

**Finance and Facilities Committee
also Sitting as the Audit Committee
Agenda**

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1. Call to Order/Roll/Declaration of a Quorum (12:00pm) <i>Chair Sliva</i>	
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4.5 Financial Statement Auditor Request for Proposal Update <i>Interim VP Meyer (10 min)</i>	
4.6 Internal Audit Update <i>President Maples and Interim VP Meyer (10 min)</i>	
5. Adjournment (2:00pm)	



**Regular Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
Sunset Room, Klamath Falls Campus
October 8, 2015
12:30pm – 3:00pm**

DRAFT MINUTES

Committee Trustees Present:

Chair Steve Sliwa
Gary Johnston

Melissa Ceron
Paul Stewart

Jessica Gomez

Additional Trustees Present:

Chair Lisa Graham
President Chris Maples

Jeremy Brown
Bill Goloski

University Staff and Faculty Present:

Sue Cain, Senior Budget and Planning Officer
Lita Colligan, AVP Strategic Partnerships
Erin Foley, VP of Student Affairs/Dean of Students
Lori Harris, Senior Fiscal Manager
Traci Houtz, Associate Director of HR
Michelle Meyer, Interim VPFA
Laura McKinney, VP Wilsonville
Hallie Neupert, Interim Dean ETM
MaryLou Nicholson, Accountant
Denise Reid, Assistant Director of Business Affairs
Sara Reuter, Director of Sponsored Projects and Grant Administration
Tracy Ricketts, AVP Development and Alumni Relations
Paul Rowan, VP ITS
Di Saunders, AVP Communications and Public Affairs
Terri Torres, Associate Professor Mathematics

Others

Penny Burgess, CFA, Directory of Treasury Operations, USSE

1. Call to Order/Roll/Declaration of a Quorum

Chair Sliwa called the meeting to order at 12:37pm. The Secretary called roll and a quorum was declared.

2. Consent Agenda

2.1 Approve Minutes of July 9, 2015 Meeting

Trustee Johnston requested the addition of “differential” to his final statement “**Trustee Johnston** requested a report on *differential* tuition and how it is spent, for the next meeting.”

Trustee Johnston moved to approve the minutes as amended. **Trustee Gomez** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

3. Action Items

3.1 Recommendation to the Board regarding Adoption of an Operating Budget Fund Balance Policy

No action required; item is postponed until the next committee meeting.

3.2 Recommendation to the Board regarding Adoption of the 2015-16 Budget

Interim VP Meyer walked through a PowerPoint presentation (on record). She stated for the first time the university has an all-funds budget; previously only an E&G budget was prepared. The department is working to create a plant fund budget for next fiscal year and improve the manner in which information is presented. Discussion regarding the layout and content of the budget report and how public budget reporting differs from private budget reporting. **Interim VP Meyer** stated two scenarios were run for the budget: personnel reductions (open positions) and expenses allocated to specific time periods.

President Maples stated that moving forward there will be an increase in predictability of the budget as we understand what we are paying for as a result of the dissolution of the Oregon University System. He acknowledged that the increase in expenses which is larger than the increase in revenue is not sustainable. **Trustee Johnston** would like to know how much the university is paying out of pocket to cover the required services due to the dissolution of OUS (what amount is not covered by the funding allocated to the university to cover shared services).

Chair Sliwa stated that this amount of discrepancy between revenues of expenses is extremely out of balance and the executive team needs to take ownership and make decisions; balancing the budget cannot be accomplished by small cuts. **President Maples** stated that the university can address the deficit by offering new programs, increasing enrollment, trimming back some programs, and looking at options for discount programs; he will not balance the budget on the backs of the students, faculty and staff.

Interim VP Meyer explained the large increase in administrative staff personnel costs is due to new staff positions and staff positions which were previously not filled. **President Maples** stated that these costs show the restoration of many of the positions which were cut at the beginning of his tenure; faculty salaries also need to be brought in-line at some time.

Discussion regarding the amount of debt attributed to Oregon Tech and what the breakdown is for repayment between the state and the university, the need to become less reliant on state funding, and the need for the state to fund us at a fair level.

President Maples stated that the critical action items for next year to balance the budget include:

1. Hiring an Enrollment Manager (additional students in the door, retention and graduation),
2. Conducting a program review (options that students have to transfer internally),
3. Looking at costs, and
4. Spending time with HECC advocating for additional funds.

Discussion regarding Resolution language. **Trustee Stewart** proposed to delete the last two sentences of # 2 starting with “this process.” **Chair Sliwa** proposed amending #3 from “committed” to “reserved.” He proposed to amend the language in Section 2 to allow the President the flexibility to act within his spending authority and take emergencies into consideration. He proposed to create Section 3 “Throughout the year the President and/or Executive Staff shall provide the Board updates on strategies identified and implement to bring the budget into alignment, and prior to preparing the fiscal year 16-17 budget, shall provide a full report. At a minimum the strategies shall include: 1. enrollment management strategies, 2. academic program alignments, 3. cost analyses, and 4. advocacy for more appropriately aligned state support.”

Trustee Johnston moved to recommend to the Board approval of the Resolution, as amended by the Committee, adopting the FY2015-16 budget. **Trustee Gomez** seconded the motion. With all Trustees present voting aye, the motion passed unanimously.

3.3 Recommendation to the Board regarding Debt Acquisition and Capital Construction

No action required; item is postponed until the next committee meeting.

4. Discussion Items

4.1 Debt Policy Presentation

Penny Burgess, CFA, Directory of Treasury Operations, USSE walked through a PowerPoint presentation (on record) outlining funding options. **Penny Burgess** will look into the cost to obtain a credit rating. She stated that per inherited OUS policy the university has capacity to acquire debt: policy maximum for debt burden ratio is 7.0% and the University is at 5.5%.

4.2 Investment Performance Review

Penny Burgess, CFA, Directory of Treasury Operations, USSE reviewed the information contained in the Board docket including the Public University Fund and its performance.

4.3 Third Quarter Report

Interim VP Meyer stated that the title of the item should be Third *Period* Report. This period covers revenue and expenses from March 1-June 30, 2015 in the Education and General, and Auxiliary funds.

4.4 One-time Funding Philosophy Update

Interim VP Meyer reviewed the draft one-time funding philosophy. A final document will be presented at the February board meeting. **President Maples** stated the revenue from the Harmony campus sale is in a reserve account to generate increased revenue.

Interim VP Meyer stated keeping the funds in reserve for the 15-16FY will strengthen the balance sheet. **Trustee Johnston** suggested expanding bullet number one to include items like Gift Officers who bring in more money than their salary. **President Maples** stated the intent is to increase revenues in other manners than just increasing tuition.

4.5 Facility Master Plan Update

Interim VP Meyer stated the Request for Proposal (RFP) is in draft form, the scope of work was sent out to executive staff for comment, and will be finalized and published once the Academic Master Plan is finalized. She identified the need to conduct community outreach as well as obtain input from university members. It is a 16-18 month process to create the plan. **Trustee Sliwa** recommended the RFP include a deliverable requirement for graphics and videos to increase interest.

4.6 Institutional Risk Assessment Process Update

Interim VP Meyer reviewed PowerPoint slides(on record) regarding Risk Assessment.

Chair Sliwa requested **Interim VP Meyer** bring to the February meeting, a list of risks and a self-assessment of how the university, not each individual department, ranks. Items to address include: natural disasters, a safety incident, a public relations incident, etc. Staff should ensure processes to address these issues are in place.

Chair Sliwa asked **Interim VP Meyer** to address the university's insurance ranking at the May meeting.

Chair Sliwa stated there is a committee meeting scheduled for February but given the amount of items needing attention it is likely an electronic meeting will be scheduled in early January.

5. Adjournment

Trustee Johnston moved to adjourn the meeting. **Trustee Gomez** seconded the motion. With all trustees present voting aye, the motion passed unanimously. Meeting was adjourned at 3:00pm.

Respectfully submitted,



Sandra Fox,
Board Secretary

Action

Agenda Item No. 3.1

Recommendation to the Board regarding Adoption of an Operating Budget Fund Balance Policy

Summary

The purpose of an Operating Budget Fund Balance Policy is to ensure the financial health and stability of Oregon Tech and to communicate an accurate fiscal condition more broadly and clearly. The proposed policy balances prudent fiscal management with adequate levels of resources to carry out the university's mission, programs, strategic goals, and objectives in an effective and efficient manner.

The proposed policy ensures that:

1. Oregon Tech has the necessary flexibility to manage program revenue accounts to meet cash flow needs throughout the year, financial commitments, plans, and goals.
2. Reporting of program revenue cash balances is at a level that provides the Board of Trustees, Legislature, and public with a complete, consistent and transparent understanding of end-of-year balances.
3. Oregon Tech has the flexibility to continue to invest in and cultivate academic programs to reach all students seeking higher education.
4. Oregon Tech has the flexibility to invest in facilities that provide a hands-on education for real-world achievement.
5. Oregon Tech is not incentivized to undertake unnecessary end-of-year spending in order to meet restrictive carry-forward caps.

Background

Responsible fiscal management requires adequate reserves, or fund balances, to mitigate current and future risks. Adequate fund balances are essential to offsetting cyclical variations in revenues and expenditures and to protect against 1) catastrophic events, 2) unforeseen revenue declines and expenditure gaps, 3) unexpected legal obligations, and 4) failures and health/safety/code issues in infrastructure or major business systems.

The focus of this policy is fund balances within the budgeted operations funds, which are the primary operating funds through which all basic instruction and institution administration occur. Budgeted operations funds include state General Funds and Other Funds Limited, made up principally of student tuition and fees and also including educational department sales and services, indirect cost recovery, and other operating revenues.

For the purpose of gauging their relative value, budgeted operations fund balances can be expressed either as a percentage of annual budgeted operating revenues or as operating expenditures sufficient to fund a specified period. The Government Finance Officers

Association, for example, recommends that fund balances, at a minimum, be maintained at a level that no less than two months of regular general fund operating revenues, or regular general fund operating expenses. Generally, 10 to 15 percent of operating revenues, or operating expenses equates to two months of revenues, or expenditures. In addition, The National Advisory Council on State and Local Budgeting Practice rationale that, “[G]overnments should maintain a prudent level of financial resources to protect against reducing service level or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.” In the case of higher education, replacing “raising taxes” with increased tuition.

The level of budgeted operations fund balance should be related to the likelihood of need. Given the timing of tuition assessments, revenue cycles of the institution tend to spike quarterly while expenditures remain relatively flat. When combined with the volatility of state funding over the past several biennia -as well as fluctuations in enrollment and tuition dollars -the need to maintain fund balances sufficient to stabilize the operating revenue stream for short periods is clearly imperative. The institutions, for example, are particularly vulnerable to shortfalls in revenue collections during the first quarter of each biennium.

Responsible fiscal policy, then, suggests that an institution should maintain ending annual budgeted operations fund balances sufficient to stabilize the operating revenue stream and cover unforeseen contingencies equal to approximately two month's budgeted operations revenue, or about 10 to 15 percent of their annual budgeted operations revenues.

At the same time, because of the funding mix of state General Funds and student tuition and fees, any excess balances could be interpreted to represent unwarranted tuition and fee rates. Consequently, ending biennial budgeted operations fund balances should not exceed approximately four months of budgeted operations expenditures, or about 33 percent of annual budgeted operations revenues.

In establishing an appropriate level of fund balance the university has considered the following factors:

- State General Fund appropriation(s)
- Tuition revenues
- Non-state, non-tuition revenues
- Debt profile
- Liquidity
- Budget management
- Future uses
- Employment base

Fund Balance Defined:

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

Fund balance can be described as the available resources of the fund, which can be significantly different than cash balances due to accrual-basis accounting. For instance, at June

30 of each fiscal year, the university has received payments for summer session tuition and fees. Since summer session activity occurs predominantly in July, these receipts are recorded as a liability (unearned revenues) at June 30 to comport with accounting rules over revenue recognition. As a result, cash balances may be higher than fund balances.

As noted above, fund balance is the difference between the assets and liabilities of a fund. Oregon Tech financial accounting records are maintained in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed in the applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Recommendation

Move to recommend to the Board adoption of an Operating Budget Fund Balance Policy.

Attachments

Proposed policy

PROPOSED
Board Policy on Operating Budget Fund Balance
Board of Trustees of Oregon Institute of Technology

1.0 Purpose

The purpose of an Operating Budget Fund Balance Policy is to ensure the financial health and stability of Oregon Tech and to communicate an accurate fiscal condition more broadly and clearly.

1.1 The policy ensures that:

1. Oregon Tech has the necessary flexibility to manage program revenue accounts to meet cash flow needs throughout the year, financial commitments, plans, and goals.
2. Reporting of program revenue cash balances is at a level that provides the Board of Trustees, Legislature, and public with a complete, consistent and transparent understanding of end-of-year balances.
3. Oregon Tech has the flexibility to continue to invest in and cultivate academic programs to reach all students seeking higher education.
4. Oregon Tech has the flexibility to invest in facilities that provide a hands-on education for real-world achievement.
5. Oregon Tech is not incentivized to undertake unnecessary end-of-year spending in order to meet restrictive carry-forward caps.

2.0 Minimum Fund Balance

2.1 Oregon Tech shall develop budgets that target an ending annual budgeted operations fund balance of approximately 10 to 15 percent of annual budgeted operations revenues.

2.2 For purposes of this policy, budgeted operations funds are defined as all fund included in Fund Type 11 (Education and General) in Oregon Tech's accounting records.

2.3 The university shall advise the Board in the event projected or actual ending balances on an annual basis fall below five percent or rise above 33 percent of revenues. Included in the information provided by the university shall be an explanation for the variance and a plan to rebalance the budgeted operations fund balances over time to approximately 10 to 15 percent of annual budget operations revenue.

3.0 Order of Expenditure of Funds

When multiple categories of resources are available for expenditure (e.g., a project is being funded partly by a grant, unrestricted fund balance), the University will start with the most restricted category and spend those funds first before moving down to the next restricted category with available funds.

Adopted:

Action

Agenda Item No. 3.2

Recommendation to the Board regarding Approval of the Capital Budget of \$2,019,277 to Continue the Design and Construction of the Soccer Field Project

Summary

To address construction and spending time constraints Athletic Director Mike Schell approached the Board of Trustees at a Special Meeting held on December 15, 2015 requesting approval of a budget to continue the design and construction of the Soccer Field Project. The Board tabled the item until the February 22-23, 2016 board meeting allowing the President time to implement a communication plan regarding the soccer project and process. The Board also approved a time and material contract not to exceed \$150,000 for the design and engineering services. In an attempt to follow the usual process, the request to review the project and make a recommendation to the full board is being brought before the Finance and Facilities Committee.

Background

History

The Oregon Tech Athletics Department has a long standing goal and desire to improve facilities. However, very few improvements have been done overall due to the lack of funds and the inability to spend state funds on athletics. Between aging or closed facilities and sports facilities located off-campus, Oregon Tech is faced with the challenge of recruiting student athletes when it is compared to other public universities.

Campus Culture and Teams

Our intercollegiate soccer programs are fully recognized by the Cascade Collegiate Conference (CCC) and National Association of Intercollegiate Athletics (NAIA). For the past 14 seasons, our 50+ student soccer athletes have had to practice 5.2 miles off-campus, addressing various logistic and safety issues (e.g., getting to the off-campus field; returning after dark; transportation costs and travel time). For our Klamath Falls students, having sports on campus is one of the few campus life activities in which they can engage. Our soccer players have expressed their concern over not having many student fans at their games because of the need for residential students, many of whom do not have a vehicle, to travel to the field across town.

Oregon Tech is currently unable to host official games on campus because we lack an NCAA-qualified field. With a qualified field, there is also the potential for revenue generation from hosting K-12 or college tournaments. Soccer is becoming the sport of choice for many students – and supported by families. Given the national championship win for the Portland Timbers, we anticipate soccer will

continue to grow, and it will attract student-athletes to Oregon Tech's programs, helping us meet enrollment, engagement, and diversity goals.

Our Women's Soccer combined for a 3.41 GPA last year and our Men's team a 3.20. Without football our campus lacks a traditional fall campus culture that is often associated with that sport. Bringing soccer back to campus is one step to help improve the fall campus culture. Athletics also provides Oregon Tech with one of the greatest opportunities to connect with the Klamath Community through the games, and through various athlete community engagement projects. Such as visits to schools by players or working with youth development leagues.

The Proposed Project

The original Soccer Field project's primary goal was to improve athletic facilities for both track and soccer by moving soccer to campus from the Steen Sports Complex and renovating the track. The new scope- which no longer includes the track due to costs- focuses on two phases: 1) designing and constructing an NCAA specification 75yd x 120yd regulation synthetic turf soccer field with specification 20' perimeter and infrastructure to support the installation of lights, estimated to cost \$2,019,277, and 2) the installation of lights, estimated to cost an additional \$311,000. Phase 2 is not proposed as part of this budget.

The field will be designed to NCAA specifications as NAIA follows these standards. The synthetic field is proposed over conventional turf as it holds up to the heavy practice and game schedules of Oregon Tech's two soccer teams, and will be more efficient to maintain through reduction of on-going maintenance costs. This further addresses water shortage and Drought Declaration that water usage conservation mandates from the State as well as local usage measures. If we implemented the facility with a natural grass turf we would need to limit use to competitions rather than practice and competition. This was the practice for the football field back when we had that sport. Teams did not generally practice on the competition field.

The major maintenance cost, approximately \$500k, will be the replacement of the turf every 18 years, which will be covered by revenues generated by the field (ticket sales, tournaments, sponsorships, advertising) and through the athletics budget. Though it must be understood that there will be a significant difference in the field from year one to eight to eighteen.

Bond Funding

In February of 2014 the former Oregon University System (OUS) made available to the universities excess XIF bond funds that had already been approved by the legislature for capital rehabilitation projects. **The bonds were sold on June 3, 2014.** Oregon Tech received a total of \$2.05 million with \$1.85 million allocated to the track and soccer project, and two \$100,000 allocations for other campus projects, of which \$30,723 was spent. The funds remaining from these two projects can be used for the soccer project.

The project must be substantially complete with Oregon Tech resuming control and incurring the liability for the facility no later than June 2, 2017. At this date, there are no qualifying auxiliary projects at Oregon Tech for which we could use the bonding. It would be challenging to plan, design and construct another qualifying project and have it completed by the required date of use. Thus, the

bonding funds are at-risk of being lost if not utilized for the soccer project. Bonds would be returned to the State or possibly distributed to other public universities in Oregon.

While there is debate on the longevity of the turf product the majority of the project is related to the infrastructure to support the installation. The engineer estimates the infrastructure supporting the turf should last at least 40 years and likely longer. This is likened to carpet in a building. The carpet will need replaced many more times than the building and is subject to wear from use and quality of the carpet purchased.

Revenue

Revenue comes to Athletics from many sources. All of these sources are co-mingled within the departments various programs. There is not a dollar for dollar connection from source to specific expense. Trying to create this type of connection would be very challenging to effectively run the department. The department currently generates just over \$343,000 in sales type revenue from camps, clinics, events, tickets and advertisement. This is well in excess of the estimated debt service annual payments.

The Athletics Department as an auxiliary department will be aggressively seeking additional revenue from all areas. There are specific opportunities to generate revenue by bringing a soccer field to campus.

Camps

Time will be needed to market camps to the community. Initially we would plan to introduce two weeks of summer day camps for which we estimate generating about \$4,000 in net revenue. We would follow this by adding a spring ID camp which would also be used for our identifying potential recruits. An ID camp is one where there is a focus on identifying future collegiate level athletes. We estimate this could generate an additional \$4,300 net revenue. After these camps become more established we would plan to look at adding some more elite ID camps as well as look at some Team camps. Our estimate is that they could generate around \$8,900 in net revenue. Our goal is to net around \$17,000 in camp based revenue on an annual basis.

Game Day Revenue

We will begin charging admission to soccer contests and project to generate \$2,000. Most of our contests are now double headers so the represents revenue for both genders.

Facility Use

Our facility would be open to rental by external groups. The demand for turf fields is often connected to the weather. Our target goal is to generate \$2,000 a year. If field improvements are made in the future these opportunities should increase.

Advertising

We are currently generating around \$85,000 in advertising based revenue. We will target and estimated 10% increase using scoreboard and field signs for soccer. We will also pursue additional advertising in other venues.

We are estimating a total of \$29,000 in revenue can be generated through adding a field on an annual basis.

Repayment

The Athletics Department responsible for the repayment of the bonds. The Athletics Department must generate additional funds to support the operation or make reductions in operating expenses or labor. The general fund is held responsible for all aspects of the university. There is no way to counter this. It is the Athletics Departments responsibility to ensure that the general fund is never needed.

In 2015-16 the debt service on the bonds is estimated at \$90,381 principle and interest followed by 19 years at \$131,000 beginning with 2016-17.

Other Expense Items

Equipment and Improvements

There are other project improvement items identified by coaches that are not currently part of the site funding plan. The field currently has a scoreboard that meets the requirements for competition. We have several sets of bleachers that have been moved to and from the softball field for other events. This is not necessarily a required component to conduct practices or competition. There are several other minor items that Athletics will challenge our programs to prioritize and raise funds for. An example would be the coaches' desire for covered team benches.

Maintenance

The current field is being maintained- mowed, irrigated, fertilized etc.- by Oregon Tech grounds staff of Facility Services. The amount of grass surface will be dramatically be reduced by the new turf field. This will free up resources that could then be redirected to other maintenance items. Such as dragging the piece of equipment required to redistribute the rubber infill. This may potentially be done by coaches as they identify the need which could further provide savings.

Replacement

The replacement of the turf is by far the most challenging component of the project. What must be considered is a desired life of the turf and the actual life of the turf. While the facility will be very dated in appearance the turf should prove functional for many years with monitored use and care. Manufacturer's typically warranty turf products between 8-10 years. As they are in the business of selling turf it is not likely they will go on record indicating a lifespan of the turf much beyond the warranty period. Trying to research all of the various facilities is challenging. Delta Park in Portland, while not exposed to the same UV levels as in Klamath Falls, has significantly more usage than our field can expect. We believe the longevity of the facility can be comparable.

We are estimating around \$500,000 based the synthetic turf section of the D.A. Hogan project. Oregon Tech has a history of extending life of facilities. Examples are the gym floor that served for

over 30 years and the track that is made up of the original installation surface that we re-sprayed in the mid 90's and 2000's to extend useful life. It is in use today.

Campus Input

At the special meeting of the Board of Trustees on December 15, 2015 the board specifically requested the President to educate interested faculty, staff and students, and obtain public comment on the project. In response to this the President schedule a series of open forums on 1/19, 1/29, and 2/1. These forums include call in options and video links for the campus as a whole to engage. The Klamath Community has also been invited to attend the open forums and have opportunity to express concerns or support for the proposed project. Email announcements to the campus community have been sent as well as postings on the Oregon Tech app to try and reach students in a broader format. A paid ad was placed in the Herald and News and some courtesy notifications have appeared in the sports brief section of the newspaper as well. Following the forums a summary document will be prepared and distributed.

Conclusion

The Athletics Department fully supports and is invested in the proposed soccer field project. We feel it is very important for us bring soccer back to campus where we can have control of our own facility and schedule. Campus life is an important component of the total collegiate experience. This project must consider the non-tangible aspects as well as the opportunity costs. Our focus for the past seven years has been this project as our highest goal. While there are certainly other needs within our department we feel this is the best investment Oregon Tech can make in support of student athletes and the campus community.

Recommendation

Move to recommend the Board approve a capital budget of \$2,019,277 to continue the design and construction of the soccer field project.

Attachments

Correspondence from:

- Chris Erbland, Assistant Director of Admissions, Asst. Men's Rugby Coach
- Alexander VonBurg
- Paul French, Oregon Tech Alum, former Rugby Team Captain
- Anna Groner, Student Rugby Player
- Nicholas McCaslin
- Kevin Tjon, Student
- Linda Young, Professor, Communication Department
- Jessika McDonald, Student Rugby Player
- Mark Dodson, Basin United Soccer Club
- Joshua Allen, Student Rugby Player

Sandra Fox

From: Chris Erbland
Sent: Thursday, December 17, 2015 1:55 PM
To: Sandra Fox
Subject: FW: RUGBY FIELD

Hi Sandra,
Here is my input on this proposal:

Members of the Oregon Institute of Technology Board of Trustees,

As a staff member at Oregon Tech and assistant coach for the men's rugby team, I would like to have my opinion recorded as being against the current proposal for the conversion of Purvine field for use as a soccer field. I am a proponent of bringing soccer to the Oregon Tech campus at Klamath Falls, but the current proposal jeopardizes the ability of the men's and women's rugby teams to practice and compete. The men's and women's rugby teams are largely non-funded and the location and availability of Purvine field is a linchpin in their ability to exist. The current proposal before the board leaves the rugby teams without a field for practice or competition and provides no consideration for an alternate on-campus field.

I'm confident you will hear from players from both the men's and women's rugby teams about the merits of the sport and the numerous benefits that are bestowed as a result of participating. Please do not put men's and women's rugby at Oregon Tech in jeopardy by leaving the teams without an on-campus location at which to practice and compete. Thank you for your consideration.

Respectfully submitted,

Chris Erbland
Assistant Director of Admissions
Oregon Tech
541-851-5035
chris.erbland@oit.edu

Sandra Fox

From: alexander von burg <gvonburg@gmail.com>
Sent: Thursday, December 17, 2015 1:56 PM
To: Sandra Fox
Subject: Rugby Field - Alexander Von Burg

By changing the field from grass to turf greatly reduces it's versatility would cause adverse effects on some of the on campus activity. First Rugby would possibly have a harder time recruiting new people because of the inconvenience of having practice off campus. This is not mentioning the convenience being able to go right to practice after a class. Without proper shoes turf is harder to run on and this could cause some of the intramural sports to take a hit in attendance. I hope the field stays the same.

Sandra Fox

From: Paul M. French <PFrench@gshealth.org>
Sent: Thursday, December 17, 2015 2:22 PM
To: Sandra Fox
Cc: Kevin Brown
Subject: OIT Purvine Field

Dear Ms. Fox,

Hello, my name is Paul French. I am an OIT alumni and former captain of the rugby team. I apologize for my unfamiliarity with the specifics of this situation, and doubly so if anything I say reflects the way it was in my time, and not how it is currently. However, it has come to my attention that the Purvine rugby field may be taken out in favor of a turf soccer field. I am writing you to express my vehement objection.

The most important reason for maintaining the Purvine field for rugby is that it does not offer scholarships, but is nonetheless a distinct and necessary piece of the athletics picture and culture of Oregon Institute of Technology. Over my four years on the rugby team I saw an amazing amount of lives improved and friendships made. Every year in both the spring and the fall, the team would get a new batch of men and women trotting down from the dorms, ready to try out this rugby thing, and see if it works for them. Some would only come once, others only for a term. But for many of them, they walked down the hill and joined a family that they wouldn't leave even upon graduation. Every May I drive 14 hours to play in our alumni game alongside kids a decade younger than me and men more than a decade older than me. Rugby more than anything else kept me invested and excited about my tiny little college in southern Oregon. More so than my nuclear medicine program, more so than my time in student government.

I understand if the last paragraph didn't seem to directly relate to why the soccer program shouldn't take over the field, so I'll explain it in a different manner. Every year, women and men representing the Oregon Institute of Technology on that Purvine rugby pitch are doing so on their own dime, at largely their own risk, and are still some of the most loyal athletes that the University produces. We rugby players are not in it for any glory or popularity, and we know long before our first black eyes and split scalps, broken ribs and blisters the size of a fifty cent piece that we will absolutely never have any fraction of our tuition covered. And even so, year after year, we sweat for each other and our school, we bleed onto our blue and gold kits. We travel to Gonzaga (and beat them) and Portland State (and beat them) and Western Oregon (and beat them) and even made a name for ourselves at an international festival in Montana. Despite the lack of tangible return for their dedication, these athletes quickly foster their own deep commitment because of their teammates, the nature of the sport, and the even more impressive dedication to the program by Kevin Brown. Despite having to buy their own socks, tape their own ankles before games, buy their own warm-ups. Despite it all, these normal students transform into an amazing piece of the OIT athletic community. Wholly devoted to their sport and school, because of nothing more than the fact that the sport was available to them. They have to learn that in rugby, cleats are called boots. And then they learn how expensive those are. They know that they might get hurt while rucking and scrumming under the banner of OIT, that they will never be popular for it, that they will never have a credit paid for on account of it. But they are fine with that.

Walking down to the rugby field is an ability that should not be taken from the many, many freshmen and sophomore rugby players that would not be able to participate in the program if it was held off campus. For an incoming student without transportation, there is little apparent benefit to going so far out of the way to try a sport they've hardly heard of, will cost them money to play, and will produce no tangible return. Moving the rugby pitch off campus will cause a phenomenal program to suffer terribly. Kevin Brown and hundreds of amazing OIT graduates have built this program on their work ethic and personal sacrifice, in the name of Oregon Institute of Technology, with no recompense. Please continue to allow them, for their sacrifice, the most precious part of playing for OIT Rugby: it's incredible inclusivity and availability. The fact that the games are on Saturdays and the practices are after class and flexible. Whether a former high school athlete or a student interested in a first try at sports, OIT rugby is there at the bottom of campus, just waiting for anyone who has interest to come and be accepted. Thanks to the tireless efforts of our coach we play like heck, and the Pacific Northwest rugby community knows of OIT, and respects us.

1

Purvine field is a lovely facility. Our opponents and us recognize it as one of the best college rugby pitches in the state of Oregon; a distinction that would be lost immediately lost on a turf or football field. With regard to the incalculably valuable years I spent in the Oregon Institute of Technology rugby program, I formally request that the primary use of the Purvine field continues to be athletic education available to the entire university via the sport of rugby. Thank you for your time.

Sincerely,

Paul French R.T. (N)

Nuclear Medicine Department Manager
 Good Shepherd Medical Center
 541-667-3520 ext. 1140
 pfrench@gshealth.org

Sandra Fox

From: Anna Groner
Sent: Sunday, December 20, 2015 12:29 PM
To: Sandra Fox
Subject: Soccer Field

Hello Ms. Fox,

I am emailing you about my concerns on changing the rugby field at Oregon Tech, to a soccer field. I have been apart of the Women's Rugby Team at Oregon Tech for 2 years now, and rugby has been an integral part of my college success. It has brought me friendships, exercise, and stress relief. I know of no other rugby fields available in town, but there many soccer fields. I see no point in bringing one to Oregon Tech, but if it is necessary lets consider the track field, or another location besides the rugby field that is frequently used by students.

Thank you for your time.

-Anna Groner

Sandra Fox

From: Nicholas McCaslin <nicholas.mccaslin7@gmail.com>
Sent: Thursday, December 24, 2015 10:35 AM
To: Sandra Fox
Subject: Rugby field

Hello, I just wanted to share my opinion on the field. A soccer field added to the campus would be awesome, but not at the cost of a rugby field. Our rugby team has filled the hole left by the football team. I think moving the Rugby team off campus isn't a great idea. There are several rugby players who live on campus, and have no way to get places off campus. Anyways just thought I'd share my thoughts. Have a merry Christmas!

Sandra Fox

From: Kevin Tjon
Sent: Tuesday, December 29, 2015 10:38 PM
To: Sandra Fox
Subject: Rugby/Soccer Field

Hello Mrs. Fox,

My name is Kevin and I'm a former player on the OIT rugby team, I am however still involved with the program. I would like to voice my concerns about the pitch being turned into a turf soccer field. I fully support the soccer team using the pitch as their home field, I would like to see our soccer games played at home.

The problem I have with the plan is the field becoming turf. I've played soccer for over 10 years as well so I'm very familiar with the amount of ground contact involved and turf burns associated with the sport. While soccer does have some amount of ground contact, it is not nearly as much as rugby. Rugby is nearly unplayable on a turf field due to the large amount of turf burn that would result, as well as turn being a harder playing surface than grass. This would lead to a higher number of serious rugby player injuries.

I'm fairly certain that if the field was converted to turf the rugby team would have to relocate to a new field which is undesirable as well. It would lead to problems similar to what the soccer team is currently having.

Once again, I fully support soccer being moved to the same field as rugby. My issue comes only with the field being converted to turf.

Best Regards,

Kevin Tjon
Mechanical Engineering Student
Oregon Institute of Technology
kevin.tjon@oit.edu

MEMO

Date: January 8, 2016
To: Sandra Fox, Oregon Tech Board of Trustees
From: Linda Young, Professor, Communication Department
Subject: Related subjects: Soccer field and Five-year contract, Pres. Maples

I understand that the Oregon Tech Board of Trustees along with the Oregon Tech Faculty Senate have requested input on two subjects, a proposed \$1.8 million soccer field and the renewal of President Maples' contract. I will explain here why I am opposed to both of these and how they are related.

The soccer field initiative has been mis-managed in a way that illustrates a few of the president's problems. The way the soccer field has been handled indicates how President Maples has managed many initiatives at OIT. He tends to ignore process and come up with random ideas that he then expects others to manifest. Wilsonville is an example; it might be a good initiative, but it was really left to others to "make work." The soccer field, I understand, was proposed without following a clearly articulated facilities planning process. Many groups were told that it is basically a 'done deal.' All of this inappropriate work shows a failure to respect the process or follow policy. Faculty members have routinely asked about specific approval steps related to both the proposed Engineering building and, now, to the soccer field proposal. The planning processes exist so that many concerned parties can provide input. This president has routinely ignored these processes.

Many faculty members would like to see collegiate sports on campus and an enhanced athletic presence and facility. Some have brought up the advantage of having an Athletic department as an academic entity so that capital campaigns might occur to provide an improved athletic facility. Students notice how run-down the facilities are, and, these days, this can discourage students from attending. Some aspects of the Athletic building are even dangerous. This problem might be addressed via a clear prioritizing process, one that includes interested parties across campus, and one that results in a clear five or ten-year plan for enhancement. This would never happen under this president.

President Maples appears to listen to concerns but provides very little feedback to faculty to show that he values faculty concerns or even respects the concerns and needs of the faculty. Much of the burden of the day-to-day work of the university has fallen to others, most notably the Provost. As a result, the academic affairs office and its role has been reduced; department chairs rarely meet as a group with the Provost, and ongoing concerns are not addressed.

I could continue, but my point, I think, is clear. These, and other issues, point to a president who is increasingly disconnected from Oregon Tech. It is time to look for another leader, one who is energetically focused on moving this university forward, one who can formulate then act on a clear vision, and one who understands the needs of everyone on the campus. Thank you for listening. Let me know if you have any questions.

Sandra Fox

From: Jessika McDonald
Sent: Sunday, January 10, 2016 4:16 PM
To: Sandra Fox
Subject: Purvine field- soccer field construction

Hello,

My name is Jessika McDonald and I am currently attending my second year here at Oregon Tech. I played on the Women's soccer team for a little over a year and then quit because of financial reasons. Then I found myself trying out for rugby and loving it. I feel that my particular standpoint towards the future use of the Purvine field is unique in terms that I have been on both teams and seen both sides of the issue. I am in total agreement that our soccer teams need to move on campus. Though Steen's sports park is fairly nice, it does not match the needs of a collegiate team. There is no locker room for visiting teams, and although we try our best to have closed practices, we have had issues with unwarranted visits from others using the park. From the perspective of a soccer player, moving on campus will allow more students to participate in soccer games or events, and will also allow more ease in the transition from going to practice from class. From the perspective of a rugby player though, this field would obliterate our rugby clubs. Without the Purvine field, both of the rugby teams would be forced to move off campus and to my knowledge there is no other rugby facility in the area. The answer to this issue is not whether soccer or rugby should take precedence over the other (which would be blatantly obvious if rugby was kicked off campus to make room for soccer and vice versa) but how we can share the same space. A typical soccer field is about 110-120 yards (100-110 meters) long by 70-80 yards (64-73 meters) wide, while a standard rugby field is less than 100 meters long and can be up to 70 meters in length. There are plenty of multi-use athletic fields that have successfully hosted multiple teams from multiple sports. For example, UC San Diego has two multipurpose fields that meet the regulation standards for flag football, soccer, and rugby. This also brings into the conversation the fact that enabling this field to be multipurpose will also allow other groups to make use of the field. I know for a fact there was a group of people that met up once a week during fall term to play flag football on the track. They would also benefit from this field because the grass inside the track is very uneven and a twisted ankle waiting to happen. The main concern that I have heard from soccer players about sharing a field is the misconception that the rugby players will tear up the field as soon as they step on it. I believe that if we all take the right steps to maintain this field that it can last a long time. Practicing certain parts of the game that would tear up the field more, for example scrumming, could easily be done off the field. Compromise is the only way that both sports will be able to share this field successfully and as both teams are genuine in their aim to represent Oregon Tech with good sportsmanship and values I believe that we can make it happen. If there is any opportunity to express myself in person either to the coaches or before a committee I would be interested in letting my voice be heard.

Thank you for your time,

Jessika McDonald



BASIN UNITED
SOCCER CLUB

4500 FOOTHILLS BLVD • KLAMATH FALLS, OR 97603
PHONE: (541) 273-1152 WWW.KLAMATHSOCCER.COM

January 12, 2016

President Maples and Board of Trustees of Oregon Institute of Technology

3201 Campus Dr.

Klamath Falls, OR 97601

As both board president and director of coaching for Basin United Soccer Club (BUSC) here in Klamath Falls I have watched with interest the discussion in regards to building a new soccer facility on campus for both Men's and Women's soccer. As many of you already know many of Oregon Tech's athletic teams use our facilities for training both in season and out of season. Currently Baseball, Softball, Cross country, Track and obviously Soccer use our facilities to train on almost a daily basis sometimes. Having these teams use our facilities is great for both our facility and our community but also presents unique challenges for both our soccer club and the sports park as a whole. With Oregon Institute of Technology (Oregon Tech) working towards establishing a facility on campus I feel that it was important to reach out and voice our support for the project moving forward, for multiple reasons. Too many times our community has failed to move when opportunity has presented itself, and I strongly feel this is one of those times. Having another soccer facility in the community will not only benefit the Oregon Tech campus community, but it will also benefit the greater community of Klamath Falls as well.

In the last 5 years we have grown our programs to the point that on any given Friday or Saturday we are operating at capacity within Steen Sports Park, trying to fulfill the contractual obligations to Oregon Tech is becoming harder and harder every year. We enjoy the bridge that we have built with the campus and want to continue to strengthen those connections, but also do not want to sacrifice the quality of any of our programs because of lack of space on our world class facilities. By securing an additional facility we gain valuable schedule and field space for our other teams and programs, without pressuring Oregon Tech athletics' to conform to unrealistic standards.

Finally, I believe in addressing rumors and false statements head on. I, like many people, have heard about the expected "demise" of Basin United Soccer Club and Steen Sports Park if Oregon Tech athletics was to pull out of our facilities. We both have very strong boards of directors that are looking out for the best interest of the businesses. Steen Sports Park is the Largest Privately Funded Multi-Purpose Sport Park in the Northwest and Basin United Soccer Club is the Largest Revenue Generator in the Park. We appreciate everything Oregon Tech has done for the park, and hopefully continues to do with new partnerships with all department at the university. We have the best venue in the region for large meetings, the best grass fields, best running trails, baseball diamonds, softball fields, etc. The one thing we do not have currently is a regulation outdoor turf soccer field, which is why I support Oregon Tech Athletics in this project

Ultimately the board of trustees have the opportunity to make a decision that will be looked back on as a point in time which the university community and larger community of Klamath Falls moved in the right direction. We finally took a step in the right direction and invested in infrastructure for physical activity for our community. You invest in the field at Oregon Tech, ultimately you invest at the fields at Steen Sports Park because you free up our ability to offer programming to the community. You create a facility at the entrance to the Oregon Tech campus that everyone sees that says 'Yes, we value physical activity and the benefits attached with it'. Paying for field usage, is just that paying for the damage done to the field while it was used. Investing in the soccer fields on campus is different, it is the board of trustees saying that we are invested in the campus, the campus life, and everything that goes along with intercollegiate athletics. You are investing in the long term success of the student athlete, the advisor, the coach, and even the community. For these reasons I fully support Oregon Tech building a new facility on Campus for both the Men's and Women's Soccer Programs.

Mark Dodson

Board President, and Director of Coaching

Basin United Soccer Club

"Building Strong Foundations for Life, One Goal at a Time"

Sandra Fox

From: Joshua Allan
Sent: Tuesday, January 19, 2016 8:41 PM
To: Sandra Fox
Subject: Soccer field

Dear Ms. Fox,

The past few weeks the issue of the new soccer field has been growing exponentially. To the point where it has come up during courses, brought up by professors and students alike. I myself am on the OIT rugby team, joining last year after my brother in law, an OIT alumnus, talked me into it. This program is important to me for multiple reasons, including the peer support and entertainment.

My brother in law boasted of fellowship that he found and I to have found. The people on this team are very diverse but often share the common characteristic of searching for a place to fit in. It is no secret that college students are busy, and finding a hobby that can fit your schedule is difficult. The rugby program has found a balance between athletics, support, and entertainment. It offers a chance to stay fit and be involved in a sport without overwhelming dedication. Yet, is still played with the same passion as other sports on campus. It causes group bonding that has benefited me academically and will carry over, past college. It also offers a chance to take my mind off of academics, keeping me from getting overwhelmed with my course work.

I cannot imagine that this decision can truly be an "either or" situation. If a field must be built why could it not be a shared field such as the field at Central Oregon Community College. The field uses dual purpose goals, such as the one pictured here,

<https://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=0ahUKEwiftMHYx7fKAhXng4MKHZoiDa8QjRwIBw&url=http%3A%2F%2Fwww.gymleader.co.nz%2Fproduct%2F828058&psig=AFQjCNFSXW7UZ-85Kqj73ZUQppRQwSh8rg&ust=1453349920794562>

and includes both sets of lines. I understand how exciting it would be as a soccer player to have a new field, but that could not be ok if it is at the cost of any student's college experience.

I realize that there is much more at play, and many decisions to be made, and I thank you for taking the time to read this.

Kind regards,
Joshua Allan



Discussion

Agenda Item No. 4.1

First Period Management Report

Summary

The first period (July 1-October 31) management report is available for review and discussion.

Background

Oregon Tech prepares its Periodic Management Report on a tri-annual basis. The Periodic Management Report follows Oregon Tech's business cycle (academic term) and covers the periods of July 1 – October 31; November 1 – February 29; March 1 – June 30.

Results of operations are condensed into three separate reporting areas: (1) E&G; (2) Auxiliary Enterprises; and (3) Designated Operations, Services Departments and Clearing Funds. Revenues, expenditures and fund balance analysis includes current year-to-date actual, prior year actual, current year initial budget (Budget as adopted by the Board of Trustees) and current year forecasted budget (initial budget reconciled with changes in assumptions to-date).

Recommendation

Item is for discussion only.

Attachments

Periodic Management Report

OREGON INSTITUTE OF TECHNOLOGY
Periodic Management Report
 Prepared by the Office of Budget and Resource Planning
 See Notes comments on separate page

As of October 31, 2015
For the Fiscal Year Ended June 30, 2016

	Prior Yr. Actual	Year-to-Date				YTD as a			Budget Forecast			Notes
		Prior YTD Actual	YTD Actual	Current	% chg Current/ Prior YTD	Adjusted Budget	Prior YTD as a % of PY Actuals	Initial Budget	Forecasted Budget	Variance from Initial Budget		
EDUCATION & GENERAL												
Slate General Fund	\$ 20,188	\$ 12,065	\$ 14,342		19%	57%	60%	\$ 24,968	\$ 25,124	\$ 168	(1) (6)	
Tuition & Resource Fees, net of Remissions	25,508	10,202	11,265		10%	41%	40%	27,731	27,823	(108)	(2)	
Other	1,335	164	4,889		2410%	99%	15%	4,813	4,914	301	(3)(7)	
Total Revenues	47,031	22,481	30,478		36%	53%	48%	57,300	57,861	361		
Personnel Services	(35,965)	(9,034)	(9,512)		5%	24%	25%	(40,003)	(40,198)	(195)	(4)	
Supplies & Services & Capital Outlay	(9,598)	(2,927)	(3,632)		24%	27%	31%	(13,179)	(13,264)	(85)	(5)	
Total Expenditures	(45,561)	(11,961)	(13,144)		10%	25%	28%	(53,182)	(53,462)	(280)		
Net from Operations	1,470	10,500	17,332					4,118	4,199	81		
Transfers In	354	-	792		N/A	N/A	0%	-	-	-	(8)	
Transfers Out	(1,674)	(1,011)	(786)		-22%	15%	60%	(4,921)	(5,221)	(300)	(7)(8)	
Fund Additions/(Deductions)	557	431	-		-100%	N/A	77%	-	-	-		
Change in Fund Balance	707	9,920	17,338					(803)	(1,022)	(219)		
Beginning Fund Balance	8,687	8,687	9,394					9,394	9,394	-		
Ending Fund Balance	\$ 9,394	\$ 18,607	\$ 26,732					\$ 8,591	\$ 8,372	\$ (219)		
<hr/>												
% Operating Revenues	20.0%							15.0%	14.5%			
Days of expenditures	75							59	57			
<hr/>												
AUXILIARY ENTERPRISES												
Enrollment Fees	\$ 2,735	\$ 400	\$ 1,049		162%	35%	15%	\$ 3,035	\$ 3,035	\$ -	(9)	
Sales & Services	4,438	1,357	973		-28%	17%	31%	5,764	5,764	-	(10)	
Other	851	157	180		15%	21%	18%	847	847	-		
Total Revenues	8,024	1,914	2,202		15%	23%	24%	9,646	9,646	-		
Personnel Services	(3,437)	(1,063)	(1,066)		-2%	28%	32%	(3,834)	(3,834)	-	(11)	
Supplies & Services & Capital Outlay	(4,387)	(1,650)	(2,293)		30%	34%	38%	(6,827)	(6,827)	-		
Total Expenditures	(7,824)	(2,743)	(3,359)		22%	32%	35%	(10,661)	(10,661)	-		
Net from Operations	200	(829)	(1,157)					(1,015)	(1,015)	-		
Transfers In	802	925	12		-99%	1%	115%	1,599	1,599	-	(12)	
Transfers Out	(154)	(1,092)	(12)		-99%	1%	709%	(961)	(961)	-	(13)	
Fund Additions/(Deductions)	(597)	486	-		-100%	N/A	-81%	-	-	-		
Change in Fund Balance	251	(510)	(1,157)					(377)	(377)	-		
Beginning Fund Balance	2,355	2,355	2,606					2,606	2,606	-		
Ending Fund Balance	\$ 2,606	\$ 1,845	\$ 1,449					\$ 2,229	\$ 2,229	\$ -		
<hr/>												
% Revenues	32.5%							23.1%	23.1%			
Days of expenditures	122							76	76			

OREGON INSTITUTE OF TECHNOLOGY
Periodic Management Report
 Prepared by the Office of Budget and Resource Planning
 See Notes comments on separate page

As of October 31, 2015
For the Fiscal Year Ended June 30, 2016

	Prior Yr. Actual	Year-to-Date				YTD as a % of			Budget Forecast			Notes
		Prior YTD Actual	Current YTD Actual	% chg Current/ Prior YTD	Adjusted Budget	Prior YTD as a % of PY Actuals	Initial Budget	Forecasted Budget	Variance from Initial Budget			
DESIGNATED OPERATIONS, SERVICE DEPARTMENTS, CLEARING FUNDS												
Enrollment Fees	\$ 27	\$ 10	\$ 17	70%	65%	37%	\$ 26	\$ 26	\$ -			
Sales & Services	28	1	-	-100%	0%	4%	28	28	-			
Other	962	160	150	-8%	15%	17%	973	973	-			
Total Revenues	1,017	171	167	-2%	16%	17%	1,027	1,027	-			
Personnel Services	(51)	(30)	(31)	3%	72%	59%	(43)	(43)	-		(14)(15)	
Supplies & Services & Capital Outlay	(929)	(346)	(203)	-41%	16%	37%	(1,238)	(1,238)	-			
Total Expenditures	(980)	(376)	(234)	-38%	18%	38%	(1,281)	(1,281)	-			
Net from Operations	37	(205)	(67)				(254)	(254)	-			
Transfers In	17	-	-	N/A	0%	0%	373	373	-			
Transfers Out	(18)	-	6	N/A	-19%	0%	(31)	(31)	-			
Fund Additions/(Deductions)	-	-	(10)	N/A	N/A	N/A			-			
Change in Fund Balance	36	(205)	(71)				88	88	-			
Beginning Fund Balance	359	359	395				395	395	-			
Ending Fund Balance	\$ 395	\$ 154	\$ 324				\$ 483	\$ 483	\$ -			
% Revenues	38.8%						47.0%	47.0%				
Days of expenditures	147						138	138				
TOTAL Ending Fund Balance	\$ 12,395	\$ 20,806	\$ 28,505				\$ 11,303	\$ 11,084				
TOTAL Days of expenditures	83						63	62				

OREGON INSTITUTE OF TECHNOLOGY

Periodic Management Report - Notes

As of October 31, 2015 for the Fiscal Year Ended June 30, 2016

Prepared by the Office of Budget and Resource Planning

Education & General Funds:

Current YTD to Prior YTD Actuals

- (1) State General Fund - Increase in appropriation, new SSCM model for allocation to campuses
- (2) Projected enrollment increase 3%; Undergraduate tuition increase 5%, Graduate tuition increase 3.2%
- (3) Proceeds from sale of Harmony, \$4.2M
- (5) One time spending of carry over budgets, \$1.06M
- (6) Additional Funding from HECC
- (8) Accounting adjustments within fund type

Initial Budget to Forecasted Budget – Change from Original Budget

- (4) Budget adjustments (various)
- (7) Sale of Harmony less related cost of sale

Auxiliary Enterprises Funds:

Current YTD to Prior YTD Actuals

- (9) Enrollment fee - FY15 Incidental fees were not allocated until period 5
- (10) Sales and service - FY16 Room and Board fees not allocated until period 5
- (11) Services and Supplies - FY16 includes Debt Service Payment, which was reversed in period 5
- (12) Transfers In - FY16 GF Support of Athletics not transferred until period 5; FY15 Transfer debt service savings to non-operating
- (13) Transfers out - FY15 Debt Retirement, Transfer debt services savings into non-operating fund in same fund type

Initial Budget to Forecasted Budget - Change from original Budget

n/a

Designated Operations, Service Depts. and Clearing Funds:

Current YTD to Prior YTD Actuals

- (14) FY15 Services and Supplies and Capital included \$88k Construction in Process for Wilsonville Campus
- (15) Purchase of Athletics Bus, approximately \$350K

Initial Budget to Forecasted Budget - Change from original Budget

n/a

Discussion

Agenda Item No. 4.3

Emergency Funding Request Update

Summary

Oregon Tech is requesting \$763,125 in emergency repair funds to pay for engineering analysis, emergency electrical repair and replacement of the failing College Union electrical supply feed; and \$4,273,500 for emergency storm drainage repair and replacement of the failing College Union storm drainage system.

Background

In October 2015 the College Union (CU) experienced two separate life-safety incidents involving the north utility corridor electrical supply feed and the building's storm drainage system. Each of these incidents caused the CU in whole or part to be shut down. The CU is an integral part of campus and until the electrical and storm systems can be repaired/replaced, the structure could be subject to repeat electrical failures and additional water damage.

Oregon Tech requested emergency funds through the Higher Education Coordinating Commission, who along with its Funding and Achievement (F&A) Committee approved the request and forwarded it on to the Legislature. The request will go before the Legislature as part of the 2016 session.

Recommendation

Item is for discussion only.

Attachments

Correspondence to HECC dated November 13, 2015



Date: November 13, 2015

From: Mrs. Michelle Meyer
Interim VP of Finance & Administration
Oregon Tech, Klamath Falls

To: Higher Education Coordinating Committee
Mr. Brian Fox, Director Public University Budget & Finance

Dear Mr. Fox:

The Oregon Institute of Technology (Oregon Tech) has experienced two separate imminent life-safety incidents affecting critical student services facilities. The two separate life-safety incidents involve the 1) North Utility Corridor Electrical Supply Feed, and 2) College Union Building Storm Drainage System. Each of these incidents have occurred in the prior 60-days as to the date of this letter. The College Union building is in imminent risk of a repeated electrical failure and is in significant imminent risk to water damage.

The College Union building (College Union) provides crucial student support services: Admissions, Campus Life, Financial Aid and the Student Affairs Office. The College Union building also houses the kitchen and servery for resident-student dining. When school is in session, the College Union is open seven days a week from 8am to 10pm. The College Union is an integral part of the educational life on the Klamath Falls campus.

The dollars estimated below are Oregon Tech's best estimates given similar work conducted on the Klamath Falls campus. Upon project approval, Oregon Tech will engage engineers for the respective projects and will be able to refine estimated project costs.

North Utility Corridor Electrical Supply Feed

The main purpose of the North Utility Corridor is to provide a supply corridor for the power generated by the Solar Field. On October 15, 2015 the North Utility Corridor electrical supply feed experienced a power failure which caused the loss of power to the College Union and Solar supply. The failure necessitated the immediate closure of the College Union kitchen and servery causing cancellation of resident-student meal service and delivery of crucial student services. The Solar Field was brought off-line resulting in increased electrical costs to the University. Fortunately no students, staff, or workmen were injured during the event. The failure prompted an immediate investigation and analysis of the entire College Union and Solar electrical supply feed system. This investigation revealed additional electrical issues requiring immediate repair to avoid continued electrical failures and potential accidents. Additionally, the conducted analysis has shown that the College Union

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electrical supply feed system is no longer reliable. Future failures are expected as a result. Our primary concern with the College Union electrical supply is unreliable supply feed, vulnerabilities to outages and impact on crucial student services. Additionally, water is able to enter the College Union electrical supply feed, immersing high voltage cables causing short circuits and an electrocution hazard. The staff of Oregon Tech staff believes the severity of these findings necessitate immediate action or we risk major disruptions to educational programs, greater future damage costs, campus closures, and potential injury or death to students and staff.

Attachment A provides a technical description and map of the North Utility Corridor Electrical Supply Feed failure and College Union building.

Oregon Tech Action

The attached drawing identifies the damaged areas as 1 through 10. Oregon Tech has engaged an outside electrical contractor to evaluate and test these areas. These areas have been closed to the public. The electrical evaluation and analysis has been temporarily funded through previously obligated deferred maintenance funds. With emergency funding, Oregon Tech will reimburse the deferred maintenance accounts and repair the damaged areas during the 2016 construction season.

Action Requested

Oregon Tech is requesting \$763,125 in emergency repair funds to pay for the engineering analysis, emergency electrical repair and replacement of our failing College Union electrical supply feed.

NORTH UTILITY CORRIDOR ELECTRICAL REPAIR COST ESTIMATE 11.13.2015		
Construction costs	\$625,000	
A & E costs @ 11%	\$68,750	
Contingency @ 10%	\$69,375	
Total	\$763,125	

College Union Building Storm Drainage System

Portions of the storm drainage system lie directly beneath the Campus Union building. During October 2015, the College Union Building Storm Drainage System was compromised and exposed, leading to the discovery that the drainage system is severely corroded and contains voids. The corrosion and voids could cause severe damage in the near-future to the interior spaces, disrupting operations of the College Union. Another life-safety concern is

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that any major water intrusion may find its way to nearby building electrical mains that are located sub grade, immersing high voltage cables causing short circuits and an electrocution hazard. Oregon Tech engaged a civil engineering firm to run a camera through the portion of the drainage system that lies beneath the Campus Union building. The staff of Oregon Tech believes the severity of these findings necessitate immediate action or we risk major disruptions to educational programs, greater future damage costs, campus closures, and potential injury.

Attachment B provides a technical description and map of the College Union Building Storm Drain System.

Oregon Tech Action

The attached drawing identifies the damaged areas as 1 through 10. Oregon Tech has engaged a civil engineering firm to provide video analysis of the affected portion of the drain that runs underneath the Campus Union Building. This areas have been closed to the public. The civil engineering analysis has been temporarily funded through previously obligated deferred maintenance funds. With emergency funding Oregon Tech will reimburse the deferred maintenance accounts and repair the damaged areas during the 2016 construction season.

Action Requested

Oregon Tech is requesting \$4,273,500 in emergency repair funds to pay for the engineering analysis, emergency storm drainage repair and replacement of our failing College Union storm drainage system.

STORM DRAINAGE COST ESTIMATE 11.13.2015			
Construction costs	\$3,500,000		
A & E costs @ 11%	\$385,000		
Contingency @ 10%	\$388,500		
Total	\$4,273,500		

Sincerely,

Michelle Meyer

Michelle Meyer

Interim VP of Finance and Administration

Oregon Institute of Technology

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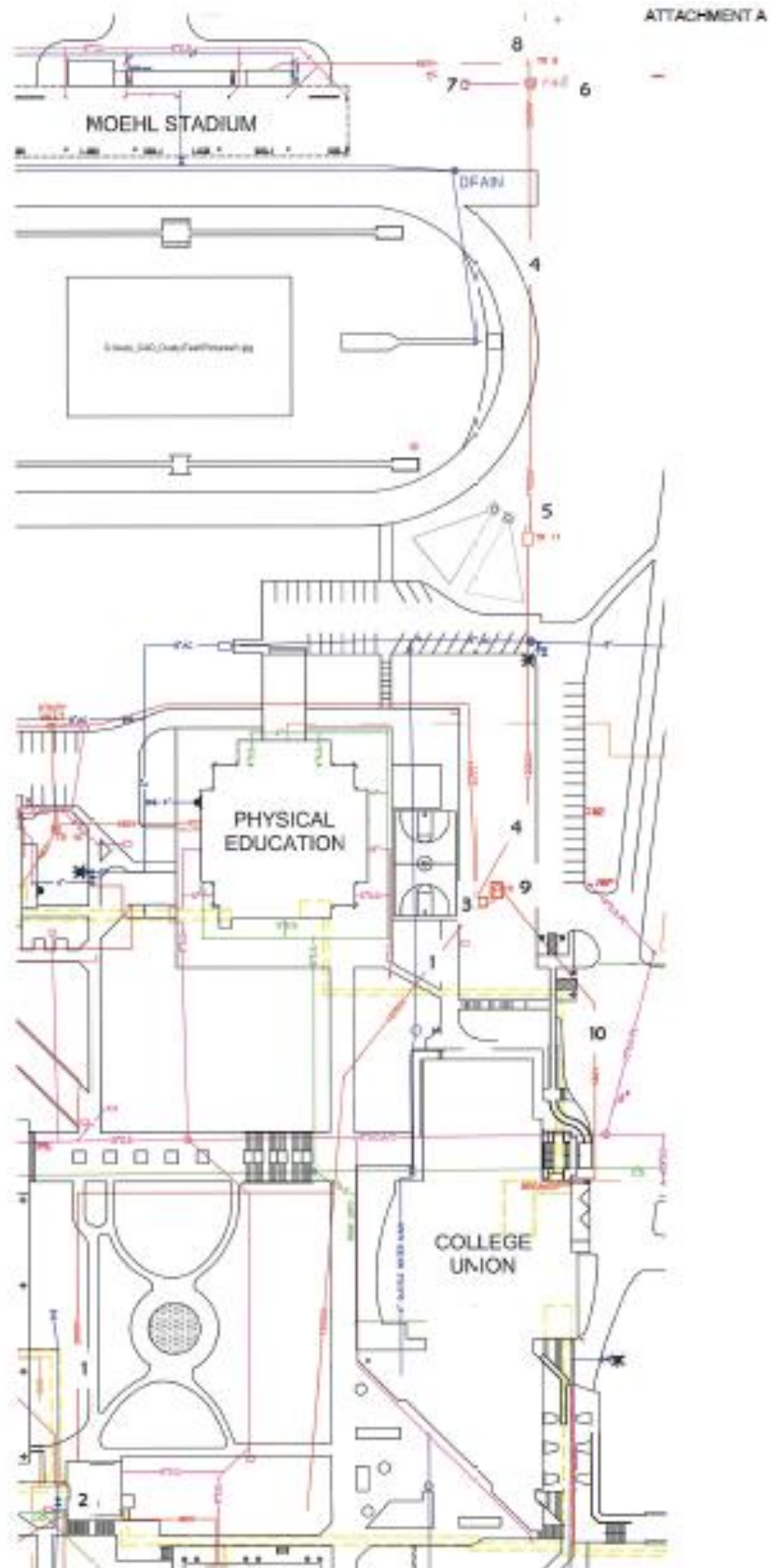
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ATTACHMENT A

North 12KW Electrical Utility Corridor

The College Union & North Electrical Utility Corridor ① 12K supply feeders are newer conductors in concrete encased PVC conduit from the ② Main Distribution area in the Campus Chiller Plant to the ③ sectionalizing switch located at the SE corner the Athletic Building. The ④ North Electrical Utility 12K feeders that leave the switch to the north side of campus are 36 years old and are of a conductor size and type that is no longer manufactured. *This cable has no long term reliability in terms of maintaining a closed circuit to the College Union and Solar Supply back to the sectioning switch.* This run is interrupted approximately halfway to North University Drive at a ⑤ sub grade connection vault for the purpose of splitting out the 480V for the field lights. *A feed in this run was tested on 11-12-2015 was found to be close to going to ground (230KW @ 370V). So in addition it is believed this is directed buried cable.* On 10-15-2015 a 12KV connection boot failed which resulted in a loss of supply to the College Union and from the Solar Supply. *Because the connection vault is sub grade it usually partially filled with water which is a potential safety and system hazard. The 480V to the field lights aren't fused which leaves the College Union and Solar Supply vulnerable to outages should there be an open circuit.* The outdated conductors arrive near North University Drive to an ⑥ open air disconnect cabinet where the 12KV phases split to the ⑦ Solar Supply re-closer cabinet and to ⑧ Transformer #12 that supplies power to features such as the city water tank and roadway lights. *Transformer #12 is unreliable as in annual testing it is found to have excess moisture. There is no fusing present between Transformer #12 and the open air disconnect. In the event of an open circuit in the Solar Supply this has the potential to interrupt power to the College Union which again will interrupt critical services to our campus population.*

The College Union 480V building supply is fed from afore mentioned ③ sectionalizing switch to a '50's era ⑨ transformer with hard to find 40 amp fuses. The ⑩ 480V supply feeders are newer conductors in PVC conduit but no concrete encasing. On 9-29-2015 the 480V supply feeders were damaged during a construction project which the 40amp fuses blew causing an entire loss of critical services to the campus population. *Although the damaged was repaired and the 480V supply restored this nonetheless creates a weak link in maintain a closed circuit to the College Union that is vital to campus student operations. Reliability is further complicated due to the aged transformer.*



UPPER COLLEGE UNION / COLLEGE UNION STORM DRAINAGE

Installed in 1963 the College Union Storm drain system consists of a ① 12 inch galvanized main trunk that begins at a manhole vault located 60ft up the embankment above the College Union building. The main runs west across the parking lot where a ② 10" galvanized branch is connected from the Residence Hall to the south that is drainage for approx. 18,000 sq./ft. of roof run-off and an undetermined amount from the Residence Hall quad. ③ A 10" galvanized branch from the north has one ④ 8" spur and ⑤ 28" square catch basin connected to it as well as one ⑥ 25" x 31" catch basin and one ⑦ 27" x 32" catch basin. This branch and spur drains approx. 1.5 acres of asphalt and 3.5 acres of undeveloped hillside. ⑧ Another 10" galvanized branch drains in from the south that drains approx. 20,000 sq. /ft. of College Union roof run-off and a ½ acre of hard surface.

The main 12" main line descends under the stairs and College Union building and as in the 1970 stairs and a building addition was built over the 12" galvanized trunk line. The 12" trunk line transitions into an 18" galvanized pipe. There are ⑨ two 8" galvanized branches that Y at the point of the stairs that are of unknown origin and that are assumed abandoned. At the bottom of the stairs there is a ⑩ 2" branch drain that drains the approx. 1400 sq. /ft. of stair surface area. Recently the 12" main, 8" Y and 2" branch drain running under the stairs were compromised and exposed. It revealed that all these components were severely corroded. And one can only assume that similar corrosion as the 12" galvanized main continues under the College Union building.

In sum the corroded 12" main is attempting to handle storm run-off from 5.5 total acres of combined hard/soil surface and 39,500 sq. /ft. of roof run off. Recently a local civil engineering firm ran a camera in throughout the system and it revealed major corrosion and voids which could cause severe damage to the interior spaces interrupting operations. Another concern is that any major water intrusion may find its way to nearby building electrical mains that are located sub grade.

ATTACHMENT B

