

Conference Program

Task Force White Paper



July 15, 2011

Introduction

The Conference Program Task Force was formed in the spring, 2011. The charge was to develop a business plan that outlines the CWU Conference Program. The charge of the committee included addressing summer versus year-round program, housing on campus and off, scheduling challenges, transportation between campus and downtown/hotels, dining options, staffing, revenue potential, private-public partnership, self sufficiency of the program, use of on-campus facilities, and how revenue is generated to other campus departments.

Committee members included Ken Baxter (Chair), Bob Tosch (FMD), Gary Hyatt (Athletics), Mike Luvera (CWU Public Safety), Geoff Foy (Cont. Ed), Steve Waldeck (Student Life), Patrick Garmong (Dining), Patrick Stanton (Finance), Cherie Wilson (Scheduling Center), and Shawn Fagalde (Conference Program Staff and Task Force Coordinator).

Executive Summary

The CWU Conference Program Business Plan has been included in the Auxiliary Services Business Plan for over a decade. This document shows the relationship of conference services to the housing and dining system and was accepted by the Board of Trustees in June, 2010.

The Conference Program operates in similar fashion to the majority of college conference service operations. Its primary role is to fill available bed and dining system capacity during the summer with revenue generating customers, and to assist in new student recruitment.



Approximately 10,000 youth and adult conference attendees representing 60 events are on campus every summer. This helps to support the auxiliary 573 fund and recruit future CWU students here for a learning experience on campus.

The additional gross revenue generated helps supplement Athletics, Campus Life, Dining, Housing, Recreation Center, Wildcat Shop, and other departments and programs. In addition, summer accommodations are offered to Theatre Arts graduate students and summer school students (70-100 per summer session) requiring housing during the weekdays. This helps to augment the standard room and board contracts offered by housing.

In the past, the Conference Program offered groups year-round lodging and dining when the academic year student contract demands were insufficient to fill the dorms. A return to a year-round operation can be resumed in the future, should academic year contract demands drop and leave vacant beds available. In the meantime, any conference activity in the academic year will require local hotels to supply the lodging component.

CWU Conference Program History

The CWU Conference Program was formed in the mid 1970's as a result of significantly underutilized dining and residence hall capacity. The housing and dining system had added about 2,000 beds and a large dining hall during the 1960's and early 1970's to accommodate the tremendous enrollment growth during that period. When the baby boomers were mostly through their college years--and the military draft had ended--enrollment plummeted, leaving millions in long term debt service, empty halls, and related auxiliary facilities.

Wendell Hill (the visionary director of Auxiliary Services at the time) formed a Conference Program team with the express purpose of utilizing as much of the vacant capacity as possible; with adult groups during the spring and fall seasons, and large youth camps during the summer. The goal was to help contribute to the debt service and recruit future students to campus for as long as the bed capacity was available for that purpose. It was understood that a collegiate conference business could not be as profitable as running the halls to capacity, but could succeed in contributing to the debt and be a recruitment tool for the university.

In more recent years an increase in student enrollment and the demolition of the two high rises has created reduced bed capacity; making accommodation for residential conferences during the academic year impossible. Consequently, the Conference Program changed from offering year-round conferences to summer only.

Summer vs. Year-round Operation and Housing On and Off Campus



When the two high rises were demolished and the Munson Retreat Center was needed to house students, the successful year-round operation was put on hiatus. The previous town bed/room capacity wasn't sufficient to accommodate large groups that could meet and eat on campus while being housed in local hotels. The recent additions of the Holiday Inn Express, Best Western and Hampton Inn have provided sufficient bed capacity to start the process of recruiting some academic year business back to campus.

The caveat would be transporting large groups of participants to and from campus. Also to be considered is the fact that our facility loses some of its appeal of being centrally located if the participants must drive or be shuttled to/from campus. This also affects the package price as hotel lodging costs are higher than on-campus lodging would be.

Scheduling Challenges

Housing uses all of the hall bed capacity nine months of the year, which narrows the window of conference revenue-generating opportunity to just less than three months. All semester schools—and most quarter schools—stop housing groups by early and mid August to prepare for fall student arrival. In order to generate as much revenue as possible, our conference season extends through Labor Day, as we provide lodging for visitors to the Kittitas County Fair and Ellensburg Rodeo.

Most of the youth groups prefer arriving early in the summer while the students are more able to focus on training, and by mid to late July 90% of youth conference activity has ended. We continue to have difficulty in the last 10 days of June with more demand than bed and dining capacity permits.

Scheduling meeting space for summer is often problematic. Groups need to have specific space requests confirmed well in advance of arriving, and the registrar's office is unable to confirm classroom availability until late in the winter or early in the spring.

The Scheduling Center is able to confirm space in the SURC up to one year in advance for groups that visit campus in the summer on a yearly basis. The inability to reserve SURC space during the academic year, on the necessary long term basis to secure groups, is a definite liability with student space requests taking precedence. A successful year-round Convention Bureau operation often requires space reservation confirmations three to five years in advance to succeed.

Transportation between campus, downtown, and hotels

Transportation between campus, downtown, and local hotels will be arranged when it is a necessary component in contracting with conference groups to stay at local hotels and confer on campus. This service cost will be factored into the agreement. NO hotels currently provide a shuttle service. The Central Transit service does connect the campus to the Quality Inn and very close to the Inn at Goose Creek, Comfort Inn, and Holiday Inn Express near the interchange and stops within walking distance to the Best Western and Super 8 as well.

Many conference groups with lodging at local motels would likely also car pool to the campus. The issue of parking will need to be addressed when these groups come to campus during the academic year on weekdays.

It is impossible to utilize all of the vacant summer housing capacity because of the need to house different genders in different buildings. We try to avoid adults and students being housed in the same building for obvious reasons.

McConnell Auditorium is often used as a classroom and for rehearsals as well as for performances. This reduces its conference availability during the academic year.

- All students, faculty, and staff can play an important role in marketing the Conference Program and recruiting new groups to campus.
- Students often get their first introduction to a college environment at a camp or conference.
- Parents get a glimpse of campus when dropping off and picking up students at camps.
- Both summer groups and year round conferences generate positive publicity for CWU.
- The adults attending group activities often have children and gain a valuable impression of Central.
- CWU has an amazing infrastructure of facilities featuring state of the art technology. The opportunity for training both the public and private employees of Washington seems obvious.



Dining Options

Central is fortunate to have outstanding dining capacity to meet the needs of the busiest summer conference day. There are only a few occasions (normally in June/early July) that might require a large BBQ on lawn space due to all dining halls being used to capacity at that time.

There is a significant difference between feeding students and feeding conference guests in today's culture. Central has over 2,700 dining contracts at the beginning of each fall, and can easily accommodate them at every meal in one of the various dining rooms on campus. That is because students eat lunch, afternoon snacks, and dinner at many different hours and rarely eat a traditional early breakfast. Conference groups, on the other hand, typically require a more rigid 7-8 AM breakfast, noon-1 PM lunch, and 5:30-7 PM dinner hour to accommodate their program needs. This requires enough capacity for 90-100% of the group during those times. Football camps—and any group exceeding 1,000—is an exception, with participants eating in several shifts over an extended meal hour schedule.

Staffing

While our year-round program required 6 permanent, full-time staff in the office; the Conference Program presently operates with a reduced staff of two permanent dedicated employees (Conference Services Manager and Conference facilitator), one “shared” fiscal person, and one “shared” director. Additional students and temps are hired for the summer to help with registration and conference facilitation. Business Auxiliary Custodial Services also hires additional temps and students for the summer to accommodate the increased demand of facility turnover.

Revenue Potential

The revenue potential is directly related to lodging capacity during the academic year, as well as the summer. Most conference revenue (gross and net) is a result of lodging. Over 75% of the profit for hosting a conference is in the lodging sales. Any new group activity on campus during the academic year would generate additional revenue primarily for dining and facility rental. The local hotels

would enjoy increased sales but the Conference Program would not directly reap a significant increase in revenue without lodging.

Increasing conference lodging revenue during the academic year would likely be an indication that campus housing had fewer contracts than available beds. Academic year conference activity could help make up for some of the housing and dining revenue loss, but certainly not most, or all.

The Conference Program is currently working with the Kittitas County Chamber of Commerce director in forming a relationship to combine forces to recruit conference and convention business to town. This would result in a Convention Bureau operation that would complement the chamber's current "visitor" component. Some city bed tax revenue would help with related expenses to support this new venture. This activity has been discussed for most of the past decade with only marginal interest expressed from the chamber and local hotels. The recent economic downturn has piqued the interest of the hotels and chamber to explore this possibility further.

Ellensburg is on the small side to compete with larger destinations in eastern Washington. Yakima, Wenatchee, and Moses Lake/Grant County all have designated convention facilities and more hotel capacity to contend for this business. Ellensburg's closer proximity to the west side and actual central location in the state is probably our greatest advantage.

- The city benefits with food, gas, and retail sales when groups come to campus.

- An understanding of the Commercial Activities policy explains the acceptable business practice with regards to the private sector.

Public-Private Partnership Potential

Some public colleges in Washington State have formed private-public relationships to have campus housing projects built on—or near—their campus. University of Washington and Eastern have both been involved with this approach to renovating or building new student housing in the past decade.

CWU hired a consultant and explored this approach earlier in the past decade and decided to bond the projects and operate them as part of the campus housing department.

The only examples of private-public with a hotel are when a private developer builds on the college land with a long term lease. This approach was done at PAC 12 Oregon State University about six years ago. It was a new 125 room full service Hilton Garden Suites near the football stadium and basketball arena.

Oregon State is a nationally recognized Division I football power and has 24,000 students enrolled on campus. The campus receives regional, national, and international visitors on a year round basis. These private sector investments require a substantial return on investment with a high occupancy percentage to justify the cost of the project.

Self Sufficiency

The Conference Program has successfully paid its obligations to auxiliary services units for the past 30 years. A review of annual revenue and expense statements show contributions to support accounting, computing, debt service, laundry, custodial, and the like. These internal contributions help keep a 12 month staff employed as well.

Many other college conference operations operate more as ancillary units and typically only cover direct labor and related conference overhead expenses. They are more of an extension of the housing and dining units. The CWU Conference Program covered the residence hall debt and utilities in years where it had 365 day access to lodging on campus. This helped to reduce the financial burden on the housing and dining system at that time.

Campus staff and faculty can request support of the Conference Program Senior Director when planning a regional conference on campus or a national or regional conference at a city in Washington that requires lodging.

Use of On-Campus Facilities

The Conference Program is the visiting customer's primary point of contact with securing campus facilities. Conference Program staff reserve the campus pool, main gym, classrooms, dining, lodging, equipment, and more. The present rental matrix provides a price that is lower than an off-campus customer renting that space directly. On-campus facilities meet most of the customers' needs during the summer, but the Kittitas County Fairgrounds are also used as needed.



How Revenue is Generated to the Departments

Revenue is generated through the Conference Program for the following campus departments: Athletics, Copy Cat Shop, Dining/Catering Services, Graphics, Music Department, Parking Services, PE, SURC, Theatre Arts, Wildcat Shop, and various other departments. At the conclusion of each event, or as payments are received from off-campus billing, revenue is posted via journal voucher (JV) to the appropriate departments.

Conclusion

It is possible to increase conference activity on campus in the future with more cooperation with the local hotels and the CWU community. Most of the additional campus revenue during the academic year would be limited to dining and facilities rental. Summer growth potential can be realized when the new residence hall is on line to accommodate additional guests during the busy late June and July summer schedule.

Business Plan Initiatives

- Establish working agreement with chamber of commerce and hotels to solicit conference business to come to campus for meetings and local hotels for lodging.
- Create an opportunity for some conference requests to be reviewed by the administration—when that level of participation is needed—to create a more positive and welcome campus environment to prospective conference groups.
- Conference Program Director should be invited to future housing facility renovations and new residence hall planning to assure the plans help support conference activities.
- The academic side could require their departments to offer to host regional meetings on campus instead of in Seattle or Spokane or not at all.
- Engage in marketing campaign to attract state agencies.

Recommendations for Success

R-1) The Scheduling Center is able to confirm space in the SURC up to one year in advance for groups that visit campus in the summer on a yearly basis. Reserving SURC space during the academic year on the long term basis required to secure groups is a potential liability with student space requests taking precedence. A successful year-round Convention Bureau operation will require space reservations of up to three years in advance to succeed.

Find a way to allow specific space requests to be confirmed well in advance of the conference date to meet customers planning needs.

R-2) The second reason for a group coming to campus is that the campus has a unique program, training, or learning experience being offered.

Work with the academic side to encourage program development that can be marketed to off-campus constituents. Work with the Alumni Department and Foundation to bring alumni back to campus. This builds relations and encourages donations.

R-3) Additional hotel bed capacity will enable some larger groups to return to campus for training.

Play a supportive role in the further development of additional hotels and lodging capacity in the city.

R-4) The University's technology capabilities and state of the art facilities have value to companies requiring a higher level of expertise.

Promote the state of the art technology and facilities available on campus for training. Work more closely with Continuing Education in creating program content that requires Conference Program services.

Task Force Member SWOT Analysis

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none"> • Location – Ellensburg is a small, centrally located, picturesque town • Reputation for excellent service • Great conference facilities w/competitive pricing • Access to great educational programming, professional development, and degree programs • Beautiful setting for walking and a wide variety of outdoor activities • “Small town” feel should be capitalized to attract international groups & outside entities to come here • Facilities are new, large, and well maintained • Warm summer weather • Unique programming i.e. CHCI, World Wine Program, Beer certification • Numerous well recognized programs such as Music, Education, and Business • Regionally recognized sports programs • Good price points • OPR/Challenge course 	<ul style="list-style-type: none"> • Restricted by Commercial Activity limitations • Define the parameters for Scheduling Center and Conference Program regarding event marketing and scheduling • Parking not convenient for visitors – NO dedicated visitor parking lot • Add signage addressing specific needs. • Hosting conferences during academic year is a challenge • Distance from shopping malls and entertainment • Insufficient large space (500+ seating) flat floor meeting facility • Insufficient 100-200 capacity flat floor meeting rooms • Perceived poor communication between departments • Lack of CWU marketing in state • Government worker mentality i.e. M-F, 8-5 • Campus web presence is poor • Computer programs do not interface with each other • Difficult to schedule maintenance/capital work on resident halls when buildings are occupied entire academic year and summer break.
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<ul style="list-style-type: none"> • Campus sponsored short term summer programs • Can include Conference info with Continuing Education materials • Can target state agencies • Business plan can help relationship building with campus departments • Can partner with city, county, and private sector to offer multiple facilities • Partner with State to be state approved training facility • Create new academic “camps” to boost awareness of the university • Study correlation of youth camps to recruitment • Target companies to bring training to campus 	<ul style="list-style-type: none"> • External and internal economic factors from recession • Lack of adequate housing capacity • Lack of funding to expand program • Lack of general support from academic area • Camps losing enrollment because of economy • Increased competition for day camps • Downgraded level of maintenance to all campus facilities due to reduction of resources.

Central Washington University
FUND 573 - Housing and Dining

Operating Gain or (Loss) By Fiscal Year					
Fiscal Year	Conference Program	Previous Time Period Totals			
		20 Years	15 Years	10 Years	5 Years
1983	(\$122,855)				
1984	(\$115,467)				
1985	(\$113,393)				
1986	(\$106,877)				
1987	(\$132,927)				
1988	(\$168,209)				
1989	(\$94,667)				
1990	\$35,195				
1991	\$69,042	\$69,042			
1992	(\$157,090)	(\$157,090)			
1993	\$78,858	\$78,858			
1994	\$240,142	\$240,142			
1995	\$364,944	\$364,944			
1996	\$287,374	\$287,374	\$287,374		
1997	\$266,570	\$266,570	\$266,570		
1998	\$129,228	\$129,228	\$129,228		
1999	\$83,684	\$83,684	\$83,684		
2000	\$153,582	\$153,582	\$153,582		
2001	\$231,907	\$231,907	\$231,907	\$231,907	
2002	(\$78,489)	(\$78,489)	(\$78,489)	(\$78,489)	
2003	(\$191,069)	(\$191,069)	(\$191,069)	(\$191,069)	
2004	(\$137,189)	(\$137,189)	(\$137,189)	(\$137,189)	
2005	(\$30,999)	(\$30,999)	(\$30,999)	(\$30,999)	
2006	\$14,576	\$14,576	\$14,576	\$14,576	\$14,576
2007	\$64,488	\$64,488	\$64,488	\$64,488	\$64,488
2008	\$92,352	\$92,352	\$92,352	\$92,352	\$92,352
2009	\$186,355	\$186,355	\$186,355	\$186,355	\$186,355
2010	\$96,413	\$96,413	\$96,413	\$96,413	\$96,413
	\$945,480	\$1,764,680	\$1,168,784	\$248,346	\$454,185
Total Years					
28					

**Projected Conference Program Statement Of Operations
Fiscal 2011-2016**

	Projected 2010/2011	Projected 2011/2012	Projected 2012/2013	Projected 2013/2014	Projected 2014/2015	Projected 2015/2016
Revenue						
Conference Revenue	712,749	681,480	715,414	738,791	762,381	787,328
* Pass Through Other	420,292	418,965	431,534	448,795	471,235	480,660
Total Revenue	\$1,133,041	\$1,100,445	\$1,146,948	\$1,187,586	\$1,233,616	\$1,267,988
Pass Through Summer Dining	552,694	515,353	530,814	552,046	579,648	591,241
	\$1,685,735	\$1,615,798	\$1,677,762	\$1,739,632	\$1,813,265	\$1,859,229
Operating Expenses						
Salaries Taxes & Benefits	348,578	371,844	376,161	381,893	386,117	392,198
Marketing	1,500	2,500	4,500	4,500	4,500	4,500
Repair & Maintenance	86,000	87,720	89,474	91,264	93,089	94,951
Supplies	16,000	16,320	16,646	16,979	17,319	17,665
Utilities	27,000	27,810	28,644	29,504	30,389	31,300
Miscellaneous	36,000	36,720	37,454	38,203	38,968	39,747
* Pass Through Other	420,292	418,965	431,534	448,795	471,235	480,660
Admin Fee	18,000	18,000	18,000	18,000	18,000	18,000
Auxiliary Computing	48,379	49,346	50,333	51,340	52,366	53,414
Enterprise Accounting	18,695	19,069	19,451	19,840	20,237	20,641
Laundry	35,371	36,078	36,800	37,536	38,287	39,052
Total Expenses	\$1,055,815	\$1,084,373	\$1,108,998	\$1,137,854	\$1,170,506	\$1,192,129
Pass Through Summer Dining	552,694	515,353	530,814	552,046	579,648	591,241
	\$1,608,509	\$1,599,726	\$1,639,812	\$1,689,900	\$1,750,155	\$1,783,370
Net For Operations	\$77,226	\$16,072	\$37,950	\$49,732	\$63,110	\$75,859
* On Campus program fees, meeting rooms thru SURC, Computer Labs thru CTS, etc						