Oregon TECH

Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
Room 402, Wilsonville Campus
February 22, 2016
10:15am – 1:15pm

Finance and Facilities Committee
also Sitting as the Audit Committee
Agenda

Action
Agenda Item No. 4.2
Recommendation to the Board regarding Adoption of a One-time Funding Philosophy

Recommendation

Move to recommend the Board adopt a one-time funding philosophy.

Attachment

Proposed Philosophy

Strategic View of Budget and One-Time Funding Budget Philosophy

One-time monies serve as a resource for non-recurring strategic and capital investments. Operating, capital, and investment activities influence changes in the university's total reserves, which affect the strength of the balance sheet.

Allocations of one-time monies are to be aligned with strategic priorities and consider capital, operational and debt plans and policies, and acknowledge debt financial covenants. Maintaining student affordability and ensuring fiscal stability are of the upmost importance.

It is important that non-recurring strategic and capital investments maintain financial resiliency while protecting academic quality, maintain fiscal stability while enhancing academic reputation, and maintain, or increase efficiencies during growth.

Use of non-recurring funds for on-going expenditures that create future financial obligations should be avoided. Expenditures, such as the creation of new employee positions and/or certain types of projects (such as the purchase of equipment that requires extensive ongoing maintenance or future upgrades), should not be funded by one-time monies without specific identification of future funding streams.

Inherent to the nature of one-time monies is that non-recurring funds often carry fewer restrictions than the university's "regular" revenue streams. One-time monies provide an opportunity for strategic investments and/or contribution to other costs that normally cannot be funded from regular Education & General funds.

One-time monies will yield one or more of the following outcomes in order to meet the criteria outlined above:

1. Generate increased revenue through creation of new or expanding existing applied-degree programs and/or university revenue producing functions that are affordable while being responsive to industry and student demand.

2. Generate recurring cost savings for both financial and human capital.

3. Contribute to the strategic mission of the Oregon Tech Board of Trustees.

4. Address unmet needs that do not necessarily result in increased revenue and/or generate recurring cost savings, especially where the nature of unrestricted funds can be used.

Action
Agenda Item No. 4.2
Recommendation to the Board regarding Adoption of a Debt Management Policy

Recommendation

Move to recommend the Board adopt a Debt Management Policy.

Attachment

Proposed Policy

Board Policy on Debt Management
Board of Trustees of Oregon Institute of Technology

1.0 Authority of the Board of Trustees

1.1 Under ORS 352.107, Oregon Institute of Technology is authorized to borrow money and incur debt. Also, under ORS 351.365 to 351.379, the University is eligible to continue to receive proceeds from state bonds, or issue its own revenue bonds, or both, subject to the requirements of those statutes.

1.2 With this new authority, Oregon Tech is responsible for the management of its debt portfolio and to ensure compliance with applicable compliance requirements.

2.0 Previous Rules and Policies

This policy supersedes the following Oregon University System rules and policies, which shall have no further effect at the University: Debt Policy, approved March 1, 2010; and Interest Rate Risk Management Policy, approved March 1, 2010.

3.0 Purpose

This policy sets forth the principles that will govern the use of debt to finance University capital projects and assigns responsibilities for the management of University debt. This policy describes the framework for approving debt financing for projects and for managing the University's debt capacity and debt affordability, which are important tools for furthering the University's mission.

The University seeks to achieve the lowest cost of capital that is consistent with its risk tolerance and the principal of intergenerational equity. While the Debt Management Policy is a stand-alone policy, it should be considered in conjunction with liquidity and investment policies.

4.0 Definitions

4.1 **"Bank Products"** means financing obtained from banks or other third parties, rather than through capital markets, such as a line of credit.

4.2 **"Board"** means the Oregon Institute of Technology Board of Trustees or the Executive and Audit Committee when authorized to act on behalf of the Board of Trustees.

4.3 **"Commercial Paper''** is a form of short-term unsecured debt that is issued in tranches with maturities of 1-270 days and which must be redeemed or rolled over at maturity.

Commercial Paper may provide interim financing for projects in anticipation of philanthropy, planned issuance of long-term debt or other sources of funds.

4.4 **"State-Paid Debt"** means borrowings that are expected to be repaid from state appropriations. This includes Article Xl-G Bonds, Article Xl-M Bonds, certain Article Xl-Q Bonds, Lottery Bonds, and certain State Energy Loan Program (SELP) loans.

4.5 **"University-Paid Debt"** means borrowings that are expected to be repaid from revenues of the University. This includes Article Xl-F(l) Bonds, certain Article Xl-Q Bonds, certain SELP loans, Revenue Bonds, Bank Products, Commercial Paper, and alternative financing structures, such as public-private partnerships, that would be either included in the University's balance sheet or considered on-credit by rating agencies.

4.6 **"Internal Financing"** means the short-term loaning of University funds for use on a particular University project. Internal Financing may be utilized for emergency physical plant needs or for other purposes, such as to provide matching funds for Article Xl-G Bonds in anticipation of philanthropy.

4.7 **"Revenue Bonds"** means bonds issued by the University based on its own credit rating. For the purpose of this policy, Revenue bonds includes all debt, obligations, or extensions of credit incurred or received by the University, both short- and long-term, that are not Article Xl-F(l) Bonds, Article Xl-G Bonds, Article Xl-M Bond, Article Xl-Q Bonds, Lottery Bonds, or SELP loans. Revenue Bonds may be backed by a general or specific revenue pledge of the University and do not require legislative approval.

5.0 Roles and Responsibilities

5.1 The Board of Trustees retains authority and responsibility for:

- 5.1.1 Reviewing and approving capital projects in an amount greater than $1 million, regardless of source of funding or consideration of debt financing.
- 5.1.2 Reviewing and approving any debt financing in an amount greater than $1 million.
- 5.1.3 Reviewing and approving land and improvement leases with a total consideration exceeding $1 million or a lease term over 15 years.
- 5.1.4 Approving this policy, amending this policy as necessary, and reviewing this policy at least every five years.

5.2 The Board delegates to the President, who may further delegate to the Vice President for Finance and Administration, authority and responsibility for:

- 5.2.1 Implementing this policy.
- 5.2.2 Reviewing and approving, provided that doing so is consistent with sound fiscal management and consistent with the ratios defined in Section 7.0 of this policy

and the President or the President's delegate has a good-faith belief that doing so is consistent with best interests of the University:

5.2.2.1 capital projects in an amount up to $1 million, regardless of source of funding or consideration of debt financing;

5.2.2.2 debt financing in an amount up to $1 million; and

5.2.2.3 land and improvement leases with a total consideration up to $1 million or a lease term up to 15 years.

5.2.3 Establishing a comprehensive compliance program for debt management and post-issuance compliance. Such a program is to clearly assign responsibilities within the University, require the prudent investment of unspent bond funds, and require regular monitoring to satisfy continuing disclosure requirement and ensure compliance with this policy, bond resolutions, bond covenants, and applicable laws, regulations and other requirements. This program must include a post-issuance compliance policy addressing legal requirements imposed by the Securities and Exchange Commission and Internal Revenue Service and all other relevant laws relating to the use of debt, particularly tax-advantaged debt. The post-issuance compliance policy must include, at a minimum, the procedures and systems used to monitor compliance, the responsibilities of the compliance officer, private use and arbitrage analysis requirements, and records management and retention guidelines.

5.2.4 Retaining expert advisors, including bond counsel, financial advisors, underwriters, paying agents, and other related service providers in connection with the use, issuance and management of university debt. The solicitation and selection process for such services will comply with the University's procurement requirements. The retention of such advisors should be reconsidered at least every five years.

5.2.5 Analyzing and presenting recommendations to the Board in connection with each proposed debt financing transaction reviewed by or submitted to the Board for approval, after (1) identification of the source of repayment for each project, together with proforma financial statements and related assumptions, and (2) consideration of internal coverage requirements for each project and/or auxiliary providing repayment.

5.2.6 Pricing of Revenue Bonds, recognizing that the Oregon State Treasurer possesses authority to price debt issued as part of the debt programs administered by the State.

5.2.7 For previously issued state general obligation bonds from which University received proceeds, approval of refunding opportunities determined by the State Treasurer to be in the best interests of the State of Oregon.

5.2.8 Overseeing management of daily activities relating to debt use, management and issuance.

5.2.9 Entering into or endorsing reimbursement resolutions, authorization resolutions, and such other documents as may be necessary for any debt issuance previously authorized by the Board, the President, or the President's delegate.

5.2.10 Approving Internal Financings up to limit provided in Section 8.0 of this policy.

6.0 Conditions Governing Issuance of Debt

6.1 The University may use debt financing for academic, administrative, and auxiliary facilities and equipment, as well as any other infrastructure needs or property acquisitions, that are consistent with the University's mission and strategic priorities and part of the University's capital plan.

6.2 No University-Paid Debt or State-Paid Debt in an amount greater than $1 million will be issued or sought without prior approval of the Board, including land and improvement leases with total payments greater than $1 million over the term of the lease. When the University issues or seeks University-Paid Debt, the Board's authorizing resolution will generally include its finding, based on an analysis of debt affordability and capacity, that the financed project is both self-liquidating and self-supporting. The Board may make exceptions for projects that further the University's mission, even if not self-liquidating and self-supporting, taking into consideration other unobligated and legally-available revenues of the University.

6.3 No University-Paid Debt in an amount greater than $1 million will be issued or sought without prior analysis and notification to the Board of all covenants associated with such issue.

6.4 University-Paid Debt may be repaid from general revenues of the University or may be secured by a specified revenue stream.

6.5 When issuing or seeking University-Paid Debt or State-Paid Debt:

- 6.5.1 The University will evaluate the form of debt that is best suited for the project, taking into consideration debt-type characteristics, costs and risks.
- 6.5.2 The University will seek the lowest available cost of capital, taking into consideration administrative capacity, the University's risk tolerance, and the need to sustain adequate flexibility to allow the University to achieve its strategic goals.
- 6.5.3 The University will determine whether to issue debt through the State (if eligible) or independently, taking into consideration the cost of capital, financial flexibility and the use of debt capacity.
- 6.5.4 The University will identify a source of repayment and demonstrate that sufficient revenues are available to support debt service over the life of the financing.
- 6.5.5 The maturity and term of debt repayment will be determined based on the expected availability of resources, other long term goals and obligations of the borrowing unit and the University, the useful life of the assets being financed, and market conditions at the time of financing. The term of a debt financing will not exceed 1.2 times the estimated useful life of the property and equipment being financed.

6.5.6 If debt is issued through the State, the University will adhere to the requirements set forth by the State.

6.5.7 As long as the University intends to remain eligible to receive proceeds from Article Xl(F)(l) Bonds or Article Xl-Q Bonds to be repaid in whole or in part from University revenues or other moneys under control of the University, the University will not issue Revenue Bonds without first obtaining the approval of the State Treasurer, as provided in ORS 351.369.

6.5.8 The University will utilize tax-advantaged debt when legally possible and reasonable and when tax-advantaged debt does not unnecessarily restrict the anticipated usage of the financed facilities. Projects financed with tax-advantaged debt will be identified and tracked to ensure compliance with all tax and reimbursement regulations. Taxable debt will be utilized when the project does not qualify for tax-advantaged debt. The University will aim to amortize any taxable debt before any tax-advantaged debt if that reduces the overall debt cost of the University.

6.5.9 In general, fixed-rate debt will be utilized. However, the University may utilize variable-rate debt when appropriate for a particular financing plan, taking into consideration bond market conditions, the University's liquidity position, and risks associated with variable-rate debt (including interest rate risk, remarketing risk and liquidity renewal risk). The University will not issue more than 20% variable-rate debt (including synthetic fixed-rate debt) as a percentage of all University-Paid Debt.

6.5.10 Financial covenants and restrictions will be minimized to the extent possible, taking into consideration the long-term capital requirements of the University.

6.5.11 The University will use reasonable efforts to utilize debt which provides for sufficient ability to refinance if market conditions or other factors warrant that action. Refinancing may be appropriate if doing so relieves the University of covenants, payment obligations, constraints or reserve requirements that limit flexibility, consolidates debt into a general revenue pledge, or reduces the cost and administrative burden of managing small outstanding obligations. The University recognizes that the Oregon State Treasurer retains authority to refinance debt issued as part of the debt programs administered by the State.

6.6 The University will not enter into any derivative transactions without first adopting a derivatives policy.

7.0 Debt Ratios

7.1 Debt capacity is a subjective measure, typically associated with balance sheet strength and the ability to repay debt on demand. The University's risk tolerance will inform the amount of leverage that can comfortably be assumed.

7.2 Debt affordability is also a subjective measure and typically associated with income statement strength. Operating performance and the ability to meet debt service requirements will inform the affordability of existing and additional debt.

7.3 The University recognizes that its strategy and mission must be the primary drivers of its capital investment and use of debt. Although external credit ratings provide a view on debt capacity and affordability, the University does not manage its debt portfolio to achieve a specific rating. Success in achieving University objectives will over time result in a stronger financial profile and higher ratings.

7.4 The University will monitor five financial ratios to assist the Board in evaluating debt capacity and affordability, as described below.

7.4.1 Viability Ratio (balance sheet leverage ratio)
Expendable Resources (including available resources of the Oregon Tech Foundation) / Debt
Measures the ability to repay debt with financial resources and the ability to use debt to strategically advance the University's mission

7.4.2 Primary Reserve Ratio (income statement leverage ratio)
Expendable Resources (including available resources of the Oregon Tech Foundation) / Total Expenditures
Measures whether financial resources are sufficient and flexible enough to support the University's mission

7.4.3 Debt Burden Ratio (affordability ratio)
Debt Service / Total Expenditures Minus Depreciation Plus Principal Payments
Measures the University's dependence on debt to finance its mission and the relative cost of borrowing to overall expenditures
Guideline maximum debt burden ratio= 7%

7.4.4 Debt Service Coverage (affordability ratio)
3-Year Average Net Operating Income Plus Non-Operating Revenues Plus Interest and Depreciation / Debt Service
Measures the sufficiency of operations on a cash flow basis to cover debt service

7.4.5 Debt / Revenues (income statement leverage and affordability ratio)
Measures the amount of leverage relative to the size of operations

7.5 All ratio calculations will be based on industry standards and include all "direct debt". In addition to bonds and bank debt, direct debt includes capital leases and any off-balance sheet or similar financing structures that would be considered on-credit.

7.6 Indirect debt, such as operating leases, is excluded from the above calculations. However, indirect debt is considered part of the University's "comprehensive debt", which is a broader measure of the University's debt obligations. The University recognizes that the use of indirect debt has an impact on debt capacity and affordability.

8.0 Internal Financings

Internal Financing may be used when it is determined to be the most appropriate and cost-efficient mechanism for meeting certain financing needs. Unless authorized by the Board, the total value of Internal Financings shall not exceed 10% of the core cash balance of the University's general operating bank account, as projected annually. If the core cash balance of the University's general operating bank account is projected to be inadequate to cover liquidity requirements for any 30-day period in the following 12 months, no Internal Financing will be permitted unless approved by the Board. The maximum term of any single Internal Financing shall not exceed three (3) years.

9.0 Short-Term Financings

The University will not issue Commercial Paper or enter into other short-term financing arrangements using Bank Products without first adopting a Short-Term Financings Policy and seeking input from a consultant with expertise with short-term financing products.

10.0 Reporting Requirements

The Board's Finance and Administration Committee is to be provided a detailed report and update including:

10.1 At least annually or when additionally requested, all outstanding University-Paid Debt and State-Paid Debt (by type, purpose and repayment source, where applicable).

10.2 At least annually or when additionally requested, the amount of outstanding principal, interest rates, maturity dates, debt service requirements and changes in outstanding debt since the previous year's report.

10.3 Upon the release of annual audited financial statements, the debt ratios identified in Section 8.0 above.

10.4 At least annually or when additionally requested, for any variable rate debt, the status and remaining term of any letter of credit or similar liquidity source.

10.5 At least quarterly or when additionally requested, any known or anticipated new debt issuance, use of Internal Financing mechanisms, or accessing of Short-Term Financings regardless of value.

10.6 Significant restructuring or refinancing opportunities.

Action
Agenda Item No. 4.3
Recommendation to the Board regarding Adoption of a Tuition and Fee Process Policy

Summary

Oregon Revised Statutes (ORSs) require the Board of Trustees to establish a process for determining tuition and mandatory enrollment Fees. The ORSs also address the requirements leading up to the Board adopting incidential fees.

Background

Recommendation

Move to recommend the Board adopt a Tuition and Fee Process Policy.

Attachment

Proposed Policy

Board Policy on Tuition and Fee Process
Board of Trustees of Oregon Institute of Technology

1.0 Background

1.1 Tuition and Mandatory Enrollment Fees. ORS 352.102(2) requires the Board of Trustees to establish a process for determining tuition and mandatory enrollment fees.

1.1 Incidental Fees. ORS 352.102(3) requires the President to submit the joint recommendation of the president and the Associated Students of Oregon Institute of Technology (ASOIT) prior to the Board taking action on incidental fees. ORS 352.105 requires the Board to collect mandatory incidental fees upon the request of ASOIT, except in certain circumstances. ORS 352.105(1) requires that ASOIT consult with the Board in the establishment of a process for requesting mandatory student incidental fees.

2.0 Process

Tuition and Mandatory Enrollment Fees, and Incidental Fees, are established annually by the Board, generally at the Board's meeting in March prior to the applicable academic year in accordance with the requirements of ORS 352.102 and ORS 352.105.

2.1 Tuition and Mandatory Enrollment Fees.

2.1.1 The Tuition Recommendation Committee will follow its process for participation of enrolled students and ASOIT prior to providing the President advice and comment on proposed resident undergraduate tuition rates for the upcoming academic year. When advising the President, the Tuition Recommendation Committee will include considerations regarding historical tuition and fee trends, comparative data for peer institutions, the University's budget and projected cost increases, and anticipated state appropriation levels. The President will bring his recommendation to the Board for consideration.

2.1.2 When setting tuition and fees, the Board may consider a number of factors, including the desire to (a) create affordable access to degree programs, (b) create a diverse student body, (c) maintain strong degree programs at every level, and (d) develop and maintain the human and physical infrastructure necessary to support the university's educational outcome goals.

2.2 Incidental Fees.

2.2.1 The Incidental Fee Committee, which includes ASOIT members, will follow its process for participation prior to recommending the Incidental Fee level to the President. The President will bring the joint recommendation of the ASOIT, Incidental Fee Committee and himself to the Board for consideration.

Action
Agenda Item No. 4.4
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

The Athletics Director is requesting approval of a capital budget to design, engineer, and construct an artificial turf soccer field on the Oregon Tech campus.

Background

The Board of Trustees held a special meeting on December 15, 2015 to hear a request by the Athletic Director for approval of a capital budget in excess of one million dollars for the deisgn and construction of an artificial turf soccer field on the Oregon Tech campus. The Board approved expending up to $150,000 for the design and engineering and asked the President to communicate the proposal and obtain feed back to the campus community. The item was tabled until the regularly scheduled board meeting on February 22-23, 2016.

The President and Athletic Director held three open forum meetings on January 19, 29 and February 1, 2016 where an overview of the proposal was given, comments were taken, and questions were asked and answered.

The Finance and Facilities Committee held a special meeting on February 2, 2016 and postponed a recommendation until its February 22, 2016 meeting.

Recommendation

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

Attachments

- Athletics Budget Overview with Actuals
- Proforma:
  - Summary
  - Gross Revenue
  - Revenue Related Expenses
  - Construction Costs
  - Field Maintenance Costs
- Soccer Project Forum Notes January 29, 2016
- Correspondence from February 2-15, 2016

Intercollegiate Athletics Budgeted Revenues and Expense FY 2016, Actual for FY 2015 & 2014					
Acct	Title	Proposed FY 2017	Budget FY 2016	Actual FY 2015	Actual FY 2014
1400	Incidental Fees (includes dedicated Athletic Fee)	837,565	837,565	786,860	762,768
1799	Miscellaneous Student Fees	750	750	816	784
	Subtotal	**838,315**	**838,315**	**787,676**	**763,552**
Government Resources & Allocations					
2520	Lottery Resources Redistribution	401,824	401,824	390,120	390,122
	Subtotal	**401,824**	**401,824**	**390,120**	**390,122**
Gift Grants and Contracts					
3600	Gifts	41,219	41,219	25,780	54,550
	Subtotal	**41,219**	**41,219**	**25,780**	**54,550**
Sales and Services Revenue					
5000	Interest Income			4,087	3,504
6001	Camps/Clinics	59,795	56,995	61,011	49,699
6400	Events/Performances/programs/rentals	176,971	168,721	148,622	199,491
6800	Other Sales & Services (Includes Additional Advertising)	126,318	117,318	126,306	103,511
	Subtotal	**363,084**	**343,034**	**340,026**	**356,204**
Internal Sales					
9385	Vehicle & Equip Use Internal Sales	169,763	48,859	55,300	54,293
	Total Revenue	**1,814,205**	**1,673,251**	**1,598,902**	**1,618,722**
	Total Labor	**1,378,904**	**1,304,903**	**1,179,325**	**1,129,460**
Service & Supplies					
20000	Services & Supplies Expense	12,280	12,280	-	
20001	Supplies Expense	214,482	194,845	201,706	219,577
21000	Agricultural Related	750	750	549	1,583
22000	Communications	21,648	21,648	3,049	2,615
22500	Postage & Shipping	2,010	2,010	1,920	2,217
23500	Maintenance & Repairs	51,438	39,675	48,700	42,597
24000	Rentals & Leases	20,825	33,825	27,981	23,198
24500	Fees & Services(Includes current soccer field rental)	101,988	103,988	128,378	100,361
25000	Medical/Scientific Svc & Sup	5,330	5,330	5,170	10,524
28000	Assessments	14,480	14,480	10,247	14,475
28500	Other Services & Supplies	129,566	128,910	130,532	137,182
28800	Debt Service	192,025	120,682	80,491	93,155
28900	Miscellaneous Service & Supplies	42,155	42,155	43,613	38,258
39000	Travel	483,456	483,456	517,954	487,519
	Subtotal	**1,292,433**	**1,204,034**	**1,200,289**	**1,173,262**
Capital Expense					
40000	Equipment	30,000	59,884	10,590	11,290
53000	Grants In Aid	168,173	168,173	118,072	152,209
62000	Food Stuffs - Resale	8,436	8,436	11,181	10,060
79385	Vehicle & Equipment Use Reimbursement	-	-	4,575	(11,334)
	Total Direct Expenditures	**1,499,042**	**1,440,527**	**1,344,707**	**1,335,487**

Intercollegiate Athletics
Budgeted Revenues and Expense FY 2016, Actual for FY 2015 & 2014

Acct	Title	Proposed FY 2017	Budget FY 2016	Actual FY 2015	Actual FY 2014
Interfund Transfers In					
91001	Tfr In- w/in FTYP Lvl 2 (not FT11)	-	-	-	-
91005	Tfr In- between FTYP Lvl 2	-	-	-	(13,479)
91255	Tfr In- from FT11 Budgeted Ops	(1,174,298)	(1,174,298)	(1,002,658)	(768,043)
Interfund Transfers Out					
92001	Tfr Out- w/in FTYP Lvl 2 (not FT11) **(Contingency)**	66,357	101,470	-	-
92001	Transfer out to reserve, Soccer Field	44,200			
92005	Tfr Out- between FTYP Lvl 2	-	-	29,900	322
92008	Tfr Out- Debt Retirement w/in Inst	-	-	25,688	-
	Total Transfers	**(1,063,741)**	**(1,072,828)**	**(947,070)**	**(781,200)**
	Total Revenues Less Expenses and Transfers	-	649	21,941	(65,026)
28800	Debt Service made up of:				
	Soccer Project Debt Service estimate	131,000			
	Bus Debt Service estimate	61,025			
		192,025			

		Annual
Revenues		
CAMPS/CLINICS	$	42,160
GAME-DAY REVENUE	$	10,000
FACILITY USE	$	2,000
ADVERTISING	$	9,238
	$	63,398
Expenses		
Bond Debt Service	$	131,000
CAMPS/CLINICS	$	20,642
GAME-DAY	$	10,000
FACILITY USE	$	551
ADVERTISING	$	1,200
Annual Field Maintenance	$	5,900
Periodic Maintenance (annualized)	$	44,167
	$	213,460
Excess (deficiency) Revenues	$	(150,062)
Other Resources		
Steens savings	$	13,000
Facilities/groundskeeping savings	$	5,050
Non-soccer advertisements	$	94,000
Non-soccer event sales	$	28,012
Concessions	$	10,000
	$	150,062
Net of Other Resources	$	-

	Actual Revenue			
FY16 to 2/4/16	FY16 Projected	FY15	FY14	FY13
66,817	94,500	86,710	91,178	108,860
32,769	39,000	30,570	44,428	32,029
14,269	16,000	18,327	23,843	24,921

REVENUES

CAMPS/CLINICS

	Camp 1- Boys ID		
	Registration Fee	No. of Participants	Total
Year 1	$ 100.00	14	$ 1,400.00
Year 2	$ 100.00	28	$ 2,800.00
Year 3	$ 100.00	28	$ 2,800.00
Year 4	$ 100.00	28	$ 2,800.00
Year 5	$ 100.00	28	$ 2,800.00
Year 6 - 10	$ 100.00	140	$ 14,000.00
Year 11-15	$ 100.00	140	$ 14,000.00
Year 16-20	$ 100.00	140	$ 14,000.00
			$ 54,600.00

	Camp 2- Girls ID		
	Registration Fee	No. of Participants	Total
Year 1	$100	14	$ 1,400.00
Year 2	$100	28	$ 2,800.00
Year 3	$100	28	$ 2,800.00
Year 4	$100	28	$ 2,800.00
Year 5	$100	28	$ 2,800.00
Year 6 - 10	$ 100.00	140	$ 14,000.00
Year 11-15	$ 100.00	140	$ 14,000.00
Year 16-20	$ 100.00	140	$ 14,000.00
			$ 54,600.00

	Camp 3- Day Camps (2, 1 week camps)		
	Registration Fee	No. of Participants	Total
Year 1	$0	0	$ -
Year 2	$ 75.00	100	$ 7,500.00
Year 3	$ 75.00	100	$ 7,500.00
Year 4	$ 75.00	100	$ 7,500.00
Year 5	$ 75.00	100	$ 7,500.00
Year 6 - 10	$ 75.00	500	$ 37,500.00
Year 11-15	$ 75.00	500	$ 37,500.00
Year 16-20	$ 75.00	500	$ 37,500.00
			$ 142,500.00

	Camp 4- Elite Camps		
	Registration Fee	No. of Participants	Total
Year 1	$ -	0	$ -
Year 2	$ -	0	$ -
Year 3	$ -	0	$ -
Year 4	$ 250.00	50	$ 12,500.00
Year 5	$ 250.00	75	$ 18,750.00
Year 6 - 10	$ 250.00	375	$ 93,750.00
Year 11-15	$ 250.00	375	$ 93,750.00
Year 16-20	$ 250.00	375	$ 93,750.00
			$ 312,500.00

	Camp 5- Team Camps		
	Registration Fee	No. of Participants	Total
Year 1	$0	0	$ -
Year 2	$ -	0	$ -
Year 3	$ -	0	$ -
Year 4	$ -	0	$ -
Year 5	$ 150.00	60	$ 9,000.00
Year 6 - 10	$ 150.00	600	$ 90,000.00
Year 11-15	$ 150.00	600	$ 90,000.00
Year 16-20	$ 150.00	600	$ 90,000.00
			$ 279,000.00

TOTAL CAMP/CLINICS REVENUE
$ 2,800.00
$ 13,100.00
$ 13,100.00
$ 25,600.00
$ 40,850.00
$ 249,250.00
$ 249,250.00
$ 249,250.00
$ 843,200.00

GAME-DAY REVENUE

	Game Ticket Sales, $5 per person		
	# Games	# Attendees	Total
Year 1	10	100.00	$ 5,000.00
Year 2	10	100.00	$ 5,000.00
Year 3	10	100.00	$ 5,000.00
Year 4	10	100.00	$ 5,000.00
Year 5	10	100.00	$ 5,000.00
Year 6 - 10	50	100.00	$ 25,000.00
Year 11-15	50	100.00	$ 25,000.00
Year 16-20	50	100.00	$ 25,000.00
			$ 100,000.00

	Concessions Sales		
	# Games	Sales	Total
Year 1	10	$ 125.00	$ 1,250.00
Year 2	10	$ 125.00	$ 1,250.00
Year 3	10	$ 125.00	$ 1,250.00
Year 4	10	$ 125.00	$ 1,250.00
Year 5	10	$ 125.00	$ 1,250.00
Year 6 - 10	50	$ 625.00	$ 31,250.00
Year 11-15	50	$ 625.00	$ 31,250.00
Year 16-20	50	$ 625.00	$ 31,250.00
			$ 100,000.00

TOTAL GAME-DAY REVENUE
6,250.00
6,250.00
6,250.00
6,250.00
6,250.00
56,250.00
56,250.00
56,250.00
$ 200,000.00

FACILITY USE

	Rentals		
	# Dates	Cost	Total
Year 1	20	$ 100.00	$ 2,000.00
Year 2	20	$ 100.00	2,000.00
Year 3	20	$ 100.00	2,000.00
Year 4	20	$ 100.00	2,000.00
Year 5	20	$ 100.00	2,000.00
Year 6 - 10	100	$ 100.00	10,000.00
Year 11-15	100	$ 100.00	10,000.00
Year 16-20	100	$ 100.00	10,000.00
			$ 40,000.00

TOTAL FACILITY REVENUE
$ 2,000.00
2,000.00
2,000.00
2,000.00
2,000.00
10,000.00
10,000.00
10,000.00
$ 40,000.00

ADVERTISING

	Fence Signs		
	Advertisors	Sign Charge	Total
Year 1	10	$ 250.00	$ 2,500.00
Year 2	15	$ 250.00	3,750.00
Year 3	20	$ 250.00	5,000.00
Year 4	20	$ 250.00	5,000.00
Year 5	20	$ 250.00	5,000.00
Year 6 - 10	100	$ 250.00	25,000.00
Year 11-15	100	$ 250.00	25,000.00
Year 16-20	100	$ 250.00	25,000.00
			$ 96,250.00

	Scoreboard Sign		
	Advertisors	Sign Charge	Total
Year 1	10	$ 300.00	$ 3,000.00
Year 2	15	$ 300.00	4,500.00
Year 3	20	$ 300.00	6,000.00
Year 4	20	$ 300.00	6,000.00
Year 5	20	$ 300.00	6,000.00
Year 6 - 10	100	$ 300.00	30,000.00
Year 11-15	100	$ 300.00	30,000.00
Year 16-20	100	$ 300.00	30,000.00
			$ 115,500.00

Year 1
Year 2
Year 3
Year 4
Year 5
Year 6 - 10
Year 11-15
Year 16-20

TOTAL ADVERTISING REVENUE
$ 5,500.00
6,750.00
9,500.00
11,000.00
11,000.00
31,000.00
55,000.00
55,000.00
$ 184,750.00

EXPENSE

CAMPS/CLINICS

Camp 1

	Personnel	Supplies/Other Costs	Total
Year 1	$280	$ 112	$ 392
Year 2	$560	$ 224	$ 784
Year 3	$560	$ 224	$ 784
Year 4	$560	$ 224	$ 784
Year 5	$560	$ 224	$ 784
Year 6 - 10	$ 2,800	$ 1,120	$ 3,920
Year 11-15	$ 2,800	$ 1,120	$ 3,920
Year 16-20	$ 2,800	$ 1,120	$ 3,920
			$ 15,288.00

Camp 2

	Personnel	Supplies/Other Costs	Total
Year 1	$280	$ 112	$ 392
Year 2	$560	$ 224	$ 784
Year 3	$560	$ 224	$ 784
Year 4	$560	$ 224	$ 784
Year 5	$560	$ 224	$ 784
Year 6 - 10	$ 2,800	$ 1,120	$ 3,920
Year 11-15	$ 2,800	$ 1,120	$ 3,920
Year 16-20	$ 2,800	$ 1,120	$ 3,920
			$ 15,288.00

Camp 3

	Personnel	Supplies/Other Costs	Total
Year 1	$1,500	$ 800	$ 2,300
Year 2	$1,500	$ 800	$ 2,300
Year 3	$1,500	$ 800	$ 2,300
Year 4	$1,500	$ 800	$ 2,300
Year 5	$1,500	$ 800	$ 2,300
Year 6 - 10	$6,000	$ 4,000	$ 10,000
Year 11-15	$6,000	$ 4,000	$ 10,000
Year 16-20	$6,000	$ 4,000	$ 10,000
			$ 41,500.00

Camp 4

	Personnel	Supplies/Other Costs	Total
Year 1	-	-	-
Year 2	-	-	-
Year 3	-	-	-
Year 4	$ 3,100.00	5775	$ 8,875
Year 5	$ 4,350.00	8663	$ 13,013
Year 6 - 10	$ 21,750.00	43315	$ 65,065
Year 11-15	$ 21,750.00	43315	$ 65,065
Year 16-20	$ 21,750.00	43315	$ 65,065
			$ 217,083.00

Camp 5- Team Camps

	Personnel	Supplies/Other Costs	Total
Year 1	$ -	-	$ -
Year 2	$ -	-	$ -
Year 3	$ -	-	$ -
Year 4	$ -	-	$ -
Year 5	$ 1,500.00	6,230	$ 7,730.00
Year 6 - 10	$ 7,500.00	31,150	$ 38,650.00
Year 11-15	$ 7,500.00	31,150	$ 38,650.00
Year 16-20	$ 7,500.00	31,150	$ 38,650.00
			$ 123,680.00

TOTAL CAMP/CLINICS COSTS
$ 3,084.00
$ 3,868.00
$ 3,868.00
$ 12,743.00
$ 24,611.00
$ 121,555.00
$ 121,555.00
$ 121,555.00
$ 412,839.00

GAME-DAY

Game Ticket Sales

	Personnel	Supplies/Other Costs	Total
Year 1	$ 600.00	$ 25.00	$ 625.00
Year 2	$ 600.00	$ 25.00	$ 625.00
Year 3	$ 600.00	$ 25.00	$ 625.00
Year 4	$ 600.00	$ 25.00	$ 625.00
Year 5	$ 600.00	$ 25.00	$ 625.00
Year 6 - 10	$ 3,000.00	$ 125.00	$ 3,125.00
Year 11-15	$ 3,000.00	$ 125.00	$ 3,125.00
Year 16-20	$ 3,000.00	$ 125.00	$ 3,125.00
			$ 12,500.00

Concessions Sales

	Personnel	Supplies/Other Costs	Total
Year 1	$ 400.00	$ 600.00	$ 1,000.00
Year 2	$ 400.00	$ 600.00	$ 1,000.00
Year 3	$ 400.00	$ 600.00	$ 1,000.00
Year 4	$ 400.00	$ 600.00	$ 1,000.00
Year 5	$ 400.00	$ 600.00	$ 1,000.00
Year 6 - 10	$ 2,000.00	$ 3,000.00	$ 5,000.00
Year 11-15	$ 2,000.00	$ 3,000.00	$ 5,000.00
Year 16-20	$ 2,000.00	$ 3,000.00	$ 5,000.00
			$ 20,000.00

TOTAL GAME-DAY COSTS
$ 1,625.00
1,625.00
1,625.00
1,625.00
1,625.00
8,125.00
8,125.00
8,125.00
$ 32,500.00

FACILITY USE

Rentals

	# Dates	Cost	Total
Year 1	20	$ 15.00	$ 300.00
Year 2	20	$ 15.00	300.00
Year 3	20	$ 15.00	300.00
Year 4	20	$ 15.00	300.00
Year 5	20	$ 15.00	300.00
Year 6 - 10	100	$ 15.00	1,500.00
Year 11-15	100	$ 15.00	1,500.00
Year 16-20	100	$ 15.00	1,500.00
			$ 6,000.00

Portable Restrooms

	#months	Supplies/Other Costs	Total
Year 1	3.00	$ 75.00	$ 225.00
Year 2	3.00	$ 75.00	225.00
Year 3	3.00	$ 75.00	225.00
Year 4	3.00	$ 75.00	225.00
Year 5	3.00	$ 75.00	225.00
Year 6 - 10	$ 12.00	$ 100.00	1,200.00
Year 11-15	$ 12.00	$ 100.00	1,200.00
Year 16-20	$ 12.00	$ 125.00	1,500.00
			$ 5,025.00

TOTAL FACILITY COSTS
$ 525.00
525.00
525.00
525.00
525.00
2,700.00
2,700.00
3,000.00
$ 11,025.00

ADVERTISING

Fence Signs

	Advertisors	Sign Cost	Total
Year 1	10	$ 150.00	$ 1,500.00
Year 2	15	$ 150.00	750.00
Year 3	20	$ 150.00	750.00
Year 4	20	$ 150.00	-
Year 5	20	$ 150.00	
Year 6 - 10	20	$ 150.00	3,000.00
Year 11-15	20	$ 150.00	3,000.00
Year 16-20	20	$ 150.00	3,000.00
			$ 12,000.00

Scoreboard Sign

	Advertisors	Sign Cost	Total
Year 1	10	$ 150.00	$ 1,500.00
Year 2	15	$ 150.00	750.00
Year 3	20	$ 150.00	750.00
Year 4	20	$ 150.00	-
Year 5	20	$ 150.00	-
Year 6 - 10	20	$ 150.00	3,000.00
Year 11-15	20	$ 150.00	3,000.00
Year 16-20	20	$ 150.00	3,000.00
			$ 12,000.00

TOTAL ADVERTISING COSTS
$ 3,000.00
1,500.00
1,500.00
-
-
6,000.00
6,000.00
6,000.00
$ 24,000.00

Resources		
XIF Track Bonds (UPE758)	1,850,000	
XIF Village (UPE759), net of village project	69,277	
XIF SBF Bonds (UPE760)	100,000	
Project Management/Facility Services Staff Time	21,182	
Soccer Goals from FY15 Equipment Budget	6,888	
	-	
Total Resources	$ 2,047,347.00	
Costs		
Ausland Group (track/soccer design)	$ 139,164.00	(Design of suspended project, FY15)
Soccer Project Field Engineering	87,510	(Project Lead, Architect)
Civil Engineering	30,000	
Geotechnical Survey	9,220	
Topographic Survey	7,500	
Electrical Engineering	25,000	
Prefessional Services/Reimbursable Expense	12,500	
Project Management/Facility Services Staff Time	21,182	
Permits	14,121	
Third Party Engineer Estimates	5,000	
Site Preparation & Earthwork	104,885	
Field Base Construction	412,501	
Synthetic Turf Surfacing	502,420	
Site electrical	67,725	
Misc. Site Improvements	82,900	
General Conditions	241,700	
Soccer Goals, OIT furnished, FY15 Equip Budget	6,888	
Geothermal line protection	2,000	
Contingencey 12.5%	176,517	
Total Costs	$ 1,948,733.00	
Resouces not allocated	$ 98,614.00	
Project Budget Limitation	$ 2,047,347.00	

Alternate Bid 1- Lights	310,720
Alternate Bid 2- Crowd control/Ball Fencing	139,026
Alternate Bid 3- Geo Heat on sidewalk	21,150
Alternate Bid 4- Turf Cooling System	19,681
Alternate 5- Cover Team Benches	22,403
Alternate 6- Dedicated portable bleachers	10,785
*Alternates are not prioritized	
Total of all alternates	**523,765**

Annual Maintenance		
Water	$ 750	
Maintenance payroll	5,050	Field grooming, primarily during soccer season
Equipment	100	Clean and lubricate twice annually
	$ 5,900	

Periodic Maintenance	Cost	Expected Useful Life		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total	Cross-Check
Turf replacement	525,000	12 years													525,000									525,000	-
Turf Conditioning (contracted)	5,000	6 years						-	5,000				-								5,000			10,000	5,000
	$ 530,000			-	-	-	-	-	5,000	-	-	-	-	-	525,000	-	-	-		-	5,000	-	$ -	$ 535,000	$ 5,000
Annual contribution	44,166.67		Contribution	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	44,167	$ 44,167		
			Beginning reserve	-	44,167	88,333	132,500	176,667	220,833	260,000	304,167	348,333	392,500	436,667	480,833	-	44,167	88,333	132,500	176,667	220,833	260,000	$ 304,167		
			Ending contribution balance	44,167	88,333	132,500	176,667	220,833	260,000	304,167	348,333	392,500	436,667	480,833	-	44,167	88,333	132,500	176,667	220,833	260,000	304,167	$ 348,333		

Turf striping typically lasts the life of the turf.
There is no snow removal to avoid damage to the turf with equipment. A light dusting might be broomed off by athletes, otherwise, cancel use.
Conditioning is not required. Some facilities do it annually, others I spoke with have never even heard of doing it.
Using 12 year replacement cycle as we will not approach the 2,400 hours a year that would be associated with facilities such as Delta Park in Portland. I would anticipate closer to 1,200 hours/year

Open Forum Proposed Soccer Project

January 19, 2016
Wilsonville Campus Room # 209
Video-conference to Mt. Thielsen Room, Klamath Falls, Oregon

Open forum began at 4:04 pm

Introduction

Di Saunders called the forum to order and thanked everyone for participating. These meetings are for informational sharing and listening to receive your input, questions, and concerns regarding the project.

President Maples provided a brief overview of the proposed soccer field and funding for the project. Oregon Tech received the bonding for athletic facilities from the state; the likelihood of receiving this type of funding for auxiliary projects down the line is extremely low. The funding for this project was approved by the former State Board of Higher Education to renovate the football field into soccer and include the track and field renovations, the initial bids came in extremely over budget. The project was scaled down and redesigned; in the meantime the new Oregon Tech Board of Trustees came on board and we presented the project at a special board meeting in December. As part of the new process, we are receiving feedback from various groups on campus. This is the second of three forums, information was presented to FOAC and the Facilities Advisory Committee. A presentation will be provided to the Facilities and Finance Committee of the Board and to the entire Oregon Tech Board of Trustees in February.

Athletic Director Michael Schell provided a short summary regarding the project. The Board of Trustees approved for design of the project to continue. In the project plan Oregon Tech will need to substantially complete the soccer field by June 2, 2017 to utilize the bonds. It leaves one summer construction window to complete the project. We are proceeding with the design process, and a design engineer is on contract. A preliminary site meeting has been held to discuss the project details and we are currently ready to start with the construction bid documents.

Mike reported that he reached out to the Klamath Falls City Parks to request potential use of Moore Park to set up a rugby field. The city is very much interested in utilizing Moore Park but a decision could not be made at this time. Mike is scheduled to present a proposal for a rugby field on March 3 to the City of Klamath Falls; if the Board of Trustees cancels the soccer project, the presentation to the city will be cancelled. The soccer project would displace rugby but it would not cancel their season all together.

Q&A and Comments

1. Faculty member: Are the soccer and rugby team switching locations?

   Mike Schell: The soccer teams are currently using Steen Sports Park. Essentially there would be a flip in locations with soccer coming to campus and rugby would then be displaced and potentially moved to Moore Park. There are intercollegiate athletics which are athletics designated by the institution and recognized by the NAIA and the Cascade Collegiate Conference. Intercollegiate athletes are highly recruited athletes and are part of a funding program within the conference. Rugby is an extramural sport meaning that it does compete against teams outside of the institution but it is not at the same level as intercollegiate sports. Extramural sports do not provided scholarships, the seasons run shorter, and the academic standards between extramural and intercollegiate athletics are also significantly different.

2. Faculty member: For those that may not be familiar with the way the project is being funded, the bonds are not found money, correct? This is money that has to be repaid?

   Mike Schell: The bond funding is coming from the state and it has to be repaid. The first payment is estimated at $90,000 and then payment for the remaining 19 years will be at $131,000 which includes principal and interest.

3. Faculty member: Are you in a position to speak in a little more detail about how that money will be repaid by Oregon Tech and where that money would come from?

   Mike Schell: The athletics department is charged with the repayment. We have developed a budget around having that repayment moving forward. We are not targeting budgeting operations, we are not targeting incidental fees. We are looking at advertising revenues and camp funds. We will be running soccer camps and we will be aggressively seeking those type of funds. It is a departmental project not just a soccer project so our department is committing to this facility and we will be raising funds through donations, advertisements, camps, concessions and any other place we can find it as well.

4. Faculty member: In the event there was a short fall, where would the funds come from at that point?

   Mike Schell: It is on the athletics department to make this work. Internally, within the department we would make the necessary adjustments to make this work. Whether it is a staffing change, travel change, transportation change, where we go, it is those sorts of decisions we will have to make.

Faculty member: Soccer sounds like a lot of fun to me but I am really concerned about the liability of the finances. Borrowing money just because we have the chance to borrow it seems like a dangerous thing to me when we don't have sports in our strategic goal. We have had to raise tuition for students, we have had to forego faculty salary raises because we are in a tight spot. Taking on additional debt, especially with the pro forma kind of things we have seen that are not very accurate or well done, but our debt service keeps increasing and our ability to pay back that debt has to come from somewhere. Mike, I appreciate your thinking that this is going to come out of your wallet but frankly the school has to pay that debt. I would really like to see a more responsible job in the finance pro forma to show where the money is really coming from. To say that you are going to sale cookies and do bake sales to cover that much debt service just does not seem practical. Yes, it is a cool thing, but it just feels like it is a tough time for us to borrow such a large amount of money knowing that we will have additional costs down the line. I just feel like we have not done an adequate job of showing our stakeholders where the money is coming from, how we are going to pay it back, and how we can justify taking on additional debt service for a project that does not serve the whole school. This just does not feel like a very good business decision for our organization, I think we really need to be responsible for our stakeholders.

Chris Maples: Mike just attended the FOAC meeting where he provided additional pro forma information. We are about enrollment, about getting students enrolled and getting students graduated. Student life is one of those things that keeps students connected. This is a student life issue and the idea of having the campus lit up at night with lights on campus will be a beacon for Oregon Tech. The Klamath Falls campus is a lot more of a connection with the community. We have a lot of support from Steen Park and Basin United as part of building a soccer culture. Soccer is probably one of the more diverse groups of student athletes that we have. Again, we are trying to strengthen and build our own culture, get students graduated and get students connected and feel like part of our university. It is not so much about campus and soccer, it is more about a student body and the growth of a student body. Students are why we are here.

Faculty member: But saying that soccer is the magical key for students being interested in coming to campus is a false goal.

Chris Maples: I appreciate that. There is a school not far from here that is very proud of not having sports at all and they have half of the enrollment they used to have.

Faculty member: I am not saying that we should not have sports at all. I came from Linfield College, where they pump a ton of money into sports. It was a joke among students that the schools priorities were not in line with academics.

Mike Schell: the Men's Soccer program combined for a 3.2 GPA and the Women's Soccer program combined for a 3.41 GPA with the overall athletics GPA averaging 3.31; we have very good students and academics is a priority.

5. Staff member: I have heard the first and the second forums, I have heard a lot about the budget. My questions is, how else do we do it if it is not through a loan?

   Chris Maples: In the university as a culture, it is hard to raise money as a small school and the loan is the only way to proceed at this time.

Women's basketball player: It is already evident from our combined GPA's that academics are important. Being a part of the women's soccer and basketball, I just want to say that every coach that I have experience with on this campus has always put academics before sports. It is definitely not a problem that we have here and I don't think it will ever be.

Faculty member: I am a department chair and I was surprised to hear about this project, how is this project going to affect student life, and residence halls? (Due to poor quality of the audio recording and intermittent video connection, this section is unable to be transcribed)

6. Faculty member: What is the process for moving future projects forward for approval?

   Di Saunders: The Executive Staff is working on a process that includes transparency and an opportunity for input to be gathered before taking to the board for approval.

Student: These players deserve the support of their campus community. Klamath Falls does have a very strong soccer culture. Steen Park is beginning to outgrow our facility, this project will help Oregon Tech, it will help Steen Park and the community to grow soccer in the entire community and bring in more events and campus exposure. Purvine will not be an empty field as it is now but it will be a field full of people.

7. Faculty member: Were there multiple proposals received for the combined soccer project?

   Mike Schell: Oregon Tech received 4 proposals for the combined soccer and track field project. The lowest bid was significantly higher than the funds we had available so it was prudent of the institution to suspend the project at the point and look for alternative scoping.

(Due to poor quality of the audio recording and intermittent video connection, this section is unable to be transcribed)

8. Student: It was mentioned earlier about other events taking place on the soccer field. Can you go into detail about what type of events you would have?

   Mike Schell: We would continue to host intramural softball in the spring, we have not traditionally had intramural soccer, and there are other student related events that could still continue on that field. What we would do differently from now is that whatever we do does not harm the turf. We would use it to the extent possible, if we could move forward with lights that can extend the operating hours and expand even more.

(Due to poor quality of the audio recording and intermittent video connection, this section is unable to be transcribed)

Student: When I was growing up, one of the best memories that I have was going to the University of Portland Campus and watching the women and men soccer teams. I went with my family, my friends, my rec team, and my club team. To me that is what Klamath Falls needs, a place to go watch soccer not to go watch them where they practice.

Diane Saunders recapped the last question that was not audible. The comment was related to doing more to develop campus life in Wilsonville and have additional conversations in the future.

Faculty member: I really appreciate the commentary and I want you to know that the faculty at Wilsonville are in support of all things good for OIT. My concern is that we are buying a bigger car than we can afford and in my opinion we are not doing the kind of due diligence that we need to do to show that we can afford taking on more debt service. It does not mean that it is not true and does not mean that it is not the right thing to do, it is just that in a vacuum all we can do is be critical and believe the worst. We does make sense to develop our culture but it we need to know how we are going to pay for this.

(Due to poor quality of the audio recording and intermittent video connection, this section is unable to be transcribed)

President Maples asked Mike Schell to provide a copy of the pro forma for campus review. It was agreed that a copy will be made available to faculty and staff prior to the board meeting.

9. Soccer player: Are there going to be measures put in place to maintain the field and prevent students from walking across the field, spitting out their gum, and leaving garbage on the field?

   Mike Schell: One of the bid alternates includes a fencing plan, but we have to make a decision on how to allocate the resources. We have not made that decision and will not make that decision until we receive the hard number on the bid alternate. That is certainly something that we are looking at, we are just deciding how to allocate the resources.

10. Faculty member: What were the other projects considered in looking at this project and the bonding?

    Mike Schell: This has been one of the top goals of the department for many years and one of the first projects that I spoke with Dr. Maples about when he came on as president. Within the scope of things it is one of our highest priorities. Of course if we were talking about 60 million for a state of the art recreation center that would be a game changer for us as well. But obviously that type of money is not on the table. We tried to go about this project in more of an in-kind fashion but we failed miserably.

(Due to poor quality of the audio recording and intermittent video connection, this section is unable to be transcribed)

11. Student: Could we receive revenue by renting out field space for tournaments and such?

    Mike Schell: Certainly we can seek that revenue but the priority for access would be for our own campus first. If the schedule was available and someone wanted to rent it, we would certainly rent it and target those dollars. I want to make sure that we give priority to on campus first.

12. Faculty member: Have you looked at using different materials such as Nike Grind?

    Mike Schell: We talked with our engineer about various products, basically if we go with Nike Grind it increases the expense by about $100,000.

Di Saunders announced the next forum will take place on Monday, February 1 at 5pm in the Mt. Mazama Room of the College Union in Klamath Falls.

Forum adjourned: 5:01 pm

Ferguson Elementary

Klamath County School District

Inspiring Today's Students To Meet Tomorrow's Challenges

2901 Homedale Road • Klamath Falls, OR 97603 • 541-883-5036• FAX 541-885-3357

February 3, 2016

To Whom It My Concern:

It is with great pleasure that we share the impact that the OIT Soccer Team and head coach Matt Munhall have had on the students of Ferguson Elementary School.

Ferguson Elementary School has a Positive Behavioral Intervention and Supports (PBIS) leadership team. PBIS is a proactive approach to establishing the behavioral supports and social culture needed for all students in a school to achieve social, emotional and academic success. Last school year (2014-2015), the team made the decision to implement a school-wide system of support called Ferguson's Tiger Club. The Tiger Club is intended to modify the behavior of an entire school through means of verbal praise, public posting (acknowledging a student's performance in a place where it can be seen by others), and a motivator.

Matt and his men and women's soccer players have taken the time from their busy schedule to spend quality time with our students. Since the 2014/2015 school year, the OIT Soccer Teams have visited Ferguson at least four times and worked with over 250 different students. During their visits, they teach the students basic soccer skills, teamwork and leadership. As a result of their positive support and influence in the school, students are more motivated to be respectful, responsible and safe. Parents are happy to see the school and community working together toward a common goal. A parent informed the school the only reason his daughter joined a soccer team this school year was because of the positive interaction she had with the OIT Soccer Teams.

In addition to working with the PBIS team, Matt and the OIT Soccer Teams volunteered to help with the end of the year field day activities. The team had contact with over 450 students. They made it possible for students to participate in ten different events, and the value they had as being positive role models was priceless. Without their help, our end of the school year field day would not have been as successful.

Matt Munhall and the OIT Soccer Teams have made and continue to make a positive impact on the self-confidence and esteem in our students through the time they have spent at Ferguson Elementary School.

Respectfully,

Kelley Fritz
Principal
Ferguson Elementary School

Domingo Arriloa
Special Education Teacher
Facilitator PBIS Leadership Team
Ferguson Elementary School

Altamont Elementary • Bonanza Elementary • Bonanza Jr./Sr. High • Brixner Jr. High • Chiloquin Elementary • Chiloquin Jr./Sr./ High • Fairhaven Elementary • Ferguson Elementary • Gearhart Elementary • Gilchrist Elementary • Gilchrist Jr./Sr. High • Henley Elementary • Henley Middle • Henley High • Keno Elementary • Lost River Jr./Sr. High • Malin Elementary • Merrill Elementary • Peterson Elementary • Shasta Elementary • Stearns Elementary

February 8, 2016

Dear Ms. Fox and the Oregon Tech Board of Trustees,

As a former Oregon Tech employee and spouse of a current Oregon Tech employee, I have been following the campus community discussion regarding the proposed soccer field for Oregon Tech. I understand that there have been three public forums for learning about the project and for voicing opinions.

While these forums were appreciated, they did not capture the valuable perspective of the facilities staff at Oregon Tech and the very pertinent "hands-on" knowledge and experience these people provide. Facilities staff are often unable to attend these types of events. In addition, having recently lost numerous department leaders, these staff operate on pins and needles, constantly afraid of speaking up or saying something they fear would result in losing their job.

Working closely with facilities staff has proven to save Oregon Tech money. For example, Scott Kieffer, a former geothermal technician at Oregon Tech, recommended Purvine Hall be heated with "after-use" geoheat (geothermal water that had already passed through other buildings at Oregon Tech) versus running a new geothermal line to Purvine Hall. This design feature saved the University hundreds of thousands of dollars. When a large amount of woody debris accumulated in the "canyon" north of Oregon Tech, facilities staff worked closely with the City and Waste Management to have it hauled away (at no cost to the University) for biomass energy production.

Before making a final decision regarding the soccer field, I strongly recommend meeting with facilities staff. If possible, hold the meeting in their building to make it easy for them to attend. Coordinate the meeting with key personnel such as Jim Lake, Don Depuy, and grounds supervisors to ensure they are present and that they feel secure in sharing their thoughts regarding the field based on their intimate working knowledge of the campus. Though I understand President Maples is an ex-officio member of the board, I recommend that he not be invited to this meeting to create a less intimidating environment for staff to share their thoughts. Finally, I would recommend asking these valuable employees not only about the soccer field, but how they might prioritize spending on auxiliaries. It may be a wonderful thought to have a soccer field on campus now, but would that come at the cost of outdated, broken gym equipment or inoperable heating systems in the gym?

Please seek the opinion of these professionals before making your final decision regarding the soccer field.

Kindly,

Linda Riley

Discussion
Agenda Item No. 5.3
Presentation of the June 30, 2015 Annual Financial Report

GASB 68 – What was the effect on Oregon Tech's Annual Financial Report?

Definitions

Deferred Outflows of Resources: A consumption of net assets that is applicable to a future reporting period, rather than to the current reporting period.

Deferred Inflows of Resources: An acquisition of net assets that is applicable to a future reporting period, rather than to the current reporting period.

Valuation Date: The date the actuarial valuation is performed, 12/31/2012

Measurement Date: the date as of which the net pension liability/asset is determined, Milliman rolled forward the valuation to 6/30/2014.

Reporting Date: The plan's and/or the employer's fiscal year – ending date, for Western Oregon University this is 6/30/2015.

Measurement Period: The period between the prior and the current measurement dates.

Summary Information

Government Accounting Standards Board (GASB) Statement 68 requires employers to recognize their proportionate share of the total for the collective employers in the pension plan, measured as of the measurement date for funded/unfunded pension obligations –

- Net Pension Asset/Liability
- Pension Expense
- Deferred Outflows of Resources
- Deferred Inflows of Resources
- First year Change in Accounting Principle

The standard requires that the total pension asset/liability be determined by an actuarial valuation as of the measurement date, or the use of update procedures to roll forward to the measurement date. An actuarial valuation was performed on the PERS plan by Milliman, as of the valuation date of 12/31/2012. Milliman performed update procedures to roll forward the valuation from the valuation date to the measurement date of 6/30/2014. A valuation report is only an estimate of the financial condition of the plans as of a single date, it can neither predict the future condition nor guarantee future financial soundness. Valuations can change due to factors such as economic conditions or changes in assumptions. Milliman provided valuations of the plan, PERS provided employers GASB 68 proportionate share information as audited by their auditors, MGO Certified Public Accountants, as of 6/30/2014.

Keep in mind that the pension amounts reported for Oregon Tech are an estimate of an estimate. Oregon Tech participates in PERS and is included in the audited GASB 68 information provided to employers by PERS as a portion of Employer 1000 State Agencies. The Department of Administrative Services State Accounting and Reporting Services (SARS) developed an allocation method to allocate the total for Employer 1000 State Agencies to state agency employers, including Oregon Tech. The Secretary of State Audits Division (SOS) performed a review of the SARS allocation. A review does not provide an opinion or assurance, it is generally limited to analytical procedures. Because SOS did not perform an audit, Oregon Tech's auditors Clifton Larson Allen (CLA) were required by auditing standards to perform audit procedures on the allocation performed by SARS and reviewed by SOS. CLA did not receive information from SOS to perform the procedures until late November, 2015. This is the primary reason that the Oregon Tech financial report was not issued until December, 2015.

Because of the amount of work that it takes to provide an actuarial valuation from the time data is available it would not be possible to issue financial statements timely if a valuation was performed with a measurement date that is the same as the report date of 6/30/2015. Because of this timing issue between the measurement date and the report date, employer contributions to the plan during the report period are deferred (reported as deferred outflows) to match the measurement period.

Other data provided by PERS that is required to be reported as either deferred inflows of resources or deferred outflows of resources:

- Differences between expected and actual experience
- Changes of assumptions
- Net differences between projected and actual earnings on pension plan investments
- Differences between PERS contributions and proportionate share of contributions

Because of the Moro decision (disclosed on page 44 of the financial statements), changes to the fiscal year 2016 actuarial liability for Oregon Tech are estimated to be $4.6 million. This is because 2015 is a Net Pension Asset of $2.1 million and the estimation is that this will swing to a $2.5 million liability, this will increase pension expense by $4.6 million. Pension Expense will also decrease due to the amortization of deferred inflows/outflows of $1 million, see schedule on page 37. Pension expense could also change significantly if there are significant changes in the projected and actual earnings in the plan.

Resources

This page has some good information and definitions

https://www.milliman.com/gasb6768/

This is a link to the PERS financial reports including the actuarial valuations

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Summary of changes due to the implementation of GASB68:

Statement of Net Position

Noncurrent Assets - Net Pension Asset	**2,133,340**
Deferred Outflows of Resources	
Begin Balance - Contributions between 7/1/2013 and 6/30/2014	907,828
Reclasss beginning balance to Pension Expense (Operating	(907,828)
Reclass contributions between 7/01/2014 and 6/30/2015	837,527
Difference between OIT contributions and proportionate share	38,151
Change due to GASB 68	**875,678**
Deferred Inflows of Resources	
Difference between projected and Actual Earnings	**4,116,483**
Change to Unrestricted Net Position	**(1,107,465**

Statement of Revenues, Expenses and Changes in Net Position

Changes in Pension Expense	
Difference in contributions between 2014 and 2015	70,301
Difference between Net Pension Asset and Liability	(6,936,216
Difference between projected and Actual Earnings	4,116,483
Difference between OIT contributions and proportionate share	(38,151)
	(2,787,583
Decrease in Operating Expenses	
Instruction	(1,575,319
Research	(18,395)
Public Service	586
Academic Support	(308,507)
Student Services	(205,049)
Auxiliary Programs	(196,695)
Institutional Support	(197,048)
Operation and Maintenance	(286,696)
Student Aid	0
Other Operating Expenses	(461)
	(2,787,583
Change in Accounting Principle	
Beginning Balance Net Pension Liability	(4,802,876
Beginning Balance Deferred Outflows of Resources	907,828
	(3,895,048
Change to Net Position - decrease	(1,107,465

Decrease in beginning balance offset by decrease in operating expense