

DRAFT MINUTES

January 11, 2017
University of North Carolina General Administration
Spangler Center, Executive Conference Room
Chapel Hill, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Scott Lampe. The following committee members, constituting a quorum, were also present by phone: Roger Aiken, Hannah Gage, James Holmes, Marty Kotis, and Harry Smith. The following committee members were absent: Alex Mitchell, David Powers, and G.A. Sywassink.

Chancellors participating were Phillip Dubois and Randy Woodson.

Staff members present included Senior Vice President Jonathan Pruitt and others from General Administration.

1. Call to Order and Approval of OPEN Session Minutes (Item A-1)

The Chair called the meeting to order at 10:30 a.m. on Wednesday, January 11, 2017, and called for a motion to approve the open session minutes of November 28 and December 1, 2016.

MOTION: Resolved, that the Committee on Budget and Finance approve the open session minutes of November 28 and December 1, 2016, as distributed.

Motion: Harry Smith

Motion carried

2. Sale of Obligation Bonds – North Carolina A&T State University (Item A-2)

Mr. Pruitt presented the request from North Carolina A&T State University (NCA&T) to issue special obligation bonds in an amount not to exceed \$2,700,000 for the purpose of (1) refinancing outstanding indebtedness to achieve interest rate savings and (2) paying the costs incurred in connection with the issuance of the 2017 Bond.

On the request of Mr. Kotis, the resolution was edited to read as follows:

Section 1. Authorization of 2017 Bonds. *That the Board hereby authorizes the issuance of the 2017 Bonds in an aggregate principal amount not to exceed \$2,700,000 under the General Indenture and the Fourth Series Indenture if First Tryon Advisors, the financial advisor to NCA&T, determines to the satisfaction of the Senior Vice President for Finance and Budget and the Vice Chancellor for Business and Finance at*

NCA&T that the net present value savings to NCA&T resulting from the issuance of the 2017 Bonds are not less than 3.0% of the refunded par amount.

MOTION: Resolved, that the president of the University, or her designee, be authorized to sell the special obligation bonds through the authorizing resolution as amended and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Roger Aiken

Motion carried

3. Sale of Obligation Bonds – The University of North Carolina at Asheville (Item A-3)

Mr. Pruitt presented the request from The University of North Carolina at Asheville (UNCA) to issue special obligation bonds in an amount not to exceed \$48,536,000 for the purpose of (1) constructing a residence facility on the campus of UNCA, (2) renovation of the Highsmith Student Center, and (3) paying the costs incurred in connection with the issuance of the 2017 Bonds.

MOTION: Resolved, that the president of the University, or her designee, be authorized to sell the special obligation bonds through the authorizing resolution and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Roger Aiken

Motion carried

4. Refinancing of Housing Foundation Indebtedness – Fayetteville State University (Item A-4)

Mr. Pruitt explained Fayetteville State University's request for Board of Governors authorization to use an agreement for rental of the University Place Apartments to memorialize terms of a refinancing related to a previously approved lease extension for a housing foundation financing.

MOTION: Resolved, that the Committee on Budget and Finance approve the request from Fayetteville State University to be authorized to enter into the use agreement as set out in the authorizing resolution and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: James Holmes

Motion carried

5. Acquisition of Right-of-Way – North Carolina State University (Item A-6)

Associate Vice President Will Johnson introduced a request from the Board of Trustees of North Carolina State University (NCSU) to assume ownership from the North Carolina Department of Transportation (NCDOT) for +/-0.742 acres of surplus right-of-way along Centennial Parkway.

MOTION: Resolved, that the Committee on Budget and Finance approve the Acquisition of Right-of-Way at North Carolina State University and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Roger Aiken

Motion carried

6. Disposition by Easement – The University of North Carolina at Charlotte (Item A-7)

Mr. Johnson presented the request of The University of North Carolina at Charlotte (UNCC) to grant an easement to Mecklenburg County for the nonexclusive right to enter, construct, maintain, and stabilize 1.5 miles of embankment along Toby Creek on UNCC’s campus.

MOTION: Resolved, that the Committee on Budget and Finance approve the Disposition by Easement at The University of North Carolina at Charlotte and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: James Holmes

Motion carried

7. Capital Improvements Projects – ASU, NCSU, UNCA, UNC-CH, UNCC, UNCG, and WCU (Item A-5)

Mr. Johnson introduced a request for 21 capital improvements projects from seven constituent institutions: five projects for advance planning, five projects for increased authorization, and 11 new projects for authority.

MOTION: Resolved, that these projects be authorized and reported to the Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

Motion: James Holmes

Motion carried

Mr. Kotis requested that the minutes reflect that he voted no.

There being no further business, the meeting adjourned at 11:54 a.m.

Marty Kotis, Secretary