

## **COMMITTEE ON BUDGET AND FINANCE**

Draft Minutes: January 21, 2016, at 10:30 a.m.  
Ballroom 101, Alumni Foundation Event Center  
North Carolina A&T State University  
Greensboro, North Carolina

### **OPEN SESSION**

The following members were present: Chair Harry L. Smith, Jr., Roger Aiken, W. Louis Bissette, Jr., Walter C. Davenport, Hannah D. Gage, James L. Holmes, Jr., Scott Lampe, J. Alex Mitchell, and W.G. Champion Mitchell. Other Board members in attendance were Pearl Burris-Floyd, Henry W. Hinton, Rodney E. Hood, Zack King, W. Marty Kotis III, Steven B. Long, Joan G. MacNeill, Anna S. Nelson, R. Doyle Parrish, Therence O. Pickett, David M. Powers, J. Craig Souza, William Webb, and Laura I. Wiley.

The following staff were present: Senior Vice President and Chief Operating Officer Charles E. Perusse, Vice Presidents Timothy Minor, Andrew Moretz, Jonathan Pruitt, Kimrey Rhinehardt, and Joni Worthington, Associate Vice President for Finance and Capital Planning William Johnson, Associate Vice Presidents Andrea Poole and Michael Vollmer, 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 December 10, 2015 were properly approved, and seconded.
2. Discussion – Campus Proposals for Adjustments to 2016-17 Tuition and Fees and Self-Liquidating Projects: Consistent with the Four-Year Tuition Plan, the Board of Governors approved tuition and fees for two years in February 2015, with the understanding that limited adjustments for 2016-17 would be considered in March 2016. On an annual basis, the Board considers campus proposals for projects funded from non-appropriated sources requiring the issuance of long-term debt.

This discussion summarized the campuses' proposals for 2016-17 tuition and fee adjustments and also included brief presentations from campuses concerning their proposed self-liquidating projects.

Final approval of these items would be considered at the March Board meeting.

3. Sale of Special Obligation Bonds – UNCG: The University of North Carolina at Greensboro requested that the Board issue special obligation bonds in an amount not to exceed \$26,950,000 for the purpose of (1) refinancing all or a portion of the 2009A General Revenue Bonds to achieve interest rate savings, and (2) paying the costs incurred in connection with the issuance of the 2016 Bonds.

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

4. Authorization of Capital Improvements Projects – ASU, NCSU, and UNCC:

ASU – Campus Master Plan, \$375,000

ASU – Miles Annas Building Wellness Center Renovation, \$451,000

NCSU – Millstone 4H Camp Director’s Residence, \$175,000

NCSU – CMAST Housing Building Code Upgrades, \$400,000

UNCC – Belk Plaza Revitalization, \$3,000,000

UNCC – Charlotte Research Institute Entrance Improvements, \$2,500,000

UNCC – Colvard Renovations, advance planning authorization of \$1,430,000

ASU – Anne Belk Hall HVAC, increase in authorization of \$450,000 (from \$9,008,358 to \$9,458,358)

NCSU – College of Veterinary Medicine 3B Lab Renovation, increase in authorization of \$500,000 (from \$2,500,000 to \$3,000,000)

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

5. Disposition of Property by Exchange – NCSU: The exchange of approximately +-0.309 acre of Endowment-owned land and two separate tracts of NC State owned land containing +-0.2047 acre (StateView Hotel site) and +-0.105 acre (added area to complete exchange) between these two entities would provide for the development of the Centennial Campus electrical switchgear station and the StateView Hotel site. The acreage to be exchanged was on Centennial Campus and was considered to be of equal value but would be determined by the State Property Office. The expansion of the existing Centennial Campus switchgear station would allow the University to purchase less expensive, transmission grade power from Duke Energy and step it down to a distribution current for use on Centennial Campus electrical grid.

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

6. Disposition of Property by Lease – NCSU: Pursuant to the authority granted by the General Assembly under its amendments to N.C.G.S. 116-198.34(5), NC State University had requested approval to dispose of up to 130 acres of State land located in the Spring Hill Precinct of Centennial Campus by ground lease, together with all appropriate ancillary

transactional documents, to private developers for financing, development, ownership, and subleasing of improvements under the public-private partnership model that had been embraced by the private sector markets on its Endowment Fund land.

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

7. Adjustment to Previously Approved Bond Project – UNCA: At the October meeting, the Board of Governors approved projects totaling \$45 million for three campuses (ECSU, UNCA, and UNCSA) that did not have specific projects already included in the bond package. The legislation authorizing the bond included a requirement that the projects identified be repair and renovation projects. A portion of the UNC Asheville project approved in October included an addition to Owen Hall that technically did not fit into the classification of repair and renovation. As a result, UNC Asheville had submitted a revision to the project that removed the addition. In its place, UNC Asheville had requested the inclusion of the Renovation of Carmichael Hall. This resulted in no change in the amount of bond funds (\$21.1 million) for projects for UNC Asheville.

It was recommended that the proposed revisions to bond projects for UNC Asheville be approved as shown in the table below.

<b>Revised Allocations from the Bond Project Authorizations-Capital Repairs and Renovations</b>	<b>Amount</b>
<b>Elizabeth City State University</b>	
Moore Hall-Complete Building Renovation	\$ 8,500,000
GR Little Library-Complete Building Renovation	4,500,000
<b>University of North Carolina at Asheville</b>	
Renovation to Owen Hall	15,100,000
Renovation of Carmichael Hall	6,000,000
<b>University of North Carolina School of the Arts</b>	
Old Library Renovation	8,000,000
Performance Place Renovations	2,900,000
<b>Total</b>	<b>\$45,000,000</b>

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

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

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Walter C. Davenport, Secretary  
Committee on Budget and Finance