

COMMITTEE ON BUDGET AND FINANCE

Draft Minutes: February 26, 2015 at 8:30 a.m.
The University of North Carolina at Charlotte
Student Activity Center, Cone Room, Charlotte, North Carolina

OPEN SESSION

The following members were present: Chair Harry L. Smith, Jr., Roger Aiken, W. Louis Bissette, Jr., Hannah D. Gage, Peter D. Hans, Scott Lampe, W.G. Champion Mitchell, and Raiford Trask III. Other Board members in attendance were Chair John C. Fennebresque, H. Frank Grainger, Thomas J. Harrelson, Henry W. Hinton, James L. Holmes, Jr., W. Marty Kotis III, G. Leroy Lail, Steven B. Long, Joan G. MacNeill, Mary Ann Maxwell, W. Edwin McMahan, Hari H. Nath, Anna Spangler Nelson, Alex Parker, R. Doyle Parrish, Joan Templeton Perry, M.D., Therence O. Pickett, David M. Powers, Robert S. Rippy, J. Craig Souza, George A. Sywassink, Richard F. Taylor, and Phillip D. Walker.

The following staff were present: President Tom Ross, Chief of Staff Kevin FitzGerald, Senior Vice President for Academic Affairs Junius Gonzales, Sr., Senior Vice President and Chief Operating Officer Charles E. Perusse, Senior Vice President and General Counsel Tom Shanahan, Vice Presidents Matthew Brody, Christopher Brown, Karrie Dixon, Andrew Moretz, Jonathan Pruitt, and Joni Worthington, Associate Vice President for Finance and Capital Planning William Johnson, Associate Vice Presidents Andrea Poole and Michael Vollmer, Associate Vice President for Safety Emergency Operations Brent Herron, other General Administration staff, Chancellors and other faculty/staff from the universities, staff from the Office of State Budget and Management, and members of the press.

1. The Open Minutes of January 15, 2015 and February 9, 2015 were properly approved, and seconded.
2. Authorization to Assess a Campus Security Fee: The 2013-14 UNC Campus Security Report included high priority recommendations for new initiatives, staffing, and security measures designed for the benefit of UNC institutions. This item recommended the approval and implementation of an annual University-wide student fee of \$30 to assist in funding campus-based and system-wide safety and security efforts consistent with the recommendations.

A vote was taken by the committee on the recommendation, which did pass. [Mr. Mitchell did not vote.]

3. Authorization of Tuition for 2015-16 and 2016-17: The Committee met on February 9 to continue the review of tuition and fees proposals. Brief presentations were heard from campuses that proposed resident tuition rates greater than \$4,000 by 2016-17. Questions were answered during each presentation.

It was recommended to approval all tuition as submitted in the document.

A vote was taken by the committee on the recommendation, which did pass. [Mr. Aiken and Mr. Mitchell voted no.]

- 4: Authorization of Fees for 2015-16 and 2016-17: The Committee considered each fee separately.

A vote was taken by the committee on the Athletics Fees, which did pass. [Mr. Hans voted no; Mr. Mitchell did not vote.]

A vote was taken by the committee on the Health Services Fees, which did pass. [Mr. Mitchell did not vote.]

A vote was taken by the committee on the Student Activities Fees, which did pass. [Mr. Mitchell did not vote.]

A vote was taken by the committee on the Educational and Technology Fees, which did pass. [Mr. Mitchell did not vote.]

A vote was taken by the committee on the Indebtedness Fees, which did pass. [Mr. Mitchell did not vote.]

A vote was taken by the committee on the Special Fees, which did pass. [Mr. Mitchell did not vote.]

A vote was taken by the committee on the Application Fees, which did pass. [Mr. Mitchell did not vote.]

5. Sale of Special Obligation Bonds - FSU: Fayetteville State University requested that the Board issue special obligation bonds in an amount not to exceed \$1,575,000 for the purpose of (1) refunding all or a portion of the remaining maturities of the 2005B UNC System Pool Bonds allocable to FSU and (2) to pay the costs incurred in connection with the issuance of the 2015 Bond.

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

6. Sale of Special Obligation Bonds - UNCC: The University of North Carolina at Charlotte requested that the Board issue special obligation bonds for the purpose of (1) the construction of a new residence hall, Residence Hall XIV, approved by the Board of Governors and authorized by the 2014 General Assembly, (2) renovations and improvements to aging infrastructure within core campus and information technology improvements, and (3) paying the costs incurred in connection with the issuance of the 2015 Bonds.

A vote was taken by the committee on the recommendation, which did pass. [Mr. Aiken recused from the vote.]

7. Sale of Special Obligation Bonds - WCU: Western Carolina University requested that the Board issue special obligation bonds for the purpose of (a) financing a portion of the costs of renovations and the construction of an addition to Brown Building and (b) refunding all or a portion of the Series 2003A and 2008A University of North Carolina System Pool Revenue Bonds allocable to WCU, and (c) costs incurred in connection with the issuance of these 2015 Bonds.

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

8. Refinancing of Housing Foundation Indebtedness - UNCC: The University of North Carolina at Charlotte requested that the Board authorize amendments to previously approved Use Agreements related to the rental of student housing facilities on the campus of UNCC that were constructed through a university-related nonprofit company, The University of North Carolina at Charlotte Facilities Development Corporation, Inc.

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

9. Refinancing of Housing Foundation Indebtedness - WCU: Western Carolina University requested that the Board authorize amendments to previously approved Use Agreements related to the rental of student housing facilities on the campus of Western Carolina University that were constructed through a university-related Limited Liability Company, Affinity Housing LLC.

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

10. Authorization of the Establishment of a For-Profit L.L.C. - WCU: Western Carolina University requested approval to establish a for-profit associated entity (Newco2, L.L.C.) to provide entrepreneurial business, scientific, and technical services in collaboration with the College of Business and other colleges and schools.

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

11. Authorization of Capital Improvements Projects - ASU, NCSU, UNCC, and UNCW:

- ASU - Install Grease Traps at Plemmons Student Union: \$495,000
- NCSU - Cox Hall Scale-up Classrooms: \$1,850,000
- NCSU - Patterson Hall Foundation Waterproofing: \$312,561
- UNCW - Dining Facilities Repairs and Renovations: \$1,500,000
- UNCW - Residential Dining Facility (South): \$10,000,000
- UNCW - Parking Repairs and Improvements: \$1,750,000
- NCSU - CC Thermal Utilities and Infrastructure (TIC, COT and MRC): advance planning authorization of \$700,000
- UNCC - Residence Dining Hall Renovation: advance planning authorization of \$900,000
- UNCC - Scott Hall: advance planning authorization of \$2,250,000

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

12. Authorization of Non-Appropriated Capital Improvements Projects:

- ASU - New Residence Hall - Replacement for Winkler - Supplement - \$32,000,000
- ECU - Renovation of Four Residence Halls - \$65,000,000
- NCCU - Deferred Maintenance and Infrastructure Improvements - \$10,500,000
- NCSU - Engineering Building Oval and Campus Infrastructure - \$77,000,000

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

13. Acquisition of Space by Lease - ECU: East Carolina University requested approval to lease off-campus apartments to house approximately 174 students in the fall semester of 2015 and the spring semester of 2016. The need was precipitated by the temporary reduction in student housing bed inventory due to the construction renovations of White, Clement, and Greene Residence Halls.

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

14. Acquisition of Property by Lease - UNCG: The Trustees of the University of North Carolina at Greensboro requested authorization to enter into a long term lease of housing facility (Spartan Village Student Housing-Phase II) with the Capital Facilities Foundation, Inc. The Capital Facilities Foundation, Inc., a North Carolina nonprofit corporation wholly controlled by UNCG, would construct 330 beds of student housing and retail space on land owned by the foundation, contiguous to an existing 870 beds student housing complex (Spartan Village Student Housing Phase I) owned by UNCG. The location of the proposed project was consistent with UNCG's Master Plan.

A vote was taken by the committee on the recommendation, which did pass. [unanimous vote]

15. Property Actions Approved Under Delegated Authority:

- The University of North Carolina Center for Public Television - Acquisition of real property by lease for renewal of the site lease for UNC-TV's Murphy translator, W31AN-D

Harry L. Smith, Jr., Chair
Committee on Budget and Finance

Roger Aiken, Secretary
Committee on Budget and Finance