

Budget and Facilities Subcommittee Minutes
November 5, 2019

Subcommittee Attendees: Angela Lawrence, Ed Lukasek, Ken Peterson

Staff Attendees: Wade Hackbarth, Jessica Pintz, Jay McHenry, De Anne Otto, Roger Stanford, Amy Schmidt, Mike Swenson

Other Attendees: n/a **Not in Attendance:** Dennis Treu Meeting

called to order at 2:04 p.m.

Minutes

Minutes reviewed by the committee. Lawrence motion to approve, Lukasek second. Motion carried.

Bid Question Follow-Up

Amy Schmidt shared information about conflict of interest followed by a brief conversation. The conflict of interest hand out and our policy will be added to the November Board packet.

2020 Capital Borrowing Plan

Items on the plan were reviewed and discussed. The Capital Borrowing Plan will be discussed at the November board meeting and approved at the December District Board Meeting.

Meetings

Tuesday, December 3, 2019 – Plan Capital Borrowing Plan

Tuesday, January 7, 2020

Other Business

Engraved/Named Items (bricks, trees, etc.) associated with donations; will review at a future meeting.

Adjourned at 3:28 p.m.

What is a conflict of interest?

Conflict of interest is difficult to define, yet many people think they know it when they see it. The legal definition of conflict of interest, usually stated in state laws governing nonprofit corporations, is very specific and covers relatively few situations. Most conflicts fall into a gray area where ethics and public perception are more relevant than statutes or precedents.

Conflict of interest arises in the boardroom whenever the personal or professional interests of a board member are potentially at odds with the best interests of the nonprofit. Such conflicts are common: A board member performs professional services for an organization, or proposes that a relative or friend be considered for a staff position. Such transactions are perfectly acceptable if they benefit the organization and if the board made the decisions in an objective and informed manner. Such transactions are usually not illegal — except for private foundations. They are, however, vulnerable to legal challenges and public misunderstanding.

Loss of public confidence and a damaged reputation are the most likely results of a poorly managed conflict of interest. Because public confidence is important to most nonprofits, boards should take steps to avoid even the appearance of impropriety. These steps may include the following:

- Adopting a conflict-of-interest policy that prohibits or limits business transactions with board members and requires board members to disclose potential conflicts.
- Disclosing conflicts when they occur so that board members who are voting on a decision are aware that another member's interests are being affected.
- Requiring board members to remove themselves from discussions and decision making that present a potential conflict.
- Establishing procedures, such as competitive bids, that ensure that the organization is receiving fair value in the transaction.

<https://boardsource.org/resources/legal-compliance-issues-faqs/>

Western Technical College Policies

- AO106 Oath of Office and Code of Ethics for District Board
- BO500 Procurement

Scenarios

1.) A director on the board of “We Are the World We Are the Children” learns about a onetime \$100,000 grant being offered to any agency working with at-risk youth. After bringing the grant to the attention of his organization's Executive Director, the board member also tells his jogging partner, who happens to serve on the board of “What's the Matter With Kids These Days?” The second agency applies for the grant first and gets it.

2.) A well-meaning board member of “Peace Through Playstation” offers the organization a personal loan to buy videogame systems to donate to the schools for kids to play the group’s free software that deletes weapons from the hands of videogame characters. Another board member says that her uncle owns the cheapest electronics store in town and would be happy to give the agency a great deal on a shipment of second-hand gaming systems that came in last week.

3.) “Stay Off of My Lawn” is a nonprofit organization whose mission is to provide pet owners in a tri-county area with free baggies and pooper scoopers to pick up their animals’ waste when taking them for walks. The members of the organization’s marketing committee are all from one county and want the organization to direct all of its marketing budget to that county, where they feel that the pet waste problem is especially out of hand. They are threatening to leave the board and establish their own competing organization in their home county if their recommendation is not approved.

Buckingham, Doolittle & Burroughs, LLP

<https://orrrc.org/wp-content/uploads/2015/10/FiduciaryDutiesofNon->

ProfitBoard.pdf

A0106 Oath of Office and Code of Ethics for District Board

At the first regular meeting attended by a new Board member, the attached Oath of Office will be signed by the new Board member before a notary public.

It shall be the duty of each member of the Board to comply with Wisconsin Statutes with respect to the proper and appropriate conduct of the office. In keeping with the College's goals to develop quality educational programs and services consistent with the College's philosophy and objectives which lead to gainful employment of students, each member of the Board:

1. Shall perform all mandatory, nondiscretionary and ministerial duties of his/her office within the time and in the manner required by law.
2. Shall make a personal commitment to the duties of the office, uphold the law and conduct College business with fairness, honesty, integrity, professionalism, and with full regard to the public trust of the office.
3. Shall never act in excess of his/her lawful authority.
4. Shall not, by act of commission or omission, in the capacity as an Officer of this College exercise a discretionary power in a manner inconsistent with the duties of a member of this Board or the rights of others, or with the intent to obtain dishonest advantage of him/herself or for another.
5. Shall not, in the capacity of an Officer of this Board, make an entry in an account or record book or return, certificate, report or statement which, in a material respect, is intentionally falsified.
6. Shall not, under color of his/her office, intentionally solicit or accept for the performance of any service or duty anything of value, including but not limited to, any gift, loan, favor or service given for the purpose of influencing him/her in the discharge of official duties.
7. Shall not surrender his/her responsibilities under law to any other person, group or organization.
8. Shall not use College property, facilities or resources for private or personal gain for self, family or others.
9. Shall act with high moral and ethical standards in the use of technology in the District.
10. Shall not use confidential information for personal gain or benefit or that of family or others.

11. Shall observe pertinent policies of this Board.
12. Shall act in what is, in the Board member's opinion, conceived to be the best interest of the citizens of the entire District. Similarly, no member shall grant any special consideration, treatment or advantage to any other citizen beyond that which is available to every other citizen.
13. Shall not participate, either directly or indirectly, in purchases for personal use for less than full value by utilizing discounts allowed to the College.
14. Shall remove oneself from consideration or voting on any matter before the Board which does, or could, result in personal financial gain for oneself or family except as allowed in Wisconsin Statute 946.13, or as otherwise permitted by law. Each member shall make a concerted effort to be aware of the details and scope of matters pending or brought before the Board so as to abstain from voting where a conflict or an unresolved potential conflict of interest may exist, and stating publicly that the vote to abstain is because of possible conflict of interest.
15. Shall endeavor to meet all the requirements of state and federal law and regulations pertaining to education, including the regulations of the Wisconsin Technical College System Board.
16. Shall, in keeping with the legislative and judicial nature of the functions of a Board member, delegate executive responsibilities to the President or his/her designee.
17. Shall observe the Wisconsin Open Meeting Law and not knowingly participate in closed meetings except as permitted by the Open Meeting Law.
18. Nothing in this policy shall deny a member of this Board the rights of a citizen under the Constitution of the United States of America, Constitution of the State of Wisconsin, Wisconsin Statutes or any other bona fide regulations of this State.

Reviewed September 15, 2015

Revised October 20, 2004

Reviewed June 15, 2004

Reviewed October 20, 1992

Revised April 12, 1988

Adopted February 24, 1981

Wisconsin Statutes [19.41-19.46](#) and [946.13](#)

Reference Procedure: [A0106p Oath of Office](#)