



SEWARD COUNTY COMMUNITY COLLEGE

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Trustees refine finance options for Capital Campaign

Trustees, Foundation aim for project start date in 2018

In a special meeting Wednesday, Dec. 13, the Seward County Community College Board of Trustees continued to refine the plan for construction projects slated to begin in 2018. During the two-hour work session with John Hass of Ranson financial consultants, the board closely examined various funding options to move the “Students First Community Always” capital campaign of the SCCC Foundation forward. Though no action was taken on that front, the board made progress, said college president, Dr. Ken Trzaska.

“This landmark project has been in the making for a several years, with tremendous investments and patient effort from our college donors, our Foundation board and staff, and the SCCC trustees,” he said. “It is the board’s intent to facilitate construction as early as summer 2018. In all the details, we want to be smart stewards and plan effectively.” The campaign has proposed construction of two projects, the Sharp Champions Center for indoor athletic practice, and the Colvin Family Allied Health Center, both to be located on the main campus of SCCC.

The main question before the board was how much debt servicing SCCC should commit to handle over the next 15 to 20 years. With a bit more than \$2m cash in hand and a similar amount of pledges, the project will need “bridge” financing to start the process of collecting bids and actual construction. Ordinary inflation continues to cause prices to rise, and trustees must keep an eye on the National Helium tax appeal, which would literally demand money back from the college, and the potential for state funding decreases over the next few years.

“In projects of this magnitude, timing is everything,” noted SCCC Vice President of Finance and Operations Dennis Sander. Many factors must be considered, from the vagaries of Kansas weather to the time it takes for vendors to come forward with bids, and as-yet unknown interest rate that would apply to the project will come to play in a construction project. “We have to exercise wisdom and begin with the end in mind,” he said.

The board also discussed the possibility of stages of construction, in order to start on both projects while continuing to raise funds. Ultimately, all agreed that fiscal responsibility demands the projects align with stable financing practices, and allow the college’s budget enough “elastic” to absorb potential cuts or challenges.

By a 4-0 vote (trustees Stacy Johnson and Casey Mein left the meeting at 1 p.m.), the board set another special meeting date to finalize and adopt a funding plan, that might combine a refinancing of the college’s current lease agreement.

Additionally, in keeping with board policy governing bidding procedures, the board opted 4-0 (again, with Johnson and Mein absent) to exempt the solicitation of bids for professional services in regard to architectural services. The expectation is that the architect “will be required to agree to provide services as directed within the mutually agreed upon terms and conditions outlined within an AIA architectural services contract,” the administrative recommended. Chair Oliver noted during his tenure on the board, exemption of bidding for architectural services has been the norm.

The board set a follow-up special meeting for noon, Dec. 19, in the SCCC boardroom, for the purpose of reviewing a draft of the proposed financing resolution as prepared by Ranson.