

April 15, 2004

04-135

RESOLUTION TO APPROVE BOARD POLICY
REVISIONS (First Reading - Section 500)

PREPARED BY: Jan Coulton, Director, Public Affairs

APPROVED BY: Gerard "Jerry" Berger, President

REPORT: The Board appointed a subcommittee to review its policy manual. The subcommittee has reviewed the policies on Personnel in Chapter 500 and is recommending their approval for first reading.

RECOMMENDATION: That the Board approve the revision to policies in Chapter 500.

Director Germond moved to approve Resolutions 04-123 through 04-135, 04-137, and 04-138 by consent agenda and it carried unanimously.

Portland Community College Board Policy

Chapter 500 – Finance

- 501 College Budget
- 502 Cash and Investment Program
- 503 Student Tuition and Fees
- ~~504~~ ~~College Foundation~~ (Move to Chapter 700)
- 504 Past Due Debts (Moved from Chapter 400)
- 505 Purchasing and Contracting (Moved from Chapter 700)
- 506 Minority, Women-owned and Emerging Small Business Participation and Workforce Development (Moved from Chapter 700)
- 507 Risk Management (Moved from Chapter 700)
- 508 Accounting, Financial Reporting and Audit
- 509 College Debts

College Budget - Policy B 501

Planning the Budget: ~~Budget Message.~~ It is the responsibility of the President to organize, **plan and evaluate the program needs of the College which in turn will become** and conduct a ~~planned program of evaluation and reporting of college needs which will be the basis for the~~ **budget development of the College.** ~~Board study of programs and services needed by the college.~~

Preparation of Budget Document: The President is the budget officer of the **College Board** and is responsible for the preparation of the **College** budget and for submission of the budget **document** to the Board **Budget Committee** and to such **state** agencies as may be required by law.

Budget Committee: The Budget Committee shall consist of the Board members in accordance with the local budget law **ORS 294.336**. It is the duty of the Board acting as the Budget Committee to study the financial feasibility of all programs.

Budget as Spending Plan: ~~It is the policy of the Board that~~ **T**he budget **will** be regarded as a general **spending** plan for expenditures. Within that general **spending** plan for expenditures, the **President** college administration is delegated the authority to take actions required for efficient **and effective** operation of the **C**ollege.

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Cash and Investment Program - Policy B 502

The President shall appoint an **I**nvestment **O**fficer **who** ~~and the investment officer~~ will perform the following investment functions for the College:

1. Preserve the investment capital and principal.
2. Maintain sufficient liquidity to enable Portland Community College to meet all operating requirements, which might be reasonably anticipated.
3. Diversify to ~~avoid~~ **prevent** incurring ~~and-avoidable~~ risks regarding specific security types, industries or individual financial institutions.
4. Strive to maintain the maximum rate of return throughout budgetary and economic cycles given the constraints and spirit of this Policy.
5. Establish **guidelines and procedures for investments pursuant to ORS Chapter 294.**
~~guidelines.~~

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Student Tuition and Fees - Policy B 503

The Board will periodically set and publish tuition rates.

The Board will also approve all other student fees that are of a general nature and impact the student body.

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College Foundation - Policy B 504 Move to Chapter 700

~~The Portland Community College Foundation has been established for the purpose of securing gifts and grants to augment College programs.~~

~~In order to promote a close working relationship with the Foundation Board and to improve communication, the Chair and immediate past Chair of the PCC Board of Directors shall serve as ex-officio members of the Foundation Board~~

Past Due Debts – Policy B 409-504

The College will take appropriate steps, including withholding of services, the use of collection agencies and refusal of registration, to collect past due debts owed the College.

The President will establish procedures for monitoring and collecting past due debts.

~~Past due debts are for services rendered in prior terms where no financial arrangements for payment have been made.~~

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Purchasing and Contracting - Policy B 703-505

The Board of Directors is designated as the Local Contract Review Board for the college. In this capacity the Board has the authority to change and establish all purchasing and contracting policies for the college in compliance with ORS Chapter 279.

~~Effective September 1998, the Board adopted a set of public contracting rules written specifically for the college based on the 1990 Attorney General's Model Public Contract Rules and Oregon Administrative Rules (Chapter 125) including applicable revisions made to them in 1995 and 1998 by the State of Oregon.~~

The Board of Directors, acting as the Local Contract Review Board, shall periodically adopt updated public contracting rules for the College. Acting as the Local Contract Review Board, they may also grant specific exemptions from the adopted College rules.

~~Additionally, the Board of Directors must approve procurement contracts in excess of \$50,000.~~ **\$100,000.** ~~In instances where time delay will potentially cause harm to the College, procurement contracts in excess of \$50,000~~ **\$100,000** may be authorized by the President and ratified by Board resolution. ~~Board approval is not needed for required expenses that lack acquisition choices such as utilities purchased via rate schedules, state and federal taxes, PERS contributions and continuing employee benefit programs.~~ **Board approval is not needed for required expenses in excess of \$100,000 that lack acquisition choices or purchase goods or services for resale. Some examples are payments of utility charges, state and federal taxes, OPSRP (PERS) contributions, other college-wide employee benefits and textbooks for students.**

Minority, Woman-Owned and Emerging Small Business Participation and Workforce Development – ~~B-704~~ B 506

Preamble

On November 7, 2000, the voters approved a \$144 million bond measure authorizing Portland Community College (PCC) to renovate and expand its Cascade, Rock Creek and Sylvania Campuses to better serve its rapidly growing student body.

The Board desires to conduct the bond program in a manner that proactively creates opportunities for the employment of MWESB contractors and for development of the workforce in the College district.

Completion of the bond projects will require a substantial number of contracts and subcontracts for a variety of construction, design and supplies needs that require close cooperation and communication among the contractors, PCC and the communities in which the facilities are located.

PCC's mission is to "provide quality education in an atmosphere that encourages the full realization of each individual's potential" and to offer students "of all ages, races, cultures, economic levels, and previous educational experience opportunities for personal growth and attainment of their goals" (Board Policy B 101).

Board Policy B 101 provides that PCC will accomplish this mission in part through "partnerships with business, industry, labor, educational institutions and public sector agencies" to "provide training opportunities for the local workforce and promote economic development." PCC policies strongly affirm PCC's commitment to non-discrimination and equal opportunity notwithstanding race, gender, religion or other protected classification so that every person is given the opportunity to achieve his or her potential (Board Policies B205 and B206).

Minority-owned, women-owned and emerging small businesses (M/W/ESBs) have historically had a difficult time breaking into the construction contracting industry and trades. These businesses and the communities and people they support are important parts of the PCC community.

It is important that the workforce on these projects reflects the demographics of the available workforce in this region. The development of the workforce within the PCC District is in keeping with the College's educational mission. Other public agencies in the PCC District have developed effective and credible Workforce Development and MWESB program models that PCC can utilize cost-effectively for the term of the bond program and beyond.

Policy

The Board of Directors of Portland Community College adopts the following Policy:
It is therefore the Board's policy to achieve race and gender equity and small business opportunity in the award and implementation of contracts and subcontracts under the 2000 Bond Construction Program. The goal is to build a diverse and prosperous group of community

contractors and trained employees who can effectively compete in business during the term of the bond program and beyond, while obtaining quality goods and services in a competitive, efficient and non-discriminatory manner.

To implement this policy, **the President** staff is directed to develop an M/W/ESB and Workforce Development strategy as part of the 2000 Bond program. **The President will** Staff is directed to examine current programs and develop new programs that are lawful and that achieve the results envisioned above. Such programs could include identifying targeted communities, outreach, mentoring, exploring partnerships with other public entities with existing programs, providing support and assistance in complying with PCC's contracting procedures, selecting contractors who have demonstrated strong commitment to these values, and good faith procurement and contracting requirements. PCC desires that every part of its diverse community be vested in the 2000 Bond Construction Program.

In addition, the President will apply MWESB strategies and programs to all College contracting opportunities for goods and services.

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Safety and Risk Management Program **Policy B 705 Policy B 507**

Portland Community College ~~will strive to:~~ **is committed to providing a safe and healthy work and educational environment for our employees, students and visitors by:**

1. **Protecting the assets and other** financial resources of the College against the adverse impact of catastrophic loss and to preserve the assets and service capabilities of the College from **unplanned** depletion or destruction.
2. **Maintain a safe and healthful work and educational environment for all employees, students and visitors; attempt to reduce the number of preventable accidents, and assist injured persons in returning to productive endeavors as soon as possible. The College health and safety program includes, but is not limited to, safety training and inspection, and accident prevention. Maintaining a high standard of service and accountability through the development and implementation of programs that improve the health, safety, and well-being of our work force, students and the public and minimizing the potential for losses and risk exposure through sound risk management practices in all College facilities and activities.**
3. **Ensuring the College administration takes an active role in identifying and evaluating the risks at the College.**
4. **Holding safety in all operations and activities to be of primary importance.**
5. **Complying with laws and regulations from governments and their agencies, such as ADA, OSHA, DEQ and the State Fire Marshall.**

Ensure proper management of financial Resources through the implementation of cost effective risk control efforts and optimal risk financing strategies to minimize the risk exposures to the College. **Therefore the President shall establish a comprehensive risk management program to achieve the objectives above. The risk management program manager is responsible to review current programs and provide recommendations to prevent and minimize losses. The manager is also charged to determine how much risk the College will assume and how much to transfer to external insurance pools.**

Accounting, Financial Reporting and Audit – Policy B 508

Portland Community College’s financial organization, management, and system of reporting will strive to ensure the integrity of institutional finances. The College will:

- 1. Establish appropriate internal controls to provide reasonable assurance of sound financial decision-making and protection of college assets and resources.**
- 2. Maintain accounting systems that follow generally accepted accounting principles.**

The President will recommend and the Board will appoint the independent College auditor who will audit the financial statements of the College on an annual basis in accordance with generally accepted auditing standards, the Minimum Oregon Municipal Auditing Standards and other applicable State or Federal laws and regulations. The independent auditor will deliver the audit directly to the Board.

As part of the annual audit process and other regular review of the College’s financial management, the President will report to the Board:

- The financial conditions of the college**
- The compliance status with applicable State and Federal laws and regulations.**
- The College’s responses to the Auditor’s management letter.**
- Other periodic updates on the financial condition of the College as deemed necessary.**

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College Debts – Policy B 509

The President shall appoint a College Debt Officer whose responsibilities shall include:

- Ensuring compliance with the Oregon Revised Statutes governing public borrowing and issuance of bonds
- Providing sufficient funds to meet current and future debt service requirements on all indebtedness
- Ensuring full compliance with the terms and conditions outlined in bond resolutions approved by the Board.

The President shall approve debt operating procedures for the College based on recommendations from the Debt Officer.

The College Debt Officer shall perform the following functions:

- 1) Upon the approval by the Board, issue bonds and other obligations in accordance with the laws, rules and limitation set forth in Chapters 287 and 288 of the Oregon Revised Statutes (ORS) and Chapter 170, Divisions 55, 60, 61, 62, 63 and 71 of the Oregon Administrative Rules (OAR) and any applicable legislative and rule updates since adoption of this policy.
- 2) Maintain a debt service fund to account for property tax revenues levied to pay for the maturing principal and interest of general obligation bonds. Establish an adequate fund balance to meet the cash outlay requirements until property tax revenues are received. For non-voter approved obligations, ensure the College has reserved sufficient funds to meet future debt payments.
- 3) Act in the best interest of the College and taxpayers when issuing debt, and market our debt with advice from independent financial advisors and legal counsel to get unbiased professional opinions on methodology and structure. In addition, periodically monitor the changes in interest rates and, where feasible and beneficial to the College, refund the existing debt(s) in accordance with the guidelines and rules of the Office of the State Treasurer.
- 4) Account for the debt issues and related transactions in accordance with the local budget law and general accepted accounting principles.
- 5) Recommend debt operating procedures to the College President.

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