

Northeast Wisconsin Technical College District
Board of Trustees Meeting
Minutes

January 5, 2022
9:00 a.m.

***WebEx Meeting Originating from NWTC Green Bay Campus Board Room DO308
2740 West Mason Street, Green Bay, Wisconsin 54303***

Open Meeting & Roll Call – Please turn off all cell phones and pagers currently.

The Board Chairperson called the January 5, 2022 NWTC Board of Trustees meeting to order and request that roll call be taken at this time. (9:10 a.m.)

Present: Carla Hedtke, Dave Mayer, Jeff Rickaby, Richard Stadelman, Gerald Worrick, Kim Schanock, Ben Villarruel

Excused: Cathy Dworak

Also Present: Jeff Rafn, Janel Karban, Kathryn Rogalski, Mohammed Bey, Lisa Maas, Colleen Simpson, Dan Mincheff, Bob Mathews, Pamela Lunde, Valarie Wunderlich, Gina Van Egeren

Future Budget Considerations

Jeff Rafn, President, reviewed the financial status of the college and the challenges and opportunities as we prepare budget for FY23.

Upon start of the presentation, Jeff proposed three questions:

- To what degree do we want to rely on the federal ARPA funds as part of the budget strategy?
- What parameters should we have as we address compensation and wage increases?
- Should we use some of the federal funds to support the capital expense of implementing a new ERP system as we move our operating computer information systems to the cloud? These funds could instead be used to extend the amount of time we have to recover from declines in enrollment related to COVID while minimizing the impact on the employment of our staff and faculty.

The Board discussed four potential options:

Option 1 – (scenario as presented)

- Fund Cloud25 entirely from capital (approx. \$11,000,000 over three years)
 - Dates of implementation could be changed, i.e. full implementation by some date later than 2025
- Use remaining COVID funds from lost revenue to fund FY23
- Fund the deficit of \$3.3M from Fund Balance
- Provide a 4% increase in wage account to be used to provide compensation increases
- This creates a potential structural deficit of going into FY24 of \$5.3M

Option 2

- Fund Cloud25 entirely from capital (approx. \$11,000,000 over three years)
 - Dates of implementation could be changed, i.e. full implementation by some date later than 2025
- Reduce the structural deficit by some amount
 - Reduction will be a combination of personnel reductions, program eliminations, and curtailing some student wrap around services
 - Maintain 4% increase in wage account resulting in greater reductions in items listed above
- Or**
- Increase in wage account could be reduced to a lower percentage (each % equals \$600,000)

Option 3

- Fund some portion of Cloud25 from operating funds thereby reducing the capital borrowing
- Will require reducing operating expenditure by up to \$2,000,000
- Or**
- Increase amount taken from Fund Balance in addition to that taken to fund Option 1 or Option 2
- Pursuing Option 1 would increase structural deficit to \$7.3M
- Pursuing Option 2 will result in greater Reduction will be a combination of personnel reductions, program eliminations, and curtailing some student wrap around services
- Wage increase could be reduced to a lower percentage (each % equals \$600,000)

Option 4: President's Option

- Commit to 4% increase in wage account to be used to provide compensation increases
- Fund Cloud 25 entirely from capital
- Cut structural deficit by \$2.65M up to \$4.0M

Further conversation occurred regarding the options above:

- Ben Villarruel shared that with a presidential change in the future, he doesn't want the new president to coming in and having to make significant budget cuts without familiarity of the college.
 - As administrations makes recommendations on structural changes, the Board makes difficult decisions regarding staffing.
- Carla Hedtke feels that having this in place is in the colleges advantage.
- Jeff Rickaby cannot support a continuing structural deficit. It is likely enrollments will continue to decline due to the pandemic. He feels using the Federal funds to pay for the Cloud 25 project gives the best long-term use of funds.
- Richard Stadelman agrees with the 4% wage increase but questions if the Federal funds cover the Cloud 25 project. He believes this should address structural deficit.
- Jeff Rafn is suggesting borrowing for Cloud 25.
 - Cloud 25 comes out of Operational Cost.
 - Consultants are Capital.
 - NWTC employees spending time on the project are Operating dollars.

The Board is in favor of pursuing option four (President's Option)

- Commit to 4% increase in wage account to be used to provide compensation increases
- Fund Cloud 25 entirely from capital
- Cut structural deficit by \$2.65M up to \$4.0M

Next Board Meeting

The January 19, 2022 Board Meeting will be held in the District Board Room of the Green Bay Campus.

Board members and administration will have an opportunity to identify items that weren't identified prior to the preparation of the agenda for referral to administration or placed on a future board agenda.

Adjournment

Carla Hedtke moved to adjourn the January 5, 2022 Board meeting (10:42 a.m.).

Motion seconded by Gerald Worrick.

Motion carried with all voting "Aye" on voice vote.


Gerald Worrick, Board Secretary

1-18-22
Date