

Wisconsin Public Utility Institute Executive Board Meeting Minutes Friday, May 12, 2006

Room 203 Fluno Center for Executive Education 601 University Ave., Madison, WI

Present were: Dave Benforado, Larry Borgard, Ryan Smith for Senator Cowles, Carrie Cox, Lorenzo Cruz, Les Durski, Eric Callisto for Chairman Ebert, Wendy Grapentine, Jordan Hemaidan, Charlie Higley, Lynn Hobbie, John Imes, Tom Kilkenny, Terry Nicolai, Cheryl Parrino, R.J. Pirlot, Brian Rude, Sarah Spaeth for Rep. Staskunas, Rodney Stevenson, Scott VanderSanden, Brian Zelenak.

Also attending were newly elected board members: P.J. Distefano, Joe Mettner and Rep. Montgomery with his Chief of Staff, Adam Raschka.

1. Call to Order, Introductions, and Agenda Review

Scott VanderSanden convened the meeting at 8:15 a.m. and asked the attendees to briefly introduce themselves. Scott asked for any additions to the agenda. There were none.

2. September 23, 2005 Minutes

Motion from Dave Benforado to amend the minutes with the suggested changes he wrote up regarding the Membership Committee Report and FY06 Budget.

Motion by Les Durski to accept amended minutes from Sept 23 meeting, motioned carried.

3. Elections

Chair of the Nominations Committee, Scott VanderSanden, introduced the slate of candidates recommended by the committee. Candidates each took a few moments to tell the board about their professional backgrounds. Cheryl Parrino moved to accept the slate and the motion carried.

4. FY06 Financial Report and Scholarship Program Status

WPUI Director, Wendy Grapentine, reported to the board on the financial status of the Institute. The status as of the meeting was a net loss of \$7,585 for the year. However, program revenues of almost \$20,000 are anticipated before the end of the fiscal year from Power Lunches, Offshore Wind and the AGA Gas Rates course. Much of that income has already been collected. This will give the Institute a net income of approximately \$12,000 for FY06.

Wendy also explained how the Institute's cash on hand jumped from \$22,000 last year to around \$46,000 this year. This was due to an accounting error on the part of CASB and it was more expensive to reopen their FY05 books than to just let WPUI keep the money that would have ordinarily been paid to Executive Education for the Program

Coordinator's salary and benefits. At the end of the fiscal year CASB will write a check to WPUI and the funds will be deposited in our university accounts.

Wendy also reported that scholarship donations are way down. David Benforado suggested \$4,000 of the cash on hand be put into the scholarship fund. After further discussion the board decided to wait until the fall meeting to make a decision on that.

Wendy also pointed out new members in FY06:

Contributing: Dominion Resources on 3/06

Standard: Energy Solutions on 10/05

Wisconsin Communications Solutions on 2/06

Wisconsin Department of Administration on 10/05

Wisconsin Federation of Cooperatives on 2/05

Customers First! is also going to be joining shortly.

Wendy also gave updates to some other financial related issues;

- Continuation of the Project Assistant position for FY07
- WPUI will be completely divorced from the CASB accounting system by July 1, 2006 the beginning of the 2007 fiscal year
- Registrations are being successfully handled by the Pyle Center on campus which allows us to accept credit cards online. The per person cost is \$16.50 rather than the \$8 we anticipated but it is still a good value
- We did a custom program for Charter on E-rate that went very well
- Wendy secured AGA at WPUI for 2006 and going forward
- The Reporter Boot Camp did not happen but may be tried again with better assurances of payment for Institute time
- Wendy is serving on another Search and Screen Committee within Executive Education
- Wendy is teaching Presentation Skills and Business Writing for NRECA and the School of Business among others
- WPUI is partnering with the new Energy Institute to put on an Energy Research Forum in April of 2007. WPUI will be paid for our services.

5. FY07 Budget

Wendy told the board that Fluno will require the payment of rent starting in FY07. They want \$22,000 a year but understand that we might want to phase that in. They will require \$11,000 in FY07 and \$22,000 in FY08 and beyond.

Given that large expense and ongoing concerns about WPUI not meshing with the mission of the School of Business, the Executive Committee authorized Wendy to explore the possibility of another home on campus for the Institute. She was able to secure a commitment from the School of Engineering (SOE) to provide office space at no

cost. The proposed FY07 budget reflects the costs and savings of moving the Institute to the SOE.

Questions that came up in the course of discussion include: Is there any association with the School of Business or any outstanding costs? Would the Institute's title include the words "School of Engineering"? How important is "School of Business" or "Executive Education" in the title? Who would the Director report to?

Some board members were not comfortable voting on the FY07 budget until there was some more information provided about the new Energy Institute and how it might impact on WPUI. The discussion and vote was tabled until the Future Direction of WPUI portion of the agenda.

6. UW Energy Institute Presentation

Professor Mike Corradini of the SOE gave a PowerPoint presentation explaining what the new Energy Institute is: Who is a part of it, what is its mission, how it would interact with other entities on campus like WPUI.

The professor answered questions from the board regarding the Energy Institute (EI) and the discussion turned to WPUI's relationship with the EI. Professor Corradini explained that it's entirely up to WPUI as to how much or little we wish to work with or integrate with the EI.

The board then discussed a variety of related topics including the decline in telecom programs, the financial pressures on the Institute, the limitations on numbers of programs we can run with only one full-time employee, the pressure to run profitable programs which means less telecom and more energy.

Wendy explained that Fluno is a privately owned building and that Executive Education pays rent. WPUI has been asked to pay their share of that rent. Professor Corradini explained that in University buildings there is no rent requirement.

The discussion came down to two decision points:

1. Does the board want to approve the proposed FY07 budget which implies moving WPUI to the School of Engineering?
2. Does the board want WPUI to be affiliated in some way with the Energy Institute?

Jordan Hemaiden moved approval of the budget as proposed, with such approval including approval of the physical move to the School of Engineering. Ryan Smith seconds the motion. Discussion follows

Les moved to close discussion. Motion carries 18 in favor, 6 against.

Amendment offered by Rodney Stevenson to add an additional \$11,000 to the budget to cover the rent for 2007 at Fluno for Wendy and not to authorize the move to School of

Engineering. Charlie Higley seconds the motion. Motion fails with 3 in favor, one abstaining, all others against.

Amendment offered by Cheryl Parrino that move to School of Engineering be subject to assurances, in form and content satisfactory to the Executive Committee, that the School of Engineering will not charge rent for at least the next two years. Jordan Hemaidan seconds the motion. Motion carries unanimously.

The motion as amended, approval of the budget as proposed, with such approval including approval of the physical move to the School of Engineering subject to assurances, in form and content satisfactory to the Executive Committee, that the School of Engineering will not charge rent for at least the next two years. Motion carries unanimously.

Lynn Hobbie asked Professor Corradini if there was a deadline on when WPUI needed to decide about a potential affiliation with the EI. Professor Corradini replied that there is no deadline per se. He did point out that the EI is going forward one way or another and it's up to the board to decide how or if it wants to be a part of the effort.

The board decided to form a committee to explore the opportunities before it. All agreed it should have broad representation of our membership including someone with a legal perspective. Those who agreed to serve on the committee are: Lynn Hobbie, Carrie Cox, Brian Zelenak, Rodney Stevenson, Jordan Hemaidan, R.J. Pirlot, Cheryl Parrino and David Benforado.

Some of the key questions the committee is charged with addressing are:

- What could or should the relationship be with the SOB and SOE
- Governance
- Budget
- Programming
- Relationship with the EI
- Telecom implications

9. Next Board Meeting

The board agreed to meet again on August 11th from 9:00-12:00 at the Fluno Center to hear the progress of the Committee of the Board.

The board will meet again on September 29th from 9:00-12:00 at the Fluno Center to conduct regular board business which may include a decision on the future direction of the Institute.