Regents Present: Dan Lykins, Pam O’Toole, Blanche Parks, David Moses, Bill Sneed, Jennifer Sourk, Jim Klausman (via phone)

The meeting was called to order by Dan Lykins, Chair.

1. Minutes of the December 6, 2011 meeting were approved as distributed.

2. FY 2011 financial results were discussed. President Farley discussed the financial ratios which measure the ability for the University to cover its debt. He said the viability ratio is well above target value and the debt burden ratio is well below the 7% threshold. He also covered five other financial and operating ratios. All were well above industry targets. He said these indices have been used for over a decade in higher ed, noting that Washburn is unique compared to the state institutions, since the State of Kansas has never put money into capital for Washburn. Because we are not a state institution we have the burden of funding capital. Regent Lykins pointed out that the state schools are not in as good of shape as Washburn.

3. Capital Planning – Sightlines Benchmarks
   a. Annual Capital Stewardship Target – 3% of replacement value, life cycle need, functional obsolescence
   b. Annual Capital Stewardships Target – reinvesting between $6.2 and $12.7 million
   c. In FY 10 and FY11 we reduced our spending due to state cuts and decreases in tuition. Over the long term we need to increase our reinvestment in our infrastructure.

4. Discussion of Capital Projects and Equipment from the Debt Retirement and Construction Fund -
   a. The majority of capital requests are for completing projects already started. These projects include the final phase of the Morgan Hall HVAC project, the Yeager Stadium lighting project, and sound attenuation in Garvey.
   b. The largest equipment request is for repair of bleachers in Lee Arena. It was noted Petro was built in 1985 and it is beginning to need major repairs.
   c. The largest technology expenditure is for the four-year computer replacement cycle, followed by wireless network improvements and the data storage management system.

5. Next meeting will be scheduled during mid-April.

6. Meeting was adjourned.