

## MINUTES

### The University of North Carolina at Greensboro Board of Trustees Business Affairs Committee

November 20, 2008

**MEMBERS PRESENT:** Linda Carlisle, Steve Hassenfelt, Richard Moore, William Pratt; absent - James N. Smith, Randall Kaplan

**OTHER BOARD MEMBERS/GUESTS:** Rebecca Adams, Kate Barrett, Nelson Bobb, Alan Boyette, Linda Brady, Mike Byers, Lucien Capone, Terri Cartner, James Clotfelter, Jeff Colbert, Jean Davis, Carol Disque, Howard Doyle, Carolyn Ferree, Steve Gilliam, Jill Hillyer, Donna Honeycutt, Steve Honeycutt, Bruce Michaels, Scott Milman, Sharlene O'Neil, Fred Patrick, David Perrin, Jorge Quintal, Sandra Redmond, Cindy Reed, Steve Rhew, Walter Robbs, Tripp Robinson, Don Skeen, Patricia Stewart, Reade Taylor, Michael Tusso

**PROCEEDINGS:** In Mr. Kaplan's absence Mr. Moore called the meeting to order at 9:10 a.m. The minutes were approved as distributed. The order of the agenda was changed in order to have the Student Fee Recommendation blend into the Academic Affairs Committee meeting. Therefore the information item was presented first.

#### **ACTION ITEMS:**

##### Designer Selection for Guilford and Mary Foust Residence Halls Renovations (BAC-1)

Mr. Quintal reported that this project will renovate bathrooms, replace windows, install fire sprinklers and upgrade the existing fire alarm system in Guilford and Mary Foust Residence Hall. The budget for this project is \$4,527,000.

Twenty four letters of interest were received, of which three were local. The list was narrowed to four firms for review and Lambert Architecture + Interiors of Winston Salem was recommended due to familiarity with Residence Halls and UNCG, their experience with managing demanding project sequencing and schedules and past performance on similar projects.

Linda Carlisle asked if the designer had the lowest price. Mr. Quintal advised that General Statutes consider factors including the designers qualifications but price is not a consideration. Once a designer is approved, the state negotiates the fee and originates the contract.

Mr. Moore expressed his disappointment that a local firm had not been selected for this work. Mr. Patrick pointed out that a lot of our work is done by local firms but these projects are for lesser dollars and not brought to the Board for consideration. Mr. Moore asked to see this list.

Mr. Taylor reported that this had been discussed in light of the Board's concern, but that the three local firms were not staffed or qualified for the extremely tight turnaround of only 10 weeks during the summer break in order to accommodate students in the fall.

Ms. Carlisle stated that she felt that Winston-Salem was local and she was pleased that a Triad firm had been chosen. Mr. Hassenfelt agreed that UNCG needed to increase support for Greensboro firms and requested that an effort be made to recruit those firms for future work. Mr. Quintal has already begun this process and will continue to explore Greensboro based firms.

Mr. Hassenfelt moved we approve the recommendation. Ms. Carlisle seconded. The designer selection was approved.

#### Exterior Building Elevations of Baseball Locker Room and Training Facility (BAC-2)

Mr. Quintal introduced Mr. Walter Robbs of Walter Robbs Callahan & Pierce of Winston-Salem to answer questions regarding the elevations for the project as a follow up to item BAC-1. Mr. Robbs pointed out that his two partners were from Greensboro and the designer of the facility is an alumnus of UNCG.

Mr. Robbs displayed the plans of the building which fit in exactly with the Master Plan concept of the area. This is approximately 10,000 square feet including locker rooms, team meeting rooms and indoor batting facilities. The building blends with the same style as the rest of the baseball complex, designed by Robbs Callahan & Pierce ten years ago. There are added features of a skylight in the locker room for natural light and sustainability and a trail through the building of achievements and a Hall of Fame for recruiting purposes. An outside wall gives space for a display of honor for not only UNCG sports but Guilford County honors.

Mr. Hassenfelt moved that the elevation be accepted as presented. Ms. Carlisle seconded. The elevation was approved.

#### Recommended Reappointment to The Board of Trustees of the Endowment Fund of The University of North Carolina at Greensboro (BAC-3)

This item is a duplicate to one addressed in the University Advancement Committee and was therefore not acted upon in the Business Affairs committee.

#### Issuance of Special Obligation Bonds for the North and South Spencer Residence Hall Improvements Project (BAC-4)

Mr. Taylor asked that a special obligation bond be approved by this board for \$3.8 million on a \$5.9 million project. This project would renovate bathrooms, and add fire sprinklers and updated alarms to these buildings. He introduced Mr. Tripp Robinson of Wachovia Securities to discuss the bond market.

Mr. Robinson presented a handout on financial markets that have been underpinned by the credit crisis. A domino effect has upset all of the old practices causing the mortgage market and then

the banks to fail. He pointed out that UNCG has been and remains immune to the turbulent market conditions in that we have no auction rate securities, no bond-insured variable rate debt, no variable rate debt and no interest rate swaps. Our credit ratings are A1/A+. However, if credit enhancement is used, the bond insurance premium will be significantly higher than in previous financings.

Mr. Hassenfelt asked what the Board was being asked to approve. Mr. Taylor advised that we were requesting the authority to approved borrowing \$3.8 million for next summer. This recommendation will go to the Board of Governors for final approval. This request will be added to the request for funds to purchase the Spring Garden Apartments and will likely not be pooled with other UNC campuses due to the timing of the note on the apartments due in May and the team of underwriters, counsel and advisors who have already worked on the new issue.

Mr. Pratt moved that the issuance of bonds be approved to send to the Board of Governors. Mr. Hassenfelt seconded. The issuance was approved.

#### Student Fee Recommendations (BAC-5)

Dr. Carol Disque reminded the Board of the levels the fee recommendations come through prior to reaching this level. In early fall each year the Vice Chancellors and Provost meet to discuss any upcoming compelling needs, the possible reduction of fees, inflation, etc. and make recommendations for the coming years. Only one year is brought before the Board, but several years are in the discussion.

This information is then taken to the Student Fee Advisory Committee which is comprised mainly of students. Of the 16 member committee, 6 are undergraduates and 3 are graduate students. They examine the information received from the Business Affairs Division on the cost of continuing services to students, the priorities discussed by the Vice Chancellors, and the changes requested. This year Athletics has requested an increase in funds due to increased travel, partially caused by the addition of an Alabama team to our conference. The Graduate Student Association has requested an increase in funds for further professional development and grants for graduate students to attend conferences. Student Health Center has requested funds to bring staff salaries into line with competitive salaries in the local or state market and assist with retention of staff. Student Health Center is also facing increased enrollment and the need for the equivalent of a full-time psychiatrist on campus. ITS is requesting funds to complete the virtual computer lab so that students can access scarce software from remote locations. The newest request is a transportation fee to continue the HEAT bus system when the federal grants end this year.

Mr. Byers reported that with the use of HEAT on our campus, ridership has grown from 87,000 rides the first year to 96,000 the second year and an explosion to 168,000 the third year - an increase of 75% in one year. Fewer parking spaces have been sold even though enrollment has increased. The construction of an additional parking deck, which would cost approximately \$15,000 per space, has been postponed indefinitely due in part to the HEAT system. UNCG has become addicted to HEAT and this fee will keep the system running without government grants.

Mr. Moore asked why the proposed Student Activities Fee was lower. Dr. Disque explained that the small transportation fee that had previously been part of Student Activities Fee was being moved to the new Transportation Fee for transparency. She advised that even if the transportation part had not been removed the fee would not have been increased because growth in enrollment would have covered the needed costs. There is also no increase in the Health Services fee because it too was covered by enrollment increase.

Jean Davis asked Mr. Tuso his thoughts on the increases from a student perspective. He responded that the fees were responsible and transparent to students. The funds are necessary for the future. These fees do an enormous amount for the students and are minimal out of pocket for the services received.

Mr. Moore asked Nelson Bobb if the Spartan Club was adding to the department revenues to keep fees down for the students. Currently 20% of their budget comes from outside funding through such items as concessions and tickets sales.

Mr. Hassenfelt asked how long the Application Fee had been at the current level. Alan Boyette advised that the graduate application fee had been raised last year, the undergraduate has been at this level for several years. We are in line with other campuses in the UNC system.

Chancellor Brady spoke to the need for transparency in the fees to students. Some campuses add cost of instruction to their fees but we have made the decision to be precise in our fees and not to roll other elements into them. This can be reflected as a larger increase but it is only for student activities. The Administrative Computing fee will sunset this year with the completed installation of the Banner system.

Ms. Carlisle moved to accept the student fee recommendations. Mr. Pratt seconded the motion. The recommendations were approved.

### **INFORMATION ITEM:**

#### Capital Projects Update (BAC-6)

Reade Taylor introduced our new Associate Vice Chancellor for Facilities, Mr. Jorge Quintal. Mr. Quintal comes to us from Winston-Salem State University where he served as Associate Vice Chancellor for Facilities since 2003. Prior to that he was the Associate Director for Construction Management at NC State University. He received his Master's in Civil Engineering at NC State.

Mr. Quintal reported that all projects included in the 2000 Higher Education Bond program have been completed with the exception of renovations to Forney Building, which is expected to be completed in December, 2008. Mr. Quintal introduced Fred Patrick, Assistant Vice Chancellor for Facilities who presented a photographic display of the buildings that were renovated during the bond program. Those buildings included Aycock Auditorium, Brown Building, Petty Science Building, the Alumni House, McNutt Building. Window renovations to Foust Building was also included in the presentation. Upcoming projects include the Joint School of

Nanoscience and Nanoengineering and the Joint Primary Data Center with NC A&T at the south campus of the Gateway University Research Park. These projects are currently on hold due to budget constraints.

The meeting was adjourned at 10:28 a.m.

Respectfully submitted,

Donna Honeycutt