



Board of Trustees Meeting

Thursday, January 10, 2019

WSU ASTEC, 1229 E. 85th St. N., Park City, KS – 8:00 am, Conference Room

AGENDA

- I. APPROVAL OF MINUTES, SEPTEMBER 21, 2018 –HARTER
- II. FINANCE AND AUDIT REPORT - HUSH
 - 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 - PACKEBUSH
 - FINANCIAL PLAN REVIEW – BRUUN
- IV. POLICY ON CONFLICT OF INTEREST – BUCKLEY
- V. UNIVERSITY UPDATE - SCHLAPP
- VI. TOUR - TOMBLIN

FINANCE & AUDIT COMMITTEE

(Ken Hush *Chair*, Laurie Labarca, Joe Norton, Pierre Harter)

CAMPUS DEVELOPMENT COMMITTEE

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

NOMINATING COMMITTEE

(Cindy Schwan *Chair*, Joe Norton, Tom Winters, Sheryl Wohlford, Pierre Harter)

Upcoming BOT Meeting Dates

Thursday, April 4, 2019 – EEB, Rm 164

Thursday, July 11, 2019 – EEB, Rm 164

Thursday, September 20, 2019 – EEB, Rm 164



WSU Board of Trustees

Board Meeting

Friday, September 21, 2018, 8:00 am
164 Room, Experiential Engineering Building

In attendance were board members Sheryl Wohlford, Tom Winters, Joe Norton, Pierre Harter, and Cindy Schwan. Also present were John Bardo (teleconference), Susan Johnson, Andy Schlapp, Troy Bruun, Werner Golling, Lou Heldman, Betty Smith-Campbell (faculty senate president), Jenna Farhat (The Sunflower) and Teresa Seymour from BKD.

Approval of Minutes

Wohlford started meeting at 8:04 am. Schwan made a motion to approve the minutes from the July 12, 2018 meeting. Winters seconded and the motion passed.

Finance and Audit Report

Bruun introduced the auditor, Teresa Seymour, from BKD. Seymour reviewed the draft 2018 Audit and management letter with the board, stating they will issue a clean opinion and no need for an executive session. Norton suggested a modification to provide clarification, the board and auditor agreed. Norton stated the Finance and Audit Committee had reviewed the draft audit and made a motion the board accept the financial statements, subject to modification and finalization, and authorize the chair and treasurer to approve the audit, Harter seconded and the motion passed.

Bruun reviewed the Finance and Audit reports and said there was a good return on investments. Norton motioned to receive the financial reports, Winters seconded and the motion passed.

Campus Development Report

Harter asked Bruun to review the 10 year campus development financial plan. He stated the plan is unchanged from the July meeting and is going according to plan. Harter motioned to receive and file the report, Schwan seconded and the motion passed.

Nominating Committee Report

Schwan put forth a motion to approve the minutes from September 12, 2018, Winters seconded and the motion passed. The committee made the following recommendations for 2018/2019 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)

Schlapp read the criteria for the Board of Trustees Award. Schwan said the committee reviewed several nominations and selected Debbie Gann. The group discussed her background and qualifications such as helping to develop the research partnership between Spirit and WSU, state level promotion of WSU and partnership with aviation projects. Schwan made a motion that Debbie Gann receive the 2019 Board of Trustees Award, Harter seconded and the motion passed.

Statement of Substantial Interest Policy Discussion

Schlapp reviewed the opinion by Buckley regarding the question of whether the members of the Board of Trustees are required by law to file annual reports of substantial interest. The group discussed the issue and decided since the full board was not present that they would defer action to a later meeting.

University Update

Bardo talked about the increase in enrollment and the largest freshman class so far, growth is coming from adult education, distance learning and I-35 corridor students. The Regents have approved the Bachelors of Applied Science program, the request for YMCA/Wesley partnership to expand healthcare for WSU and community, recognized the I-35 corridor enrollment success, and recognized the BOT for their work with the City and County on the Mill Levy Budget.

Tomblin reviewed a map of the development of campus, highlighted the new activity on the campus expansion area, such as Partnership 2 building tenants, the crash lab construction status, and upcoming hotel construction.

Schlapp discussed how WSU is producing the future workforce for industry with applied learning opportunities and how the innovation campus is providing spaces for the community to interact with students and faculty, creating interaction spaces. The YMCA/Wesley partnership, Braeburn Square retail area, walking paths, all invite the community to spend time on campus.

Wohlford thanked the trustees for the extra time and effort to attend all the meetings this year. Norton thanked Wohlford for her years of service as Chairman.

Wohlford adjourned the meeting at 9:20 am. A suggestion was made to hold the next meeting at ASTEC facility.

Respectfully submitted,

Susan Johnson
Assistant Secretary

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

BOT Owned Facilities Maintenance Quasi-Endowed Fund Balance- 611036
(investment return posted through 10/31/18)

\$526,159

Lease agreement income received FY 2019

CMD	\$10,000
WSU Foundation	51,978
Alumni	0
BOT annual funding	0

\$61,978

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 <i>(approved \$41,300)</i>	40,155
	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
FY2019	None	0
		\$722,528

WAC= Woodman Alumni Center

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

	FY2019 Performance	
Composite	-2.2%	NOTE: The returns are as of October 31, 2018. The Foundation changed investment partners November 1 and the transition reporting isn't complete as of December 31 yet.
<i>Target Weighted Benchmark</i>	-2.7%	
<i>Spending + CPI Benchmark</i>	0.6%	

Historical Investment Returns

	Fiscal Year	Calendar Year
2019	-2.2%	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	3.9%	

<u>Balance of all BOT Funds as of 12/31/18</u>	<u>12/31/2018</u>		<u>9/30/2018</u>
BOT funds in endowed pool (earnings through 10/31/18)	\$7,542,326	65.3%	\$7,799,341
Gore separately invested fund (earnings through 12/31/18)	4,010,359	34.7%	4,389,290
Total funds balance	<u>\$11,552,685</u>		<u>\$12,188,631</u>

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

	Fiscal Year 2019 Budget	Revenue Received as of 12/31/18	Budget Remaining	Percent of Budget Received
<u>Revenues</u>				
Revenue	\$ 8,011,005	\$ 3,953,786	\$ 4,057,219	49.35%
Contingent Revenue	300,000	-	300,000	0.00%
Total Revenues	\$ 8,311,005	\$ 3,953,786	\$ 4,357,219	47.57%
<u>Expenditures</u>				
	Fiscal Year 2019 Budget	Expenditures as of 12/31/18	Budget Remaining	Percent of Budget Expended
<u>Capital Improvement</u>				
Campus Development	\$ 2,474,140	\$ -	\$ 2,474,140	0.00%
Building Insurance	20,396	-	20,396	0.00%
Total Capital Improvements	\$ 2,494,536	\$ -	\$ 2,494,536	0.00%
<u>Student Support</u>				
WSU Tech Support	\$ 800,000	\$ 400,000	\$ 400,000	50.00%
Undergraduate Support	3,796,333	2,222,486	1,573,847	58.54%
Graduate Support	417,136	417,136	-	100.00%
Total Student Support	\$ 5,013,469	\$ 3,039,622	\$ 1,973,847	60.63%
<u>Economic and Community Development</u>				
Interns-City/County	\$ 136,000	\$ 136,000	\$ -	100.00%
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	37,923	42,077	47.40%
Total Economic and Community Development	\$ 446,000	\$ 256,623	\$ 189,377	57.54%
<u>University Research and Support Services</u>				
Organization and Development	\$ 57,000	\$ 17,044	\$ 39,956	29.90%
Total University Research and Support Services	\$ 57,000	\$ 17,044	\$ 39,956	29.90%
<u>Contingency</u>				
Contingency	\$ 300,000	\$ -	\$ 300,000	0.00%
Total Contingency	\$ 300,000	\$ -	\$ 300,000	0.00%
Total Expenditures	\$ 8,311,005	\$ 3,313,289	\$ 4,997,716	39.87%

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

<u>Expenditures</u>	<u>Fiscal Year 2019 Budget</u>	<u>Expenditures as of 12/31/18</u>	<u>Budget Remaining</u>	<u>Percent of Budget Expended</u>
General and Administrative:				
Maintenance and Repairs	\$ 15,000	\$ -	\$ 15,000	0.00%
Professional Fees	17,000	16,898	103	99.40%
Insurance	8,800	-	8,800	0.00%
Other	450	147	303	32.60%
Transfer to Cash Flow Reserve	15,750	-	15,750	0.00%
Total Expenditures	<u>\$ 57,000</u>	<u>\$ 17,044</u>	<u>\$ 39,956</u>	29.90%

**Wichita State University
Campus Development Fund
Fiscal Year 2019 Budget**

<u>Revenues</u>	<u>Fiscal Year 2019 Budget</u>	<u>Revenue Received as of 12/31/18</u>	<u>Budget Remaining</u>
University EEG for WSIA	\$ 1,852,376	\$ -	\$ 1,852,376
WSIA Innovation Campus (BOT)	2,474,140	-	2,474,140
Total Revenues	\$ 4,326,516	\$ -	\$ 4,326,516
<u>Expenditures</u>	<u>Fiscal Year 2019 Budget</u>	<u>Expenditures as of 12/31/18</u>	<u>Budget Remaining</u>
<u>Capital Improvements</u>			
Debt Service - WSIA Series 2014-3(2054)	\$ 1,748,359	\$ 874,179	\$ 874,180
Debt Service - WSIA Series 2014-4(2027)	749,445	87,223	662,223
Total Capital Improvements	\$ 2,497,804	\$ 961,402	\$ 1,536,403
<u>Innovation Campus Support</u>			
Innovation Campus Infrastructure	\$ 600,000	\$ 600,000	\$ -
Fitness Facility	1,250,000	1,250,000	-
Total Innovation Campus Support	\$ 1,850,000	\$ 1,850,000	\$ -
<u>Contingency</u>			
Contingency	\$ -	\$ -	\$ -
Total Contingency	\$ -	\$ -	\$ -
Total Expenditures	\$ 4,347,804	\$ 2,811,402	\$ 1,536,403

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

Beginning Cash (less amount held by Sedgwick Co.)	\$ 5,857,054	\$ 3,677,516										
	Actual	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												
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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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	\$ 4,088,722										
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

*Cash not available for Campus Development	FY 2017	FY 2018	
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	