

FY17 Capital Budget Discussion

Prepared for
YC District Governing Board
February, 2016

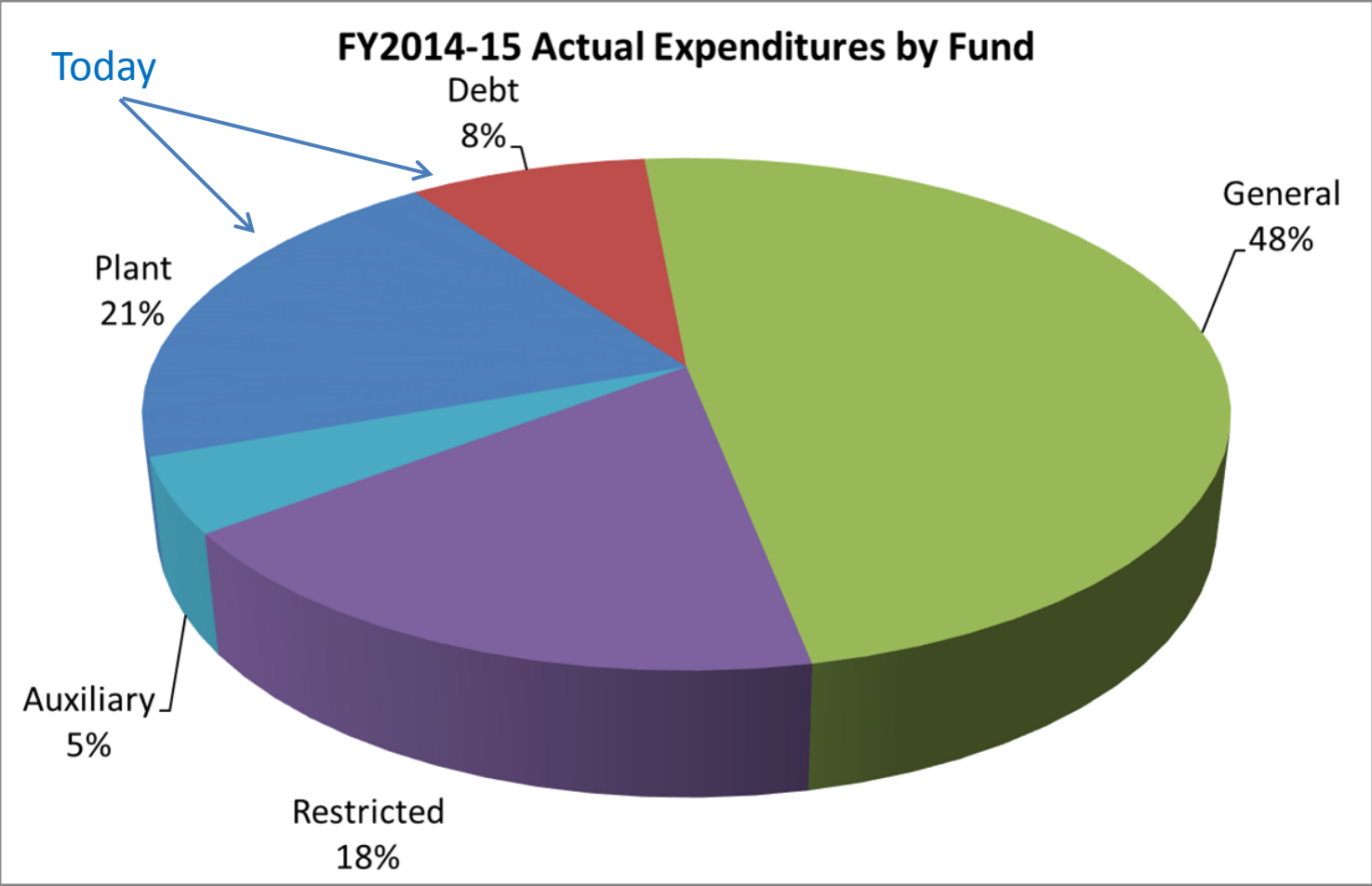
Budget Timeline

- Jan: Environment Overview
Preliminary Assumptions
- Feb: Budget Work Study
Capital Budget Draft
- Mar: Revenue Budget Approval
- Apr: Draft Budget Review & Feedback
- May: Final Budget Approval
and Truth in Taxation Hearing (if needed)

Budgets should put our money where our mouth is...

- **Mission**
 - Provide quality higher learning and cultural resources
- **Vision**
 - Make this a premier place to learn, work, and live
- **Ends**
 - Education: jobs, transfer, lifelong
 - Economic Development
 - Social & cultural
- **Strategic Plan**
 - Student Success
 - Economic Responsiveness
 - Engaged Community
 - Organizational Development
 - Fiscal Stewardship

Yavapai College FY14 Budget by Fund

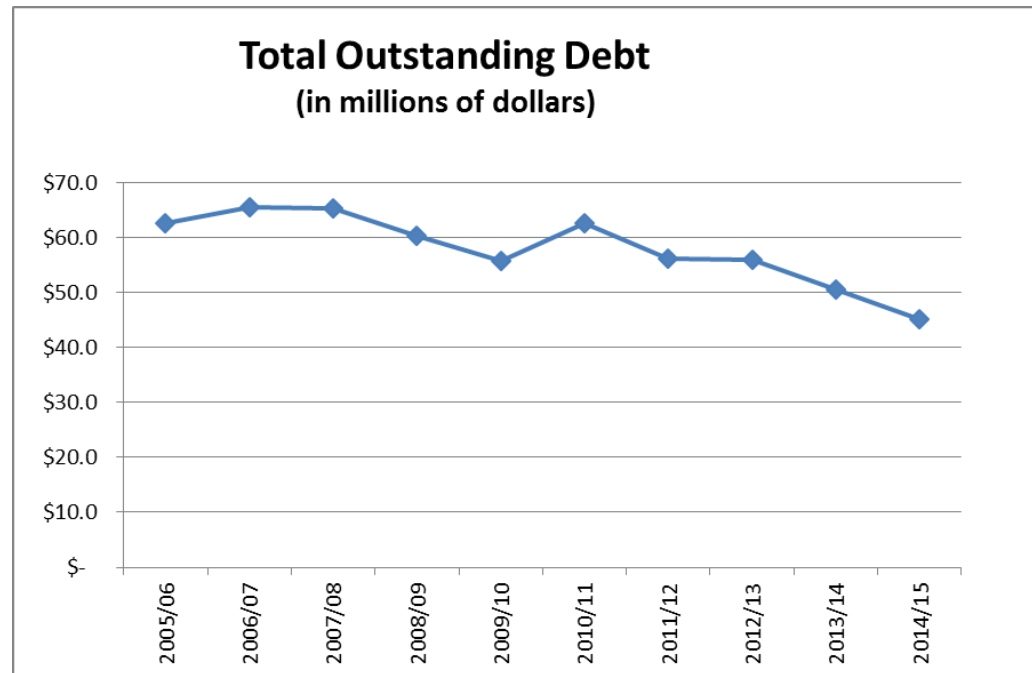


Types of Capital at YC

- Debt Fund
 - GO Bond
 - Revenue Bond
 - Pledged Revenue Obligation Bond
- Plant Fund
 - Fixed
 - Preventative Maintenance
 - Unplanned Maintenance
 - Equipment
 - Variable
 - Capital Improvement Plan
 - Books
 - Furniture, Fixtures & Equipment (FFE)
 - Contingency

Existing Debt

- GO Bonds
 - Campus Master Plan 2000
 - Refinanced to save \$2M
- Pledged Revenue Obligation Bonds
 - Prescott Chiller
 - Verde Central Plant
 - CTEC Refinance
- Revenue Bonds
 - Residence Halls



DRAFT Debt

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
BUDGET FOR FY2016-2017**

**RETIREMENT OF INDEBTEDNESS PLANT FUND
EXPENDITURES AND OTHER DEDUCTIONS**

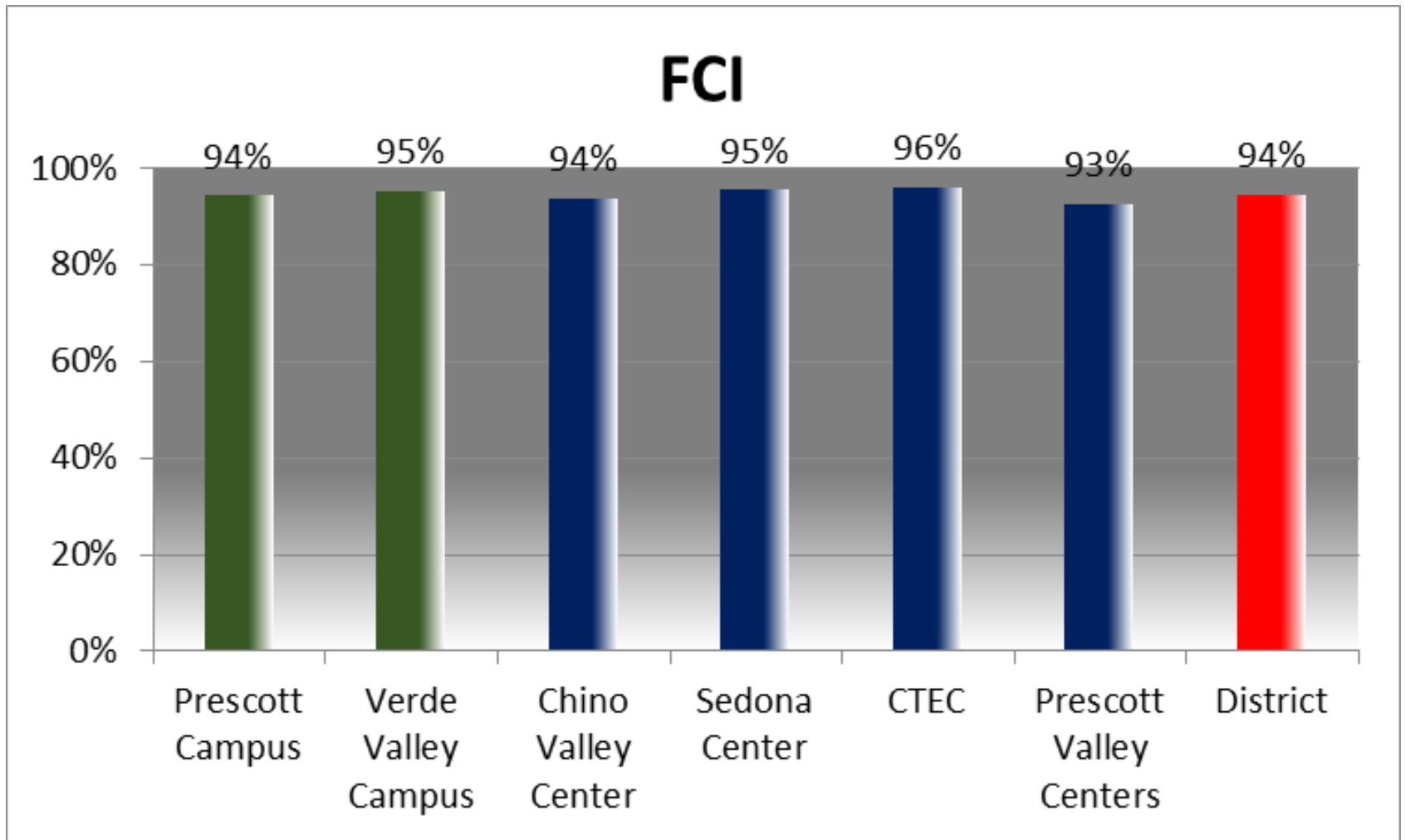
	<u>Final Maturity</u>	<u>Budget 2015-2016</u>	<u>Budget 2016-2017</u>	<u>DOLLAR (\$) DIFFERENCE</u>	<u>PERCENTAGE (%) DIFFERENCE</u>
RETIREMENT OF INDEBTEDNESS					
Retirement of Indebtedness (Principal)					
General Obligation Bonds - 2012 Refunding	7/1/2024	\$ 3,175,000	\$ 3,290,000	\$ 115,000	3.6%
General Obligation Bonds - 2011 Refunding	7/1/2021	1,020,000	1,005,000	(15,000)	-1.5%
Total General Obligation Bonds		4,195,000	4,295,000	100,000	2.4%
Pledged Revenue Obligations	7/1/2025	985,000	1,025,000	40,000	4.1%
Revenue Bonds	7/1/2028	295,000	300,000	5,000	1.7%
Sub-total Retirement of Indebtedness		\$ 5,475,000	\$ 5,620,000	\$ 145,000	2.6%
Interest on Indebtedness					
General Obligation Bonds - 2012 Refunding		\$ 681,100	\$ 617,600	\$ (63,500)	-9.3%
General Obligation Bonds - 2011 Refunding		169,800	139,200	(30,600)	-18.0%
Total General Obligation Bonds		850,900	756,800	(94,100)	-11.1%
Pledged Revenue Obligations		454,000	414,600	(39,400)	-8.7%
Revenue Bonds		108,800	101,600	(7,200)	-6.6%
Sub-total Interest on Indebtedness		\$ 1,413,700	\$ 1,273,000	\$ (140,700)	-10.0%
Bank Fees		4,000	3,000	(1,000)	-25.0%
Property Tax Contingency		30,000	30,000	-	0.0%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS - RETIREMENT OF INDEBTEDNESS		\$ 6,922,700	\$ 6,926,000	\$ 3,300	0.0%

Preventative & Unplanned Maintenance Estimate

Assets	Value Net of Depreciation	Years to Depreciate
Building	\$115,485,000	40
Improvements	\$ 9,154,000	15

Source: CAFR, YC Budget

Facility Condition Index



DRAFT Preventative & Unplanned

**YAVAPAI COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
BUDGET FOR FY2016-2017
FIVE-YEAR BUILDINGS AND GROUNDS PREVENTATIVE MAINTENANCE PLAN**

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>
→ Unplanned Maintenance	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Preventative Maintenance by Category					
Site	1,210,000	600,000	600,000	600,000	600,000
Architecture	1,142,000	1,250,000	1,575,000	1,600,000	1,625,000
Mechanical	308,000	500,000	500,000	500,000	500,000
Plumbing	39,000	60,000	60,000	60,000	60,000
Electrical	125,000	450,000	200,000	200,000	200,000
Technology	200,000	200,000	150,000	150,000	150,000
Life Safety	4,000	-	-	-	-
→ Preventative Maintenance Total	<u>\$ 3,028,000</u>	<u>\$ 3,060,000</u>	<u>\$ 3,085,000</u>	<u>\$ 3,110,000</u>	<u>\$ 3,135,000</u>
TOTAL MAINTENANCE	<u><u>\$ 3,428,000</u></u>	<u><u>\$ 3,460,000</u></u>	<u><u>\$ 3,485,000</u></u>	<u><u>\$ 3,510,000</u></u>	<u><u>\$ 3,535,000</u></u>

Planned Preventative Maintenance by Project **FY 2016-17**

DRAFT Equipment Replacement Plan

**YAVAPAI COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
BUDGET FOR FY2015 - 2016
FIVE YEAR EQUIPMENT REPLACEMENT PLAN**

<u>Department</u>	<u>FY 2016- 2017</u>	<u>FY 2017- 2018</u>	<u>FY 2018- 2019</u>	<u>FY 2019- 2020</u>	<u>FY 2020- 2021</u>
Career & Technical Education	120,695	169,491	152,000	145,051	126,034
Arts & Humanities	100,481	55,250	96,400	88,200	16,165
Sciences, Nursing, Allied Health, HPER & Athletics	130,393	139,421	127,656	92,700	109,725
Public Safety	58,200	34,300	84,000	379,046	368,546
Digital Media & Viticulture	42,740	22,740	17,740	17,740	17,650
Computer Technologies and Instructional Support	37,260	21,195	13,867	11,250	8,135
Information Technology Services	1,171,600	1,001,081	964,486	1,064,658	1,286,892
Business Services	6,008	26,005	6,080	75,026	72,075
Facilities	204,500	215,300	216,951	140,000	100,000
Campus Safety	209,000	100,000	-	-	-
Marketing	-	5,000	-	3,000	-
Auxiliary Enterprises	91,525	37,450	74,975	60,200	167,725
Total Equipment	\$ 2,172,402	\$ 1,827,233	\$ 1,754,155	\$ 2,076,871	\$ 2,272,947

Capital Improvement Plan

- Based primarily on Campus Master Plan
- Campus Master Plan
 - Tool to Align Academic & Strategic Plans with Physical Facilities
 - Establishes Capital Priorities
 - Optimizes Resources
 - Data-informed
 - Flexible

Original CMP Summary

- Full report and updates available online
 - Masterplan.yc.edu
- **Timeline**
 - **Phase 1** (Years 1-3)
 - **Phase 2** (Years 4-7)
 - **Phase 3** (Years 8-10)
- **44 Projects**
 - 11 Renovation
 - 7 New Construction
 - 7 Open Space
 - 6 Buy/ Sell Property
 - 6 Signage
 - 3 Expansions
 - 2 Parking

Campus Master Plan Update (4/15)

- Slowed from 10 years to 14 years
- Keeping Sedona Center in Cultural Park
- Major renovation for Building L on VVC
- Moved Chino Valley sale to Phase 3
- Moved Prescott Valley / Allied Health to Phase 3

Financing the CMP

- Costs
 - Phase 1 \$18M
 - Phase 2 \$32M
 - Phase 3 \$61M
 - Total \$111M
- Existing Revenue \$67M
- Options for \$44M Delta
 - ✓ Slow Down
 - Reduce Scope
 - Increase Revenues
 - Partnerships
 - Grants
 - Private Gifts
 - Property Taxes
 - Increase levy
 - Bonds

Recommendations

- Phase 1 (FY12-FY17)
 - Sedona Center remodel
 - Renovate & Expand PV Center
 - Keep YC facility adjacent to Bradshaw HS
 - Consolidate YC/ MIJTED AH programming
- Phase 2 (FY18-FY20)
 - Remodel Building L
 - Build Events Field & Center, and Multi-purpose Room
- Phase 3 (FY21-FY26)
 - Continue with Library and NARTA renovations
 - Move forward with Chino Valley sale if enrollments do not improve
 - Expand AH Center in PV (pending partner financial support)

Prescott Valley Center

- MIJTED moves from Centerpoint
 - Admin Offices to CTEC
 - AH Labs to YC PV
- YC AH moves from Prescott to PV
- YC EMS moves from PV to P
- Rad Tech eventually swaps with NARTA



Draft Capital Improvement Plan

Capital Improvement Projects - Description	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Prescott - Building 15 Art/Music Design, Const. & FF&E - Renovation	\$ 3,126,500	\$ 390,800	-	-	-
Prescott - Building 15 Art/Music Design, Const. & FF&E - Expansion	960,000	120,000	-	-	-
Prescott - Building 19 Library Design, Const. & FF&E - Renovation	-	-	-	-	\$ 630,000
Prescott - Lecture Hall Design, Construction & FF&E	-	400,000	\$ 3,103,000	\$ 700,000	-
Prescott - Multi-use Field Design, Construction & FF&E	-	105,000	2,777,400	-	-
Prescott - Surface Lot Construction	-	216,000	1,000,000	-	-
Prescott - Event Center Design & Construction	-	-	-	1,086,500	3,975,000
Prescott Valley - Renovation Design, Construction & FF&E	1,500,000	225,000	-	-	-
Sedona - Renovation Design, Construction & FF&E	380,000	3,420,000	-	-	-
Verde - Building L Design, Const. & FF&E - Renovation	-	600,000	2,500,000	700,000	-
Open Space Improvements - Design & Construction	200,000	200,000	200,000	200,000	-
Way Finding - Design & Construction	90,000	90,000	90,000	90,000	-
Transfer of Expenses to Restricted Fund - STEM Funding & Prop. 301 Sales Tax Revenues	(1,455,700)	(1,455,700)	(1,455,700)	(1,455,700)	(805,700)
Total Capital Projects	\$ 4,800,800	\$ 4,311,100	\$ 8,214,700	\$ 1,320,800	\$ 3,799,300
Revenue Sources					
Investment Income	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Capital Project Accum. Account	4,669,800	4,180,100	8,084,700	555,800	3,784,300
YC Foundation - Winery	116,000	116,000	115,000	750,000	-
Total Revenues	\$ 4,800,800	\$ 4,311,100	\$ 8,214,700	\$ 1,320,800	\$ 3,799,300
Excess/(Needed Capital)	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Detailed explanations of new projects scheduled for FY2016-17 and FY2017-18 can be referenced on the next page.

GREEN = Continuation of project approved last year

RED = Project seeking approval this year

Black = Planned future projects

Questions & Discussion