



**Board of Trustees
Committee Meeting
Rudolph Jones Student Center
Room 242**

**Committee on Budget and Finance
Wednesday, September 21, 2022
2:00 p.m.**

AGENDA

Call to Order	Stuart Augustine, Committee Chair
Welcome and Opening Remarks	Stuart Augustine
Roll Call	
Approval of Minutes:	June 8, 2022 August 4, 2022 (Special Called Meeting)

Information Items:

A. Presentation from College of Education Building Architect	Curt Moody <i>Chairman of the Board, Moody Nolan</i>
B. Capital Projects Update	Jon Parsons <i>Associate Vice Chancellor for Facilities Management</i>
C. Business and Finance Update	Greg Lovins <i>Interim Vice Chancellor for Business & Finance</i>
D. External Affairs and Military Relations Update	Wesley Fountain <i>Vice Chancellor for External Affairs and Military Relations</i>

There are no Action Items to be presented at this Committee meeting.

Committee Members: Stuart Augustine, Glenn Adams, R. Jonathan Charleston, J. Doug English, Kimberly Jefferies Leonard

Staff Liaison: Greg Lovins
Board Professional: Anita Cheatham

For further information, please contact:
Mr. Greg Lovins, Interim Vice Chancellor for Business and Finance
910-672-1151

Committee on Budget and Finance
Wednesday, June 8, 2022
2:00 p.m.

The Committee on Budget and Finance of the Fayetteville State University Board of Trustees convened Wednesday, June 8, 2022, in the Rudolph Jones Center Room 242, and via ZOOM. Committee Chair Stuart Augustine presided and called the meeting to order at 2:00 p.m.

ROLL CALL

The following Trustee Committee members were in attendance: Stuart Augustine, Glenn Adams, R. Jonathan Charleston, and Kimberly Jefferies Leonard.

Staff persons in attendance were Jennifer Addison, Sandra Williams, Kenny Spayd, Jon Parsons, Wanda Jenkins, Dr. Hector Molina, Dr. Monica Leach, Attorney Wanda Jenkins, and Juanette Council.

APPROVAL OF MINUTES

Trustee Glenn Adams made a motion to approve the minutes of the Budget and Finance Committee meeting held on March 23, 2022, and special call meeting held April 21, 2022, as distributed. Trustee Jonathan Charleston seconded the motion. The motion carried.

BUDGET & FINANCE UPDATE

Interim Vice Chancellor Greg Lovins presented an update of the Current Operating Budget. The state budget is on track and has a favorable variance. As of April 30, 2022, the total operating budget stood as follows:

State Operating Budget	\$90,608,141
Auxiliary Services	\$27,763,066
Contracts & Grants	\$74,964,379
Capital Improvements	\$37,361,156

Mr. Lovins provided highlights on the budget and expense activity. The State Operating Budget includes appropriations and tuition receipts; spending on State Funds is on track through 10 months of the fiscal year. The auxiliary services budget includes housing, dining, bookstore, athletics, and other auxiliaries; budget and spending are on track through April 30, 2022. Also, much of the Contracts and Grants budget includes HEERF funds, for which the spending deadline has been extended to June 30th, 2023. The Capital Improvement budget may be spent over multiple fiscal years since most capital projects take longer than one year to complete.

CAPITAL PROJECTS UPDATE

Mr. Lovins presented an update on capital projects, joined by Jon Parsons, Associate Vice Chancellor for Facilities Management. The update included a summary of the following projects:

Health and Wellness Center (\$7.5 million)-\$5.5 M funded:

- Potential funding from HEERF which would allow us to increase the project scope and budget

Bryant and Vance Demolition (\$2.5 million):

- Asbestos abatement completed
- Both buildings to be demolished in 2022 to make room for HWC and the New Residence Hall

New Residence Hall (\$40 million):

- Designer selected and advanced planning underway
- Pushing to open in August 2024

New College of Education (\$63 million):

- Targeted opening: Fall 2025-120,000 sq ft. building

New Parking Deck (\$10 million):

- Solicitation to advance completion should occur early September 2022

Chick/Rosenthal Renovations (\$19.5 million):

- Designer selection is in progress and the targeted opening for these halls after renovations is Spring and Fall 2025

Utility Infrastructure Upgrade (\$10 million):

- Multiphase project, and estimating project completion in Fall 2025

Butler Building Renovations (\$3.45 million):

- Involves structural repair, HVAC upgrades and fire alarm system replacement

Lyons Science Building Renovation (\$16.5 million):

- There are a few punch list items remaining and expected to close calendar year 2022

Traditional R&R Projects (\$2 million):

- Sidewalk repairs, roof replacements

Housing System Funded Projects (\$3 million):

- Underway in several residence halls

HEERF Projects (\$7.4 million):

- Projects in Harris, Joyner and New Residence are underway
- Supply chain issues incurred delays
- McLeod Hall project design is underway, converting HVAC system from a 2-coil to 4-coil system

Carry Forward R&R Projects (\$2.97 million):

- 29 Smaller projects

INNOVATION AND ENTREPRENEURSHIP HUB

The presentation was then turned over to Wesley Fountain, Vice Chancellor for External Affairs and Military Relations, for a presentation on the Innovation and Entrepreneurship Hub. The Hub will be housed in Bronco Square with a number of activities which support a small business. Those activities include the Veterans Business Outreach Center, Small Business Technology Development Center, Economic Development Administration University Center, and Construction Resource Office designed to help small and under-utilized businesses. The Hub will be a resource for the city, county, and region to help educate and build these small businesses. This project was funded by a number of sources, including Fayetteville State University, the Golden Leaf Fund, the City of Fayetteville, and Cumberland County. It will include workspace for students and community members, conference rooms and other facilities for ongoing seminars. Renovations for the project are estimated at \$300,000 for 6,500 square feet. The target opening date for the Hub is August 31. The FSU Development Corporation acquired Bronco Square in October 2021, with an additional property added in May, a house and lot located at the corner of Murchison Street and Coley Drive.

ENDOWMENT FUND AND DIVISION GOALS

Mr. Lovins provided an update on the Endowment Fund investments, then followed up by updating the Board on goals of the Business and Finance division. Those goals included: **1)** Strengthening the financial portfolio; **2)** A focus on deferred maintenance via Repair & Renovation funds; and **3)** Updating our masterplan.

ACTION ITEMS

Action Item BF1: Increase in Project Authority – Health and Wellness Center

Mr. Lovins presented a request to increase the project spending authority for the Health and Wellness Center from the current amount of \$5.5 million (funded by the State of North Carolina) to \$11.1 million, with the difference proposed to be funded with a request to the U.S. Department of Education to use HEERF funding of \$5.6 million. Dr. Jeremy Whidbee of Student Health Services shared insights on how this funding and additional space would impact Student Health Services' day-to-day operations. They are currently confined in space and there are limited areas of treatment. The services currently provide acute non urgent care. A larger facility will allow an increase in equipment and scope of care and provide affordable and holistic care. The ability to bill students' medical insurance, in addition to the current health service fee, will allow for specialty services such as orthopedic care, physical therapy, massage therapy, nutritional counsel and clinics focusing on men and women's health. Also, an immunization program would be added to provide vaccines, keep us compliant with state and federal regulations. Trustee Leonard asked how the mental health, mental wellness, and mental illnesses of students would be addressed throughout this project. Chancellor Allison responded by adding that programs housed in Spaulding Hall will provide continue to provide mental health support for our students. Trustee Adams asked about the application process and asked if an alternative existed if HEERF funds are not approved; Mr. Lovins explained the request includes approval contingent on approval to use HEERF funding by the U.S. Department of Education. Chancellor Allison added that the University leadership team is in contact with U.S. Department of Education staff and is also working with UNC System Office staff in making the request

Trustee Adams made a motion to approve the additional authority for the Health and Wellness Center from \$5.5 million to \$11.1 million, contingent upon approval from the U.S. Department of Education to use HEERF funds. Trustee Leonard seconded the motion. The motion carried.

Action Item BF2: Designer Selection – College of Education Building

Mr. Lovins presented this item to the Board. The UNC Board of Governors requires the Board of Trustees to approve the selection of architects. The University received (10) submittals in response to our request for design services for the College of Education Building. Five firms were short listed based on the UNC System and Fayetteville State criteria. Some of the criteria as mentioned by Mr. Lovins includes experience with similar projects, historically underutilized representation, the strength and experience of the consultant team, current workloads, and the number of projects awarded are important.

The five short-listed firms selected were:

- EYP
- Perkins Will
- SFL+a + Sasaki
- Vines
- Moody-Nolan + Jenkins-Peer

The interview panel consisted of nine participants: Jon Parsons, Dr. Monica Leach, Wanda Jenkins, Hector Molina, Chandrika Johnson, Danielle Nesbit, Sam Adu-Mikeku, Pam Baldwin and Harold Miller. Based upon the criteria, the University recommends Moody-Nolan + Jenkins-Peer as designer for the College of Education Building. Chair Augustine asked whether there were any questions. Trustee Glenn Adams made a motion to approve the selection of Moody-Nolan + Jenkins-Peer to provide architecture design services for the College of Education Building, and further recommended the Board authorize university staff to negotiate a contract. Trustee Leonard second the motion. Trustee Charleston asked if the Request for Proposal (RFP) required listing the rankings of the firms interviewed. AVC Jon Parsons advised he was not aware of a requirement to list the rankings of the short-listed firms. Chancellor directed the question to General Counsel Wanda Jenkins. Ms. Jenkins advised that a scoring system is used, and every member of the committee ranked Moody-Nolan + Jenkins Peer as their first selection.

Discussion about the RFP process continued regarding rankings and scoring. A roll call vote was taken on the motion, which passed. Trustee Charleston abstained from the vote.

Action Item BF3: Construction Manager at Risk Selection – New Residence Hall Building

Mr. Lovins presented this item to the Board. The UNC Board of Governors require the Board of Trustees to approve the selection of a Construction Manager at Risk selection upon the Constituent Institution choosing that method of construction delivery. The CM at Risk delivery method guarantees a maximum price for the project’s cost of construction. The criteria involved we looked for previous experience, quality of HUB consultant, experience in working with the State Construction Office, and other criteria included in the materials. The University received four submittals in the response to its request, with the following three firms interviewed:

- Metcon + BJL Construction (Pembroke, NC)
- SAMLET+ McFarland Construction (Sanford, NC)
- Bordeaux Construction + Raleigh Raised Development (Morrisville, NC)

The Selection Committee conducted interviews on June 6, 2022. Based upon the criteria and interviews, the University recommends the team of SAMET + McFarland Construction to serve as CM at Risk on the New Residence Hall project. Chair Augustine asked whether there were any questions? Trustee Glenn Adams made a motion for SAMET + McFarland Construction to provide CM at Risk services at New Residence Hall Building and further recommending the Board authorize University staff to negotiate a pre-construction services contract. Trustee Leonard second the motion. Trustee Charleston asked if there is a requirement to list the rankings, rank the top three and then send that recommendation to the Board of Trustees who then vote. Mr. Lovins responded that he was not aware of a requirement to rank. Chancellor Darrell Allison asked whether we are following the UNC system process? General Counsel Jenkins stated the issue is that in our RFP it would indicate that the top three firms in priority order will be recommended to the Board of Trustees. Chancellor Darrell Allison stated that the University is naming those three firms and recommending the top choice to the Board. Trustee Leonard asked if the University is presenting the firm that received the most votes to be selected and then if the other firms were ranked in order, which is not how the recommendation was presented. Mr. Lovins explained we are making one recommendation for one firm. Trustee Adams commented if you look in the packet where it says candidate firms were interviewed, based upon that statement the University is making a recommendation, then the Board chooses whether to accept the recommendation. Trustee Charleston pointed to the RFP on the website, and it specifically says under evaluation “The Committee will rank the top three firms in priority order based on the selecting criteria listed below and will recommend this slate of firms to the Board of Trustees.” Trustee Leonard expressed that the decision should be made in the right way, and she thanked General Counsel Jenkins for pointing out the language in the RFP. Chancellor Darrell Allison asked the Chair if there is a way for us table agenda item until the full Board meeting tomorrow to allow more time to research the questions asked, and after more discussion Committee Chair Augustine made the recommendation to table the item. The item was tabled until the full Board of Trustees meeting.

Action Item BF4: Approval of Facility Renovation Projects > \$300,000

- Rosenthal Hall renovation: \$ 10,000,000
- Chick Hall renovation: \$ 9,500,000
- Utility Infrastructure Upgrade: \$ 9,995,000

Board of Trustees approval is required for facility renovation projects that exceed \$300,000. Mr. Lovins asked the Board for approval to proceed with each one of these projects to be contracted separately.

Trustee Charleston moved to approve the request, and Trustee Adams seconded the motion. The motion carried.

ADJOURNMENT

Trustee Glenn Adams adjourned the Committee Meeting at 3:17 p.m.

Respectfully Submitted,

Stuart Augustine, Chair
Anita Cheatham, Recorder

BOARD OF TRUSTEES BUDGET AND FINANCE COMMITTEE MEETING

**Greg Lovins, Interim Vice Chancellor for Business & Finance
September 21, 2022**

Business & Finance Committee - Agenda



1. **College of Education Building Design Update:**
Curt Moody, Moody Nolan
2. **Capital Projects Update:**
Jon Parsons, AVC – Facilities Management
3. **Business & Finance Update:**
Greg Lovins, Interim Vice Chancellor
4. **Military Relations and External Affairs Update:**
Wesley Fountain, Vice Chancellor

College of Education Design Update

- **Curt Moody, Moody Nolan**
- **{Slides to be shared prior to BOT meeting}**

Capital Projects Update

September 21, 2022



**Jon Parsons, Associate Vice Chancellor for Facilities
Management**

Capital Improvement Projects



Health & Wellness Center: \$11.1M

- \$5.6M in HEERF funds approved by DOE on **August 31, 2022**
- Additional project authority request on BOG agenda this week (\$5.5M => \$11.1M)
- Advanced Planning effort underway with SHS and Health & PE faculty

Bryant & Vance Hall Demolition: \$2.5M

- Demolition bid opening is set for **9/27/22**
- Notice to Proceed in **October**. Vance first, followed by Bryant.

New Residence Hall: \$40M

- Design team is Jenkins Peer and KWK. CM at Risk is a SAMET/McFarland joint venture.
- Combined SD/DD package submitted to State Construction Office on 9/2/22.
- Targeted opening: **Fall 2024**

New College of Education: \$63M

- Design team is Jenkins-Peer and Moody Nolan. Curt Moody presenting today.
- CMR proposals due 10/13/22, **CMR selection targeted week of 10/31/22**.
- Targeted opening: **Fall 2025**

Capital Improvement Projects



New Parking Deck: \$10M

- Design/build solicitation set for **November**

Chick/Rosenthal Building Renovations: \$19.5M

- Designer solicitation set for **October**
- Targeted opening: **2025**

Utility Infrastructure Upgrade: \$10M

- Designer solicitation set for **October**
- Multi-phase project with final completion **2025**

Butler Building Renovation: \$3.45M

- Structural repairs & window replacements – designer solicitation complete
- HVAC & Fire Alarm upgrades – designer solicitation set for **November**

Lyons Science Building Renovation: \$16.5M

- Faculty and staff are in the building and the Planetarium is open
- Class instruction has begun
- Final phase of project (lab exhaust system) will award in **October**

Capital Improvement Projects



FY22 Traditional R&R Projects: \$2M

- Campus-wide sidewalk repairs – \$500k
- Campus-wide exterior lighting improvements – \$400k
- Roof replacements: Butler (\$650k), Barber/Collins (\$200k), Telecom (\$150k)
- Contingency – \$100k

Housing System Funded Projects: \$3M

- Spring/Summer 2022 renovation projects complete

HEERF Projects: \$7.2M

- Projects in Harris, Joyner and New Res halls are complete
- Another project in New Res Hall will be completed in **Summer 2023**
- McLeod Hall HVAC conversion project is underway (**Fall 2023 opening**)

FSU FY2021 Carry Forward R&R Projects: \$2.97M

- ~29 separate projects in 10 buildings/locations

Business & Finance – FY 2022-23 Goals



Strategic Priority 5 | University Sustainability - Strategic Goal: Maximize the use of state and federal funds and diversify financial resources

Goal: Receive an audit report of the University’s financial statements that contains **no audit findings**.

Goal: Carryforward State Funds to FY 2023-24 **up to the maximum amount** allowed by the North Carolina General Assembly.

Goal: Ensure a **reasonable rate of return** on Endowment funds invested with the UNC Management Co.

Goal: For Dining and Bookstore contracts, increase sales, reduce costs and **increase the net commission payment** to the University.

Strategic Priority 5 | University Sustainability – Strategic Goal: Build and upgrade physical infrastructure

Goal: Complete and publish the **University’s Master Plan** by April 1, 2023.

Goal: Develop a timeline for construction projects that provides for project completion **on time and within budget** as circumstances allow.

Current Operating Budget Status

Fiscal Year through June 30, 2022

Funding Source	Budget	Receipts	Expenses	% Spent	% of Operating Budget
State Operating Budget	93,615,398	88,600,181	88,599,621	95%	24%
Auxiliary Services	36,800,700	36,617,845	29,340,884	80%	10%
Contracts and Grants	75,823,740	32,888,022	32,888,022	43%	20%
Capital Improvement	176,764,450	4,377,470	4,337,470	2%	46%
Total Funds Available	383,004,288	162,443,518	155,165,997	41%	100%

State Operating Budget Fiscal Year 2022 Tuition & State Revenue Report – State Funds



Revenue Description	Budget	Actual Receipts	% Collected	% of Total Revenues
State Appropriation	64,354,130	63,937,019	99%	69%
Regular Term (Fall and Spring)	18,631,416	18,631,416	100%	21%
Summer School	4,841,549	2,191,195	45%	5%
Other Revenues	5,788,303	3,840,551	66%	6%
Totals	93,615,398	88,600,181	95%	100%

NOTE:

1. \$1.19M Summer School carry-forward into Fiscal Year 2021-2022

State Operating Budget Fiscal Year 2022 Expenditure Report – State Funds

Expense Category	Budget	Actual Expenses	% Spent
Salaries and Benefits	66,532,525	65,789,335	99%
Supplies	883,742	813,307	92%
Utilities	1,860,043	1,948,560	105%
Other Current Services	17,176,113	13,722,505	80%
Capital Outlay	3,118,105	2,333,673	75%
Financial Aid	4,044,870	3,992,241	99%
Totals	93,615,398	88,599,621	95%

NOTE:

1. Summer School carry-forward into Fiscal Year 2021-2022 is \$1.19M
2. Expenditure burn rate is 95.39% when seasonal adjusted for Summer School, Financial Aid, and Capital Outlay expenses. This equates to a 4.61% favorable variance.

Auxiliary Services - Budget Status

Fiscal Year 2022

Fund Description	Budget	Actual Receipts	Actual Expenses	Budget Spent
Housing Services	13,300,000	13,290,095	10,015,840	75%
Campus Dining Services	5,600,000	5,586,077	5,536,352	99%
Athletics	6,300,000	6,300,000	6,267,370	99%
Campus Bookstore	4,500,000	4,472,868	3,384,555	75%
Student Activity Fees	3,010,000	3,008,219	1,459,147	48%
Student Health Center	1,500,000	1,464,612	943,957	63%
One Card Operations	1,350,000	1,345,526	889,571	66%
Copy Center	651,000	650,355	504,638	78%
Parking Operations	430,000	429,080	201,981	47%
Post Office	159,700	71,013	137,473	86%
Totals	36,800,700	36,617,845	29,340,884	80%

Top Contracts and Grants Budget Status Report

GRANT NAME	FY 2022 FUNDING	REVENUE	EXPENSE	START DATE
Higher Education Emergency Relief	48,165,747	14,999,755	14,999,755	5/1/2021
CARES Act- Higher Education	16,700,931	8,634,031	8,634,031	5/1/2021
Title III	6,313,383	5,965,712	5,965,712	10/1/2021
GEAR UP	1,831,296	1,301,942	1,301,942	9/1/2021
Student Support Services	589,090	386,429	386,429	9/1/2021
HBCU-UP	550,173	344,257	344,257	6/1/2021
Upward Bound	544,436	396,947	396,947	9/1/2021
The VACOM Project	522,274	406,028	406,028	7/1/2021
UNCF Career Pathways Implementation	273,459	180,132	180,132	11/1/2021
NC DOT	214,951	176,924	176,924	8/1/2021
EDA University Center	118,000	95,865	95,865	7/1/2021

Capital Improvement (CI) Budget Summary



Project Name	Authorized	Cumulative Expensed	FY22 Budget	FY22 Actual Receipts	Unexpended Balance
Lyons Science Renovation ¹	16,500,000	14,211,914	3,668,073	2,991,475	2,288,086
Health & Wellness Center ²	7,500,000	353,925	5,297,315	353,925	5,146,075
Bryant/Vance Demolition	2,500,000	600,415	2,500,000	600,415	1,899,585
New College of Education ³	63,000,000	0	6,300,000	0	63,000,000
New Residence Hall ³	40,000,000	0	4,000,000	250,000	39,750,000
New Parking Deck ³	10,000,000	0	10,000,000	0	10,000,000
H.T. Chick Renovation ³	9,500,000	0	950,000	0	9,500,000
A.B. Rosenthal Renovation ³	10,000,000	0	1,000,000	0	10,000,000
Utility Infrastructure Upgrade ³	9,950,000	0	995,000	0	9,950,000
G.L. Butler Renovation ³	3,450,000	0	345,000	0	3,450,000
2022 Repairs & Renovations ³	2,000,000	0	2,000,000	0	2,000,000
2020 Repairs & Renovations	148,382	33,490	148,382	33,490	114,892
2017 Repairs & Renovations	1,541,298	1,534,586	114,877	108,165	6,712
2016 Repairs & Renovations	674,770	640,314	34,456	0	34,456
Total Capital Activity	176,764,450	17,374,644	37,353,103	4,337,470	157,139,806

1. NC Connect Bonds 10M, General Fund Appropriation 2.75M, Department of Education 1.75M, and Federal CARES Act 2M
2. Funding source for 2M of the 7.5M in authority must be revised, submitted and approved by UNC Board of Governors
3. New General Fund Authorizations approved in the FY22-FY23 State Budget

Questions?