
**MINUTES OF THE MAY 16, 2006
ADVISORY/BUDGET COMMITTEE
ROGUE COMMUNITY COLLEGE BOARD OF EDUCATION**

1. **Call to Order** – Rogue Community College (RCC) Board of Education (Board) Advisory Budget Committee Chair, John Harelson called the Advisory/Budget Committee meeting to order at 3:00 p.m. on Tuesday, May 16, 2006, Redwood Campus, H-2 Board Room, 3345 Redwood Highway, Grants Pass, Oregon. Due notice was given.
2. **Determine Presence of Quorum** – A quorum of Advisory/Budget Committee members were present including, Mr. Harelson, Sharon Davidson, Jim Dole, Pat Huycke, Skip Patterson, Midge Renton, Dick Rudisile, Kevin Talbert, David Trump, Charly Warren and Dean Wendle. John Anhorn and Dawn Welch were absent due to pre-arranged plans.
3. **Introduction of Guests** – Peter Angstadt, Nancy Maxwell, Jenny Rossknecht, Curtis Sommerfeld, Lisa Stanton, Denise Swafford, Lynda Warren and Denise Nelson were in attendance.
4. **Review Budget [Oregon Budget Law, Chapter 294 (Oregon Revised Statutes)]**

A. Updates on Proposed Budget Presented April 18, 2006

Advisory/Budget Committee members discussed their roles in the budget process and the annual progression of events leading to committee meetings. Effective next year, committee members requested to be kept abreast of internal communications and receive information regarding the budget earlier in the process.

Lisa Stanton distributed copies of the 2006/07 budget and provided a visual presentation. Budget detail, which can be reviewed at www.roguecc.edu/budget/2006__07/approved, was provided for each account in addition to account descriptions as follows:

a. General Fund

The General Fund accounts for all financial resources and expenditures of the College, except for those required to be accounted for in another fund. The principle sources of revenue include property taxes, tuition and state community college support.

b. Capital Improvement Fund Type

The Capital Improvement Fund (CIP) Types account for the receipt and disbursement of resources for buildings and land, buying or maintaining College facilities and equipment. The College

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maintains three funds; Maintenance, COPS & Bonds and State Funds. The principle revenues include transfers from the General Fund, bond levy proceeds, certificates of participation and investment earnings.

c. CIP-Maintenance

Accounts for the cost of maintaining College facilities and equipment. The major source of revenue is a transfer from General Fund.

d. CIP-COPS & Bonds

Accounts for the purchase and/or remodel of buildings and land with COP and/or bond proceeds.

e. CIP State Funds

Accounts for state funding received for capital projects including purchases, remodels and maintenance of buildings, land and equipment.

f. DEBT Service Fund

Accounts for the accumulation of resources for and payment of principal and interest on the College's long-term debt obligations. The principal revenues are transfers from the General Fund and College Services Fund, and property taxes approved for bond levies.

g. Special Revenue Fund Type

Special Revenue Funds account for revenues and expenditures for specific projects that are legally restricted for a specific purpose and the Financial Aid Fund. Funds included in this classification are College Services Fund, Contract and Grant Fund, Financial Aid Fund, Intra-College Fund, PERS Fund, Self Support Fund, Technology Fund, and Unemployment Reserve Fund.

h. College Services Fund

Accounts for College building remodel, purchase or lease payments. The principle revenue is from half of the college services fee charged to students.

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i. Contract and Grant Fund

Accounts for grants and contracts for Vocational Education Grants, Small Business Development Center, JOBS programs, Title III and other activities. Revenues are primarily provided by federal, state and local sources.

j. Financial Aid Fund

Accounts for the provision of grants, stipends and other aid to enrolled students, including Pell grants, Supplemental Educational Opportunity Grants, Oregon State Scholarship Commission Grants, College Work-Study and awards from the RCC Foundation. Revenues are primarily provided by federal government grants.

k. Intra-College Fund

Accounts for activities performed by the College for the benefit of the College. Activities include Associated Students of RCC, Professional Growth, Staff Development and other departmental charges. The principal revenue for this fund is transfers from other funds.

l. PERS Fund

Designated for the accumulation of resources for, and payment of, Series 2005 Limited Tax Pension Obligation Bond, principal and interest.

m. Self Support Fund

Accounts for the self-support instructional activities of the College. The principle revenue is from tuition and fees. This includes RCC's recently restructured and reinstated Diesel Technology program. Board members requested Business Services to provide a Diesel Technology program status report to Board and Advisory members this summer.

n. Technology Fund

Designated for the replacement of the College's equipment. The principle revenue is received from the \$4 per credit and \$4 per non-credit class technology fee. The principle expenditures are upgrades/replacements of equipment.

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o. Unemployment Reserve Fund

Accounts for the payments to the Oregon Employment Division for unemployment benefits paid to terminated employees. Principle revenues are transfers from the General Fund and investment earnings.

p. Proprietary Fund Type

Used to account for operations that are financed and operated in a manner similar to those of private business enterprises. The intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

q. Auxiliary Service Fund

Accounts for the operation of the College's bookstore and Café. The principle revenues for this fund are book and food sales. Effective July 1, RCC's Redwood Campus cafeteria will no longer be operated in-house. A request for proposals will be coordinated by Business Services to contract services to an outside vendor.

r. Other Auxiliary Services Fund

Accounts for the operation of ATM machines located on Redwood and Riverside campuses, Auto Artist, Black White and the Blues, Diesel Technology, Facility Rental, Friends of the Library, Gallery Projects, HPER, Humanities, Massage, Math, Media, Pay Phones, RogueNet software lease and Welding.

s. Fiduciary Fund Type

Accounts for assets received and held by the College in a fiduciary capacity or as a trustee for other governments or other funds. Disbursements from this fund are made in accordance with the trust agreement or applicable legislative enactment and by local board resolution.

t. Agency Fund

Custodial in nature (assets = liabilities) and does not involve measurement of results of operations.

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u. Oregon PERS

Lisa distributed an overview of the projected unit credit method with rate collaring which was adapted from a presentation dated March 31, 2006. Earlier this year the PERS Board approved the Projected Unit Credit Method with Rate Collaring as the plans new valuation method. This new method will be retroactive back to January 1, 2004; however, this new valuation will not affect employer's rates until July 1, 2007.

The objectives for the new actuarial method are:

- Transparent to employers and employees
- Predictable and stable rates
- Protect funded status
- Equitable across generations
- Actuarially sound
- GASB compliant

The cost of benefits earned is funded each year and the liability represents the value of benefits earned to date. Projected unit credit provides stakeholders and users of the actuarial valuation report a real measure of the cost and liability of the system that is easily understood.

Contribution rate collaring smoothes contribution rates instead of assets. The true market value of assets is reflected in the measurement of the funded status of the system and the determination of contribution rates. Stakeholders and users of the actuarial valuation report will better understand the financial position of the system in order to make timely management, benefit, investment and funding decisions. The collar provides limits to changes in contribution rates that are useful for budgeting purposes.

B. Public Comment - None

C. Approve 2006/07 Budget

David Trump moved, seconded by Pat Huycke, that the RCC Advisory/Budget Committee approve the proposed budget for 2006/07 for adoption by the RCC Board of Education at their next meeting on June 20, 2006.

The motion was carried 11 to 0.

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5. **Public Comment** – None
6. **Old Business** – None
7. **New Business** – None
8. **Round Table** – None
9. **Adjournment** – The meeting was adjourned at approximately 3:55 p.m.

Denise Nelson, Administrative Secretary

John Harelson, Chair of the Advisory/Budget Committee

Dated: June 20, 2006
