

WASHBURN UNIVERSITY OF TOPEKA
BOARD OF REGENTS
MINUTES
March 28, 2018

I. Call to Order

Chairperson McGivern called the meeting to order at 2:00 p.m. in the Kansas Room of the Memorial Union on the Washburn University campus.

II. Roll Call

Present were: Mr. Beck, Mr. Boles, Ms. De La Isla, Mr. Hoferer, Mr. McGivern, Mrs. Parks, Mr. Sneed, Mrs. Sourk and Mrs. Van Etten.

III. A. Indoor Practice Facility

President Farley reported that he asked the Board Chair to have this meeting to keep the project on pace. There are several things on the critical path that take time to do and we didn't want to lose time. The University administration needed guidance on which way the Board wants to proceed with the options so we can release the architects to finalize drawings, which will help with fundraising and with borrowing.

Vice President for Administration and Treasurer Jim Martin introduced the item and explained that we have been meeting with the architects, who came up with two alternative designs. He then introduced Greg Schwerdt who explained that they gathered ideas from the coaching staff and athletic department members. He introduced Bob Carlson of DLR Group.

Mr. Carlson presented three designs, two of which are variations of each other. Option 1 is a 200-meter banked track with a 100-yard turf field. A curtain divides the two areas. The advantage of separate areas is the turf area can be used as a staging area during track meets, that track practice can be at same time as football practice (less conflict between sports when using the building concurrently), and a higher ceiling height over the track for throwing. From the 21st Street view, the berm for storm water retention hides the building a bit from the street.

Option 2 is variation on that scheme, just 30 feet longer. That makes the turf ten yards deeper, so the track throwing area is independent of the turf, which means the throwing area can be set up and left up during practices. This layout increases the square footage of building and the cost. It has the same north façade and is 30 feet closer to 21st Street.

Option 3 is the one we started with, which is a 300-meter flat track with turf inside the track. One end zone is track surface to provide area for field events. This option is safer for football and the same layout as Pitt State. The long jump and triple jump are outside the field turf. It has a single arch roof form and it is a little bigger scale from the 21st Street side. For all three schemes, they are looking to use translucent glazing for good daylight on the windows.

Curt Katternhenry of DLR Group then explained a detailed cost estimate, which was determined by taking input from two contractors, McPherson and McCown Gordon. The estimates for options 1 and 2 are consistent, but there are sizable differences on estimates for option 3. It is about \$800,000 more for the banked track. The least expensive option is option 3. The most expensive is option 2. Option 1 and 3 are similar in square footage.

The Regents then discussed the benefits of all options, as presented by the architects. The discussion involved the value of the banked track, the benefit to the University, the economic benefit to Topeka, and using the facility for track meets. Some Regents expressed a desire to do a state-of-the-art project for athletics, citing positive enrollment impact of the track program and other sports.

Track and field coach Cameron Babb spoke about the ability to host meets on campus with the various options, as well as the recruiting and retention benefits in having the facility.

Jim Martin spoke about the financial information contained in the agenda item. The funding sources for the facility are financing, reserves, and private gifts. Mr. Martin explained we have an estimated \$7,000,000 in reserves now. There was discussion about the risks to the reserve balance, the reasons we keep a reserve fund, the financial stability of the University, and the use of reserves for the law school.

President of the Washburn University Foundation Marshall Meek reported that the Foundation has had significant progress on fundraising for the facility. The goal is \$5.3 million, of which \$4.2 million has been raised, and they are in talks with some great prospects who have great potential. For the law school fundraising, we have added \$2.4 million in gifts since October and have lead gift prospects that we're talking to. He explained that big gifts can come in suddenly, sometimes from somewhere unexpectedly, so they don't have a timeline for when fundraising will be complete for either project.

There was then discussion about money Washburn receives from sales tax from events hosted at the facility. Regents also asked about the financial condition of University and the impact of the project on ratios and debt. Some Regents expressed concerns about having an adequate amount of reserves. Mr. Martin opined that the overall impact of borrowing and reducing reserves would be negative on ratios.

Brett Oetting from Visit Topeka presented his thoughts on events that could be held in the facility with the given options and potential revenue to the city. The Regents discussed this along with our reserve level, the debt level, and the ongoing operation of the University.

Regent Hoferer moved to approve the item as presented. Regent Parks seconded.

Regent Sneed made a substitute motion to increase the donor commitment to \$6 million, which would reduce reserves, and select option 2. Regent De La Isla seconded.

Dr. Farley noted that we are known around the country for our law school and we have to protect that reputation. In his view, if there is a way to save money we should review it. He reminded everyone that we have to sell debt, so this might be an academic exercise if no one buys our debt; that once we commit to this, there will be no reserve money for anything other than keeping money in the till; and that our ratios will drop when we borrow more money. The Regents expressed support for the substitute motion.

The substitute motion passed.

It was moved and seconded to adjourn. The meeting adjourned at 3:45 p.m.

/s/

Cynthia Holthaus
Assistant Secretary, Board of Regents