



Board of Trustees Meeting
Friday, September 21, 2018
Experiential Engineering Building, Room 164, 8:00 AM

AGENDA

- I. APPROVAL OF MINUTES, JULY 12, 2018 –WOHLFORD
- II. FINANCE AND AUDIT REPORT - HUSH
 - 2017 BOT AUDIT REVIEW–TERESA SEYMOUR, BKD
 - UPDATES TO WSU BOT ENDOWED FUNDS
 - HISTORY OF BOT OWNED FACILITIES MAINTENANCE QUASI-ENDOWED FUND
 - POOLED INVESTMENT RETURNS
 - MILL LEVY BUDGET & YEAR TO DATE REVENUE & EXPENDITURES
 - OPERATING BUDGET (BOT UNRESTRICTED) – REVENUE & EXPENDITURES
- III. CAMPUS DEVELOPMENT REPORT - HARTER
 - FINANCIAL PLAN REVIEW – BRUUN
- IV. NOMINATING REPORT – SCHWAN
 - APPROVAL OF COMMITTEE MEETING MINUTES, SEPTEMBER 12, 2018
 - ELECTION OF OFFICERS
 - 2019 BOARD OF TRUSTEES AWARD
- V. STATEMENT OF SUBSTANTIAL INTEREST POLICY DISCUSSION - BUCKLEY
- VI. UNIVERSITY UPDATE – BARDO
- VII. AS MAY ARISE

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

Monday, December 3, 2018– BOT Holiday Dinner, President’s Residence, 6:30 pm

Thursday, January 10, 2019 – EEB, Rm 164

Thursday, April 4, 2019 – EEB, Rm 164

Thursday, July 11, 2019 – EEB, Rm 164

Friday, September 20, 2019 – EEB, Rm 164



WSU Board of Trustees

Board Meeting

Thursday, July 12, 2018, 9:00 am

164 Room, Experiential Engineering Building

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

Approval of Minutes

Wohlford started the meeting at 9:00 am. Schwan made a motion to approve the minutes from the April 5, 2018 meeting. Labarca seconded and the motion passed.

Finance and Audit Report

Hush reviewed the Finance and Audit reports and the board agreed all were in order. Bruun reviewed the FY2018 Mill Levy Budget, noting the increase to Student Support which came from the cash balance. Bruun discussed the auditors from BKD would be starting on July 23. No action was taken.

Campus Development Report

The committee reviewed the Campus Development Fund Financial Plan and agreed all was in order and no action was required. Schlapp gave an update about planned public events to be held on campus for people to visit and see what is happening at WSU, working towards coordinating with Parents Weekend Sept. 28-29 with a Final Friday type event near Pizza Hut Museum and food/music/art events near Braeburn Square. The Shocker Store may be open by that weekend. The hotel, restaurants, and retail will be coming soon. Discussed interest in having a middle school built on/near campus to promote STEAM programs. Also talked about the way WSU is communicating with the public from creation of a new WSU website to weekly briefings for information and questions. Winters asked for discussion of future communication strategy for Board at next meeting.

University Update

Bardo talked about the increase in enrollment, the large increase in housing applications, and the need for new training programs/new education models to provide continuous education to build the economy for the future. He highlighted the accomplishments of the college of Applied Studies "TAP" program and in the college of Fine Arts, the new Shocker Sound Machine marching band for basketball and Bachelor of Applied Arts at Shocker Studios. Badge programs have grown, offering continuous education opportunities for adult learners. Tomblin said 75% of the innovation campus has been designed or is in the planning phases. The crash lab construction has started, funded by NIAR. He discussed all the new Department of Defense work that has been awarded due to the EEB building capabilities of research/engineering/applied learning.

Buckley discussed in detail the Executive Session procedures.

Wohlford adjourned the meeting at 10:25 am.

Respectfully submitted,

Susan Johnson, Assistant Secretary

**Wichita State University Foundation
Updates to WSU Board of Trustees
as of August 31, 2018**

BOT Owned Facilities Maintenance Quasi-Endowed Fund Balance- 611036 \$525,247
(investment return posted through 7/31/18)

Lease agreement income received FY 2019

CMD	\$0	
WSU Foundation	51,978	
Alumni	0	
BOT annual funding	0	
		\$51,978

Expenses to date FY 2019 \$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	6,450
	Sutherland Builders - Replace office doors WAC	13,415
FY 2009	Simplex Grinnell - magnets for all doors WAC	24,272
	Cornejo & Sons - asphalt repairs @ Braeburn Golf	7,619
	Mahaney Roofing - Roof Replacement WAC	83,500
	Physical Plant various invoices - WAC	2,178
	Sutherland Builders - replace Alumni side door -WAC	1,263
FY 2010	Physical Plant - half moon windows WAC	6,432
	Physical Plant - ADA auto open front door WAC	5,000
FY 2013	Replace windows at Wooman Alumni Center	40,155
	<i>(approved \$41,300)</i>	
	Braeburn Golf course - concrete cart paths	238,000
FY 2015	Howard & Helmer Architects, Design for boiler & Alumni wing	120
FY2016	WAC Addition/Construction	232,604
FY2018	None	0
		<u><u>\$722,528</u></u>

WAC= Woodman Alumni Center

**Wichita State University Foundation
Pooled Investment Performance
as of August 31, 2018**

	FY2019 Performance
Composite	2.6%
<i>Target Weighted Benchmark</i>	<i>1.9%</i>
<i>Spending + CPI Benchmark</i>	<i>5.0%</i>

Historical Investment Returns

	Fiscal Year	Calendar Year
2019	2.6%	N/A
2018	7.2%	N/A
2017	10.4%	12.1%
2016	-3.8%	7.2%
2015	0.4%	3.2%
2014	14.5%	2.4%
2013	8.8%	10.2%
Five Year Annualized Return	5.8%	

<u>Balance of all BOT Funds as of 08/31/18</u>	<u>8/31/2018</u>		<u>6/30/2018</u>
BOT funds in endowed pool (earnings through 07/31/18)	\$7,827,528	64.1%	\$7,733,041
Gore separately invested fund (earnings through 09/14/18)	4,378,734	35.9%	4,354,806
Total funds balance	<u>\$12,206,262</u>		<u>\$12,087,847</u>

**Wichita State University Board of Trustees
City of Wichita/Sedgwick County Mill Levy Budget
Fiscal Year 2019
Revenue and Expenditures as of August 31, 2018**

	<u>Fiscal Year 2019 Budget</u>	<u>Revenue Received as of 08/31/18</u>	<u>Budget Remaining</u>	<u>Percent of Budgeted Revenue Received</u>
<u>Revenues</u>				
Revenue	\$7,853,926	\$1,308,988	\$6,544,938	16.67%
Contingent Revenue	300,000	0	300,000	0.00%
Total Revenues	<u>\$8,153,926</u>	<u>\$1,308,988</u>	<u>\$6,844,938</u>	16.05%
	<u>Fiscal Year 2019 Budget</u>	<u>Expenditures as of 08/31/18</u>	<u>Budget Remaining</u>	<u>Percent of Budget Expended</u>
<u>Expenditures</u>				
<u>Capital Improvement</u>				
Debt Service thru 2017Series 2013-1	\$0	\$0	\$0	#DIV/0!
National Center for Aviation Training Support	800,000	400,000	400,000	50.00%
Campus Development	2,317,061	0	2,317,061	0.00%
Building Insurance	20,396	0	20,396	0.00%
Total Capital Improvements	<u>\$3,137,457</u>	<u>\$400,000</u>	<u>\$2,737,457</u>	12.75%
<u>Student Support</u>				
Merit Scholarship Program	\$1,697,710	\$14,000	\$1,683,710	0.82%
Sedgwick County Scholars	\$2,098,623	0	2,098,623	0.00%
Urban Assistantships	50,557	0	50,557	0.00%
Graduate Research Assistantships	214,156	0	214,156	0.00%
Graduate Fellowships	152,423	0	152,423	0.00%
Total Student Support	<u>\$4,213,469</u>	<u>\$14,000</u>	<u>\$4,199,469</u>	0.33%
<u>Economic and Community Development</u>				
Interns-City/County	\$136,000	\$0	\$136,000	0.00%
Business and Economic Research	150,000	75,000	75,000	50.00%
City Government Services	80,000	7,700	72,300	9.63%
County Government Services	80,000	0	80,000	0.00%
Total Economic and Community Development	<u>\$446,000</u>	<u>\$82,700</u>	<u>\$363,300</u>	18.54%
<u>University Research and Support Services</u>				
Organization and Development	\$57,000	\$9,840	\$47,160	17.26%
Total University Research and Support Services	<u>\$57,000</u>	<u>\$9,840</u>	<u>\$47,160</u>	17.26%
<u>Contingency</u>				
Contingency	\$300,000	\$0	\$300,000	0.00%
Total Contingency	<u>\$300,000</u>	<u>\$0</u>	<u>\$300,000</u>	0.00%
Total Expenditures	<u>\$8,153,926</u>	<u>\$506,540</u>	<u>\$7,647,386</u>	6.21%

Wichita State University Board of Trustees
 Operating Budget for Fiscal Year 2019 (B.O.T. Unrestricted Budget)
 Revenue and Expenditures as of August 31, 2018

	Fiscal Year 2019 <u>Budget</u>	Actual Expenditures as of 08/31/18	Budget Remaining	Percent of Budget Expended
Expenditures				
General and Administrative:				
Maintenance and Repairs	\$15,000	\$0	\$15,000	0.00%
Professional Fees	17,000	9,793	7,207	57.61%
Insurance	8,800	0	8,800	0.00%
Other	450	47	403	10.44%
Transfer to Cash Flow Reserve	15,750	0	15,750	0.00%
Total Expenditures	<u>\$57,000</u>	<u>\$9,840</u>	<u>\$47,160</u>	17.26%

**Wichita State University Board of Trustees
City of Wichita/Sedgwick County Mill Levy Financial Plan**

	Beginning Cash (less amount held by Sedgwick Co.)											
	Actual FY 2017	Actual FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	\$ 5,857,054	\$ 3,677,516										
Revenues												
Mill Levy	\$ -	\$ -	\$ 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	\$ 9,439,339
Mill Levy Distributed to BOT	5,505,763	5,184,315	-	-	-	-	-	-	-	-	-	-
Mill Levy Distributed to Security Bank/Sedgwick County	1,871,117	2,550,456	-	-	-	-	-	-	-	-	-	-
Interest	26,393	52,078	-	-	-	-	-	-	-	-	-	-
Alumni Association	1	1	-	-	-	-	-	-	-	-	-	-
Contingent Mill Levy	-	-	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	\$ 7,786,850	\$ 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
Expenditures												
Capital Improvements												
National Center for Aviation Training	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
Campus Development	539,441	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	13,955	20,600	20,806	21,014	21,224	21,648	22,081	22,523	22,973	23,432	23,901
Subtotal Capital Improvements	\$ 2,870,752	\$ 3,020,636	\$ 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	\$ 2,062,582	\$ 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	\$ 4,578,341	\$ 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	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 138,720	\$ 141,494	\$ 144,324	\$ 147,210	\$ 150,154	\$ 153,157
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	68,070	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	43,729	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	\$ 397,799	\$ 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	\$ 43,293	\$ 51,930	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 58,710	\$ 60,471	\$ 62,285	\$ 64,154	\$ 66,079	\$ 68,061
Subtotal University Research & Support Services	\$ 43,293	\$ 51,930	\$ 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
Total Expenditures	\$ 7,403,274	\$ 8,048,707	\$ 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	\$ -	\$ (261,856)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**Wichita State University Board of Trustees
Campus Development Fund Financial Plan**

	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												
University EEG for WSIA	\$ 2,200,000	\$ 1,619,078	\$ 1,852,376	\$ 2,092,730	\$ 2,340,352	\$ 2,595,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Experiential Engineering Bldg Change Orders	68,243	-	-	-	-	-	-	-	-	-	-	-
Campus Development from BOT	539,441	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
Total Revenues	\$ 2,807,684	\$ 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	\$ 1,748,359	\$ 1,748,359	\$ 1,748,359	\$ 1,748,359	\$ 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	4,240	-	-	-	-	-	-	-	-	-	-
Student Athlete Building	2,500,000	-	-	-	-	-	-	-	-	-	-	-
Innovation Campus Infrastructure	-	600,000	600,000	600,000	600,000	1,600,000	-	-	-	-	-	-
Fitness Facility - Health & Wellness	-	-	1,250,000	1,250,000	2,500,000	-	-	-	-	-	-	-
Subtotal Capital Improvements	\$ 4,628,106	\$ 3,103,062	\$ 4,347,804	\$ 4,345,154	\$ 5,595,237	\$ 4,098,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 4,628,106	\$ 3,103,062	\$ 4,347,804	\$ 4,345,154	\$ 5,595,237	\$ 4,098,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues Over/(Under) Expenditures	\$ (1,820,422)	\$ 722,697	\$ (134,080)	\$ 266,686	\$ (574,855)	\$ 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)	(2,550,456)										
Less Debt Payment made by Security Bank	1,512,000	2,498,822										
Ending Cash (less amount held by Sedgwick Co.)	\$ 3,677,516	\$ 4,086,722										
Less cash not available for Campus Development*	\$ (1,040,260)	\$ (723,589)										
Less cash held for cash flow	\$ (2,900,000)	\$ (2,900,000)										
Cash available for Campus Development (cumulative)	\$ (262,745)	\$ 463,133	\$ 329,053	\$ 595,739	\$ 20,884	\$ 1,362,380	\$ 1,779,538	\$ 2,271,340	\$ 2,841,111	\$ 3,487,048	\$ 4,207,625	\$ 5,012,027

	FY 2017	FY 2018	
*Cash not available for Campus Development			
City Government Services	\$ 14,333	\$ 26,263	Prior years unspent budget
County Government Services	112,876	149,147	Prior years unspent budget
City Internships	12,000	12,000	Prior years unspent budget
County Internships	18,000	18,000	Prior years unspent budget
Scholarships	883,051	518,179	Prior years unspent budget
	\$ 1,040,260	\$ 723,589	



WSU Board of Trustees

Nominating Committee

Wednesday, September 12, 2018, 1:00 pm
Morrison Hall, Room 203

In attendance were committee members Cindy Schwan (committee chair), Joe Norton, Sheryl Wohlford and Tom Winters. Also in attendance were Andy Schlapp and Susan Johnson.

Board of Trustees Award

The committee reviewed the criteria and considered multiple candidates and chose Debbie Gann. Norton made a motion that Debbie Gann receive the 2019 BOT Award. Winters seconded, the motion passed.

Board of Trustees Officers and Committees

The committee made the following recommendations for Officers and Committees:

OFFICERS

Pierre Harter (Chair)
Laurie Labarca (Vice Chair)
Ken Hush (Treasurer)
Troy Bruun (Assistant Treasurer)
Vernell Jackson (Secretary)
Susan Johnson (Assistant Secretary)
Andrew J. Schlapp (Executive Director)

COMMITTEES

Campus Development Committee

Steve Packebush (Chair)
Tom Winters
Vernell Jackson
Cindy Schwan
Sheryl Wohlford

Finance and Audit Committee

Ken Hush (Chair)
Laurie Labarca
Joe Norton
Pierre Harter

Nominating Committee

Cindy Schwan (Chair)

Joe Norton

Tom Winters

Sheryl Wohlford

Pierre Harter

The meeting adjourned at 1:40 pm.

Respectfully submitted,

Susan Johnson

Assistant Secretary