MINUTES
BUSINESS AFFAIRS COMMITTEE MEETING
THURSDAY, OCTOBER 24, 2013
FISHER STUDENT CENTER
MASONBORO ISLAND ROOM 2011
1 P.M.

Members Present: Mr. Carlton Fisher
Ms. Wilma Daniels
Mr. Hal Kitchin
Mr. Ronald McNeill
Mr. Zach Steffey

Representing the University: Mr. Charles A. Maimone, Vice Chancellor for
Business Affairs

Guests: Dr. Rick Whitfield, Ms. Sharon Boyd, Mr. David
Donaldson, Mr. Mark Morgan, Ms. JoAnn
McDowell, Dr. Gary Miller, Ms. Stefanie Powell,
Ms. JoAnn Ferguson, Ms. Ann Glossl, Dr. Brian
Victor, Dr. Mike Walker, Ms. Cheryl Sutton, Ms.
Carol Strickland, Ms. Ann Freeman, Ms. Dana
Harris, Ms. Marybeth Bianchi, Mr. Rob Hoon, Ms.
Lisa Castellino, Ms. Heather Iannucci, Ms. Jan
Riemersma, Ms. Pat Leonard, Ms. Roberta LaSure,
Ms. Andrea Weaver, Ms. Lori Preiss, Ms. Liz
Grimes, Ms. Pressley Baird (Star News) Ms. Janet
Alexander, and Ms. Lynn Aycock

The Business Affairs Committee of the Board of Trustees met on Thursday, October 24, 2013 in
Fisher Student Center, Masonboro Island Room 2011 at 1 p.m. Mr. Carlton Fisher, Chair, called
the meeting to order and read the required ethics statement from the State Ethics Act.
Committee members present were: Mr. Carlton Fisher, Mr. Ronald McNeill, Mr. Hal Kitchin,
Mr. Zach Steffey and Ms. Wilma Daniels.

Mr. Swain asked Committee members to approve the minutes from the last meeting held on
August 22, 2013 that were emailed to the committee members (handout provided in packet).
Mr. Ronnie McNeill made a motion to adopt the minutes as submitted and Ms. Wilma Daniels
seconded the motion. The motion carried.
The following report was given by Mr. Mark Morgan, Director of Architectural and Construction Services

Social and Behavioral Sciences Building

Renovation: A first S&BS Occupancy Planning meeting was held September 26, 2013 between the UNCW Design Review Team including the 5 departments expected to occupy the building, and the Jenkins Peer Architects team. A very productive discussion was held in which Jenkins Peer gathered information on the various departments needs for space in the building. Jenkins Peer is now developing their Schematic Design for further reviews with the building users.

Outdoor Facilities

Enhancement Plan: A kickoff meeting was held September 30, 2013 between the UNCW Steering Committee and the Jenkins Peer Architects team. The needs of Athletics, Student Recreation and Academics were discussed with the Architect’s team. Jenkins Peer developed proposed Master Plan for further discussion. They presented initial design schemes to the full Committee meeting on October 18, 2013. The committee reviewed the plans and began focusing discussion on the aspects of the plan that relate to fields and facilities that will be utilized by Recreations, Academics and Athletics combined.

HUB – Historically Underutilized Business Program:

On the State level, the HUB Office has a new Director, Dennis English. Mr. Dennis was appointed by Governor McCrory and brings new energy and direction to the State HUB Office. During our last statewide meeting he discussed plans to visit each campus.

As it relates to HUB participation, both Balfour Beatty and METCON are well suited to exceed our state mandated HUB participation goals. Historically, each firm has proven their commitment to increase the utilization of minority firms. Balfour Beatty has an outstanding record at UNCW. METCON, a HUB firm, eagerly awaits their opportunity to make their first impression at UCNW, not only with great performance, but HUB participation as well.

There are no changes in Formal Projects percentages. We remain at 27.4%, but anticipate an increase with the upcoming projects previously mentioned.

The HUBSCO report on Informal Projects is currently 19%; 12% Female and 7% African American. These are moving percentages which changes as projects are complete and entered into the reporting system.
This concluded the Facilities update.

**The following report was given by Mr. David Donaldson, Chief of University Police**

Chief David Donaldson explained that he was pleased to present highlights from the Annual Security Report for Calendar Year 2012 and the Fire Safety Report for the fiscal year ending June 2013. He explained that the ASR is an institutional responsibility prescribed by federal regulation. That it is an inclusive process involving Office of General Counsel, University Police, Office of the Dean of Students and other departments on campus. The report includes crime statistics for the three previous calendar years, has been posted to the UP website and notice distributed to current and prospective students and employees. Crime and enforcement statistics are reported to the U.S. Department of Education. In reviewing the crime statistics he explained that the campus continues to experience low rates and consistent trends. Similarly, in reviewing enforcement categories he noted consistent patterns and minor changes in rates.

He explained that the Fire Safety Report is prepared by the Department of Environmental Health & Safety and applies to residence halls. It requires reporting of building construction, fire protection systems, drills, and other items specific to the residence halls. He highlighted that major accomplishments for the past year included changes to the Health & Safety Inspection protocols to ensure uniformity and cover highest risks, targeted cooking education and increased fire safety education. The report includes a log of all reportable fires in on campus housing, of which there was one – a short circuit in a dryer due to lint accumulation in Seahawk Landing Building 6. He explained that the board might be interested in knowing that the primary source of nuisance alarms is cooking, particularly macaroni & cheese and breakfast meats with a secondary source associated with personal grooming – blow dryers and hairspray.

After reviewing highlights from the reports he provided information concerning initiatives at UNCW that support a Culture of Safety, describing components of Campus Involvement, including Coordinating & Consulting Bodies; Environmental Design: the proliferation of callboxes, external lighting fixtures, and other physical features that contribute to safety on the campus; a bounty of resources associated with Staffing & Intervention, and organized efforts around Awareness and Education. Concluding his presentation, he noted several strategies associated with maintaining safety on campus, among those mentioned were identifying & leveraging Best Practices; monitoring offense rates and trends of offending; engaging colleagues across the state and nation; sustaining programs with proven results — campus judicial system; education & awareness; campus partnerships, community policing, and early intervention. He then responded to questions.

This concluded the University Police update.
The following report was given by Mr. Charlie Maimone, Vice Chancellor-Business Affairs

*Appointment of the Donald R. Watson Foundation Director*

The Donald R. Watson Foundation, Inc. was organized in 1994 by Donald R. Watson as a North Carolina nonprofit corporation whose purpose is to support charitable, religious, scientific and educational institutions that are approved Section 501(c)(3) tax-exempt organizations located in the State of North Carolina. The Foundation provides scholarship support to the University of North Carolina at Wilmington, and provides for gifts to Duke Medical University (for medical research) and St. John’s Episcopal Church in Wilmington.

The original gift in 1994 was 25,000 shares of Pepsi stock at a value of $1 million. Mr. Donald Watson, along with his Pepsi Bottling Co. partner, Mr. Carl Brown, at this same time made an additional gift of 28.9 acres of land at a value of $1.3 million to The Foundation of UNCW. The proceeds of the sale of land were used to establish the Donald Watson Distinguished Professorship in School of Education and the Carl Brown Distinguished Professorship in Marine Science. In 1994 the School of Education was named the Donald R. Watson School of Education in recognition of his philanthropy to the University.

The investments are held at Wells Fargo and as of Sept 2013 the market value is $1.5 million. The spending policy allows for a 5% of the three year market average to make annual distributions to the beneficiaries. 80% goes to the University for Scholarships, and the remaining 20% distributed equally to Duke University (for medical research) and St. John’s Episcopal Church. Distributions are made in December of each year and in recent years have averaged $75,000.

**Current Board composition:**
President Gary Miller (Chancellor) - BOT appointed
Vice President Monica Watson – succeeded her husband upon his death
Treasurer Bob Warwick- BOT appointed
Secretary Bill Anlyan – Monica Watson appointed
Director Mary Goronto (Vice Chancellor University Advancement) – BOT
Appointed

Donald R. Watson, the incorporator of the Foundation outlined in the articles of incorporation and by-laws that there shall be five directors. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or their successor is appointed and qualified. Three of the members of the Board shall be appointed by the Board of Trustees of the University. The remaining two members are to be appointed by Mr. Watson if he is living, or if not, by Monica Watson. In default of such appointment by Donald or Monica, the remaining two members shall be appointed by the Board of Trustees of the University.

Vice Chancellor Charlie Maimone presented the recommendation to appoint Vice Chancellor Eddie Stuart as Director of the Donald R. Watson Foundation Board. Ms. Mary Goronto, former Vice Chancellor of University Advancement, recently retired and the Watson Foundation’s bylaws require a new appointment when a current member retires. After discussion, Mr. Hal
Kitchen made a motion to approve the appointment of Eddie Stuart as Director of the Donald R. Watson Foundation. Ms. Wilma Daniels seconded the motion and the motion carried.

Vice Chancellor Maimone continued with a request to reappoint Mr. Ed Alexander to the UNCW Endowment Board for a three-year term. Ed Alexander will complete his term on the UNCW Endowment Board this year and we request approval for Mr. Alexander to serve a second three-year term.

Mr. Alexander graduated from Clemson University with a BS in Development Economics and International Development. He retired as Senior Vice President with Morgan Stanley in 2005. Currently Ed is a licensed real estate professional, working as a realtor/broker for The Property Shop of the Carolinas, LLC.

Mr. Alexander has served on the UNCW Endowment Board and its Investment Committee since 2010. In addition, he has served on the UNCW Foundation Board since 2007 and was the chairman FY 2012 and FY 2013.

Mr. Alexander has agreed to serve a second (3) year term on the UNCW Endowment Board.

Mr. Ronnie McNeill made a motion to approve the reappointment of Mr. Ed Alexander to the UNCW Endowment Board for a three-year term and Mr. Hal Kitchin seconded. The motion carried and will be recommended to the Full Board for approval.

**The following update was given by Dr. Rick Whitfield – Associate Vice Chancellor-Finance**

Dr. Rick Whitfield, Associate Vice Chancellor Business Affairs – Finance, reported to the Committee the outcomes of Standard and Poor’s Investors Services credit rating review of the $124.9 million of Student Housing bonds. Standard and Poor’s reaffirmed the existing A- rating and the Stable outlook.

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Proposed Transfer of the College Road Cinema Property to the Endowment Fund and Related Request for Delegated Authority to Manage the Property and Execute Management Services Agreement

Dr. Rick Whitfield, Associate Vice Chancellor Business Affairs – Finance, presented an analysis that was developed based on a request by the UNCW Foundation’s Cash and Investments Subcommittee for the transfer of the College Road Cinema Property to the UNCW Endowment Fund. The Property is currently held by the Foundation for the sole benefit of the University, which utilizes it for the UNCW Parking operation. The analysis requests the use of Unrestricted Quasi-Endowment Funds by the Endowment Fund to purchase the College Road Cinema Property from the UNCW Foundation. The amount of the funds requested is approximately $2,027,504 which represents the Foundation’s outstanding note balances. If approved by the University, the Foundation will use the proceeds from the transfer of the property to the Endowment Board to pay off the existing outstanding debt which matures in 2021. The proposed
transfer of property to the Endowment Fund for the value of the current outstanding debt has been approved by the UNCW Foundation’s Executive Committee.

The proposed use of the Unrestricted Quasi-Endowment Funds will save the University approximately $185,000 in interest expense. Additional net savings to the University total approximately $1.5 million after covering the annual 4.5% Endowment payout to spendable funds.

Through a Management Services Agreement with the university, UNCW’s parking operation pays all the costs, including principal and interest, related to the property. If transferred to the Endowment Fund, University Management requests delegated authority to manage the property and to execute a Management Services Agreement with the UNCW Parking operation.

Request for the use of unrestricted quasi endowment funds in the amount of $2,027,504 to transfer ownership from the UNCW Foundation, property known as College Road Cinema, to the Endowment Fund. Proceeds from the transfer to be used by the UNCW Foundation to pay off the outstanding notes payable debt related to the property and the request for delegated authority to university management to manage the property and to execute a Management Services Agreement with UNCW Parking operations are both action items. The Business Affairs Committee voted on both action items together as follows.

Mr. Ronnie McNeill made a motion to approve the request for the use of unrestricted quasi endowment funds in the amount of $2,027,504 to transfer ownership from the UNCW Foundation, property known as College Road Cinema, to the Endowment Fund. Proceeds from the transfer to be used by the UNCW Foundation to pay off the outstanding notes payable debt related to the property and also to approve the request for delegated authority to university management to manage the property and to execute a Management Services Agreement with UNCW Parking operations. Ms. Wilma Daniels seconded. The motion carried and will be recommended to the Full Board for approval.

This concluded the Financial Update.

**The following update was given by Vice Chancellor-Business Affairs Charlie Maimone**

Vice Chancellor Maimone reported that the FY13–14 budgeted revenues are expected to meet projections. Student Credit Hour production and corresponding tuition revenues in both regular term instruction and in distance education for the Fall semester are exceeding projections. This will assist the university in meeting its $3.9M state appropriation budget reduction. The Vice Chancellor also provided an update on the development of the FY 14 – 15 tuition and fees and enrollment projections.

This concluded the Vice Chancellor’s budget update.

There being no further business, the meeting was adjourned.