



CENTRAL OREGON
COMMUNITY COLLEGE
Board of Directors' Meeting – AGENDA
Wednesday, December 8, 2010 – 6:00 PM
Christiansen Board Room,
Boyle Education Center

TIME**	ITEM	ENC.*	ACTION	PRESENTER
6:00 pm	I. Call to Order			Miller
6:05 pm	II. Introduction of Guests			
6:10 pm	III. Agenda Changes			
6:10 pm	IV. Public Hearing and Testimony			
6:10 pm	V. Consent Agenda***			
	A. Minutes			
	1. Regular Meeting-November 10, 2010	5.a1	X	Smith
	2. Special Conference Call Mtg.-December 1, 2010	5.a2	X	
	B. Personnel			
	1. New Hire Report (November 2010)	5.b1	X	Buckles ^A
6:15 pm	VI. Information Items			
	A. Financial Statements (October 2010)	6.a		Bloyer ^A
	B. State Brd of Ed.-Growth Mgmt Funding Distr.			Middleton ^P
	C. Madras Campus – Update			McCoy ^P
	D. Prineville Campus – Update			McCoy ^P
	E. Mazama Renovation – Update			McCoy ^P
	F. Adult Basic Skills/College Preparation Program Update			Moorehead ^P
7:00 pm	VII. Old Business			
	A. 2 nd Reading – Audit & Finance Committee	7.a	X	Lee/Miller ^P
7:10 pm	VII. New Business			
	A. Accreditation			Middleton ^P
	B. 1 st Reading – EL3: Budgeting	8.b		Lee/Miller ^P
7:30 pm	VIII. Board of Directors' Operations			Miller
	A. Board Member Activities			
7:45 pm	IX. President's Report			
	A. Health Careers - Update			Middleton/McCoy ^P
	B. 2011/13 Legislative & Budget - Updates			
	X. Dates			
	A. January 12, 2010 – Board of Directors Meeting			
8:00 pm	XI. ADJOURN			

* Material to be distributed at the meeting (as necessary). ** Times listed on the agenda are approximate to assist the Chair of the Board.

*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately. ^P= indicates a Presentation will be provided. ^A = indicates the presenter is Available for background information if requested.



CENTRAL OREGON COMMUNITY COLLEGE
Board of Directors' Meeting – MINUTES
Wednesday, November 10, 2010 – 6:00 PM
Christensen Board Room, Boyle Education Center

PRESENT: Charley Miller, Connie Lee, Donald Reeder, David Ford, John Overbay, Anthony Dorsch, Ron Bryant-Board Attorney, Dr. James Middleton-President, Julie Smith-Board Executive Assistant.

ABSENT: Dr. Joyce Garrett

INTRODUCTION OF GUESTS: Eric Ercanbrack, Tobey Veenstra and Kirsteen Wolf-The Broadside, Rick Brecke, Karin Hilgersom, Kevin Kimball, Carol Moorehead, Michael Holtzclaw, David Dona, Dan Cecchini, Lisa Bloyer, Gene Zinkgraf, Eric Buckles, Joe Viola, Diana Glenn, Mary Jeanne Kuhar, Nancy Zavacki, Julie Downing-Faculty Forum President, Ed Sea, Sheila Miller-The Bulletin and others.

PUBLIC HEARING AND TESTIMONY: None

CONSENT AGENDA:

Ms. Connie Lee moved to approve the Consent Agenda (Exhibits: 5.a1-5.b1). Mr. John Overbay seconded. MCU. Approved. M11/10:1

BE IT RESOLVED that the Board of Directors' reviewed and approved the Executive Session and Regular Meeting Minutes of October 13, 2010 (Exhibit: 5.a1);

BE IT RESOLVED that the Board of Directors' reviewed and approved the October 2010 New Hire Report (Exhibit: 5.b1).

INFORMATION ITEMS:

Financial Statements – (Exhibit: 6.a)

The Board of Directors' were apprised of the September 2010 Financial Statements.

Institutional Effectiveness Report – Strategies for Student Scheduling Challenges (Exhibit: 6.b)

Mr. Matt McCoy reviewed that COCC is expanding strategies which respond to students' scheduling challenges and diverse learning styles. The College is making course offerings and student support services more accessible through the following measures:

- ✓ Summer End of Term FTE and Headcount
- ✓ Online and Hybrid (Credit & Non-Credit) Course Offerings
- ✓ Courses (Credit & Non-Credit) offered off the Bend Campus
- ✓ Courses (Credit & Non-Credit) offered during non-traditional times
- ✓ Student Services provided during non-traditional times and locations
- ✓ Course Scheduling (Credit & Non-Credit).

Madras Campus-Update

Mr. Matt McCoy-Vice President for Administration gave a PowerPoint presentation showing the master plan renderings for the overall Madras Campus noting that the budget for the Madras project is approximately \$2M. He introduced Mr. Rick Brecke-Madras Campus-Project Manager who also talked about the building schematics, solar energy management, site specifications and the building renderings. Mr. McCoy reported on the upcoming meeting schedule -

- Pre-Application Meeting with the City of Madras
- Bean Foundation Meeting
- Public Community Meeting

February 1, 2011 is the projected start-date for the first phase of the Madras Campus building project.

Mr. McCoy thanked Carol Moorehead-Dean for Continuing Education and Extended Learning who has been instrumental in helping with the building design and program guidance.

President Middleton commented that a lot of good work by a lot of people over the past several years is finally coming to fruition. He thanked Mr. Donald Reeder and VP McCoy, as well as several others who have worked hard to get the Madras Campus project off the ground.

Prineville Campus-Update

Vice President McCoy reviewed the renderings of the 12,000 sq. ft. Prineville Campus that is in close proximity to the Crook County Fairgrounds.

COCC has committed \$1M to the Prineville Campus building project – Crook County has committed to contributing \$2.3M.

Due to the two party shared ownership between COCC and Crook County - an “Agreement” (Memorandum of Understanding) is currently being drafted. VP McCoy will bring the “Agreement” back to the Board for review.

Mr. McCoy thanked Carol Moorehead for her valuable input that has been critical to the project.

Technology Investment (Handout: 6.e)

Mr. Dan Cecchini-Director of Information Technology, gave a PowerPoint presentation highlighting COCC’s technology expenditures in response to the October Board Retreat requests for details on technology related expenditures in relationship to revenue produced through the technology fee.

Mr. Cecchini documented technology expenditures of at least \$850K directly related to student instruction/access.

- The current technology fee generates \$310K;
- The number of students per technology staff member has increased 45% in the past five years;
- Bandwidth for students, staff and community has increased eight fold;
- Expenditures for bandwidth has increased five fold;

Mr. Cecchini also provided additional information to the Board on technology initiatives and challenges.

NEW BUSINESS:

2nd Reading – Policy Revision GP6, GP11, GP13 (Exhibit: 7.a)

Ms. Connie Lee reminded the Board of the October Board Retreat consensus goal to make sure that all policies are reviewed as part of the business planning cycle. Policies GP6, GP11 & GP13 were discussed at the Retreat.

Ms. Lee noted the Policy Review Committee met in November to review GP10, GP11, GP12, GP12-1, GP13 and GP14. Presented for approval at this meeting is Exhibit: 7.a (GP6, GP11 and GP13) and Exhibit: 7.b (1st Reading for the establishment of Audit and Finance Committee).

Mr. David Ford moved to approve the 2nd Reading of Policy Revisions for GP6, GP11 and GP13 as corrected (Exhibit: 7.a). Mr. Anthony Dorsch seconded. MCU. Approved. M11/10:2

Ms. Lee reported that the Policy Committee will meet again in December to review EL3: Budgeting, Executive Limitations.

Audit and Finance Committee (Exhibit: 7.b)

Board Members agreed to consider (Exhibit: 7.b) as the 1st Reading for the establishment of the “Audit and Finance Committee” to assist the Board in fulfilling its oversight responsibilities.

Mr. Anthony Dorsch moved to approve the 1st Reading of (Exhibit: 7.b) Audit and Finance Committee. Mr. Donald Reeder seconded. MCU. Approved. M11/10:3

Mr. Anthony Dorsch-Chair of the Board Self-Evaluation Committee for 2010-11, suggested that the focus of the Self-Evaluation be based on the October 2010 Retreat. Mr. Dorsch will call a meeting of the committee in December.

NE Awbrey Butte Campus Berm Project

Vice President McCoy and Mr. Joe Viola-Director of Campus Services, reviewed the proposed “green learning environment” as an initiative to strengthen campus separation from neighbors and to provide educational benefit to students and the community.

- Create an area for student study of environmental change;
- Provide students and community with community garden space over the long-term.

BOARD OF DIRECTORS' OPERATIONS:

A video clip was viewed of the November 4-6, 2010 - OCCA Annual Conference – Howard Cherry Awards Banquet. Ms. Connie Lee was the 2010 Howard Cherry Award Recipient.

President Middleton and the Board of Directors praised Ms. Connie Lee for the outstanding work, service and contributions she has made as COCC Board Member, Board Chair and leader on numerous committees in Higher Education as well as within the local community.

Board Member Activities

Ms. Lee Attended College Affairs Committee Mtg.
 OCCA Sub-Committee re: Higher Ed. Governance Structure (Portland)
 Recipient for the Howard Cherry Award

- Mr. Dorsch** Spoke w/Redmond Campus students
Conversation w/Ron Munkers of OIT Klamath Falls re: Engineering programs
- Mr. Overbay** Attended the Economic Forecast Breakfast @ The Riverhouse/Bend
Hosted by: The Bend Chamber
- Mr. Ford** Tour of Ponderosa Bldg. Programs
w/Ken Mays-Professor of Automotive Technology
OSU Capacity Task Force
OCCA Annual Conference in Sunriver
Attended the Economic Forecast Breakfast @ The Riverhouse/Bend
Hosted by: The Bend Chamber
- Mr. Reeder** Attended ACCT Convention in Toronto, Canada
Mr. Reeder gave a review of the convention
Met w/Madras Kiwanis and County re: Public Meeting Schedule for the
Madras Campus
- Mr. Miller** Attended ACCT Convention in Toronto, Canada
Mr. Miller gave a review of the convention
Tour of Ponderosa Bldg. Programs
w/Ken Mays-Professor of Automotive Technology
OCCA Annual Conference in Sunriver
OSU Capacity Task Force
Dinner w/Becky Johnson and Lisa Graham – OSU-Cascades
Re: Oregon Higher Education Board
Agenda Planning meeting w/President Middleton

PRESIDENT'S REPORT:

President Middleton reported that he and Vice President Matt McCoy gave a “break-out session” presentation on the **Campus Village** – at the November OCCA Annual Conference in Sunriver.

President Middleton gave a review of the October ACCT Convention in Toronto – he noted that student completion of educational goals and instructional redesign – to meet those goals were featured topics at the convention. The Math Redesign strategies currently under implementation at COCC were noted as exemplary strategies to achieve these goals. COCC is among the leaders in the Northwest relative to this initiative.

ADJOURN: 8:30 PM

APPROVED;

ATTEST TO;

Mr. Charley Miller-Board Chair

Dr. James E. Middleton, President



CENTRAL OREGON
COMMUNITY COLLEGE
Board of Directors' Teleconference Meeting –
MINUTES

Wednesday, December 1, 2010 – 3:15 PM
Christiansen Board Room, Boyle Education Center

Present:

In-Person – David Ford,
Jim Middleton-President, Julie Smith-Executive Assistant

By Phone – Anthony Dorsch, Donald Reeder, Connie Lee, Dr. Joyce Garrett

Absent: John Overbay, Charley Miller

Guests: In-Person: Gene Zinkgraf, Matt McCoy, Ron Paradis
By Phone: Mary Jeanne Kuhar

Bid Award – Construction of Health Careers Building (Exhibit: 3)

Mr. Gene Zinkgraf-Director of Construction reviewed that the Bid Award #1334-10 for construction of the Health Careers Building went to HSW Builders, LLC of Bend, Oregon.

Mr. Donald Reeder moved to accept the bid of HSW Builders, LLC for \$10,540,000 for the Health Careers Building and direct that a contract be executed. College legal counsel is to review the contract prior to signing. Mr. Anthony Dorsch seconded.

Roll Call on Vote:

Yes – Dorsch, Garrett, Lee, Reeder, Ford

MCU. Approved. M11/10:1

Adjourn: 3:30 PM

APPROVED;

ATTEST TO;

Mr. Charley Miller-Board Chair

Dr. James E. Middleton, President

Exhibit: 5.b1
December 8, 2010
Approve: ___ Yes ___ No
Motion: _____

Central Oregon Community College

Board of Directors

NEW HIRE REPORT – November 2010

Name	Date Hired	Job Title
Classified Part-Time		
Ammann, Brett	11/14/2010	Custodian
Reed, Tom	11/7/2010	Custodian
Temporary Hourly		
Balcazar, Jose	11/1/2010	Latino Business Advisor
Bryant, Daniel	11/5/2010	ASCOCC Honorary member
Carlos, Destry	11/1/2010	ASCOCC Honorary Member
Cunningham, Kathy	11/1/2010	ASCOCC Honorary Member
Davis, Kim	11/1/2010	ASCOCC Honorary Member
Hein, Brooke	11/1/2010	ASCOCC Honorary Member
Honey, Merissa	11/2/2010	ASCOCC Honorary Member
Mackiewicz, Nicholas	11/1/2010	ASCOCC Honorary Member
Metcalf, David	11/1/2010	ASCOCC Honorary Member

Central Oregon Community College
Monthly Budget Status

**Highlights of October 2010
Financial Statements**

Cash and Investments

The College's operating cash balances are currently \$21 million. The October average yield for the Local Government Investment Pool declined slightly to .54 percent.

The investments of \$32.9 million represent proceeds from the sale of the general obligation bonds, which will yield an average of .55% over the 18-month period. \$10 million of bond proceeds are invested in the Local Government Investment Pool. The bond proceeds held in cash and investments total \$42.9 million as of the end of October.

General Fund Revenues

The College received the second quarter State Aid payment of \$712,000 bringing total State payments to \$1.4 million.

General Fund Expenses

The expenses include all approved inter-fund transfers for the fiscal year.

Budget Compliance

All appropriation categories are within budget.

Central Oregon Community College

**Cash and Investments
Report**

As of October 31, 2010

College Portfolio

Cash in State Investment Pool

Pool account 4089	\$19,829,836.96
Pool account 5482	\$488,858.13
Pool account 3624	\$389,775.99
Pool account 3707	\$45,331.16
Pool account 3816	\$10,030,778.97

October Average Yield .5435%

**Cash in
USNB**

\$1,156,243.57

Cash on hand

\$3,900.00

Total Cash

\$31,944,724.78

Investments

Fannie Mae:

Yield .4048%, due 4-28-11	\$2,520,825.00
Yield .4271%, due 5-16-11	\$1,494,190.00
Yield .5062%, due 8-15-11	\$3,107,910.00

Federal Farm Credit Bank:

Yield .4500%, due 7-18-11	\$2,843,532.00
Yield .5381%, due 9-30-11	\$4,000,600.00
Yield .5587%, due 10-28-11	\$4,000,600.00

Federal Home Loan Bank:

Yield .4698%, due 6-22-11	\$3,001,200.00
Yield .6397%, due 11-21-11	\$3,505,460.00
Yield .6752%, due 12-1-11	\$5,009,000.00

General Electric

Yield .6600%, due 3-15-11	<u>\$3,482,675.00</u>
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Total Investments

\$32,965,992.00

Total Cash and Investments

\$64,910,716.78

Central Oregon Community College
Monthly Budget Status
October 2010

Exhibit 6.a
08-Dec-10

<u>General Fund</u>	<u>Adopted Budget</u>	<u>Year to Date Activity</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent of Budget</u>	<u>Percent of Prior Year Budget</u>
Revenues					
District Property Taxes:					
Current Taxes	\$ 11,751,000	\$ -	\$ (11,751,000)	0.00%	0.00%
Prior Taxes	766,000	378,394	(387,606)	49.40%	55.54%
Tuition and fees	16,038,000	5,619,615	(10,418,385)	35.04%	38.92%
State Aid	4,236,000	1,460,571	(2,775,429)	34.48%	54.55%
Interest & Misc. Income	125,000	11,091	(113,909)	8.87%	3.90%
Transfer-In	350,000	350,000	-	100.00%	44.09%
Total Revenues	\$ 33,266,000	\$ 7,819,671	\$ (25,446,329)		
Expenses by Function					
Instruction	\$ 15,377,975	\$ 3,155,748	\$ 12,222,227	20.52%	21.85%
Academic Support	2,773,829	661,980	2,111,849	23.87%	29.86%
Student Services	3,576,270	983,926	2,592,344	27.51%	29.59%
College Support	4,165,525	1,511,627	2,653,898	36.29%	34.31%
Plant Operations and Maintenance	3,122,200	882,386	2,239,814	28.26%	34.68%
Information Technology	2,417,639	844,294	1,573,345	34.92%	35.77%
Financial Aid	11,954	3,142	8,812	26.28%	20.62%
Contingency	800,000	-	800,000	0.00%	0.00%
Transfers Out	2,727,952	2,727,952	-	100.00%	100.00%
Total Expenses	\$ 34,973,344	\$ 10,771,055	\$ 24,202,289		
Revenues Over/(Under) Expenses	\$ (1,707,344)	\$ (2,951,384)	\$ (1,244,040)		

Central Oregon Community College
Monthly Budget Status
October 2010

Exhibit 6.a
8-Dec-10

<u>Other funds:</u>	<u>Adopted Budget</u>	<u>Year to Date Activity</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent of Budget</u>	<u>Percent of Prior Year Budget</u>
Debt Service Fund					
Revenues	\$ 4,047,839	\$ 1,009,877	\$ (3,037,962)	24.95%	64.71%
Expenses	3,978,617	911,377	3,067,240	22.91%	54.40%
Revenues Over/(Under) Expenses	\$ 69,222	\$ 98,500	\$ 29,278		
Grants and Contracts Fund					
Revenues	\$ 2,011,315	\$ 276,246	\$ (1,735,069)	13.73%	12.75%
Expenses	2,110,055	371,465	1,738,590	17.60%	17.95%
Revenues Over/(Under) Expenses	\$ (98,740)	\$ (95,219)	\$ 3,521		
Capital Projects Fund					
Revenues	\$ 28,007,480	\$ 5,858,806	\$ (22,148,674)	20.92%	41.41%
Expenses	54,468,396	8,614,566	45,853,830	15.82%	27.23%
Revenues Over/(Under) Expenses	\$ (26,460,916)	\$ (2,755,760)	\$ 23,705,156		
Enterprise Fund					
Revenues	\$ 5,487,767	\$ 1,787,534	\$ (3,700,233)	32.57%	38.73%
Expenses	5,157,091	1,819,752	3,337,339	35.29%	41.73%
Revenues Over/(Under) Expenses	\$ 330,676	\$ (32,218)	\$ (362,894)		
Auxiliary Fund					
Revenues	\$ 6,877,702	\$ 4,270,583	\$ (2,607,119)	62.09%	49.93%
Expenses	6,458,307	2,466,929	3,991,378	38.20%	43.48%
Revenues Over/(Under) Expenses	\$ 419,395	\$ 1,803,654	\$ 1,384,259		
Reserve Fund					
Revenues	\$ 39,028	\$ -	\$ (39,028)	0.00%	0.00%
Expenses	175,000	48,424	126,576	27.67%	39.86%
Revenues Over/(Under) Expenses	\$ (135,972)	\$ (48,424)	\$ 87,548		
Financial Aid Fund					
Revenues	\$ 19,595,901	\$ 6,154,826	\$ (13,441,075)	31.41%	46.40%
Expenses	19,636,398	6,594,139	13,042,259	33.58%	50.78%
Revenues Over/(Under) Expenses	\$ (40,497)	\$ (439,313)	\$ (398,816)		
Internal Service Fund					
Revenues	\$ 426,890	\$ 103,006	\$ (323,884)	24.13%	29.32%
Expenses	390,047	94,947	295,100	24.34%	23.62%
Revenues Over/(Under) Expenses	\$ 36,843	\$ 8,059	\$ (28,784)		
Trust and Agency Fund					
Revenues	\$ 5,925	\$ 685	\$ (5,240)	11.56%	13.71%
Expenses	17,500	3,543	13,957	20.25%	0.00%
Revenues Over/(Under) Expenses	\$ (11,575)	\$ (2,858)	\$ 8,717		

**CENTRAL OREGON COMMUNITY COLLEGE
BOARD OF DIRECTORS**

RESOLUTION

Prepared by: Connie Lee and Charley Miller

A. Action under Consideration:

2nd Reading: To establish Audit and Finance committee of the Board of Directors of Central Oregon Community College to assist the board in fulfilling its oversight responsibilities.

B. Discussion/History:

The Audit and Finance committee of the Board of Directors of Central Oregon Community College is established by resolution to assist the board in fulfilling its oversight responsibilities relating to:

- 1) The appointment, compensation and oversight of the work of any public accounting firm employed by the College in connection with the attest function.
- 2) Establishment of procedures for:
 - a) The receipt, retention and treatment of complaints received by the College regarding accounting, internal controls and auditing matters.
 - b) The confidential, anonymous submission by employees regarding questionable accounting or auditing matters.
- 3) The appointment, compensation and oversight of independent counsel or other advisor as deemed necessary, to carry out its audit duties.
- 4) Review of monthly/quarterly financial reports and fund revenue/expense projection reports.
- 5) Operational performance of the College, particularly with regard to the business risks for the College and the sufficiency of the College's risk mitigation efforts.

Status:

The Audit and Finance Committee is a standing committee of the Board of Directors.

Membership:

The Audit and Finance Committee will be comprised of five members - three members of the Board of Directors and two members of the budget committee. The term of membership will be three years. To ensure appropriate long-term transitioning of committee members, at the time of initial establishment of the committee, two of the three Board representatives and one of the two Budget Committee members shall begin with a 2 year appointment as opposed to full three year terms. If a committee position becomes vacant, the COCC Board at its discretion will appoint a replacement either for a full three years beginning with the date of initial appointment or for the remainder of the term of the exiting committee member.

Members may serve two consecutive terms.

Committee members will be designated by the Board of Directors through resolution at the annual organizational meeting.

One of the committee members shall be designated as Audit and Finance Committee Chair by Board resolution at the annual organizational meeting.

The College President and CFO will be ex-officio members of the committee, in order to ensure effective staff support for the committee's efforts. The President and CFO are responsible for additional staff for the committee.

Meetings:

The Audit and Finance Committee will meet at least twice annually:

To hear and comment on the Annual Audit Plan(s) as proposed by staff and the external/internal auditors.

To hear and comment on the draft Annual Audit Report as prepared by the external audit firm prior to its submission to the College Board of Directors.

To hear and comment on of monthly/quarterly financial reports and fund revenue/expense projection reports.

The Audit and Finance Committee will report out on its meetings at the next regular meeting of the Board as a whole.

Authority:

The Audit and Finance Committee is an advisory committee to the Board of Directors and has no independent authority not granted to it by resolution of the Board of Directors.

As a committee of the Board, the Audit and Finance Committee does not possess management control authority over College staff, nor does it have supervisory authority over the external or internal audit functions of the college.

Specific Responsibilities:

The committee shall:

Review external and internal audit plans and results prior to their submission to the Board as a whole.

Report to the Board its findings and opinions regarding internal and external audit results.

Recommend specific areas of future internal and external audit focus for consideration by the Board of Directors.

Assist the Board in identifying key areas of monthly/quarterly financial reports and fund revenue/expense projection reports that might be helpful to review in further depth.

Sunset:

The Audit and Finance Committee may be dissolved by resolution of the Board as a whole.

C. Options/Analysis:

1. Approve the establishment of the Audit and Finance Committee of the Board of Directors of Central Oregon Community College to assist the board in fulfilling its oversight responsibilities.
2. Disapprove the establishment of the Audit and Finance Committee of the Board of Directors of Central Oregon Community College.

D. Timing:

Action is requested at this time to precede the upcoming 2011-12 budget cycle.

E. Recommendation:

Be It Resolved that the Board of Directors of Central Oregon Community College does hereby declare and approve the establishment of the **Audit and Finance Committee** of the Board of Directors of Central Oregon Community College.

F. Budget Impact: None

**CENTRAL OREGON COMMUNITY COLLEGE
BOARD OF DIRECTORS**

NEW BUSINESS

Prepared by: Connie Lee, Charley Miller and Anthony Dorsch / Policy Review Committee

A. Issue

First Reading on revision of Board Policy

- EL 3: Budgeting

B. Discussion/History/Changes

The Policy Review Committee with input from President Middleton and Kevin Kimball-CFO, have reviewed EL3, considered several options for modifications and recommends the following modifications as a first reading.

EL 3: BUDGETING

Revised: November 9, 1994

Budgeting any fiscal year or the remaining part of any fiscal year shall not deviate materially from board *Ends* priorities, risk fiscal jeopardy nor fail to show a generally acceptable level of foresight.

Accordingly, he or she may not cause or allow budgeting which:

~~1. Contains too little information to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.~~

1. **Contains too little information to enable accurate projections**

Contains too little information to separate capital and operational items

Contains too little information to do cash flow projections

Contains too little information to clarify planning assumptions.

2. *Plans the expenditure in any fiscal year of more funds than are conservatively projected to be available in that period.*

3. *Allow cash accounts to drop below a safety reserve of less than \$500,000 at any time. Reduces the current assets at any time to less than twice current liabilities or allows cash to drop below a safety reserve of less than \$500,000 at any time.*

4. *Provides less than \$30,000 per annum for board prerogatives during the year.*
5. *Is not derived from long term planning, **to include but not limited to a 5-year forecasts and reserves based on projected issues.***
6. *Allows working capital at the end of any fiscal year to drop below 10 percent of the year's operating expenditures.*

C. Options

1. Accept the recommendation as a first reading
2. Do Not accept the recommendation as a first reading
3. Propose other modified content as a first reading