

Board of Trustees Meeting

Thursday, July 13, 2017 Experiential Engineering Building, Room 164, 7:00 AM

AGENDA

- I. APPROVAL OF MINUTES, June 19, 2017 WOHLFORD
- II. FINANCE AND AUDIT REPORT
 - UPDATES TO WSU BOT ON ENDOWED FUNDS HUSH
 - HISTORY OF BOT OWNED FACILITIES MAINTENANCE QUASI-ENDOWED FUND HUSH
 - POOLED INVESTMENT RETURNS HUSH
 - MILL LEVY BUDGET & YEAR TO DATE REVENUE & EXPENDITURES HUSH
 - OPERATING BUDGET (BOT UNRESTRICTED) REVENUE & EXPENDITURES HUSH
 - BOT AUDIT BRUUN
- III. CAMPUS DEVELOPMENT REPORT
 - FINANCIAL PLAN BRUUN
 - INNOVATION CAMPUS HOUSING BARDO
 - STRATEGIC REVIEW OF INNOVATION CAMPUS TOMBLIN
- IV. OPEN MEETINGS ACT AMENDMENTS BUCKLEY
- V. UNIVERSITY UPDATE BARDO

FINANCE & AUDIT COMMITTEE (Ken Hush *Chair*, Laurie Labarca, Joe Norton, Sheryl Wohlford)

CAMPUS DEVELOPMENT COMMITTEE (Pierre Harter *Chair*, Tom Winters, Vernell Jackson, Cindy Schwan, Steve Packebush)

NOMINATING COMMITTEE (Cindy Schwan *Chair*, Joe Norton, Tom Winters, Sheryl Wohlford)

Upcoming BOT Meeting Dates Friday, September 22, 2017 –EEB, Rm 164 Monday, December 4, 2017 (new date) – BOT Holiday Dinner, President's Residence, 6:30 pm Thursday, January 11, 2018 – EEB, Rm 164 Thursday, April 5, 2018 – EEB, Rm 164 Thursday, July 12, 2018 – EEB, Rm 164 Thursday, September 20, 2018 – EEB, Rm 164



WSU Board of Trustees

Board Meeting Monday, June 19, 2017, 8:00 am 164 Room, Experiential Engineering Building

In attendance were board members Sheryl Wohlford, Steve Packebush, Laurie Labarca, Tom Winters, Joe Norton, Pierre Harter, Cindy Schwan, and Vernell Jackson. Also present were John Bardo, Mert Buckley, John Tomblin, Susan Johnson, Andy Schlapp, Troy Bruun, and Werner Golling.

Approval of Minutes

Wohlford started meeting. Labarca made a motion to approve the minutes from the April 6, 2017 meeting. Harter seconded and the motion passed, pending a change of wording.

FY2018 Mill Levy Budget

Schlapp discussed the Mill Levy Budget, talked about meetings with the City/County officials, he spent time explaining the history of the Mill Levy from 1963- present. Tax collections are exceeding the budget, excess money was put into the WSIA fund. The Kansas Board of Regents will approve the Mill Levy budget at their September meeting.

WSU Innovation Alliance FY2018 Fund

Bruun and Schlapp will work on a 10 year projected budget along with a timeline of approved and proposed projects that will be provided to the board before the next meeting in July.

Discussion about Funding for New Campus Wellness Center

Schlapp discussed the proposed funding of \$5 million for the Wellness Center from the Board of Trustees. Tomblin talked about his meetings with the YMCA about current WSU student memberships (family and primary). A drop-in daycare will also be included in this building. Tomblin said he will bring a Letter of Intent for the 16,000 sq. ft. Wellness Center facility to the next board meeting on July 13, 2017. He should also know the timeline for payment from the BOT by the next meeting. Tomblin is taking a group of students to tour the best recreational facilities on college campuses to gather ideas for our campus. Construction on the facility is planned to start summer of 2018 and to open January 2020. August 21, 2017 all WSU students will become members of the YMCA.

University Update

Bardo discussed the success of students working with businesses located on campus, "apprenticeship experiences" as more valuable than traditional classroom experiences, which is the model of the Innovation Campus. Bardo discussed "Push Advising", sending a pre-set schedule based on their interest to freshman to help with enrollment. The One-Stop Center for advising, registration and financial aid in Jardine has been very successful for helping students with a variety of needs. Bardo reviewed his visit with the American Athletics Conference schools presidents and athletic directors at their annual meeting.

Strategic Review of Innovation Campus

Tomblin discussed breaking ground on the retail portion of the Innovation Campus along 21st street soon. It will have a patio area with a bridge going across a lake to an island in the middle surrounded by fire pots. All of this will create a place where people want to come. The 93 bed Elements by Westin hotel ground breaking will be in August. They will also offer the new concept of "pod room" arrangements. Group discussed the campus student housing options available now and in the future.

Wohlford entertained a motion to adjourn this meeting at 9:35 am., Jackson moved and Schwan seconded. Tomblin led interested board members on a tour of the Experiential Engineering Building.

Respectfully submitted,

Susan Johnson Assistant Secretary

Wichita State University Foundation Updates to WSU Board of Trustees as of 05/31/2017

BOT Owned Facilities Maintenance Quasi-En (investment return posted through 05/31/17)	\$351,141	
Lease agreement income received FY 2017		
CMD	\$0 ⁻	
WSU Foundation	20,000	
Alumni	10,000	
BOT annual funding	0	
	[*]	\$30,000

Expenses to date FY 2017

\$0

Wichita State University Foundation History of BOT Owned Facilities Maintenance Quasi-Endowed Fund Expenses Inception 5/30/06

FY 2006	Central Air Conditioning - replaced central air at WAC	\$61,520
FY 2007	Lustercraft Plastics - window wells WAC Sutherland Builders - Replace office doors WAC	6,450 13,415
FY 2009	Simplex Grinnell - magnets for all doors WAC Cornejo & Sons - asphalt repairs @ Braeburn Golf Mahaney Roofing - Roof Replacement WAC Physical Plant various invoices - WAC Sutherland Builders - replace Alumni side door -WAC	24,272 7,619 83,500 2,178 1,263
FY 2010	Physical Plant - half moon windows WAC Physical Plant - ADA auto open front door WAC	6,432 5,000
FY 2013	Replace windows at Wooman Alumni Center (approved \$41,300) Braeburn Golf course - concrete cart paths	40,155 238,000
FY 2015	Howard & Helmer Architects, Design for boiler & Alumni wing	120
FY2016	WAC Addition/Construction	232,604 \$722,528

WAC= Woodman Alumni Center

Wichita State University Foundation Pooled Investment Performance as of May 31, 2017

	FY2017
	Performance
Composite	10.0%
Target Weighted Benchmark	8.6%
Spending + CPI Benchmark	7.0%

Historical Investment Returns

	Fiscal Year	Calendar Year
2017	10.0%	-
2016	-3.8%	7.2%
2015	0.4%	3.2%
2014	14.5%	2.4%
2013	8.8%	10.2%
2012	-4.6%	11.4%
Five Year Annualized Return	n 5.7%	

Balance of all BOT Funds as of 05/31/17

BOT funds in endowed pool (carnings through 05/31/17)	\$6,308,435	59.8%
Gore separately invested fund (earnings through 06/30/17)	4,248,983	40.2%
Total funds balance	\$10,557,418	

Prepared by Susan Barrett 7/3/2017

Wichita State University Board of Trustees City of Wichita/Sedgwick County Mill Levy Budget Fiscal Year 2017 Revenue and Expenditures as of June 30, 2017

	Fiscal Year 2017 <u>Budget</u>	Revenue Received as of <u>06/30/17</u>	Budget <u>Remaining</u>	Percent of Budgeted Revenue <u>Received</u>		
Revenues						
Revenue Contingent Revenue	\$7,561,901 300,000	\$6,496,400 0	\$1,065,501 300,000	85.91% 0.00%		
Total Revenues	\$7,861,901	\$6,496,400	\$1,365,501	82.63%		
	Fiscal Year 2017 <u>Budget</u>	Expenditures as of <u>06/30/17</u>	Budget <u>Remaining</u>	Percent of Budget <u>Expended</u>		
Expenditures						
<u>Capital Improvement</u> Debt Service thru 2017Series 2013-1 National Center for Aviation Training Support WSU Innovation Campus Building Insurance	\$1,512,000 800,000 513,036 20,396	\$1,514,650 800,000 0 19,311	(<mark>\$2,650)</mark> 0 513,036 1,085	100.18% 100.00% 0.00% 94.68%		
Total Capital Improvements	\$2,845,432	\$2,333,961	\$511,471	82.02%		
<u>Student Support</u> Merit Scholarship Program Sedgwick County Scholars Urban Assistantships Graduate Research Assistantships Graduate Fellowships Total Student Support	\$1,697,710 \$2,098,623 50,557 214,156 152,423 \$4,213,469	\$1,542,659 2,098,623 50,557 214,156 152,423 \$4,058,418	\$155,051 0 0 0 0 \$155,051	90.87% 100.00% 100.00% 100.00% 96.32%		
Economic and Community Development Interns-City/County Business and Economic Research	\$136,000 150,000	\$136,000 150,000	\$0 0 0	100.00% 100.00%		
City Government Services County Government Services	80,000 80,000	80,000 43,251	36,749	100.00% 54.06%		
Total Economic and Community Development	\$446,000	\$409,251	\$36,749	91.76%		
University Research and Support Services Organization and Development	\$57,000	\$40,148	\$16,852	70.44%		
Total University Research and Support Services	\$57,000	\$40,148	\$16,852	70.44%		
<u>Contingency</u> Contingency	\$300,000	\$0	\$300,000	0.00%		
Total Contingency	\$300,000	\$0	\$300,000	0.00%		
Total Expenditures	\$7,861,901	\$6,841,778	\$1,020,123	87.02%		

Wichita State University Board of Trustees Operating Budget for Fiscal Year 2017 (B.O.T. Unrestricted Budget) Revenue and Expenditures as of June 30, 2017

	Actual Fiscal Year 2017 Expenditures <u>Budget as of 06/30/17</u>		Budget <u>Remaining</u>	Percent of Budget <u>Expended</u>	
Expenditures					
General and Administrative:					
Maintenance and Repairs	\$15,000	\$12,560	\$2,440	83.73%	
Professional Fees	17,000	19,434	(2,434)	114.32%	
Insurance	8,800	7,648	1,152	86.91%	
Other	450	506	(56)	112.44%	
Transfer to Cash Flow Reserve	15,750	0	15,750	0.00%	
Total Expenditures	\$57,000	\$40,148	\$16,852	70.44%	



TO:	Board of Trustees

FROM: Troy Bruun

DATE: June 20, 2017

SUBJECT: Financial Plan

The purpose of this memo is to add narrative to the BOT Financial Plan.

Earlier this year I provided a document that showed cash balances in BOT funds that tied to the ending cash balance shown in the FY 2016 audit report. The balances are shown below.

June 30, 2016 cash per audited financial statements \$ 9,410,346

\$ 3,553,292
64,516
1,376,098
14,389
1,315,174
(930,875)
1,600,000
232,721
2,200,000
(884,989)
35,893
76,127
12,000
18,000
728,000
\$ 9,410,346

Since the audited cash number is from June 30, 2016, the Financial Plan begins with fiscal year 2017 and shows budgeted numbers. I plan to have actual FY 2017 numbers when we meet in July. I added a beginning cash number to the Financial Plan of

\$5,857,054. This is the cash per audit of 9,410,346 less the undistributed cash held by Sedgwick County of 3,553,292. (9,410,346 - 3,553,292 = 5,857,054) I did not include cash held by Sedgwick County because that cash will be received during FY 2017 and is budgeted in mill levy revenue. I highlighted beginning cash in green.

Looking at FY 2017, if all budgeted revenue is received and all expenditure budgets are spent, Mill Levy operations will have excess revenue of \$513,036. This excess is budgeted as an expenditure in the highlighted line labeled WSIA – Innovation Campus. I'd like to change the name of this expenditure line to Campus Development to better reflect its purpose. The second page of the Financial Plan is labeled Campus Development Fund. Revenues include the Engineering Expansion Grant and the excess revenue from the Mill Levy Budget. I've highlighted the excess revenue from the Mill Levy Budget to show it matches the expenditure budget found in the Mill Levy Budget. In looking at expenditures in the Campus Development fund, you will notice debt service on the Experiential Engineering Building is paid from the Campus Development Budget through FY 2022 and then reverts back to the Mill Levy Budget once the Engineering Expansion Grant ends. I have also included the \$2.5 million payment to the Foundation for the new student athlete building and possible \$2.5 million payments in FY 2019 and FY 2020 for the new health and wellness facility being discussed as part of the new fitness facility.

Next I'd like you to look at the Budgeted Revenues Over/(Under) Expenditures on the Campus Development Fund – highlighted in blue. FY 2017 operations are expected to expend \$1,720,786 more than revenues collected due to the one-time \$2.5 million payment to the Foundation. This leaves \$4,136,269 in cash held by the Board of Trustees. Then I subtract cash of \$870,020 of cash not available for Campus Development. This is cash dedicated for use by the City of Wichita, Sedgwick County and unspent Scholarship budget. The next line subtracts \$3 million to be held for cash flow purposes which leaves \$266,249 available to be spent on Campus Development. You will see that Cash Available for Campus Development – highlighted in gray - increases or decreases depending on the result of operations through FY 2028. The Cash Available for Campus Development is a cumulative figure, not an annual amount.

Financial Plan Assumptions:

- Mill Levy growth 2% per year
- Building Insurance growth of 1% through FY 2022, 2% thereafter
- Student Support & Workforce Development 2% growth after FY 2022
- Economic & Community Development 2% growth after FY 2022
- University Research & Support Services 3% growth after FY 2022

The financial plan shows how we adequately fund existing programs at historic levels, plan for increases after FY 2022, and put excess revenue in the Campus Development Fund so the Board can easily see the amount of funds available when contemplating new initiatives.

Wichita State University Board of Trustees City of Wichita/Sedgwick County Mill Levy Budget

Beginning Cash (less amount held by Sedgwick Co.)	\$ 5,857,054 Actual FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	FT 2017	FT 2018	FT 2019	FT 2020	FT 2021	FT 2022	F1 2025	FT 2024	FT 2023	FT 2020	FT 2027	FT 2028
Mill Levy	Ś -	\$ 7713516	\$ 7,898,417	\$ 8,056,385	\$ 8.217.513	\$ 8,381,863	\$ 8,549,500	\$ 8,720,490	\$ 8.894.900	\$ 9,072,798	\$ 9,254,254	\$ 9,139,339
Mill Levy Distributed to BOT	5,505,763	<i>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</i>	Ş 7,050,417	\$ 0,050,505	Ş 0,217,515	\$ 0,501,005	\$ 0,545,500	\$ 0,720,450	\$ 0,054,500	\$ 5,072,750	Ş 3,23 4 ,234	Ş J, 1 JJ,JJJ
Mill Levy Distributed to Security Bank/Sedgwick County	1,871,117											
Interest	26,393											
Alumni Association	20,355											
Contingent Mill Levy	-	300,000	300.000	300.000	300.000	300.000	300.000	300,000	300.000	300.000	300,000	300.000
Total Revenues	\$ 7.403.274	,	\$ 8,198,417	,	,	\$ 8,681,863	,	,		,	\$ 9,554,254	,
	<u> </u>	, 0,043,340	, 0,190,41 7	÷ 0,550,505	, 0,317,313	<i>y</i> 0,001,003	÷ 0,0+5,300	<i>Ş 3,020,430</i>	÷ 3,134,300	<i>, ,,,,,,</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	<i>Ş 3,334,234</i>	<i>,,,,,,,,,,,,</i>
Expenditures												
Capital Improvements												
National Center for Aviation Training			\$ 800,000	. ,	\$ 800,000	\$ 800,000						\$ 800,000
WSIA - Innovation Campus	539,450	2,206,681	2,361,348	2,519,110	2,680,030	2,844,170	417,158	491,802	569,771	645,937	720,577	804,402
Debt Service - Refunding of Series 2001	1,512,000	-	-	-	-	-	-	-	-	-	-	-
Debt Service - WSIA Series 2014-3	-	-	-	-	-	-	1,748,359	1,748,359	1,748,359	1,748,359	2,063,359	2,495,659
Debt Service - WSIA Series 2014-4	-	-	-	-	-	-	750,968	750,068	747,298	747,818	436,380	-
Building Insurance	19,311	20,396	20,600	20,806	21,014	21,224	21,648	22,081	22,523	22,973	23,432	23,901
Subtotal Capital Improvements	\$ 2,870,761	\$ 3,027,077	\$ 3,181,948	\$ 3,339,916	\$ 3,501,044	\$ 3,665,394	\$ 3,738,133	\$ 3,812,310	\$ 3,887,951	\$ 3,965,087	\$ 4,043,748	\$ 4,123,962
Student Support & Workforce Development												
Undergraduate Support	\$ 1,542,659	\$ 1,697,710	\$ 1,697,710	\$ 1,697,710	\$ 1,697,710	\$ 1,697,710	\$ 1,731,664	\$ 1,766,297	\$ 1,801,623	\$ 1,837,655	\$ 1,874,408	\$ 1,911,896
Sedgwick County Scholars	2,098,623	2,098,623	2,098,623	2,098,623	2,098,623	2,098,623	\$ 2,140,595	\$ 2,183,407	\$ 2,227,075	\$ 2,271,617	\$ 2,317,049	\$ 2,363,390
Urban Assistantships	50,557	50,557	50,557	50,557	50,557	50,557	\$ 51,568	\$ 52,599	\$ 53,651	\$ 54,724	\$ 55,818	\$ 56,934
Graduate Research Assistantships	214,156	214,156	214,156	214,156	214,156	214,156	\$ 218,439	\$ 222,808	\$ 227,264	\$ 231,809	\$ 236,445	\$ 241,174
Graduate Fellowships	152,423	152,423	152,423	152,423	152,423	152,423	\$ 155,471	\$ 158,580	\$ 161,752	\$ 164,987	\$ 168,287	\$ 171,653
Subtotal Student Support & Workforce Development	\$ 4,058,418	\$ 4,213,469	\$ 4,213,469	\$ 4,213,469	\$ 4,213,469	\$ 4,213,469	\$ 4,297,737	\$ 4,383,691	\$ 4,471,365	\$ 4,560,792	\$ 4,652,007	\$ 4,745,047
Economic & Community Development												
Interns - City/County	\$ 136,000	. ,	, ,					. ,	\$ 144,324			. ,
Business & Economic Research	150,000	150,000	150,000	150,000	150,000	150,000	153,000	156,060	159,181	162,365	165,612	168,924
City Government Services	101,560	80,000	80,000	80,000	80,000	80,000	81,600	83,232	84,897	86,595	88,327	90,094
County Government Services	43,251	80,000	80,000	80,000	80,000	80,000	81,600	83,232	84,897	86,595	88,327	90,094
Subtotal Economic & Community Development	\$ 430,811	\$ 446,000	\$ 446,000	\$ 446,000	\$ 446,000	\$ 446,000	\$ 454,920	\$ 464,018	\$ 473,299	\$ 482,765	\$ 492,420	\$ 502,269
University Research & Support Services												
Organization & Development	\$ 43,284	, ,	\$ 57,000	, ,	\$ 57,000	\$ 57,000			· · · · ·	\$ 64,154		\$ 68,061
Subtotal University Research & Support Services	\$ 43,284	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 58,710	\$ 60,471	\$ 62,285	\$ 64,154	\$ 66,079	\$ 68,061
Contingency	\$-	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Total Expenditures	\$ 7,403,274	\$ 8,043,546	\$ 8,198,417	\$ 8,356,385	\$ 8,517,513	\$ 8,681,863	\$ 8,849,500	\$ 9,020,490	\$ 9,194,900	\$ 9,372,798	\$ 9,554,254	\$ 9,739,339
Revenues Over/(Under) Expenditures	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$ -	\$ -	\$-	\$ <u>-</u>

Wichita State University Board of Trustees Campus Development Fund

	FY 2017	FY 2018	FY 2019 FY	(2020 FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 F	FY 2027	FY 2028
Revenues											
University EEG for WSIA		\$ 1,619,078	\$ 1,852,376 \$ 2,	,092,730 \$ 2,340,352	\$ 2,595,463	\$-\$	- \$	- \$	- \$	- \$	-
Experiential Engineering Bldg Change Orders	68,243										
WSIA Innovation Campus (BOT)	539,450	2,206,681		,519,110 2,680,030	2,844,170	417,158	491,802	569,771	645,937	720,577	804,402
Total Revenues	\$ 2,807,693	\$ 3,825,759	\$ 4,213,724 \$ 4,	,611,840 \$ 5,020,382	\$ 5,439,633	\$ 417,158 \$	491,802 \$	569,771 \$	645,937 \$	720,577 \$	804,402
Expenditures											
Capital Improvements											
Debt Service - WSIA Series 2014-3	, , -,	\$ 1,748,359		,748,359 \$ 1,748,359		\$-\$	- \$	- \$	- \$	- \$	-
Debt Service - WSIA Series 2014-4	185,463	750,463	749,445	746,795 746,878	749,778	-	-	-	-	-	-
Balance of Debt Service per bond documents	66,178	-	-		-	-	-	-	-	-	-
Experiential Engineering Bldg Construction	122,276										
Bond Trustee Admin Fees	5,830										
Student Athlete Building	2,500,000	-	-		4 600 000						
Fairmount Towers	-	600,000		600,000 600,000	1,600,000	-					
Fitness Facility - Health & Wellness Subtotal Capital Improvements	\$ 4,628,106	- -	, , ,	,500,000 2,000,000 ,595,154 \$ 5,095,237	- \$ 4,098,137	- \$-\$	- \$	- \$	- \$	- \$	-
Subtotal Capital Improvements	\$ 4,028,100	\$ 3,098,822	ş 4,597,804 ş 4,	,595,154 \$ 5,095,257	\$ 4,098,137	Ş - Ş	- >	- Ş	- >	- Ş	-
Contingency	\$-	\$-	\$-\$	- \$ -	\$ - 3	\$-\$	- \$	- \$	- \$	- \$	-
Total Expenditures	\$ 4,628,106	\$ 3,098,822	\$ 4,597,804 \$ 4,	,595,154 \$ 5,095,237	\$ 4,098,137	\$ - \$	- \$	- \$	- \$	- \$	-
Revenues Over/(Under) Expenditures	\$ (1,820,413)	\$ 726,937	\$ (384,080) \$	16,686 \$ (74,855)	\$ 1,341,497	\$ 417,158 \$	491,802 \$	569,771 \$	645,937 \$	720,577 \$	804,402
Less Mill Levy Distributed to Security Bank/Sedgwick County	(1,871,117)										
Less Debt Payment made by Security Bank	1,512,000										
Ending Cash (less amount held by Sedgwick Co.)	\$ 3,677,525										
Less cash not available for Campus Development* Less cash held for cash flow	\$ (1,040,260)										
Less cash helu lui cash huw	\$ (2,900,000)										
Cash available for Campus Development	\$ (262,736)	\$ 464,202	\$ 80,122 \$	96,808 \$ 21,953	\$ 1,363,449	\$ 1,780,607 \$	2,272,409 \$	2,842,180 \$	3,488,117 \$	4,208,694 \$	5,013,096

*Cash not available for Campus Development City Government Services County Government Services City Internships County Internships Scholarships

 \$
 14,333
 Prior years unspent budget

 112,876
 Prior years unspent budget

 12,000
 Prior years unspent budget

 18,000
 Prior years unspent budget

 883,051
 Prior years unspent budget

 \$
 1,040,260

Increasing enrollment at WSU has been a continuing high priority of Dr. Bardo and his executive team. An important part of advancing WSU's reputation from commuter school to comprehensive research university has been to focus on the quality of student experience in the classroom and beyond.

His experience at several universities has been that having a critical mass of students in residence makes a big difference in expanding student engagement. WSU was facing two problems in that regard – the poor quality of existing housing stock and its location on the edges of campus, where students (and parents) felt uneasy.

The strategic goal of improved quantity and quality of housing was identified in the university's 2013 master plan. Page 58 says:

BUILD 2,000 TO 2,500 BEDS IN FIVE TO EIGHT YEARS - Providing new and improved housing options on the campus is a key objective of the university. In the next five to eight years, 2,000 to 2,500 beds are planned in response to campus life objectives and anticipated enrollment growth. By merging housing with the need for accessible study spaces, the aim is to create a strong living / learning environment that will enable students not only to have access to places for learning and studying, but also provide places for social activities.

The first step was to build a new housing facility in the center of campus (Shocker Hall) and close Brennen Hall and Wheat Shocker. That was accomplished for the 2014-15 academic year.

The second planned step was to build another on campus housing facility and close the 50+-year-old Fairmount Towers. This process has been delayed because revenue from Fairmount had been used to service the debt on Wheat Shocker and other housing projects.

The university has been unwilling to take on new debt other than for academic buildings.

The construction of the privately financed Flats at WSU apartment project has offered an opportunity to:

- House students in a new, better-located facility at no additional cost to them.
- Close Fairmount Towers before additional costly repairs are required.
- Use new housing as a recruiting tool to attract students from Kansas and beyond.

Centralizing housing operations on the main campus creates a more positive environment for our students that aligns with the goals of the university and exposes students to the live, learn, work and play environment that fosters education, entrepreneurship, research and community.

To facilitate this in the most time efficient way, under the current pricing structure for Fairmount Towers residents, the developer of the Flats has agreed to operate the apartment complex at a loss this year to help accomplish the long-term strategic goal and move all student housing to the main campus. This is a win for the university because it greatly improves the quality and location of housing without taking on long-term debt. It's a win for the developers because it exposes 300 or more students to their new housing complex. The site has additional land where the developers already have the option of building more housing.

President Bardo and I will be talking to you this week to discuss how we fund the remaining debt service on Fairmount Towers and pay to raze the building, as contemplated in the university's five-year capital plan. We believe in future years, that this short-term capital constraint will be fixed and the students will have a better living environment that is consistent with our vision, mission and our master plan.

Working draft of WSU announcement for July 14 or later

Fairmount Towers to close; residents will be upgraded to new apartment complex

Wichita State University will close Fairmount Towers residence hall in line with housing consultants' recommendations and the university's five-year capital budget plan.

About 300 students who had reserved space in Fairmount Towers for the 2017-18 academic year will be housed in a brand-new apartment complex, the Flats at WSU, at no additional cost to those students.

Eric King, associate vice president for facilities, said: "Fairmount Towers, constructed 53 years ago as a private dormitory, has reached the end of its useful life. The building will be taken out of service and eventually demolished. Its site near the northwest corner of 21st and Hillside will be available for other university uses."

King noted a 2015 report from Brailsford & Dunlavey on the student housing market concluded Fairmount Towers should be phased out based on four main factors:

- Operational inefficiencies
- Limited student demand
- Isolated location outside the core of campus
- Facility condition concerns

Tony Vizzini, provost and senior vice president of WSU, said the university has been working for five years to decommission outdated housing and create a more residential, 24-hour campus.

"Replacing Wheatshocker and Brennan Halls with Shocker Hall was the first step in the plan and it worked beautifully," Vizzini said.

"The next step has always been to close Fairmount, but there hasn't been a way to do that without incurring long-term debt," Vizzini said. "The Flats gives us an opportunity to do that. It is a bonus that students will be able to move into and experience this beautiful new housing complex."

Apartment configurations in the Flats, ranging from one to four bedrooms, all include one bathroom per bedroom, plus shared kitchen, washer-dryer and living rooms for each of the 112 apartments. All apartments come fully furnished.

Students who have already paid deposits to live in single-occupancy bedrooms in the Flats will have single bedrooms, with fewer residents sharing the common spaces within their apartments. Those who initially signed up for the Flats will also get free underground, reserved parking spaces. All other Flats residents will get free surface parking.

The Flats is located near the corner of Mike Oatman Drive and Innovation Boulevard, just south of Eck Stadium. It will open in early August.

University Housing and Residence Life will manage the building, which was financed and constructed by MWCB LLC.

Contact: Tony Vizzini, provost and senior vice president, <u>tony.vizzini@wichita.edu</u>, 316.978.3010.

Executive Session Procedure for WSU Board of Trustees (7/1/17)*

- A. Motion must contain a statement providing:
 - a. <u>Subject</u>. A statement describing the subjects to be discussed during the closed or executive session. [Examples: "draft audit report" "Innovation Campus"]
 - b. <u>Justification</u>. The justification for executive session from this list (only listed those which are applicable to BOT):
 - (1) To discuss personnel matters of nonelected personnel
 - (2) For consultation with the Board's attorney on matters protected by attorneyclient relationship
 - (3) To discuss employer-employee negotiations
 - (4) To discuss data relating to financial affairs or trade secrets of corporations, partnerships, trusts, and individual proprietorships;
 - (5) To discuss matters relating to actions adversely affecting or favorably affecting a person as a student, patient or resident of a public institution, except that any such person shall have the right to a public hearing if requested by the person;
 - (6) For the preliminary discussion of the acquisition (not sale) of real property
 - (7) Others
 - c. <u>Resume</u>. Time and place the open meeting will resume
- D. The complete motion shall be recorded in the minutes
- E. The Board may include non-members to remain who it feels may aid in the discussion
- F. Discussion is limited to only those subjects stated in the motion.
- G. No voting in Executive Session
- H. "such recesses shall not be used as a subterfuge to defeat the purposes of the act."
- I. No minutes taken of discussions in Executive Session

Suggested example:

I move that we recess into Executive Session:

to discuss [describe subject to be discussed/ draft audit report, future of Innovation Campus]

and the justification for the recess is the need: [for consultation with the Board's attorney on matters deemed privileged in the attorney-client relationship] [to discuss data relating to financial affairs or trade secrets of corporations, partnership, trust and individual partnerships]

and resume the open meeting in this room at [time].

For the Minutes: Insert the motion as presented and add: The following motion was made by ______ at [_____ am/pm] seconded and approved. The session started at ______ am/pm and ended at ______ am/pm and no action was taken.

*2017 HB 2301, amending K.S.A. 75-4319. Effective July 1, 2017.