

Soccer Field Considerations

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Background

- Was approved under previous regime, but delayed due to project issues.
- Technically needs re-approval in new regime after re-plan efforts.
- Brought to Board at Special Meeting in December via phone call. Did not pass on a tie vote.
- Several meetings held on campus to build support.
- Considered at Board FFA Committee, motion was tabled.
- Concern is that if project can not be completed during FY17 the bond funds are at risk.

Finance, Facilities, and Audit Committee

- Consider at Feb 22nd Meeting.
- Motion includes FFA Issues and Full-Board Issues
- Possible Scenarios:
 - Motion to Recommend Project to Full-Board on FFA Issues
 - Passes or Not
 - No Motion and the Issue is Left to the Full Board without a FFA Committee Recommendation

Summary of Major Pros & Cons of Soccer Field Project

Pros – Benefits for Passing Proposal	Cons – Disadvantages of Passing Proposal
<ul style="list-style-type: none">• Supports the President and his vision for the campus.• Surplus fund balance allows investment and latest internal reports show balanced budget for this year.• Initiative improves student safety.• Athletics took initiative to respond to State's "RFP" and entrepreneurship should be rewarded.• Athletics has the capacity to fund this project ($\approx \\$125K/\text{yr.}$), maintenance obligations, and it's their priority investment.• Auxiliaries will be prime source of repayment funds.• It is likely to be on upcoming master plan as it enhances campus and supports recruiting, retention, and fund raising over the long term.• It was fully-approved under the previous system but delays brought it into new regime for re-approval.• Future bonding capacity will be limited & lower interest rate is a benefit.• Sunk costs not insignificant.• Not passing motion risks the administration's efforts to build momentum for future projects.	<ul style="list-style-type: none">• University has been managing through past deficits and projections are for more challenges in the future.• Inconsistent with our preferred investment priorities:<ol style="list-style-type: none">1. Generates Future Revenue2. Reduces Expenses3. Critical Strategic Initiative4. Critical Unfunded Needs ↪ Project• Premature as campus master plan not yet completed.• Could be done later at higher interest rate.• Should excess funding capacity in athletics (& all departments) be better used to close future deficits?• Perception problem and polarizing issue on campus with several groups expressing displeasure, including faculty senate representatives at Klamath Falls.• Approving the project with current perception undermines Board's effort to build bridges to various stakeholder groups and risks the board's messaging regarding importance of fiduciary responsibility.

Green ≈ Focal Issue for FFA Committee

Blue ≈ Broader Issue for Full Board