

WASHBURN UNIVERSITY BOARD OF REGENTS
Budget and Finance Committee Meeting
October 29, 2014

Regents Present: John McGivern (committee chair), Bill Sneed (committee member), Pam Trusdale (committee member), Paul Hoferer, Jennifer Sourk, Larry Wolgast

The meeting was called to order at 3:33 p.m. by John McGivern, chair.

- 1) Minutes of the June 10, 2014 meeting were approved as distributed.
- 2) New Student Housing and Dining Project
 - Vice President Anderson reviewed the Campus Master Plan, room and board rates compared with the Regents schools, and the effect of additional housing on enrollment. He introduced Daniel Durack from Brailsford and Dunlavey, who provided an update on the Housing Demand Study that was initially presented in Spring 2014. That study showed a demand for increased living opportunities on campus. Since then the design has evolved and enrollment info has been updated and applied. There is still more than sufficient demand for a housing and dining project. The study showed an overall demand of 549 beds. The proposed program calls for 346 beds. Mr. Durack noted that Brailsford & Dunlavey has not had a single project open up below the estimated demand. The plan calls for an 'all you care to eat' dining option. In answer to a question about the current dining services contract, Vice President Anderson said there are three and a half years left on the Chartwells contract, however, it can be rebid at any time. The current room and board rates are very competitive with the Kansas Board of Regents (KBOR) schools. It was noted that all of the KBOR schools are in the process of updating, or have recently updated their housing. The proposed housing project should have a minimum two million dollar impact on tuition. Vice President Anderson noted that the quicker students are engaged on campus the better chance of retaining them as students so additional housing definitely has an impact.
 - Vice President Anderson highlighted the current design proposed by HTK Architects which calls for a four bedroom and six bedroom mix. It will be a 50-60 year limestone building with a continuation of the tower concept for the front entrance. In answer to a query he said enough core drilling has already been done to know we will have the ability for a garden level without running into underground water issues. There will be two grand spaces at opposite ends of the building with gathering spaces and kitchen areas. The dining area will have an open ceiling concept which is the look students overwhelming voted for. It was noted that this concept is rather noisy and what do we do if this concept goes out of style in a few years. Vice President Anderson said if that is preferred in the future we will have the option of enclosing the upper ceiling area.
 - Ninety parking spaces will be lost due to the housing construction. A parking plan for campus will be brought to the Board at a later date. An additional parking lot will not be constructed until after the project is completed since the area will be needed for

staging. Future campus parking options were discussed, including off campus parking, deck parking, and the purchase of property around campus for parking. It was noted that deck parking is four to five times more expensive than ground parking. It was also noted that ownership of off campus parking involves safety issues with students crossing several lanes of traffic. It also involves zoning issues and may be cost prohibitive since houses rather than just bare land would need to be purchased.

- The viable use of the Kappa Sigma house was briefly discussed. President Farley said the structure would be extremely expensive to renovate. It is estimated the cost would be at least \$4 million.
- Vice President Anderson reviewed the dashboard financial ratios and the composite financial index, noting that even with the additional new housing debt we still have capacity. Compared to the KBOR schools Washburn still has the highest financial health index. We are still on track with the figures presented in the original demand study. Washburn would contribute \$1,000,000 and \$2,250,000 would be contributed by the dining vendor, leaving around \$27 million to be financed. VP Anderson said the bond market is still good with a 3.22% overall fixed rate through March. A variable rate would be lower but would carry more risk. Several of the University's current bonds will be paid off in 2023.
- Vice President Ottinger said there are currently no requirements for any students to live on campus. She said the suite style rooms should appeal to groups of students wanting to live in the same suites.
- It was moved and seconded to recommend Board of Regents approval of the continuation of final design, bidding, and financing of the student housing and dining project as presented. Motion carried.

3) The meeting was adjourned at 4:35 p.m.