

**BUSINESS AFFAIRS COMMITTEE**  
**Thursday, April 16, 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. Mark  
Morgan, Dr. Rosalynn Martin, Mr. Carey Gibson,  
Mr. David Donaldson, Ms. Sara Thorndike, Ms.  
Heather Iannucci, Ms. Leslie Hudson, Mr. Stan  
Harts, Ms. Cindy Hucks, Mr. Steve Perry, Mr. Zach  
Mitcham, Mr. Brian Dailey, Dr. Marilyn Sheerer,  
Ms. Pat Leonard, Dr. Mike Walker, Ms. Ann  
Glossl, Mr. Steve Miller, Ms. Nadine Flint, Ms.  
Ariel Bennett, Ms. Dana Harris, Ms. Stefanie  
Powell, Ms. Adrienne Swinney, Dr. Steve  
Meinhold, Mr. David Ulaszek, Mr. Max Allen,  
Ms. Andrea Weaver, Ms. Tara Romanella, Ms.  
Ann Freeman, Ms. Kat Pohlman, Ms. Janet  
Alexander and Ms. Betty Sue Smith

The Business Affairs Committee of the UNCW Board of Trustees met on Thursday, April 16, 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. No conflicts were identified.

Chairman Marion asked the committee members to take a few moments to review the minutes of the January 22, 2015 meeting. Mr. Marion asked if there were any corrections to the minutes. Mr. Cameron made a motion “**to approve the minutes of the January 22, 2015 meeting as presented,**” Mr. Fisher seconded the motion and the motion carried.

Mr. Marion called on Vice Chancellor Rick Whitfield to introduce new staff members from the Business Affairs' division. Vice Chancellor Whitfield introduced Dr. Rosalynn Martin, Associate Vice Chancellor for Human Resources and Mr. Mark Morgan, Interim Associate Vice Chancellor for Facilities.

Mr. Marion called on Mr. Mark Morgan, Interim Associate Vice Chancellor for Facilities, and Ms. Sharon Boyd, Associate Vice Chancellor for Business Services, to present the following action item for the committee's approval.

### **Aramark Ground Lease for UNCW Dining Facility**

As a portion of the dining contract negotiated by Business Services in the summer of 2014 Aramark committed to the funding for the construction of a dining facility valued at approximately \$5 Million. Since the execution of the contract, a siting study has been completed and a site for the building has been proposed. The site lies between the Galloway and Graham-Hewlett buildings. In order to facilitate the gift-in-kind capital improvements to UNCW by Aramark, the land shown in the attached metes and bounds description will be leased to Aramark for the duration of the building construction. (The exact physical boundaries may be altered as needed to accomplish the construction.) The contractual obligation to Business Services will be provided in the form of turnkey design and construction of the Dining Facility. At the conclusion of construction and upon acceptance of the building by the State Construction Office, the improvements and the underlying land will revert to the University.

The turnkey delivery of the project will include:

- Planning and design of the improvements
- Sitework, parking, infrastructure and landscape improvements associated with the delivery of the dining facility.
- Delivery of the constructed building and acceptance by University.

The planning of the improvements has been coordinated with other improvements to campus recreational spaces and upgrades associated with the University Sports and Fitness Master Plan, integrating shared streetscape and landscape aesthetics, resulting in both project savings and achieving the look and feel of unified planning and coordinated infrastructure development.

The ground lease ensures that Aramark will be provided access to complete the subject work of the funded project while ensuring the requisite regulatory approvals will be obtained and required insurance in place. UNCW possesses statutory sub-delegated authority to confer the construction period ground lease (NCGS §116.31.12) with nominal value. It is the intention of Aramark to complete the design of the facility such that construction can begin during the summer of 2016. Construction will be completed within one year. All required State of North Carolina reviews and approvals of the plans and specifications shall be secured from the State Construction Office and applicable Code and Inspection authorities.

After discussion, Mr. Fisher made a motion “**to approve the ground lease to Aramark for the purpose of constructing a new dining facility adjacent to Galloway Hall, Belk Hall, Graham-Hewlett Hall and the University Apartments.**” Ms. Daniels seconded the motion and the motion carried.

Mr. Morgan gave the following construction update.

S&BS-Social and Behavior Science Renovations:

The S&BS project is now 65% complete and on schedule. The estimated completion date is July 23, 2015 with classes beginning in the Fall semester. We presently have 13% HUB participation on this project.

Athletic and Recreational Master Plan Update: The Outdoor Fields and Facilities Enhancement Plan is moving forward as follows:

Outdoor Fields Enhancement – Phase I (Field and Lighting Improvements)

Contract award of the Fields and Lighting Improvements is in progress with an estimated construction completion date in September 2015. We presently have 28% HUB participation on this project.

Outdoor Fields Enhancement – Phase II (Bathroom Facilities)

Design of the Bathroom Facilities is complete and is currently under review. This project will bid in May 2015.

Softball/Baseball Indoor Practice & Batting Facility:

Advance Planning and Programming of the Softball/Baseball Indoor Practice & Batting Facility is underway. This is a philanthropically funded project; fund raising efforts for the construction phase are in progress.

Softball Facility Improvements – Gift in Place:

The Softball Facility Improvements project is donor funded. The design documents are currently under review with the State Construction Office. The dugout replacements and improvements are the next phase with an anticipated construction start in May, (after commencement), and an estimated completion in September 2015.

Performance Contract II:

The scope of Performance Contract II consists of Guaranteed Energy Savings Measures affecting 20 academic buildings. The next phase, the financial RFP, is under review and expected to be released in May 2015.

Chairman Marion called on Mr. Carey Gibson, Director, Infrastructure and Operation Services, for the Information Technology Services action item.

### **Data Network and Wifi Modernization**

Project Scope:

- Access layer of data network is failing: nearly 90% of components are past end of life/support
- Old equipment can't support needed security and management features
- This project modernizes the access layer – replaces all outdated network switches and upgrades/expands wireless access to meet current needs
- Replacement will take 6 to 9 months with minimal disruption to campus
- Project expected to begin this summer

Payback Over 5 Years:

- Total project cost not to exceed \$7M
  - Anticipate five annual payments of \$1.4M
    - Education & Tech Fee increase = \$701,445\*\*
    - Housing = \$388,101
    - NetComm = \$140,000
    - University Reserves = \$310,454
  - This model provides an ongoing source of funding for phased lifecycle replacement of equipment

\*\*Includes the \$39 increase in the Tech Fee in FY 15-16 & \$27 increase in FY 16-17 approved by the Board of Governors

After discussion, Mr. Fisher made a motion **“to authorize transmittal of this action item to the UNC Board of Governors for approval of the short-term use of unrestricted university funds, to be coupled with funds from Housing, NetComm and Educational & Technology fees, to make a capital investment not to exceed \$7M for the upgrade and modernization of the university’s access layer and wireless network infrastructure. These unrestricted funds will be replenished over a 5 year period from Educational & Technology fees previously approved by the UNCW Board of Trustees and the UNC Board of Governors for this purpose.”** Mr. Drummond seconded the motion and the motion carried.

Mr. Marion called on Ms. Sharon Boyd, Associate Vice Chancellor for Business Services and Mr. Stan Harts, UNCW’s Chief Sustainability Officer, for the Sustainability Update.

Mr. Harts, UNCW’s Chief Sustainability Officer, presented an annual update of the previous year’s accomplishments and future goals with regards to sustainability. UNCW’s Sustainability Committee is a multi-departmental committee that has helped to develop a Sustainability Action Plan as well as many accomplishments in energy conservation, recycling, and student initiatives.

Goals moving forward are ambitious fueled by increased student and departmental commitment. There were no action items introduced during this presentation.

Chairman Marion called on Vice Chancellor Rick Whitfield for the Planning, Budget and Accountability Task Force Briefing. Vice Chancellor Whitfield reported the Task Force made four recommendations in its report to Chancellor Sederburg. The recommendations are:

The development and timely implementation of a ***comprehensive and coordinated planning, budgeting, and accountability system***, based on extensive participation, openness, pragmatism, and clarity.

Implementation of changes in the ***planning process*** so that key campus constituencies are engaged in shaping strategic initiatives and programmatic directions.

Implementation of changes in the ***budgeting process*** so that it aligns with state, campus, and unit plans and requirements, including the appropriate roles for administration and the Board of Trustees.

Strategies for ***measuring outcomes*** and their use in the recommended planning and budgeting processes, should include the appropriate role of analytics.

Chairman Marion asked Vice Chancellor Whitfield to continue with his VCBA update. Vice Chancellor Whitfield updates included the following items:

#### Budget

- FY 2015 – reviewed the budgeted Student Credit Hours and Tuition Revenue for Fall 2014 and Spring 2015 against actuals
- 2016 Tuition and Fees – reported on the tuition and fees increases approved by the BOG
- 2015 R & R funding status – reported that since 2011 the university has requested \$25,023,000 and to date has received \$4,337,883 for R & R funding. The deferred maintenance for 2015-2021 totals \$30,501,800 and the comprehensive renovations total \$165,096,548 for the same period of time.

#### Financing

##### UNCW 2015 Limited Obligation Bonds

- UNCW seeks to refund its 2005 and 2006 Certificates of Participation (COPs) related to student housing projects with Limited Obligation Bonds (LOBs)
- UNCW Corporation, a company created for the purpose of constructing the projects, financed the construction and issued the debt
- UNCW entered into lease and use agreements with UNCW Corporation
- Refunding can result in potential NPV savings of approximately \$6 million\*

Vice Chancellor Whitfield reviewed the timeline for this refunding opportunity and reported that the university is on track.

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

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