

**CENTRAL OREGON**  
community college

## **BUDGET COMMITTEE MEETING**

### **AGENDA**

**Wednesday, May 11, 2016 6:00 PM**  
**Christiansen Board Room, Boyle Education Center**

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		<u>Exh.</u>	<u>Action</u>	<u>Presenter</u>
I.	Call to Order			Ertner
II.	Introduction of Guests			Ertner
III.	Public Hearing and Testimony			Ertner
IV.	Minutes Approval	4	X	Smith
	Budget Meeting – April 13, 2016			
V.	Proposed 2016-17 Budget up-date	5		Dona
VI.	Resolution for Approval			
	Proposed 2016-17 Budget	6	X	Dona
VII.	Adjourn			



Central Oregon Community College  
**BUDGET COMMITTEE MEETING**  
**MINUTES**  
Wednesday, April 13, 2016 - 6:00 PM  
Christiansen Board Room-Boyle Education Center

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**PRESENT:** Doug Ertner, Lester Friedman, Gayle McConnell, Mark Copeland, Patricia Kearney, Laura Craska Cooper, Bruce Abernethy, David Ford, Vikki Ricks, Anthony Dorsch, Joe Krenowicz, John Mundy, Ron Bryant-Board Attorney, Dr. Shirley Metcalf-President, Julie Smith-Executive Assistant

**ABSENT:** Steve Curran

**CALL TO ORDER:** Chair Doug Ertner called the meeting to order of the 2016-17, Central Oregon Community College Budget Committee.

**INTRODUCTION OF GUESTS:**

Matt McCoy, Ron Paradis, David Dona, Alicia Moore, Diane Ross, Dan Cecchini, Lisa Bloyer, Jenni Newby, Michael Fisher, Jerry Schulz, Zak Boone, Carol Higginbotham-Faculty Forum President, Sharla Andresen, Cady-Mae Hunt, Chad Harris, Kathy Smith, Sarah Fuller, Josh Evans, Jay Ward and others.

**PUBLIC HEARING AND TESTIMONY:**

All Oregon Academic Team

Ms. Alicia Moore-Dean of Student and Enrollment Services introduced faculty members Sarah Fuller and Josh Evans who each had nominated a student who was named to the 2016 All Oregon Academic Team, which recognizes community college students for their academic achievement, leadership and service.

Ms. Waranya Arthonprachachit and Ms. Shawn Morgan. Waranya and Shawn will be attending a luncheon ceremony on May 3 at the state capitol in Salem and will have an opportunity to meet the Governor.

Ms. Waranya Arthonprachachit was born in Thailand and moved to the U.S. in March 2014 after graduating high school. Waranya is majoring in Public Health/Health Promotion and plans to be a health educator and work with the World Health Organization, her goal is to get her PhD in public health. Waranya says, "I'm glad that I have had a very good opportunity to study at Central Oregon Community College, because every instructor and every staff member always supported and encouraged me. They always do their best to answer all of my questions. I feel like this is a family, more than just a college".

Ms. Shawn Morgan is majoring in Business and within the next five years, hopes to purchase the woodworking business where she is currently employed.

Energy Trust of Oregon

Central Oregon Community College has had an interest in sustainable improvements across its four campuses for more than a decade. In the last 10 years, the College has implemented 31 energy efficiency projects with Energy Trust of Oregon programs. These projects have saved nearly two million kilowatt hours of electricity and 130,000 therms of natural gas. Energy Trust cash incentives

of \$375,350 have reduced the college's overall project costs by more than 30 percent during this period. Investments in energy-efficient lighting and heating and cooling systems are helping the college reduce energy waste and control costs.

Mr. Jay Ward from Energy Trust of Oregon presented a large "presentation check" for \$375,000 to President Metcalf, representing the savings that COCC has benefitted from by implementing the Energy Trust incentives over the past 10 years.

**MINUTES APPROVAL:**

**Mr. Joe Krenowicz moved to approve the Budget Meeting Minutes of March 9, 2016.**  
**Ms. Gayle McConnell seconded. MCU. Approved.** M04/16:1

**2016-17 PROPOSED NON-GENERAL FUND BUDGETS** (Exhibits: 6, 6.a, 6.b)

Mr. David Dona-Chief Financial Officer reviewed the Resources and Requirements of the nine Non-General Funds and Summary of Interfund Transfers. He then provided a PowerPoint presentation reviewing key activities for each of the nine Non-General Funds:

- Debt Service Fund
- Capital Project Fund
- Enterprise Fund
- Internal Service Fund
- Reserve Fund
- Special Revenue Fund
- Auxiliary Fund
- Financial Aid Fund
- Trust & Agency Fund.

Mr. Dona noted that each of the nine funds have a specific purpose and activity as defined by local budget law and governmental accounting standards. The primary budget objective is to ensure adequate appropriation authority and compliance to the funds specific operating parameters. Each program or activity in the non-general funds is required to be self-balancing and expenditures cannot exceed available resources.

**BUDGET CALENDAR:**

The next Budget Committee Meeting is scheduled for Wednesday, May 11, 2016 at 6:00 PM in the Christiansen Board Room, Boyle Education Center – Central Oregon Community College.

Chair Ertner adjourned the Budget Committee Meeting.

**ADJOURN: 7:00 PM**

APPROVED;

ATTEST TO;

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Mr. Doug Ertner, Chair  
Budget Committee

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Dr. Shirley I. Metcalf, President



CENTRAL OREGON  
community college

## May 2016 Budget Committee Meeting

- Current Year Budget Update
- Revenue/Expenditure Forecast (*REF: G.1*)
- 2016-17 Proposed Budget Review

# General Fund Budget vs. Projected (REF: G.1)

General Fund Budget vs. Projected	Fiscal Year 2015/16					
		Budget 2015/16		Projected 2015/16	Change \$	Change %
	%		%			
<b>Revenue and Support:</b>						
1. State Aid	21%	\$ 9,110,000	22%	\$ 9,409,674	\$ 299,674	3.3%
Property Taxes						
2. Current Year Taxes	33%	14,180,000	33%	14,170,912	(9,088)	-0.1%
3. Prior Year Taxes	1%	623,000	1%	560,000	(63,000)	-10.1%
Total Public Resources (1,2,3)	56%	23,913,000	57%	24,140,586	227,586	1.0%
4. Tuition	35%	14,923,000	35%	14,996,738	73,738	0.5%
5. Fees	4%	1,756,000	4%	1,755,186	(814)	0.0%
Other Revenue & Transfers-in						
6. Interest / Miscellaneous	0.2%	70,000	0.2%	104,450	34,450	49.2%
7. Transfers-in	4%	1,874,500	4%	1,574,500	(300,000)	-16.0%
8. Subtotal	100%	\$42,536,500	100%	\$ 42,571,459	\$ 34,959	0.1%
<b>Expenditures:</b>						
9. Salaries	49%	\$21,842,123	50%	\$ 21,186,513	\$ (655,610)	-3.0%
10. Payroll Assessments	29%	13,128,058	30%	12,577,942	(550,116)	-4.2%
11. Material & Services	16%	6,993,723	14%	5,817,212	(1,176,511)	-16.8%
12. Capital Outlay	0.4%	158,489	0.4%	155,000	(3,489)	-2.2%
13. Transfers-out	6%	2,602,618	6%	2,602,618	-	0.0%
14. Subtotal	100%	\$44,725,011	100%	\$ 42,339,285	\$ (2,385,726)	-5.3%
15. Underutilization				0		
16. <b>Operating Surplus (Deficit)</b>		<b>\$ (2,188,511)</b>		<b>\$ 232,175</b>	<b>\$ 2,420,686</b>	<b>110.6%</b>
17. Transfers-out: Supplemental				0		
18. <b>Surplus (Deficit)</b>		<b>\$ (2,188,511)</b>		<b>\$ 232,175</b>	<b>\$ 2,420,686</b>	<b>110.6%</b>
19. <b>Ending Balance 06/30</b>				<b>\$ 5,827,524</b>	14%	
20. <b>Required 10% Reserve Requirement</b>				<b>\$ 4,233,928</b>	10%	

# General Fund Revenue/Expenditure Projection (REF: G.1)

<b>2016/17 May Proposed Budget</b>											
<i>In Thousands ( 000's)</i>		<b>2011/13 BIENNIUM</b>		<b>2013/15 BIENNIUM</b>		<b>2015/17 BIENNIUM</b>		<b>2017/19 BIENNIUM</b>		<b>2019/21 BIENNIUM</b>	
		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Revenue and Support</b>											
1.	State Aid:	\$ 5,333	\$ 4,819	\$ 6,740	\$ 7,577	\$ 9,410	\$ 9,439	\$ 9,912	\$ 9,595	\$ 10,147	\$ 9,829
	Property Taxes										
2.	Current Year Taxes	11,651	11,699	12,398	13,387	14,171	15,052	15,993	16,952	17,927	18,913
3.	Prior Year Taxes	714	761	517	487	560	577	594	612	630	649
4.	Total Public Resources (1,2,3)	17,698	17,279	19,655	21,451	24,141	25,068	26,499	27,159	28,704	29,392
5.	Tuition	16,243	17,167	16,958	15,477	14,997	14,462	14,133	14,528	15,221	15,936
6.	Fees	1,636	2,063	2,075	1,739	1,755	2,141	2,095	2,158	2,267	2,382
	Other Revenue & Transfers-in										
7.	Interest / Program / Miscellaneous	129	110	83	8	104	252	256	261	265	270
8.	Transfers-in	0	753	305	1,214	1,575	2,299	1,767	1,765	1,717	1,717
9.	Subtotal	\$ 35,706	\$ 37,373	\$ 39,076	\$ 39,889	\$ 42,571	\$ 44,222	\$ 44,751	\$ 45,872	\$ 48,175	\$ 49,697
<b>Expenditures:</b>											
10.	Salaries	\$ 18,208	\$ 19,329	\$ 20,201	\$ 20,738	\$ 21,187	\$ 22,696	\$ 23,149	\$ 23,612	\$ 24,085	\$ 24,566
11.	Payroll Assessments	9,117	9,900	10,642	11,106	12,578	12,769	14,067	14,737	16,075	16,793
12.	Materials & Services	4,566	4,792	5,259	5,364	5,817	6,741	6,898	7,059	7,225	7,397
13.	Capital Outlay	558	319	224	242	155	155	155	155	155	155
14.	Transfers-out: Operating	2,860	2,956	2,685	2,355	2,603	2,660	2,820	2,861	2,903	2,947
15.	Subtotal	\$ 35,309	\$ 37,296	\$ 39,011	\$ 39,805	\$ 42,339	\$ 45,021	\$ 47,089	\$ 48,424	\$ 50,443	\$ 51,858
16.	Underutilization						(847)	(885)	(911)	(951)	(978)
17.	<b>Operating Surplus (Deficit)</b>	<b>\$ 397</b>	<b>\$ 77</b>	<b>\$ 65</b>	<b>\$ 84</b>	<b>\$ 232</b>	<b>\$ 49</b>	<b>\$ (1,453)</b>	<b>\$ (1,642)</b>	<b>\$ (1,317)</b>	<b>\$ (1,183)</b>
18.	Transfers-out: Supplemental	375	100								
19.	<b>Surplus (Deficit)</b>	<b>\$ 22</b>	<b>\$ (23)</b>	<b>\$ 65</b>	<b>\$ 84</b>	<b>\$ 232</b>	<b>\$ 49</b>	<b>\$ (1,453)</b>	<b>\$ (1,642)</b>	<b>\$ (1,317)</b>	<b>\$ (1,183)</b>
20.	<b>Ending Balance 06/30</b>					<b>\$ 5,827</b>	<b>\$ 5,876</b>	<b>\$ 4,423</b>	<b>\$ 2,781</b>	<b>\$ 1,464</b>	<b>\$ 281</b>
21.	<b>Reserve Requirement (10%)</b>					<b>\$ 4,234</b>	<b>\$ 4,502</b>	<b>\$ 4,709</b>	<b>\$ 4,842</b>	<b>\$ 5,044</b>	<b>\$ 5,186</b>

# Changes to 2016-17 Proposed Budget

## General Fund

### Resources:

- 1) Increase in tuition and Fees (\$135,000) reflects the stronger base year annualized enrollment for 2015-16.

### Requirements:

- 1) Increase in Faculty Salaries Full Time (\$49,369) is the result of the adding a tenure track nursing faculty position previously accounted for as a full time temporary faculty position in the grants and contracts fund.
- 2) Increase in Adjunct Faculty (\$80,242) adjusts the budget to reflect the actual number of adjunct faculty.
- 3) The increase in Classified Salaries Full Time (\$31,837) represents the reclass from a Professional Non-Managerial position (see item 4).
- 4) The decrease in Professional Non-Managerial Full Time (-\$43,533) represents the reclass to a Full Time Classified Position (see item 3).
- 5) Increase in Payroll Assessment (\$46,301) related to staffing changes.

# General Fund Resources Changes

<b>General Fund Resources Summary:</b>				
	<b>March Proposed 2016/17</b>	<b>May Proposed 2016-17</b>	<b>\$ Change</b>	<b>% Change</b>
Property Tax				
Current year	\$ 15,052,000	\$ 15,052,000		
Prior year	577,000	577,000		
Tuition & Fees	16,468,000	16,603,000	135,000	0.8%
State and Federal Sources				
State Aid for Operations	9,439,000	9,439,000		
Federal Grants				
Other Sources				
Interest Income	5,000	5,000		
Miscellaneous income	110,000	110,000		
Program Income	137,000	137,000		
Transfers from Other Funds				
Interfund Transfers-In	2,299,300	2,299,300		
Total	\$ 44,087,300	\$ 44,222,300	\$ 135,000	0.3%
Beginning Fund Balance	5,728,000	5,728,000	-	0.0%
<b>Total Resources</b>	<b>\$ 49,815,300</b>	<b>\$ 49,950,300</b>	<b>\$ 135,000</b>	<b>0.3%</b>



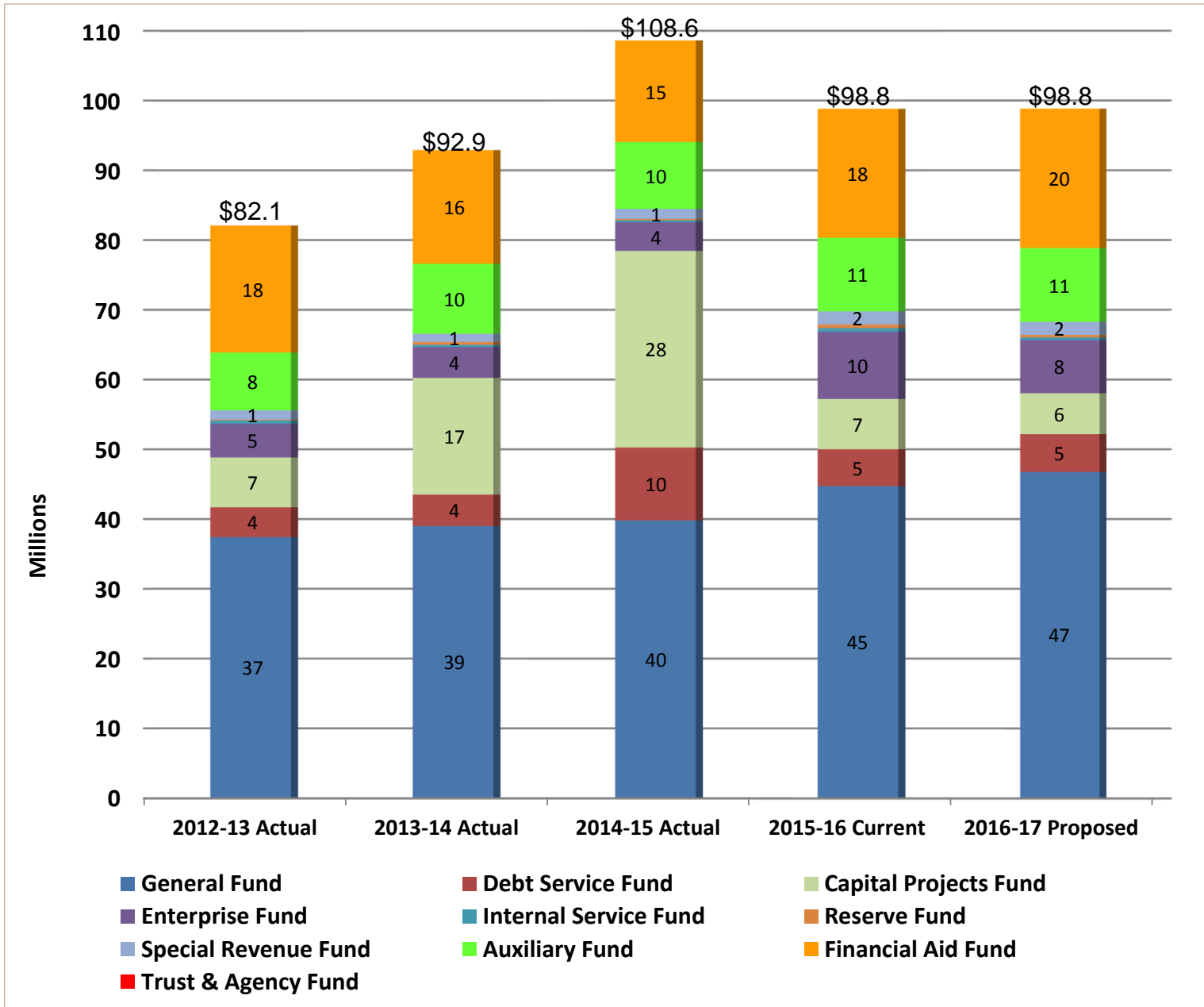
# General Fund Requirement Changes

<b>General Fund Requirements Summary:</b>				
	<b>March Proposed 2016/17</b>	<b>May Proposed 2016-17</b>	<b>\$ Change</b>	<b>% Change</b>
Administrative Salaries - Full Time	\$ 2,676,026	\$ 2,676,026		
Other Taxable Compensation	39,660	39,660		
Taxable Mileage Allowance	116,399	116,399		
Administrative Salaries - Part Time	41,313	41,313		
Faculty Salaries - Full Time	8,066,085	8,115,454	49,369	0.6%
Faculty Salaries - Part Time	1,912,902	1,912,902		
Faculty Salaries - Adjunct	1,096,351	1,176,593	80,242	7.3%
Classified Salaries - Full Time	3,842,925	3,874,762	31,837	0.8%
Classified Salaries - Part Time	368,219	368,219		
Irregular Wages	951,168	951,168		
Professional/Non-Managerial	3,158,385	3,114,852	(43,533)	-1.4%
Professional/Non-Managerial - Part Time	308,209	308,209		
Payroll Assessments	13,652,099	13,698,400	46,301	0.3%
Materials and Supplies	1,459,993	1,459,993		
Outside Services	3,559,119	3,559,119		
Utilities	1,417,105	1,417,105		
Administrative Travel	200,166	200,166		
Professional Travel/Development	274,729	274,729		
Student Field Experience	119,633	119,633		
Repair and Replacement	175,885	175,885		
Insurance	246,560	246,560		
Other Financial Aid	87,897	87,897		
Capital Outlay	50,000	50,000		
Library Capital	105,000	105,000		
Transfers Out	2,659,733	2,659,733		
Requirements	<u>\$ 46,585,561</u>	<u>\$ 46,749,777</u>	<u>\$ 164,216</u>	<u>0.4%</u>
Ending Fund Balance	3,229,739	3,200,523	(29,216)	-0.9%
Total Requirements	<u>\$ 49,815,300</u>	<u>\$ 49,950,300</u>	<u>\$ 135,000</u>	<u>0.3%</u>

# Comparison of Proposed to Current Year Budget Expenditures

	Fiscal Year 2015/16	Fiscal Year 2016/17		
Funds	Current Budget	Proposed Budget	\$ Change	Key Changes
General Fund	\$ 44,725,011	\$ 46,749,777	\$ 2,024,766	Increases in personnel services (\$1.42M), materials & services (\$547K) and transfers-out (\$57K). <i>[Moved culinary program from auxiliary fund to general fund (\$1.1M)]</i>
Debt Service Fund	5,279,505	5,418,775	139,270	Increase in principal payment (\$147K), net of decrease in interest payments (-\$8K) related to long-term debt.
Capital Projects Fund	7,215,300	5,861,000	(1,354,300)	Increases in Cascades Hall (\$1.56M), Bookstore construction (\$280K), and Coats Campus Center (\$160K), net of reductions in Residence Hall Construction (-\$1.7M), Redmond Campus (-\$250K), Chandler Lab (-\$400K), GO bond projects (-\$700K), Capital Equipment Fund (-\$100K), New construction (-\$100K), Repair and Replacement (-\$75K) and Culinary (-\$25K).
Enterprise Fund	9,627,759	7,635,132	(1,992,627)	Increases in personnel services (\$58K) and capital outlay (\$15K), net of decreases in materials and services (-\$1.43M) and transfers-out (-\$635K).
Internal Service Fund	516,989	360,208	(156,781)	Decreases in personnel services (-\$31K), materials & services (-\$41K) and transfers-out (-\$107K), net of increase in capital outlay (\$22K).
Reserve Fund	510,000	371,500	(138,500)	Decrease in transfers out (-\$100K), and materials and services (-\$38K).
Special Revenue Fund	1,904,487	1,875,816	(28,671)	Decrease in materials & services (-\$8K) and personnel services (-\$20K).
Auxiliary Fund	10,553,349	10,578,250	24,901	Decrease in materials & services (-\$305K) and personnel services (-\$186K), net of increases in transfers-out (\$512K) and capital outlay (\$4K). <i>[Moved culinary program to general fund (-\$1.1M)]</i>
Financial Aid Fund	18,472,306	19,976,606	1,504,300	Increase in personnel services (\$5K), materials & services (\$1.44M), and transfers out (\$50k).
Trust & Agency Fund	3,000	3,000	-	No changes.
Total of All Funds	<u>\$ 98,807,706</u>	<u>\$ 98,830,064</u>	<u>\$ 22,358</u>	

# Budget History Graph By Fund Type



# Fiscal Safety Measures, Contingencies and Compliance

✓	Retain the General Fund's reserve as required 10% (~14%)
✓	Manage fiscal years 2015-16 and 2016-17 to balanced operating positions
✓	General Fund budget includes \$800K operating contingency
✓	Conservative revenue projections (tuition, state aid and net property tax)
✓	Conservative expenditure projections (health insurance, PERS, personnel services, and operating)
✓	All long-term obligations are in full compliance with debt covenants and continuing disclosure requirements
✓	Adequate spending appropriation for financial aid, grants and contracts
✓	Adequate reserves for facilities maintenance, repairs and information technology

# Budget Committee Budget Approval

Are there any questions about the assumptions and implementation of the 2016-17 Proposed Budget?

**Central Oregon Community College  
Board of Directors: Resolution**

**Prepared by: David Dona – Chief Financial Officer**

<b>Subject</b>	Approval of the 2016-17 Fiscal Year Budget, including approval of the property tax rate and general obligation bonds debt service levy.
<b>Strategic Plan Themes and Objectives</b>	
Institutional Sustainability	IS.10 Maintain student affordability while ensuring efficient and cost effective operations.

**A. Background**

As part of the budgeting process, the Budget Committee has the following duties; a) specify the amount of tax revenue or tax rate for all funds, b) establish a maximum for total expenditures for each fund, c) approve the total taxes for the local government as an amount and/or rate and, d) approve the budget. The College's established permanent tax rate of \$0.6204 per thousand dollars of assessed property value is a result of the voter approved Measure 50 (1997), a constitutional amendment. The amount to be levied for general obligation bonds debt service is \$3,188,773. The Proposed Budget for all funds totals \$98,830,064.

**B. Options/Analysis**

1. Approve the Proposed Budget, tax rate, and bond levy at this time.
2. Do not approve the Proposed Budget, tax rate, and bond levy at this time.

**C. Timing**

Approval of the proposed 2016-2017 Fiscal Year Budget is requested at this time. Approval now will facilitate the remainder of the budget process, which involves adoption of the Budget by the Board of Directors in June after an additional public hearing.

**D. Budget Impact**

NA

**E. Proposed Resolution**

Be it resolved that the Budget Committee of Central Oregon Community College does hereby approve the Central Oregon Community College District Proposed Budget for Fiscal Year 2016-2017 in the aggregate amount of \$98,830,064 (total of all funds) and that the permanent tax rate of \$0.6204 per thousand of assessed value be levied against all assessed property in support of the General Fund. It is further resolved that a tax of \$3,188,773 be approved for the Debt Service Fund for the purpose of satisfying the required debt service of voter approved general obligation bonds issued by the district.