

Finance and Facilities Committee
also Sitting as the Audit Committee
Agenda

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

Recommendation

Strategic View of Budget and One-Time Funding Budget Philosophy

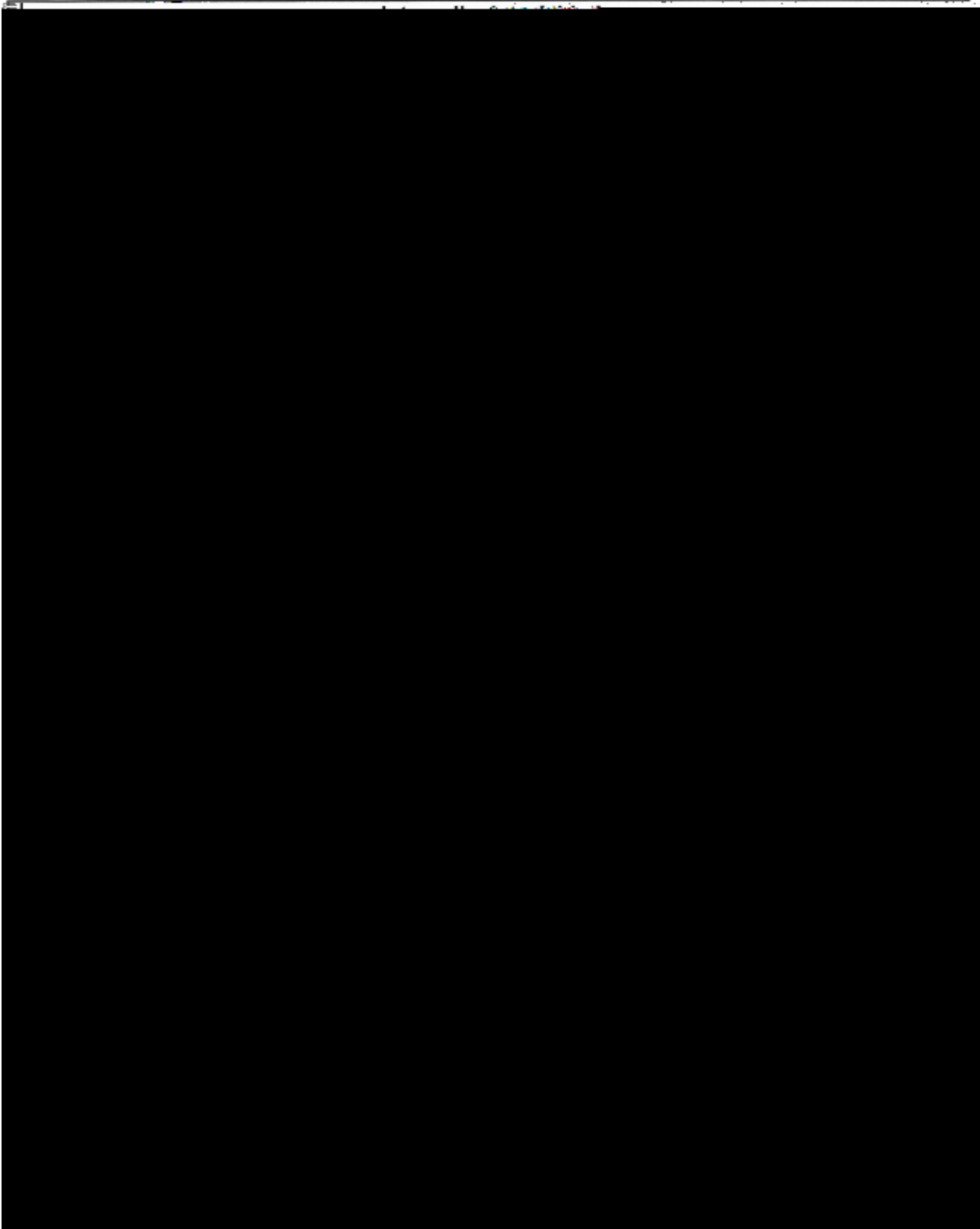
Board Policy on Debt Management
Board of Trustees of Oregon Institute of Technology

1.0 Authority of the Board of Trustees

2.0 Previous Rules and Policies

8.0 Internal Financings

9.0 Short-Term Financings





REVENUES		EXPENSES		TOTAL	
CLIPPING CO. RECS	\$ 54,000.00	CLIPPING CO. RECS	\$ 54,000.00		
ADVERTISING	111,000.00	ADVERTISING	111,000.00		
...		
TOTAL REVENUES	\$ 165,000.00	TOTAL EXPENSES	\$ 165,000.00		
REVENUES		EXPENSES		TOTAL	
...		
TOTAL REVENUES	\$ 270,000.00	TOTAL EXPENSES	\$ 270,000.00		
REVENUES		EXPENSES		TOTAL	
...		
TOTAL REVENUES	\$ 483,000.00	TOTAL EXPENSES	\$ 483,000.00		
REVENUES		EXPENSES		TOTAL	
...		
TOTAL REVENUES	\$ 1,000,000.00	TOTAL EXPENSES	\$ 1,000,000.00		

FACILITY USE		REVENUES		TOTAL	
...		
TOTAL FACILITY USE	\$ 100,000.00	TOTAL REVENUES	\$ 100,000.00		
FACILITY USE		REVENUES		TOTAL	
...		
TOTAL FACILITY USE	\$ 200,000.00	TOTAL REVENUES	\$ 200,000.00		
FACILITY USE		REVENUES		TOTAL	
...		
TOTAL FACILITY USE	\$ 300,000.00	TOTAL REVENUES	\$ 300,000.00		

General Information
Water \$ 750
Expected Useful Life 2012-2013
\$ 8,000



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

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 provide 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 sell 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.

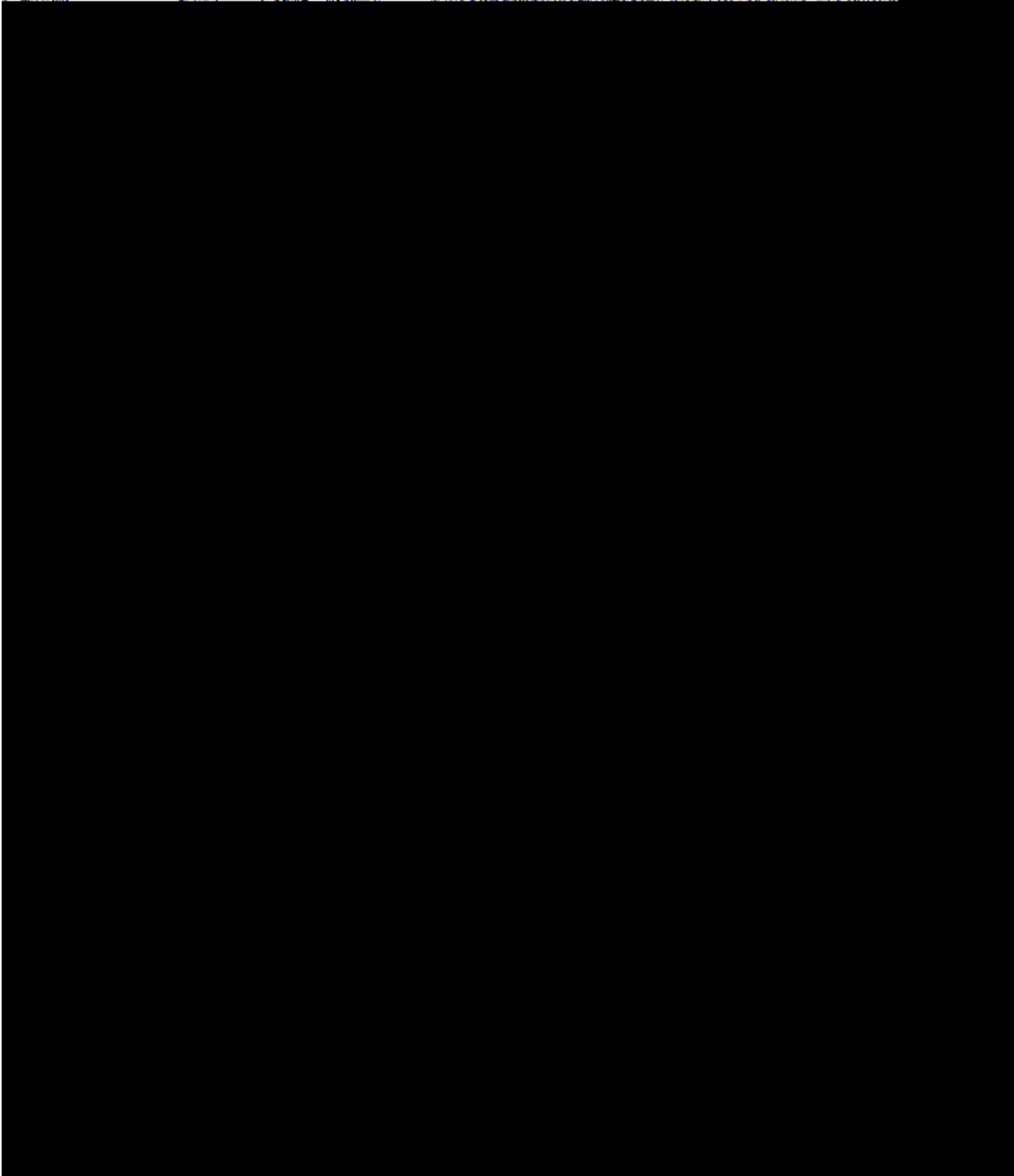
Women's basketball player: It is already evident from our combined GPA's that academics are important. Being a part of the women's soccer and basketball, I just want to say that every coach that I have experience with on this campus has always put academics before sports. It is definitely not a problem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

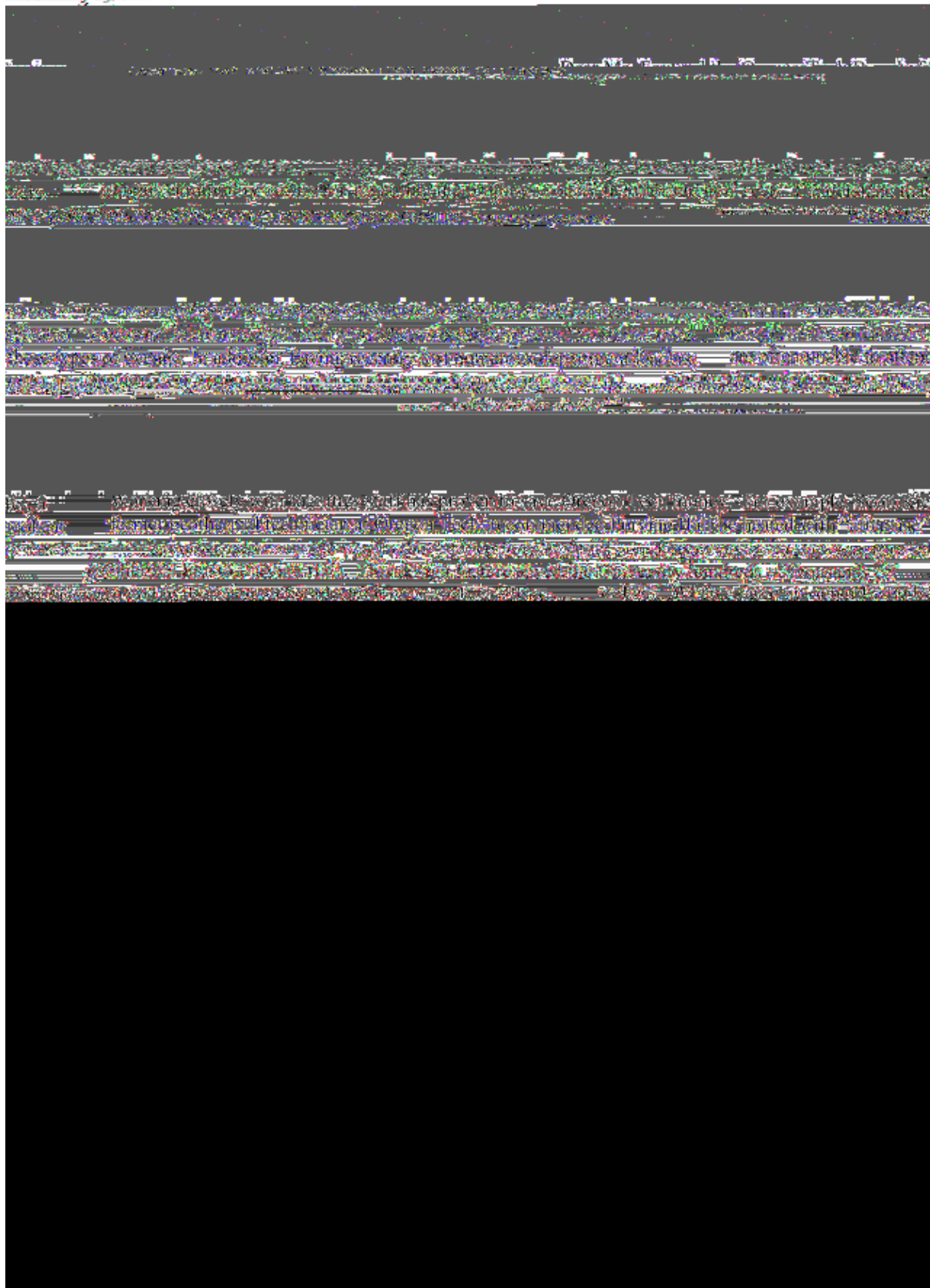
6. Faculty member: What is the process for moving future projects forward for approval?

Di Saunders 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



February 8, 2016



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