, operational and total budget increases.

With no questions or concerns from Board members, Mr. Beaver motioned to adjourn the Public Hearing at 5:08 p.m.

I. ROLL CALL

Board Chairperson Betty Bruski Mallek called the meeting to order at 5:29 p.m.

Roll call was as follows:

PRESENT: Robert Beaver, Betty Bruski Mallek, Justin Hoerter, Joseph Kinsella, Lynneia Miller, Peggy Ose, Charles Spargo (via phone), and Dr. Sue Budjac

EXCUSED: Dr. Colleen Dickmann

OTHERS: Nelson Dahl, Mike Grambow, Sandy Kiddoo, Dr. Mandy Lang, Richard O'Sullivan, Brianne Petruzalek, Lance Pliml, Matt Schneider, and Angie Susa

NOTE: Patrick Costello passed away February 18, 2016

II. MEETING NOTICE CERTIFICATION AND CLOSED SESSION

Ms. Bruski Mallek verified the meeting notice, which stated that this meeting of the Mid-State Technical College District Board was announced to the public in an attempt to keep the citizens of the district aware of the date, time and place of the meeting.

Ms. Bruski Mallek announced the Board would convene to closed session immediately following the open session to discuss employee performance evaluation data. This closed session is being held in compliance with Chapter 19, Subchapter 19.85(c) of the Wisconsin Statutes. The Board may or may not reconvene to open session and may take action on items discussed in closed session.

Motion by Mr. Kinsella, seconded by Mr. Beaver, upon a roll call vote, unanimously approved the closed session as announced by Ms. Bruski Mallek.

III. OPEN FORUM

Ms. Bruski Mallek opened the meeting for comments from the audience. No one wished to address the Board.

IV. APPROVAL OF MINUTES

Motion by Mr. Beaver, seconded by Ms. Ose, upon a voice vote, unanimously approved the minutes from the regular meeting held May 16, 2016, as written.

V. CONSENT AGENDA

Motion by Mr. Kinsella, seconded by Ms. Miller, upon a roll call vote, unanimously approved the following consent agenda items:

1. The district's bills for the month of May 2016 were presented in Exhibit B. These bills totaled \$759,806.37 of which \$479,167.43 represents operational expenditures and \$280,638.94 represents capital expenditures.

The district's payroll for the month of May totaled \$1,293,637.60 plus \$22,895.95 for travel and miscellaneous reimbursements and \$563,053.04 in fringe benefits. The district's bills and payroll totaled \$2,639,392.96.

2. Entered into the following contracted service agreements:

<u>Agreement #</u>	<u>Contracted With</u>	<u>Amount</u>
146328	UWSP – Protective Services	\$ 620.00
146329	UWSP – Protective Services	\$ 620.00
146333	Marshfield Door	\$ 1,810.00
146334	Pointe Precision	\$ 2,350.00

3. Approved the following 2016 procurement for goods and services:

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<u>Amount</u>	<u>Vendor</u>	<u>Department</u>
\$ 114,931.76	Blackboard	Media Services
\$ 67,300.00	Advantage Design Group	Student Services

4. Approved the following Advisory Committee appointments: GERONTOLOGY – Dana Eiden, Janelle Ruedinger, Karee Slaminski, Karen Trzebiatowski; CRIMINAL JUSTICE – CORRECTIONS – Caylee Pelot.

VI. CHAIRPERSON’S REPORT

1. Ms. Bruski Mallek welcomed Board members to the meeting. She announced Dr. Colleen Dickmann asked to be excused. She also announced Charles Spargo was joining the meeting by phone.

2. Ms. Bruski Mallek announced the Summer Boards Association meeting will be held July 14-16 at Northcentral Technical College in Wausau. Partnerships with K-12 will be discussed as well as various roundtable conversations and committee meetings. Mr. Beaver, Ms. Bruski Mallek and Dr. Budjac plan to attend.

3. Ms. Bruski Mallek announced the 2016 ACCT Leadership Congress will be held October 5-8 in New Orleans. Board members interested in attending should contact Ms. Susa to make arrangements. Mr. Beaver, Ms. Bruski Mallek and Dr. Budjac plan to attend.

4. Ms. Bruski Mallek began discussion regarding a date for the 2016 Fall Board Advance. Board members were previously surveyed for availability and discussed options that suited most members. The Board requested Ms. Susa administer a follow up survey in search of a new Board Advance date as the first option was not an option for the majority of Board members.

5. Ms. Bruski Mallek recognized Joseph Kinsella for his 15 years of service to the Mid-State Board. Mr. Kinsella’s term expires June 30, 2016. Ms. Bruski Mallek highlighted his years of service and extended wishes for a happy, healthy retirement. Dr. Budjac thanked Mr. Kinsella for his advocacy for Mid-State and technical education, leadership on the Board, and the many positive impacts he has made. Mr. Kinsella thanked Board and Executive Team members for the positive and growing experience.

6. The next Mid-State Board of Directors meeting will be held on Monday, July 11 at the Wisconsin Rapids Campus. Committee meetings will be held at 3:30 p.m. unless otherwise announced, Committee-of-the-Whole will be held at 3:45 p.m. and the organizational meeting will begin at 4:00 p.m.

VII. FOUNDATION BOARD LIAISON REPORT

1. Ms. Bruski Mallek reported the Foundation Golf Outing was a huge success. Details will be shared in the future.

2. Ms. Bruski Mallek reported the Employee Giving Campaign set a record for the highest amount raised since its inception 12 years ago. Employees also set a record for the highest participation rate, an 8% increase over last year, while raising \$22,000 for student scholarships.

3. Ms. Bruski Mallek reported 307 students received a portion of \$217,872 in scholarship funding through the Foundation.

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4. Ms. Bruski Mallek reported Foundation & Alumni Director Jill Steckbauer secured \$47,291 in endowment dollars from donors, a 76.93% increase over last year. In addition, she secured 17 new scholarship opportunities and completed the research and design of a one-of-a-kind program called "Sponsor a Scholar" which engages employer donors in the Mid-State District.

VIII. PRESIDENT'S REPORT

1. Dr. Budjac welcomed Wood County Board Chair Lance Pliml and Human Resources & Organizational Development Director Brianne Petruzalek to the meeting.

2. Dr. Budjac announced Dan Meyer passed away. Mr. Meyer served several terms on the Mid-State Board, chaired the Building Committee during the acquisition of the Wisconsin Rapids Campus and was an active member of the Mid-State Foundation Board.

3. Dr. Budjac reported the state biennial budget process is underway and the WTCS has created a committee to work on their budget request. New funding for the WTCS and UW System has been discussed by the Governor, however, few details were available at this time.

4. Dr. Budjac reported the Governor's Wisconsin Technology Council, made up primarily of University of Wisconsin and Madison representatives, will serve to advise the Governor and Legislature. In May 2016, seven recommendations were made, mainly related to the UW System, however, one recommendation included the WTCS. The recommendation to "appoint a blue-ribbon commission to consider questions related to the UW System and how to get the most out of two-year campuses that make up the separate Wisconsin Technical College System and the UW System's two-year centers."

5. Dr. Budjac reported Governor Walker was at Stevens Point Area Senior High (SPASH) on May 24 and visited one of Mid-State's dual enrollment classes. This year at SPASH, 12 dual credit classes, impacting 300 students and representing 819 credits, are being held saving student \$100,000 in tuition. This year, Mid-State District high school students earned 2,853 transcribed credits, an increase of 312% from five years ago. Dr. Budjac was joined by Vice President of Academics Sandy Kiddoo, Vice President of Student Services Dr. Mandy Lang and Accounting Instructor Bob Smith at the Governor's visit.

6. Dr. Budjac reported she attended the Skyward ribbon cutting event at their new facility. During the ribbon cutting ceremony Skyward CEO Cliff King and Governor Walker recognized Mid-State as a valuable partner in meeting Skyward's workforce needs. Mr. Kinsella was also present for the event and echoed the support and recognition of Mid-State by Skyward and the Governor.

7. Dr. Budjac presented Vice President of Student Services Dr. Mandy Lang with her five-years-of-service pin from the college. In five years, Dr. Lang has made significant impacts on the organization; most recently the Integrated Enrollment Model and Student Services & Information Center.

8. Dr. Budjac reported the July Board meeting will contain a closed session for her performance review. In advance and preparation of that meeting, highlights of accomplishments will be sent to Board members.

IX. FINANCE & AUDIT COMMITTEE

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1. In place of Finance & Audit Committee Chairperson Charles Spargo, Betty Bruski Mallek reported the committee reviewed its Consent Agenda items and had no questions or concerns.
2. Ms. Bruski Mallek reviewed the Treasurer's Report. There were no questions or concerns.
3. Ms. Bruski Mallek announced the proposed 2016-17 (FY17) Budget was reviewed by the Finance & Audit Committee during a special meeting held May 11, and subsequently presented to the full Board on May 20. The Board authorized administration to publish the budget and provide notice of a Public Hearing. Publication has occurred in three community newspapers. An official budget booklet containing details was distributed in hard copy. The Public Hearing has taken place. The budget will go into effect July 1, 2016.

Motion by Mr. Beaver, seconded by Ms. Ose, upon a roll call vote, unanimously adopted the FY17 budget through the approval of the following resolution:

WHEREAS, Mid-State Technical College prepared a budget for the 2016-17 fiscal year, necessary to provide educational services to the citizens, industries and communities within the College's boundaries; and

WHEREAS, the outstanding indebtedness of the College, as of July 1, 2016, consists of \$25,450,000 in promissory notes and \$1,880,000 in general obligation bonds;

WHEREAS, the anticipated revenues for the 2016-17 budget consist of \$10,780,947 from Local Government, \$15,195,696 from State Aids, \$7,933,832 from Student Fees, \$7,875,149 from Institutional Sources, and \$7,058,594 from the Federal Government; and

WHEREAS, other funding sources for the 2016-17 budget consist of \$5,700,000 in proceeds from long-term debt; and

WHEREAS, the estimated retained earnings and fund balances as of July 1, 2016, consist of \$16,224,937 in the General Fund, \$498,433 in the Special Revenue Fund - Operational, \$129,914 in the Special Revenue Fund - Non-Aidable, \$887,714 in the Debt Service Fund, \$330,730 in the Capital Projects Fund, \$1,692,687 in the Enterprise Fund, and \$1,019,627 in the Internal Service Fund;

NOW, THEREFORE, BE IT RESOLVED by the Mid-State Technical College Board to approve the appropriations for the 2016-17 budget consisting of the following fund types and functions:

In the General Fund - \$17,896,362 for Instruction, \$1,187,478 for Instructional Resources, \$3,892,227 for Student Services, \$6,448,492 for General Institutional, and \$2,101,052 for Physical Plant;

In the Special Revenue Fund - Operational - \$651,940 for Instruction;

In the Special Revenue Fund - Non-Aidable - \$6,496,836 for Student Services;

In the Capital Projects Fund - \$1,222,174 for Instruction, \$309,795 for Instructional Resources, \$550,000 for Student Services, \$897,705 for General Institutional, and \$3,250,920 for Physical Plant;

In the Debt Service Fund - \$4,983,455 for Physical Plant;

In the Enterprise Fund - \$1,225,624 for Auxiliary Services; and,

In the Internal Service Fund - \$4,884,272 for Auxiliary Services.

BE IT FURTHER RESOLVED that the approval includes any modifications to the 2016-17 budget resulting from public input during the Public Hearing, and formally endorsed by the board.

BE IT FURTHER RESOLVED that this 2016-17 budget be submitted, as approved, to the Wisconsin Technical College System Board prior to July 1, 2016, as required by State Statutes 38.12(5m).

4. The following items were presented for informational purposes only:
 - a. **TIMETABLE FOR FUTURE CAPITAL FINANCING** – Ms. Bruski Mallek reported the Committee reviewed a timetable for the college’s capital borrowing activities. Administration is planning to start the capital borrowing process in July when an initial resolution will be presented for a portion of the proposed debt. A resolution awarding the sale of notes will occur in August. Debt proceeds will be distributed thereafter. A timetable was provided to all Board members for review and a positive Moody’s rating is anticipated.
 - b. **FINANCE IMPLICATIONS FOR TOPICS IN OTHER COMMITTEES** – No report was provided.

X. ACADEMIC & HUMAN RESOURCES COMMITTEE

1. Academic & Human Resources Committee Chairperson Justin Hoerter reported the committee reviewed its consent agenda items and had no questions or concerns.
2. The following items were presented for informational purposes only:
 - a. **PROGRAM REVIEW** – Mr. Hoerter reported the college sought student feedback via survey on two occasions in spring 2016. A survey for the Higher Learning Commission accreditation visit reaffirmed the college’s work being done with the Strategic Plan, Integrated Enrollment Model and Educational Master Plan (EMP) and the Educational Master Plan Survey provided program data that will be used to further evolve the EMP. Samples were shared.
 - b. **POST EMPLOYMENT RETIREMENT BENEFITS** – Mr. Hoerter reported effective July 1, 2016 new employees of the college will have a different post-employment benefit than current employees. Mr. Hoerter highlighted the differences in benefits. In fall 2016, current employees will choose one of three benefit options for post-employment benefits effective January 2017.
 - c. **STAFFING UPDATE** – Mr. Hoerter reported the college is in the process of recruiting candidates for a variety of positions. In 2016, the college had a low 4.88%

turnover rate not including seven retirements. Since September 2015, 23 separations have occurred and 25 job postings have been placed. Currently, 16 positions remain open and the college has an average fill time of 50 days.

XI. FACILITIES & EXTERNAL RELATIONS COMMITTEE

1. Facilities & External Relations Committee Chairperson Joseph Kinsella reported that the committee had no Consent Agenda items this month.
2. The following items were presented for informational purposes only:
 - a. DEMOLITION FOR DOLLARS – Mr. Kinsella reported remodeling is underway in the front office of the Wisconsin Rapids Campus. The Mid-State Foundation held a fundraiser at the onset of remodeling that offered employees an opportunity to remove walls slated for demolition by contributing a donation to the Mid-State Foundation. Photos of the event were shared. Ellis Construction generously agreed to match employees donations resulting in a \$722 contribution to the Mid-State Foundation.
 - b. UPDATE ON SUMMER FACILITIES PROJECTS – Mr. Kinsella reported Director of Facilities & Procurement Matt Schneider presented a summary of projects taking place at all Mid-State locations during summer months. Projects include the Student Services & Information Center, asphalt paving and restriping, voice evacuation system, Stelle Tower relocation, restroom remodeling and other maintenance and custodial projects.
 - c. THREE-YEAR FACILITIES PLAN – Mr. Kinsella reported the Committee reviewed Mid-State's Three-Year Facilities Plan. A copy was provided to all Board members. FY17 reflects planned or underway projects while FY18 and FY19 will be updated as needed.
 - d. DUAL CREDIT UPDATE: Mr. Kinsella reported dual credit opportunities have more than tripled in the past five years. He highlighted data in recent dual credit opportunities and again recognized college efforts in this area.

XII. COMMITTEE-OF-THE-WHOLE

1. OPEB TRUST – Ms. Bruski Mallek reported that during the May Board meeting Finance Management Asset Management (PFMAM) Group was selected to provide investment management and advisory services for the establishment of a governmental Other Post-Employment Benefits (OPEB) Trust. These post-retirement benefits are limited to payments for health, dental, and other benefits designated in the college's post-retirement benefit plan. Payments to pensions or 403(b) annuities fall outside the purview of the investment policy and OPEB Trust. PFMAM made a presentation during Committee-of-the-Whole that outlined their strategy for managing the trust investments and adjusting the portfolio as market changes necessitate.

Motion by Mr. Spargo, seconded by Mr. Hoerter, upon a roll call vote, unanimously approved the following resolution:

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WHEREAS, following an RFP, Mid-State Technical College selected PFM-Asset Management as the provider for other post-employment benefits (OPEB) investment management and trust advisory services during the May 16, 2016, Board Meeting; and

WHEREAS, PFM-Asset management worked with Mid-State Technical College Trust Investment Committee to prepare investment strategies and guidelines in compliance with OPEB rules and IRS regulatory requirements; and

WHEREAS, the College has selected WoodTrust Bank as the custodian holding certain investment assets of the College, including the assets of the OPEB Trust described below; and

WHEREAS, an OPEB Trust Agreement was prepared and reviewed by Quarles & Brady for compliance with OPEB and IRS regulatory requirements; and

WHEREAS, PFM-Asset management provided the Board with an overview of the investment flow, strategies, and guidelines needed to provide adequate funding for both OPEB and Non-OPEB liabilities arising from a redesign of the College's OPEB and Retirement Benefits; and

NOW, THEREFORE BE IT RESOLVED, that the Mid-State Technical College Board hereby adopts the OPEB Trust Agreement and the OPEB Investment Policy as presented; and

THEREFORE BE IT FURTHER RESOLVED, that Mid-State Technical College Board hereby adopts the Investment Custodian Agreement with WoodTrust Bank at the terms agreed to; and

THEREFORE BE IT FURTHER RESOLVED, that Mid-State Technical College will initially invest \$4.5 million in an irrevocable OPEB Trust for the purpose of paying out eligible and earned OPEB benefits and also allocate \$350,000 annually into a separate account for the payment (Pay-Go) of Non-OPEB benefits as to be determined annually by the College's Investment Committee; and

THEREFORE BE IT FURTHER RESOLVED, that this resolution be in force effective July 1, 2016, but that investments commence at a time deemed viable by PFM-Asset Management and the Investment Committee.

XIII. DISCUSSION AND ACTION ITEM

1. OUTCOMES BASED FUNDING REPORT – Mid-State Vice President of Academics Sandy Kiddoo and Vice President of Student Services Dr. Mandy Lang provided an overview of FY16 and FY17 Outcomes Based Funding. They highlighted the results of FY16 funding as well as the seven criteria selected for FY17 funding.

XIV. ADJOURNMENT

The next meeting of the Mid-State Technical College Board will be on Monday, July 11, 2016 at the Wisconsin Rapids Campus. Committees will meet at 3:30 p.m., unless otherwise announced. Committee-of-the-Whole will be held at 3:45 p.m. and the organizational meeting will begin at 4:00 p.m.

There being no further business, the Board convened to closed session at 6:23 p.m.

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There being no further business as a result of the closed session, the Board meeting adjourned at 6:36 p.m. with a motion by Mr. Beaver, upon a voice vote.

Peggy Ose, Secretary
Mid-State Technical College Board

Angela R. Susa
Recording Secretary