



MEETING OF THE BOARD OF GOVERNORS  
Committee on Budget and Finance

December 12, 2019 at 10:00 a.m.  
University of North Carolina System Office  
Center for School Leadership Development, Board Room  
Chapel Hill, North Carolina

**AGENDA**

- A-1. Approval of the November 14, 2019 Minutes ..... Temple Sloan
- A-2. Capital Improvement Projects ..... Katherine Lynn
- A-3. Other Business ..... Temple Sloan
  - a. Capital Construction Task Force Update
- A-4. Adjourn

## DRAFT MINUTES

November 14, 2019  
Elizabeth City State University  
K.E. White Graduate Center, Room 124  
Elizabeth City, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Temple Sloan. The following committee members, constituting a quorum, were also present: R. Doyle Parrish, Carolyn Coward, Harry L. Smith, Jr., Robert Rucho, Darrell Allison, and W. Marty Kotis, III. No committee members were absent.

Chancellors participating were Chancellor Woodson and Chancellor Dubois.

Staff members present included Clinton Carter, Katherine Lynn, and others from the UNC System Office.

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

The chair called the meeting to order at 9:02 a.m. on November 14, 2019, and called for a motion to approve the open session minutes of September 19, 2019.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the open session minutes of September 19, 2019, as distributed.

**Motion:** R. Doyle Parrish

**Motion: carried**

### 2. Acquisition of Property by Deed (Central Crops Research Station) – NC State University (Item A-2)

Mr. Clinton Carter presented to the committee a request for acquisition of property by deed at NC State University of approximately 41 acres for expanding the Central Crops Research Station.

**MOTION:** Resolved, that the Committee on Budget and Finance approve NC State's request for approval of acquisition of property by deed and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Robert Rucho

**Motion: carried**

### **3. Acquisition of Property by Deed (Lake Wheeler Field Lab) – NC State University (Item A-3)**

Mr. Carter presented to the committee a request for the acquisition of property by deed at NC State University of approximately 12 acres for expanding the Lake Wheeler Field Lab in Wake County, NC.

**MOTION:** Resolved, that the Committee on Budget and Finance approve NC State's request for approval of acquisition of property by deed and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Harry L. Smith, Jr.

**Motion carried**

### **4. Disposition of Property by Demolition – Western Carolina University (Item A-4)**

Mr. Carter presented to the committee a request for the disposition of property by demolition at Western Carolina University of Scott and Walker Halls. The demolition of the two residential halls is required to prepare for construction of the new lower campus residence halls.

**MOTION:** Resolved, that the Committee on Budget and Finance approve Western Carolina University's request for approval of disposition of property by demolition and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** W. Marty Kotis, III

**Motion: carried**

### **5. Capital Improvement Projects – Appalachian, NC State, UNC-Chapel Hill, UNC Charlotte, and Western Carolina University (Item A-5)**

Ms. Katherine Lynn presented prospective capital improvement projects to the committee for the following institutions, Appalachian, NC State, UNC-Chapel Hill, UNC Charlotte, and Western Carolina University. There were originally 18 projects submitted, but Ms. Lynn explained that UNC-Chapel Hill pulled one of its advance planning items. In total, 17 capital improvement projects were considered, including 2 advance planning projects, 11 new projects for authority, and 4 increased authorization projects.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the capital improvement projects for Appalachian, NC State, UNC-Chapel Hill, UNC Charlotte, and Western Carolina University and recommend them to the full Board of Governors for a vote through the consent agenda.

**Motion:** Harry L. Smith, Jr.

**Motion: carried**

### **6. Sale of Special Obligation Bonds – UNC Charlotte (Item A-6)**

Mr. Carter presented UNC Charlotte's request to the committee for authorization of the sale of special obligation bonds in an aggregate principal amount not to exceed \$34,000,000 to finance the demolition of Moore and

Sanford Residence Halls; the construction and equipping of a replacement residence hall; and refinancing of the various special obligation bonds for debt service savings.

**MOTION:** Resolved, that the Committee on Budget and Finance approve UNC Charlotte's request that the president of the University, or his designee, be authorized to issue the special obligation bonds and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** W. Marty Kotis, III

**Motion: carried**

There being no further business, the meeting adjourned at 9:32 a.m.

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Carolyn Coward, Secretary

**AGENDA ITEM**

- A-2. Capital Improvement Projects – East Carolina University, NC State, UNC-Chapel Hill, UNC Charlotte, and UNC Greensboro..... Katherine Lynn

<b>Situation:</b>	There are five UNC System institutions that have requested a total of nine capital improvement projects: three projects for advance planning, three new projects for authority, and three projects for increased authorization.
<b>Background:</b>	The Board of Governors may authorize capital construction projects and advance planning projects at UNC System institutions using available funds.
<b>Assessment:</b>	East Carolina University, NC State, UNC-Chapel Hill, UNC Charlotte, and UNC Greensboro have requested projects that meet the statutory requirements, and it is recommended that the Board of Governors approve the projects and their methods of funding. It is further recommended that these projects be reported to the NC Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.
<b>Action:</b>	This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## Capital Improvement Projects – East Carolina University, NC State, UNC-Chapel Hill, UNC Charlotte, and UNC Greensboro

### ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with non-appropriated projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

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### I. ADVANCE PLANNING

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>North Carolina State University</b>					
1.	Don Ellis Building Renovations	\$1,000,000	\$ –	\$49,000	F&A (69%)/Security & Technology Trust Funds (31%)
<i>NC State Subtotal</i>		<i>\$1,000,000</i>	<i>\$0</i>	<i>\$49,000</i>	
<b>University of North Carolina at Chapel Hill</b>					
2.	House Undergraduate Library Renovations	\$9,250,000	\$ –	\$600,000	Donations & Gifts
3.	Women's Basketball Renovations - Phase III	\$4,000,000	\$ –	\$400,000	Athletic Reserves
<i>UNC-Chapel Hill Subtotal</i>		<i>\$13,250,000</i>	<i>-</i>	<i>\$1,000,000</i>	

### II. NEW PROJECTS

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>East Carolina University</b>					
4.	Legacy and Jones Residence Halls Make-up Air	\$2,303,000	\$170,000	\$2,133,000	Housing Receipts
<i>ECU Subtotal</i>		<i>\$2,303,000</i>	<i>\$170,000</i>	<i>\$2,133,000</i>	
<b>University of North Carolina at Charlotte</b>					
5.	J.W. Clay Boulevard and Robert D. Snyder Road Modifications	\$1,000,000	\$ –	\$1,000,000	Campus Infrastructure Debt Fee
<i>UNCC Subtotal</i>		<i>\$1,000,000</i>	<i>\$0</i>	<i>\$1,000,000</i>	
<b>The University of North Carolina at Greensboro</b>					
6.	Spring Garden Apartments - Elevators Replacement and New Emergency Generator	\$1,581,000	\$ –	\$1,581,000	Housing Receipts
<i>UNCG Subtotal</i>		<i>\$1,581,000</i>	<i>\$0</i>	<i>\$1,581,000</i>	

### III. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
<b>East Carolina University</b>					
7.	College Hill Drive - Steam Replacement - Phase 1	\$4,030,400	\$1,800,000	\$2,230,400	Carry-forward
<i>ECU Subtotal</i>		<i>\$4,030,400</i>	<i>\$1,800,000</i>	<i>\$2,230,400</i>	
<b>North Carolina State University</b>					
8.	Centennial Campus Substation Expansion	\$7,965,716	\$7,693,511	\$272,205	Utility Trust Funds
<i>NC State Subtotal</i>		<i>\$7,965,716</i>	<i>\$7,693,511</i>	<i>\$272,205</i>	
<b>University of North Carolina at Charlotte</b>					
9.	Residence Hall XVI	\$64,500,000	\$58,500,000	\$6,000,000	Housing Reserves
<i>UNCC Subtotal</i>		<i>\$64,500,000</i>	<i>\$58,500,000</i>	<i>\$6,000,000</i>	
<b>Grand Total</b>		<b>\$95,630,116</b>	<b>\$68,163,511</b>	<b>\$14,265,605</b>	

### RECOMMENDATION

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

It is recommended that these projects be authorized and reported to the NC Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.