The Business Affairs Committee of the UNCW Board of Trustees met on Thursday, January 27, 2022 at 1:00 p.m. Members present at the meeting were: Mr. Jeff Clark (Chair), Mr. Hugh Caison, Mr. Carlton Fisher, and Mr. Bob Rippy.

Mr. Clark called the meeting to order and read the required ethics statement from the State Government Ethics Act. No conflicts were identified.

Mr. Clark asked for a motion to approve the minutes of the October 14, 2021 meeting. Mr. Fisher made a motion to “approve the minutes of the October 14, 2021 meeting as presented.” Mr. Caison seconded the motion and the motion carried.

Next, Ms. Roberta LaSure, Director of Associated Entities, Endowment & Real Estate, began with an Endowment update.

Ms. LaSure noted that investment returns had exceeded 40% for the year, and specifically generated earnings for the endowment of nearly $40 million. Those earnings (when combined with new gifts and spending distributions) enabled the endowment to close fiscal year 2021 with a market value of $142.9 million.

Ms. LaSure also noted that the first half of fiscal year 2022 had been strong for the endowment – as it had experienced investment returns exceeding $9 million from July 2021 through the end of December 2021.

Following Ms. LaSure’s presentation, Mr. Mark Morgan, Associate Vice Chancellor for Facilities, requested approval of the following action items pursuant to University facilities:

**Facilities Action Item #1: Modular Unit Demolition**
The University requested Board of Trustee approval of the demolition and removal of a 1,440 square foot modular structure located on the east corner of Sawtooth Drive and Riegel Road.

Mr. Fisher made a motion to approve the above action item. Mr. Caison seconded the motion and the motion carried.

Facilities Action Item #2: Alderman Hall & King Hall Renovations – Design Team Selection

The University requested Board of Trustee approval of the prioritized order of professional design firms to lead the design effort for the Alderman Hall and King Hall renovations project.

1. Mosley Architects
2. Bowman Murray Hemmingway Architects
3. LS3P Associates

Mr. Caison made a motion to approve the above action item. Mr. Rippy seconded the motion and the motion carried.

Facilities Action Item #3: Alderman Hall & King Hall Renovations – CMR Selection

The University requested Board of Trustee approval of the prioritized order of Construction Manager at Risk firms to lead the construction process for the Alderman Hall and King Hall renovations project.

1. Muter Construction
2. Balfour Beatty Construction
3. Monteith Construction with R.J. Leeper Construction

Mr. Caison made a motion to approve the above action item. Mr. Fisher seconded the motion and the motion carried.

Facilities Action Item #4: Randall Library Expansion and Renovation – CMR Selection

The University requested Board of Trustee approval of the prioritized order of Construction Manager at Risk firms to lead the construction process for the Randall Library Expansion and Renovation project.
1. Balfour Beatty Construction with R.J. Leeper Construction
2. Monteith Construction
3. Samet Corporation

Mr. Caison made a motion to approve the above action item. Mr. Fisher seconded the motion and the motion carried.

**Facilities Action Item #5: Campus Master Plan Update – Designer Selection**

The University requested Board of Trustee approval of the prioritized order of professional design firms provided on the screen to lead the Campus Master Plan Update effort.

1. Hanbury
2. Sasaki Associates
3. DLR Group of NC

Mr. Rippy made a motion to approve the above action item. Mr. Caison seconded the motion and the motion carried.

Following the action items, Mr. Morgan provided an update on several capital projects – specifically: the Outdoor Recreation Fields and Facilities Improvements project, the Coastal Engineering Facility construction project, the Randall Library Renovation and Expansion project, and the Veterans Hall Cadaver Laboratory project.

Following Mr. Morgan’s update, Ms. Dana Harris, Associate Vice Chancellor for Finance, provided an overview of the fiscal year 2021 financial statements. Ms. Harris pointed out that the state auditor issued an unqualified opinion; with no management letter comments or findings; and no findings of material weakness in internal controls over financial reporting.

Following Ms. Harris’s presentation, Mr. Miles Lackey provided the Vice Chancellor for Business Affairs Update in which he spoke about a new state funding formula being proposed by UNC system leadership which would replace the existing 12-cell formula as the means for determining appropriations requests for UNC System campuses in the future.

While Vice Chancellor Lackey noted that the proposed model possessed some advantages over the current model (including that it would provide state support for all summer instruction), he also noted that it could present challenges for
institutions that are in the process of standing up new graduate programs and/or expanding existing graduate programs in certain high demand fields.

Vice Chancellor Lackey stated that the university would be working with System leadership over the coming weeks and months to explore opportunities to improve the proposed model and address financial obstacles which could impact new and/or expanding graduate programs.

Following Mr. Lackey’s presentation, there was no further business and the meeting was adjourned.