

BUSINESS AFFAIRS COMMITTEE

Thursday, January 22, 2015

Fisher Student Center

Masonboro Island Room 2011

1:00 p.m.

MINUTES

Members present:

Mr. Phil Marion, Chair
Mr. Ken Cameron
Ms. Wilma Daniels
Mr. Michael Drummond
Mr. Carlton Fisher
Mr. Hal Kitchin

Chairman of the BOT:

Mr. Michael Shivar

Representing the University:

Dr. Rick Whitfield, Vice Chancellor for Business Affairs

Guests:

Dr. Bill Sederburg, Ms. Sharon Boyd, Mr. Bob Fraser, Ms. Liz Grimes, Mr. David Donaldson, Ms. Sara Thorndike, Ms. Heather Iannucci, Ms. Leslie Hudson, Ms. Roberta LaSure, Mr. Rob Hoon, Mr. Steve Pickard, Ms. Sonda Jenson, Ms. Carol Strickland, Dr. Denise Battles, Ms. Pat Leonard, Ms. Dana Harris, Ms. Stefanie Powell, Mr. David Ulaszek, Ms. Ann Glossl, Mr. Mark Lanier, Mr. Max Allen, Mr. Jimmy Bass, Mr. Chris Bertram, Mr. Brad Reid, Dr. Mike Walker, Ms. Ann Freeman, Ms. Carolyn Gavit, Ms. Janet Alexander and Ms. Betty Sue Smith

The Business Affairs Committee of the UNCW Board of Trustees met on Thursday, January 22, 2015 at 1:00 p.m. in the Fisher Student Center – Masonboro Island Room 2011. Mr. Phil Marion, Chair, called the meeting to order and read the required ethics statement from the State Ethics Act. Mr. Hal Kitchin recused himself from discussion and voting on the Belk and Graham-Hewlett Designer selection. No other conflicts were identified.

Chairman Marion asked the Committee members to take a few moments to review the minutes of the November 20, 2014 meeting. Mr. Marion asked if there were any corrections to the minutes. Mr. Fisher made a motion **“to approve the minutes of the November 20, 2014 meeting as presented.”** Mr. Drummond seconded the motion and the motion carried. Vice Chancellor Whitfield stated that the staff had researched the question asked during the last meeting and it was determined that Mr. David Swain did not attend the October 24, 2013 meeting and that the minutes of the October 24, 2013 meeting should be amended to read “Mr.

Fisher asked Committee members to approve the minutes from the last meeting held on August 22, 2013..." Mr. Kitchin made a motion **"to approve the amendment to the October 24, 2013 minutes as stated above."** Mr. Drummond seconded the motion and the motion carried.

Mr. Marion called on Bob Fraser, Associate Vice Chancellor-Facilities, to present items for action and the construction update.

Mr. Fraser presented the following action items for the Committee's approval.

Belk and Graham-Hewlett

The renovation of two existing residence halls constructed in 1977 and 1978 and the connector constructed in 1999. The design will begin immediately following selection and fee negotiation. The project delivery will occur in two phases, as building occupancy permits. Make ready work and infrastructure work will occur during the summer of 2015 with Phases 1 and 2 to follow in the summer of 2016 and 2017. Approximate Scope of Phases 1 and 2 includes Infrastructure upgrades, HVAC renovation, Code related upgrades to fire alarm and sprinkler systems, Lighting and Electrical power and Building Systems (data/phone/security), Plumbing systems upgrades to existing piping and fixtures, Life Safety Systems (fire alarm/sprinkler), and upgrades to building architecture and finishes. The university solicited for Architectural/Engineering Design services for the upcoming renovations to Belk and Graham-Hewlett Halls. Twenty-two (22) proposals were received and five (5) firms were selected for consideration and interviewed.

After discussion, Mr. Fisher made a motion **"to approve the following ranking of Architectural/Engineering Design firms such that fee negotiations and subsequent design contracting activities can be conducted in rank order until acceptable contract terms are reached."**

- 1. Bowman Murray Hemingway Architects, PC (Wilmington)**
- 2. HH Architecture, PA (Raleigh)**
- 3. McKim & Creed, Inc. (Raleigh)**

Mr. Drummond seconded the motion and the motion carried. (Mr. Kitchin recused himself from the discussion and voting.)

Softball and Baseball Hitting Facility

The Softball and Baseball Hitting Facility was conceived and sited as a part of the Outdoor Facilities Master Planning process. The building will serve as a practice facility for the Softball and Baseball programs. The proposed site for the building is adjacent to Brooks Field (existing baseball venue) and a short distance to the south of Boseman Field (existing softball venue). Design will begin immediately following selection and fee negotiation. The project deliver will be funded philanthropically and will occur after gifts are secured. Overall Project Design including programming site design and building design through Contract Documents will be completed by the selected designer. The current design contract will produce documents and renderings to assist in philanthropic efforts. Bidding and construction administration activities will be held in abeyance until full project funding is available. UNCW solicited for

Architectural/Engineering Design services for the upcoming design of the Softball & Baseball Hitting Facility. The university received nine (9) proposals and four (4) firms were selected for consideration and interviewed.

After discussion, Mr. Kitchin made a motion **“to approve the following ranking of Architectural/Engineering Design firms such that fee negotiations and subsequent design contracting activities can be conducted in rank order until acceptable contract terms are reached.”**

- 1. Corely Redfoot Architects, Inc.**
- 2. Integrated Design, PA**
- 3. Becker Morgan Group, Inc.**

Ms. Daniels seconded the motion and the motion carried.

The following construction update was given by Mr. Bob Fraser.

Social & Behavioral Sciences Building Current Status:

- Interior building construction progressing
- Hot Water & Chilled Water Piping connections to the Plant progressing
- Long lead items scheduled to arrive in January
- Work Progressing in the Energy Plant

Social & Behavioral Sciences Building Next Steps:

- Plumbing, Mechanical and Electrical rough-ins are nearing completion
- Mechanical Equipment is beginning to arrive with the majority of equipment arriving in February
- Interior Drywall Installation is underway will complete in early February
- Mechanical roof expansion is underway and will complete after mechanical equipment is received
- The project construction activities are on schedule for a late July completion

Central Energy Plant Upgrades:

- Underground piping and plant rough-ins are approximately 50% complete
- Chiller delivery is scheduled for early February
- CEP upgrades are on schedule for an April completion

Outdoor Enhancement Project Next Steps:

- Submission of the DD Building and Infrastructure package to SCO on 12/17/2014
- Approval of the CD Building and Infrastructure package by SCO approximately 4/27/2015
- Bidding and Construction of the Building and Infrastructure package from 5/1/2015 to 10/21/2015

Next Phases in the logical sequence include:

- Construction of the Sewer system to support the Outdoor Improvements and Softball Improvements
- Construction of the of the buildings and infrastructure
- Construction of the fencing, paving, hardscape and landscape amenities

- Acceptance of the project scheduled for Fall 2015

Structural Repairs at Randall Library

- Structural Repairs were completed during winter break
- Cleaning and painting of existing corroded steel
- Adding new beams, columns and stiffener plates
- Closing crawlspace access openings

At the conclusion of this work:

- The structural steel in the Randall Library crawlspace is now sound with no shoring in place

Next steps:

- Additional repairs are planned for Spring Break and between Graduation and start of Summer Session to eliminate the water intrusion from the arcade and portico slab. This involves the application of waterproofing systems.
- Work will be coordinated with the Library staff to accommodate building occupancy by students and staff and the Library's needs during these repairs.

This concluded the Facilities update.

Chairman Marion called on Vice Chancellor Rick Whitfield for the Vice Chancellor's Report. Dr. Whitfield reported that the State auditor concluded its audit of the FY 2014 Financial Statements. The university received an unqualified opinion, there were no comments or findings in the management letter and no material weaknesses in internal control over financial reporting. He further reported that there was continued growth in net position totaling \$18.8 million and the unrestricted net position increased \$17.6 million.

Vice Chancellor Whitfield gave an update on the FY 15 and FY 16 budget; FY 2015-16 and FY 2016-17 Enrollment Growth Budget Planning and Campus Initiated Tuition and Fee Budget Planning for FY 2015-16 and FY 2016-17.

Dr. Whitfield updated the committee on the selection of a Municipal Advisor. The university submitted a Request for Proposal to 29 firms and was publicly posted. Eight (8) responses were received and four firms were interviewed. RBC Capital Markets was selected and a contract was entered into in August 2014. RBC Capital Markets ranks #1 in terms of higher education issues managed and has experience with UNCC, UNCG and UNCCH. He reported to the committee on the COPs refunding opportunity for the Series 2005 Issue and Series 2006 Issue. The purpose of refunding is to lower interest expense over the remaining life of the bonds. The refunding would require the approval of the UNCW Board of Trustees, UNCW Corporation Board and the UNC Board of Governors with a target date of April 2015. The Underwriter RFP process is underway. The potential refunding Cash Flow Savings is approximately \$10.86 million and the NPV of Cash Flow Savings is approximately \$8.03 million.

Vice Chancellor Whitfield reviewed the Standard & Poor's Rating affirmed on December 29, 2014. The university received "**A- with a stable outlook**" on Certificates of Participation (COPs). The ratings pointed out the following strengths—solid COPs debt service coverage (DSC) ratio; strong occupancy rates and demand for university housing; favorable university demand trends and history of state support. The challenges stated were below median financial resources in terms of unrestricted net assets; above-average total debt burden and relatively small endowment compared to peers.

This concluded the Vice Chancellor's Report.

Chairman Marion asked if there was any other business. There being no further business, the meeting was adjourned.

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