



KANSAS BOARD OF REGENTS

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Agenda Call

Fiscal Affairs and Audit Standing Committee

Tuesday, November 2, 2010

Noon-1:00pm, Conference Rm B, Teleconference

Dial in number -- (866) 620-7326

Conference Code – 476-523-6449

BOARD AGENDA ITEMS

FISCAL – WEDNESDAY, NOVEMBER 18, 2010, DISCUSSION (Diane)

1. DISCUSS AND APPROVE THE TIERED FUNDING MODEL

FACILITIES – THURSDAY, NOVEMBER 18, 2010 AGENDA - CONSENT (Eric)

1. UPDATE ON LEASE AND TRANSFER OF PROPERTY - KU

At its May 2009 meeting, the Board of Regents authorized the university to enter into a lease with the KU Endowment Association for the purchase of a 67,250 GSF industrial building in the East Hills Business Park for the School of Architecture and Urban Planning. The School of Architecture and Urban Planning urgently needed space for its Design/Build operations that could not be accommodated in existing academic facilities on the KU campus. At the time the lease was authorized, it was noted that the building would be transferred to the university upon completion of the lease. The lease was paid in full at the end of Fiscal Year 2010 and the property is being transferred to the University.

2. AUTHORIZATION TO SELL REAL PROPERTY - KU

The University of Kansas requests authorization to sell the real property located at Lots 7, 8, and 9 in Block 13 in Lane's Second Addition to the City of Lawrence, Douglas County, Kansas (approximately 1043 Indiana Street.) At its January 18, 2008 meeting, the Board authorized the University of Kansas to seek legislative authority to sell Lots 7 through 12 in Block 13 in Lane's Second Addition. That authorization was included in HB 2858 which was enacted by the 2008 Legislature (Chapter 160, Section 1 of the 2008 Session Laws of Kansas.) The state judicial administrator appointed three appraisers to establish the value of this property as required by statute. Lots 10, 11 and 12 were sold in August, 2009. Lots 7, 8, and 9 were retained to provide overflow parking. That plan is no longer feasible so the University now wishes to sell the remaining three lots.

3. AUTHORIZATION TO ENTER INTO LEASE AGREEMENT WITH THE CITY OF LAWRENCE – KU

The University of Kansas and the City of Lawrence both provide transit services, but are steadily working toward coordinating more of their operations to increase efficiency and provide better service. In order to further this coordinated effort, a joint maintenance and storage facility is needed.

At its meeting on December 17, 2009, the University of Kansas requested authorization from the Board of Regents to enter into a contract for the purchase of property and the construction of a bus transit facility on that property. The cost of the facility, including the property was estimated at \$4,756,728. The project is funded with Parking and Transit funds, which include a student fee of \$65.90 per semester and revenue from a lease agreement with the City.

On February 23, 2010, the City and the University entered into a Memorandum of Understanding that contained the general terms and conditions under which a lease agreement would be executed for the transit facility. Now that construction is almost complete and the contract with the service provider has been renegotiated, the University and the City are prepared to enter into the lease agreement.

Regents' policy requires Board approval of leases of state owned property to third parties if the term of the lease exceeds ten (10) years or the amount of the lease is in excess of \$25,000. The lease agreement between the City of Lawrence and the University is a ten (10) year lease that will be effective January 1, 2011. The lease may be extended for any length of time up to an additional fifteen (15) years. The City will pay \$125,495 per year for the first five (5) years with a 4% escalation factor in the next five (5) years. The base rent is based on the City's procurement of buses that will be utilized by the University. In the event the buses are not procured, the base rent will increase by an additional \$250,000. There are also provisions for sharing costs such as utilities and other operational costs such as grounds maintenance and landscaping. Board staff has been provided copies of the proposed Lease Agreement and the Memorandum of Understanding.

The Lawrence City Commission will act on the lease agreement at its meeting on November 2, 2010. The University requests approval of the lease agreement with the City of Lawrence.

FISCAL -- THURSDAY, NOVEMBER 19, 2010 – DISCUSSION (Diane)

- 1. RECEIVE FY 2012 HOUSING AND FOOD SERVICE RATE ADJUSTMENTS SUBMITTED BY STATE UNIVERISTIES (FIRST READING)**
- 2. RECEIVE REPORT FROM KU ON TUITION AND FEE WAIVER PROGRAM (JAYHAWK GENERATIONS SCHOLARSHIP PROGRAM) AND ACT ON REQUEST TO MAKE THE PILOT PROGRAM PERMANENT**

LEGAL -- THURSDAY, OCTOBER 21, 2010 -- DISCUSSION (Julene)

1. ADOPT REFUNDING BOND RESOLUTION – IF SAVINGS OF AT LEAST 3%, ADVANTAGEOUS RESTRUCTURING OF DEBT SERVICE REQUIREMENTS, OR ELIMINATION OF BURDENSOME COVENANTS CAN BE ACHIEVED – STATE UNIVERSITIES

2. ADOPT REFUNDING BOND RESOLUTION--_____ -- KSU

OTHER COMMITTEE BUSINESS

1. Student health insurance program – regulation to extend the employer premium contribution to graduate assistants and to further clarify student employee coverage – (Julene)
2. How does the Committee want to handle the campus security reports? - Julene
3. Upcoming Committee Meeting – Wednesday, November 18, 11:00am-Noon