

**BUSINESS AFFAIRS COMMITTEE MEETING
THURSDAY, AUGUST 25, 2011
FISHER STUDENT CENTER
MASONBORO ISLAND ROOM 2011**

Members Present:

Mr. Britt Preyer
Mr. Carlton Fisher
Mr. George Teague
Ms. Wendy Murphy
Mr. Sammy Pisano (SGA President)

Representing the University:

Mr. Charles A. Maimone, Vice Chancellor for
Business Affairs

Guests:

Dr. Gary Miller, Dr. Rick Whitfield, Ms. Sharon
Boyd, Mr. David Donaldson, Mr. Bill Graves, Ms.
Dana Harris, Ms. Joy Davis, Mr. Max Allen, Ms.
Cathy Barlow, Dr. Brian Victor, Ms. Pat Leonard,
Mr. James Ross, Mr. Michael DelGuidice, Ms.
Marybeth Bianchi, Mr. Robert Hoon, Dr. Mike
Walker, Mr. Mark Morgan, Ms. Cheryl Sutton, Ms.
Carol Strickland, Ms. Ann Freeman, Ms. Patty
Thompson, Ms. Janet Alexander and Ms. Lynn
Aycock

The Business Affairs Committee of the Board of Trustees met on Thursday, August 25, 2011, in the Fisher Student Center, Masonboro Island Room. Chair Britt Preyer welcomed everyone and thanked them for attending today's meeting. Committee members present were: Mr. Britt Preyer, Mr. Carlton Fisher, Mr. George Teague, Ms. Wendy Murphy. Mr. Britt Preyer, as Chair of the Business Affairs Committee, called the meeting to order.

Mr. Preyer asked committee members to take a few moments and review the minutes from the last meeting on April 28, 2011 (handouts provided in packet). After review, Ms. Wendy Murphy made a motion to approve the minutes as submitted and Mr. Carlton Fisher seconded the motion. The motion carried.

Vice Chancellor Charlie Maimone began with opening remarks.

Vice Chancellor Maimone welcomed new Business Affairs Committee Members to today's meeting and said he was looking forward to working with this Committee.

I am pleased to announce that Mr. Billy (Bill) J. Graves has assumed the position of Interim Associate Vice Chancellor-Facilities. Bill's employment with UNCW began in 1987. He has served the Office of Facilities in many capacities, as well as Deputy Associate Vice Chancellor-Facilities since 2005. Prior to his time at UNCW, Bill had a successful 23 year career with an

internationally renowned industrial utility firm. He brings a wealth of knowledge of buildings, infrastructure, maintenance operations, engineering, construction, leadership and over 24 years of UNCW experience which allows him to step confidently and effectively into this role. I am confident that Bill will do an excellent job and continue to be a tremendous asset to UNCW. He has the proven capability to maintain the standard of excellence associated with the Office of Facilities and guiding it through this time of transition.

Project Status Update

Mr. Graves gave a PowerPoint presentation update on the status of various projects.

Oriole Burevitch

Laboratory:

Project provides two lab areas; one for fish studies and one for studies of marine mammals. Facility will also be used for other biology program support. Funding of 25% was provided by donor. Dedication of the building is scheduled to include participation by BOT members. Mr. Carlton Fisher asked if the budget of \$500,000 (slide no. 2) included inside building materials of the Biology building. Mr. Graves answered yes, inside materials are included in the budget amount.

CMS MARBIONC:

Project bid on 6/28/2011 and project award is in progress. Designer is BJAC (Charlotte, NC). Contractor is T.A. Loving. Work is anticipated to begin during September.

Residence Hall Fire Suppression System for Suites and Schwartz

Hall:

The project is complete and was approved for occupancy by SCO on July 21. Special thanks to the efforts of Mike Wolfe, UNCW's Project Manager, Nicholas Troutman, UNCW Housing and Residence Life Asst. Director, Sud & Associates Designer, and Balfour Beatty CM@R. All UNCW dorms now have fire suppression sprinkler systems a year ahead of the Legislature mandate.

Student Recreation Center Expansion:

NTP (Notice to Proceed) given April 25, 2011 with a current contractual completion date of September 29, 2012. Beneficial occupancy inspections are currently in progress regarding the existing, renovated building. Electrical/Telecom/Sewer and Stormwater Infrastructure construction are essentially completed. Total project - \$35.3M, 96,000 sq ft – with additional sq ft of 69,000, being partially renovated.

Teaching Laboratory: NTP (Notice to Proceed) was given to contractor JS Clark on February 28, 2011 with a current contractual completion date of July 8, 2012. Site preparation is complete with foundations and steel erection in progress. Delivery of the project will be during the fall semester of 2012, not in time to start the semester in the new facility. Total project - \$32.9M- 85,000 sq ft.

**Wilmington Cross
City Trail:**

Cross City Trail is a joint project with the City of Wilmington and NCDOT and was funded through an ARRA Grant. Completion is expected in August, 2011. It includes approximately 2.9 miles of paved trail on campus.

Minor Construction

**Campus Commons
Amphitheater
Improvements:**

Project started with just the stage area. Now this facility has seat walls, paved foot areas, lighted steps, irrigation and sod.

Mr. Britt Preyer asked the number of seats in the amphitheater. Vice Chancellor Maimone answered it is designed to seat 150 with more seating space on the grass.

Vice Chancellor Maimone extended thanks to the Student Government Association and to Student Affairs for their efforts in helping to get this project completed.

Mr. Carlton Fisher asked if an event had been held in the amphitheater to date. Mr. Sammy Pisano, SGA President, responded that ACE has a scheduled event in the amphitheater on the upcoming Tuesday.

Mr. Britt Preyer asked in reference to emergency preparedness if it is the responsibility of the contractor to secure or remove items when there is a threat of bad weather like today's situation (Hurricane Irene Watch). Mr. Graves answered yes, the contractor is responsible and emergency preparations are currently in process on the campus in preparation for the storm.

**King Hall
Improvements:**

The renovation of two classrooms to incorporate Tele-presence equipment (Distance Learning). It is intended to support the new Engineering curriculum, but can support any distance learning activities.

Mr. Maimone explained that this renovation allows communication anywhere in the world in current time.

Seahawk Country Sign:

Sign is located on the approach into Wilmington along College Road, near Cracker Barrel restaurant. It includes a masonry base and solar lighting. It also features the logos of UNCW and the City of Wilmington.

Mr. Max Allen, Chief of Staff, added that the start date of this project was a lot earlier than reflected on the PowerPoint slide. Mr. Carlton Fisher asked if the sign has any illumination and if so, is it solar. Mr. Graves answered yes, the sign is illuminated with solar lighting. Chancellor Gary Miller added that we need more of these signs as reminders that we are in Seahawk Country.

Performance Contracting:

Performance Contract #1 installation work in the affected ten (10) buildings is complete and close out is in progress. This Performance Contract #1 guarantees a minimum of \$333,000 energy savings in the full year of operation and a modeled anticipated savings of \$8,900,000 savings over the next twenty years. Facilities is currently developing data and plans for a Performance Contract #2. Performance Contracts not only provide considerable energy consumption reductions but often provide the means to replace aged equipment with new equipment which also minimizes maintenance and operations cost.

Mr. Carlton Fisher asked the number of buildings impacted by performance contracting. Mr. Graves answered ten buildings currently.

Energy Conservation Grants:

UNCW Facilities applied for and was awarded two energy conservation ARRA grants. The first grant was for an ARRA (American Recovery and Reinvestment Act) Block grant to affect energy efficiencies at three (3) locations, Wagoner Hall, Suites Apartments and Kenan Auditorium. The second was to fund and employ an Energy Manager for a one year period to assist with, the evaluation of our current systems, the initiation of a visionary strategic Energy Conservation Master Plan, and to assist with the development of a Performance Contract #2.

Master Plan Update Presentation:

Vice Chancellor Maimone introduced Mr. James Ross, UNCW Architect, and Mr. Michael DelGiudice, Designer for AECOM,

who joined the meeting today to present a final draft form of the Master Plan Update.

Chancellor Gary Miller said that he has been briefed on this plan but that he asked Vice Chancellor Maimone not to bring this before the Board for approval until we can review funding and see how this will impact the community and the City of Wilmington. He said he would like to have this as part of our strategy but that this may not be seen again until spring. It is a great piece of work. Mr. Maimone said there will be an outreach initiative this semester.

The consultant, AECOM, is providing a final, electronic copy of the recommended master plan for university review during the August 2011 BOT meeting. AECOM will present the draft Master Plan to the BAC meeting and also the full board on Friday.

Mr. DelGuidice said the idea for this Master Plan is to help create an environment that supports the university mission, initiatives and needs. It reflects an increase from 23% to 40% in on campus student living.

Mr. Carlton Fisher asked the difference between Physical Education and Recreation. Mr. DelGuidice said Physical Education is an academic program and Recreation refers to fields outside in this plan. Mr. George Teague asked the 2020 projection for number of students. Mr. DelGuidice answered 14,000. Mr. Carlton Fisher asked if we are that far behind or if we are anticipating that number. Mr. DelGuidice said that UNCW is at a 71% deficit compared to our peers in Physical Education. Mr. Preyer asked if this takes into account construction currently in progress. Mr. DelGuidice answered yes. Mr. Max Allen said that the new Cultural Arts Building is already very crowded. Provost Cathy Barlow said that academic space and recreational space are two different things and that each of these programs are growing. Ms. Wendy Murphy asked if students are able to get the Physical Education classes. Dr. Barlow answered yes, it is part of the Academic Plan and students must have these classes so we are working on space in many ways and possibilities.

Mr. Preyer asked what are the four buildings we already have in the developing Quad. Mr. DelGuidice answered Cultural Arts Building, Allied Health Building, Teaching Laboratory and McNeill Hall. Mr. Fisher asked if AECOM did a comparative analysis with other universities regarding the common areas.

Mr. DelGuidice said that the core areas are corridors not meant as areas to linger or hang out; thus the concept to modify with the amphitheater. Mr. Fisher stated that it looks like you are removing some parking. Mr. DelGuidice said the S&T Lot was removed for the other two buildings McNeill Hall and Psychology/Teaching Laboratory Building. We do not have enough parking spaces in back to accommodate so increased the use of satellite parking. Mr. George Teague asked the ratio in 2020 between parking and parking spaces. Mr. DelGuidice answered 8 to 1. Ms. Sharon Boyd said that residential housing parking is 1 to 1 but commuters are on 2 ½ to 1. Ms. Boyd added that the current number of students (13,000) is the head count. The 2020 number of students projection (14,000) is a FTE (full-time enrollment) figure. The FTE includes graduate students which involves different time of day parking. Ms. Boyd said the addition of the 1,000 space parking deck was in anticipation of the loss of space. Ms. Murphy said that at Appalachian University there are local businesses that sell parking to students privately. Someone else, other than the university, handles this and the community works with the university and as spaces get closer to the campus the cost rises. There is shuttle service to the businesses where students park Ms. Murphy said she would rather save our land for buildings rather than parking.

The Master Plan now includes the Center for Marine Science (CMS).

AECOM has provided a bird's eye view of the Master Plan Update for us on our website.

This concluded the Facilities update.

The following report was given by Ms. Sharon Boyd, Associate Vice Chancellor-Business Services

Business Services Update

Sharon Boyd shared some of the many service improvements for the beginning of the new academic year, all designed to make the experience better for our students, faculty and staff.

Our campus hosts many events each year and visitor parking sometimes displaces students, faculty and staff, or is not as friendly as we would like for our special guests. Two improvements are: validation of parking deck tickets by the hosting department and a visitor lot with a manned booth near the Burney and Warwick Centers in the middle of campus. To support classroom activities, our motor fleet purchased two new small buses. We also removed 40

parking meters and started a trial period of having the Seahawk Shuttle loop the campus in two directions.

Seahawk Mail added a package notification service used by over 400 students just this past Monday when it debuted. The new service lets students check a Web site for packages received in our post office, and they also get an instant email alert. The new service—already loved by students—is twice as efficient as the old methods.

Over the summer, Campus Dining received two national awards. In July, Campus Dining was awarded an Honorable Mention in the Loyal E. Horton Dining Awards by the National Association of College and University Food Services (NACUFS) for the No Impact Lunch. The No Impact Lunch was a university event based on the 2010 freshman reading, *No Impact Man* that aligned with the book's themes. In addition, two of Campus Dining's chefs, Executive Chef Eric Huff and Executive Sous Chef Ryan Andress were awarded a bronze medal in a national culinary competition.

A new food station in the Hawk's Nest, dubbed the Green Spot, focuses on products and produce purchased from local farmers. Best of all, the concept for Green Spot was largely based on student and faculty/staff suggestions and surveys.

In ECOTEAL, our sustainability and alternative transportation store, two UNCW art students, junior Chris Bowen, and senior Catie Manns have been hand painting shoes, bikes and skateboards. Mr. Carlton Fisher asked how the students have time to paint the bikes. Ms. Boyd said the students work in ECOTEAL and Vice Chancellor Maimone added that these two students worked all summer in ECOTEAL in support of this project. Mr. Britt Preyer asked the price of a fully painted bike. Ms. Boyd said the cost is \$160. Ms. Boyd added that there have been inquiries into having the students paint personal bikes and they are currently working on this as a possibility.

In the bookstore, almost 50% of the textbook titles are rental selections. And this year available e-Textbooks are in greater supply than ever—more than 600 titles. Students can use NOOK Study, a free downloadable app with most of the e-Textbooks. Mr. Britt Preyer asked the amount saved by using e-Textbooks. Ms. Boyd said there is a 40-60% savings and the bookstore is currently working on interactive features for note taking with e-books.

All of our offices have responded with friendlier and faster service, thanks to technology, great staff, and truly excellent student workers.

This concluded the Business Services update.

The following report was given by Mr. Charlie Maimone, Vice Chancellor-Business Affairs

Budget Update

Vice Chancellor Maimone updated the Committee on the 2011-2013 biennial budget reviewing the impact of June 2011 allotment restrictions and updating the Committee on the permanent cuts

to this fiscal year's budget. He explained that the campus departments are now operating with their new, reduced budgets and face a challenging year of serious adjustment given the degree to which the budget was permanently affected. UNCW's state appropriations were cut by 15.8% or \$16,596,595. The entire PowerPoint presentation will be made available at the UNCW Budget Office web site. Mr. Carlton Fisher said that we are actually facing an 18% reduction, correct. Vice Chancellor Maimone answered yes, you are correct.

Referencing Slide No. 5, Mr. Fisher asked if the \$16.5M is all distributed to labor. Mr. Maimone answered that 80% is for labor and 20% is for operating expenses. Mr. George Teague asked the student growth from 2007 to 2011. Provost Cathy Barlow answered about 400 students each year. Ms. Wendy Murphy said she worries about losing money each year when getting new buildings each year. What is the maintenance plan for these new buildings in addition to older buildings. Vice Chancellor Maimone answered that we are continuing to work to get reserves to maintain those buildings and continually checking to see how we can utilize facilities more conservatively.

Vice Chancellor Maimone briefed the Committee on GA's initiative to stress test the underlying credit ratings of all UNC institutions. UNCW's stress test results were consistent with UNC's monitoring results:

- Dependency on state appropriations declined
- Expendable resources increased
- Growth of comprehensive debt from 2006-2011 requires monitoring

UNCW's credit rating by Moody's Investor Services is A1 with a stable outlook.

Wendy Murphy asked (slide No. 8) for an explanation of the cash shortage. Mr. Maimone said it is a result of the freeze on spending the last month of last fiscal year. This resulted in a loss of spending power. Mr. Fisher asked about FY 2012. Mr. Maimone answered that we are not anticipating any through this year but we are certainly planning for it anyway.

Mr. Fisher (slide No. 10) asked how we managed debt service and if we are breaking even. Mr. Maimone said the university did break even. Ms. Pat Leonard, Vice Chancellor-Student Affairs said that we are at 108% and that the resident halls have a trust fund.

Mr. Preyer asked if the parking deck is breaking even. Vice Chancellor Maimone responded yes. Mr. Preyer asked how the residence halls on campus are financed. Dr. Rick Whitfield answered that new resident halls are financed with 30 year bonds. Mr. Preyer asked the debt 15 years ago. Mr. Maimone answered about \$60M—some on Trask and some older housing debt. Mr. Teague asked the most recent property included in the audit. Vice Chancellor Leonard said Seahawk Village was the first one.

Ms. Wendy Murphy asked for the number of students using Wagoner Hall Dining vs. the food courts. Ms. Sharon Boyd said Wagoner Hall dining is heavier at night. The food courts are heavier at other times. Mr. Maimone said we exploring dining facilities usage. Mr. Fisher asked if we were exploring this as a source for additional revenue. Mr. Maimone

answered yes and no---students will participate more in meal food plans—they already have, and based on expansion, we will look for more dining space to accommodate this growth. Mr. Maimone asked Ms. Sharon Boyd the number of students currently participating in the Meal Plan. Ms. Boyd said 5,500 students and we expect to exceed this number this year.

*MCNC

Vice Chancellor Maimone reminded the Committee that in May of this year the Executive Committee of the Board of Trustees approved MCNC's installation of a 10 x 20 foot structure in the vicinity of the Netcom building to house the Point of Presences (POP) where UNCW would have three separate underground connections to MCNC's network and the internet. The university now requires approval to agree upon the underground fiber optic pathways necessary to complete the Project. Charlie asked Mr. Rob Hoon, University Counsel, to provide the details of the agreement.

Mr. Hoon explained that MCNC would like to move the North Carolina Southeast Regional Point of Presence (POP) onto the UNCW campus. This POP will service UNCW, regional community colleges, and K-12 institutions. The current connection enters campus via fiber cable suspended over South College Road – this is an extremely high risk location and is currently listed as a Tier I risk for the university due to the single point of failure exposure. The presence of the POP on campus will improve connectivity, mitigate risk, and provide a hardened, weather resilient, redundant link to the internet.

Mr. Hoon asked the Committee to, subject to State Property Office and Council of State approvals, and UNCW Office of Facilities Project oversight and agreement to and upon cabling pathways, delegate authority to the Vice Chancellor for Business Affairs, to negotiate and execute any and all documents required to confer restricted pathways on the UNCW campus necessary for the fiber optic cable supporting the MCNC POP Project, *provided*, any conveyance of the right of ways shall include: a) a right of reversion should the pathways no longer be utilized for the stated purpose; and b) subject to relocation by the university at its cost if the university deems it necessary for any reason. Mr. Carlton Fisher made a motion, subject to State Property Office and Council of State approvals, and UNCW Office of Facilities Project oversight and agreement to and upon cabling pathways, delegate authority to the Vice Chancellor for Business Affairs, to negotiate and execute any and all documents required to confer restricted pathways on the UNCW campus necessary for the fiber optic cable supporting the MCNC POP Project, *provided*, any conveyance of the right of ways shall include: a) a right of reversion should the pathways no longer be utilized for the stated purpose; and b) subject to relocation by the university at its cost if the university deems it necessary for any reason. Ms. Wendy Murphy seconded the motion and the motion carried. This will be recommended to the Full Board for approval at tomorrow's Board of Trustees meeting.

Mr. Carlton Fisher asked if we have any cell towers on campus. Mr. Robert Hoon answered yes, there are two on the back of campus—AT& T and Sprint.

*Donald R. Watson Foundation Appointment

Vice Chancellor Maimone requested that the Business Affairs Committee of the Board of Trustees nominate Chancellor Gary Miller to the Donald R. Watson Foundation Board of Directors. 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 in Section 501(c) (3) as 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.

He explained that the incorporator of the Foundation outlined in the articles of incorporation and by-laws that there shall be five directors. 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 or his heir, Ms. 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.

Current Board composition:

(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 Gornto (Vice Chancellor University Advancement) –BOT appointed

Ms. Wendy Murphy made a motion to appoint Dr. Gary Miller to the Donald R. Watson Foundation Board of Directors. Mr. Carlton Fisher seconded the motion. This appointment will be recommended to the Full Board for their approval.

This concluded the Vice Chancellor's report.

On motion by Ms. Wendy Murphy and seconded by Mr. Carlton Fisher and duly carried, the Committee voted to convene in closed session, as allowed under the Open Meetings Act, "to discuss matters relating to the location or expansion of business in the area served by this body. [N.C.G.S. § 143-318.11(a)(4)] and establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property. [N.C.G.S. § 143-318.11(a)(5)]."

The Committee entered closed session to conduct the business which will be discussed at the Full Board of Trustees meeting in closed session.

Upon motion by Ms. Wendy Murphy and seconded by Mr. Carlton Fisher, the Committee returned into open session.

Chairman Britt Preyer asked if there was any new business. There being no new business Mr. Carlton Fisher made a motion to adjourn. Ms. Wendy Murphy seconded the motion and the meeting was adjourned.

CLOSED SESSION

Vice Chancellor Maimone requested, contingent upon the negotiation of mutually acceptable terms and conditions and necessary BOG and Council of State approvals, the Committee recommend that the BOT delegate acquisition by lease authority to the Vice Chancellor for Business Affairs for the negotiation and lease of the following subject properties:

- a) Clark Rental – 514 Caribbean Drive, Key Largo Florida, 33037
- b) W. Jared Bernstein – 515 Caribbean Drive, Key Largo, Florida 33037.

These properties have supported the Center for Marine Science research operations since 1991.

The cost for each property on a month to month basis would be as follows:

514 Caribbean Drive \$4500/month

515 Caribbean Drive \$6300/month

We expect the state property office will negotiate the firm lease rates as follows:

- a. Clark Rental – 514 Caribbean Drive \$4500/month (no Change)
- b. W. Jared Bernstein – 515 Caribbean Drive - \$6600/month (\$300 increase- first in four years).

This concludes the closed session agenda.

(Chairman Preyer requests a motion to return to open session.)

OPEN SESSION

(Chairman Preyer states that we are now in Open Session)

(Chairman Preyer asked if there is any new business for discussion.)

(Chairman Preyer requests a motion to adjourn.)

There being no further business, the meeting was adjourned.