

Work Session I.C., Consent Agenda VI.B.

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL
EDUCATION

June 11, 2014

TOPIC: Red Rocks Community College - Student Approved
Recreation Center Fee

PRESENTED BY: Dr. Michele Haney, President, and Peggy Morgan, Vice
President for Finance and Administration

RELATIONSHIP TO THE STRATEGIC PLAN: Operational Excellence Goal:
Assure fiscal stability by diversifying and balancing various revenue streams
in order to minimize the impact of interruptions in any one stream.

EXPLANATION:

As was previewed in the April 2014 Board meeting, students at Red Rocks Community College approved a new student fee for the construction and operation of a Student Recreation Center. The voting period was April 28, 2014 through May 4, 2014. Ballots were cast by 441 students or approximately 5% of RRCC's unduplicated headcount. The measure passed with 309 (70%) of ballots cast voting YES and 132 (30%) voting NO.

The referendum language provided for a stepped fee with two components for constructing and operating the Student Recreation Center. Per referendum, the construction project bond portion of the fee will start spring semester 2016 and be \$70.00 per semester for fall and spring semesters and \$42.00 per semester for summer semesters, to continue until the bonds are paid in full, projected to be 2044. The proposed project will be financed through the sale of system issued bonds to be repaid by revenue earned from this portion of the new student fee. Anticipated bond payments in 2015 will be paid with available student fee reserves that have been designated by student government and administration to be used for this purpose.

The operating portion of the fee will be permanent and set at \$45.00 per semester for the fall and spring semester and \$27.00 per semester for the summer semester and not be charged until the semester the recreation center opens for use, projected to be spring 2017. The operating portion may increase by the annual rate of inflation and provide for the operation and maintenance of the center. The operating portion of the fee is in addition to the construction bond portion of the fee.

RECOMMENDATION:

Staff recommends that the Board approve the student-approved construction bond and operating fees, per the amounts and timing specified in the write-up above. If approved, RRCC will present its project plan for the construction and operation of the Recreation Center, which will need approval from the CCCS Board, the Colorado Commission on Higher Education, and the Capital Development Committee as a cash-funds only capital project.