

Soccer Field Considerations

Steve Sliwa
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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

- 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 (≈ \$125K/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.

Cons – Disadvantages of Passing Proposal

- University has been managing through past deficits and projections are for more challenges in the future.
- Inconsistent with our preferred investment priorities:
 1. Generates Future Revenue
 2. Reduces Expenses
 3. Critical Strategic Initiative
 4. 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