



Business Affairs Committee

April 9, 2019

MINUTES

MEMBERS PRESENT: David Sprinkle, Ward Russell, Charles Blackmon, Mona Edwards, Brad Hayes

MEMBER NOT PRESENT: Elizabeth Phillips, Samaya Roary

OTHERS PRESENT: Chancellor Gilliam, Jr.; Vice Chancellor Maimone; Jerry Blakemore, General Counsel; Waiyi Tse, Chief of Staff; Karen McCormick, Executive Assistant to the Vice Chancellor of Business Affairs; Kelly Harris, Assistant Secretary to the Board of Trustees; Scott Milman, Assistant Vice Chancellor for Campus Enterprises and Real Estate; Jorge Quintal, Associate Vice Chancellor – Facilities; Jeanne Madorin, Associate Vice Chancellor – Human Resources/CHRO; Lauren Cox, Assistant Vice Chancellor for Foundation Finance; Zachary R. Smith – Director, Office of Emergency Management; Steve Rhew, Associate Vice Chancellor for Finance, Dana Dunn, Provost; John Newsome, Reporter.

PRECEEDINGS:

Chair David Sprinkle called the meeting to order at 8:05 a.m.

The roll call was read, and a quorum was confirmed.

The minutes for November 27, 2018 were approved with no additions or corrections.

Vice Chancellor Charlie Maimone introduced Jeanne Madorin, Associate Vice Chancellor for Human Resources and Chief Human Resources Officer for the university. She comes to us from UNC Charlotte after 25 years of service there in the HR office.

Discussion Items/Presentations:

BAC-1 Overview of Changes to Delegated Authority with Property, Leasing, and Construction

Vice Chancellor Maimone introduced the agenda item, which was an overview of proposed changes to delegated authority relative to property, leasing, and construction to be considered by the Board of Governors at the May 2019 meeting.

Scott Milman, Associate Vice Chancellor for Campus Enterprises and Real Estate reviewed current delegated leasing authority codified in N.C. General Statutes § 116.31.12, which governs disposal of real property by lease, and in GS § 116.31.11, which governs design, construction, or renovation of buildings, or utilities less than \$2,000,000.

The proposal gives the BOG the right to establish a policy

by which existing authorizations may be further delegated to the constituent institutions Boards of Trustees (BoTs) or to the President of the University. The BOG is working to properly allocate authority and responsibility to boards of trustees for campus-based matters. Currently only UNC, NCSU, ECU, and UNCW have enhanced delegated authority. UNCG is seeking the same – we are anticipating this request to be considered by the BOG in May.

Associate Vice Chancellor of Facilities Jorge Quintal reviewed the increased delegated authority proposal for Capital Improvement Projects over \$300,000. Currently, the BOG has statutory authority to approve capital improvement projects that are designed, built and operated with non-general fund monies. Examples of non-general funds monies are housing receipts, parking receipts, dining receipts, grants, and gifts. Currently, the BOG has delegated to the President of the System authority to approve projects up to \$500,000. Anything over \$500,000 goes to the full BOG. This process has a 60-day queue. The proposal under consideration by BOG is to provide general delegation to institution BoTs and to the President to authorize capital improvement projects up to \$750,000 in scope. Projects greater than \$750,000 would require BOG approval.

The BOG is also considering an increased delegation to \$1 million for campuses which meet certain criteria, such as:

- Campus must establish a written comprehensive self-assessment.
- Chancellor certifies in writing that the campus has necessary administrative, technical, and support resources.
- Campus establishes a campus capital project review committee.
- Campus has an on-staff capital project coordinator.
- Campus has the capacity to manage projects with appropriate and sufficient technical and professional staff.
- An assessment team from The System Office reviews the campus's assessment.

If approved, the increased delegations will lead to increased efficiency by reducing the sixty-day approval process, which will in turn improve the total project execution schedule.

BAC-2 Financial Report Review

Vice Chancellor Maimone reviewed the financial position of the institution for 2017-2018, reminding the board that UNCG has a blended financial statement with a number of our foundations, because they are material to the financial position of the institution. It has been a positive fiscal year for the university.

Points of note:

- Total assets have increased, with the exception of cash (which will improve with time).
- Liabilities are down.
- Net position has improved by \$5 million from \$105 to \$110 million.
- Unrestricted net assets are reported differently this year; the total is a negative number and relates to post-employment benefits. This is the first time UNCG's share of the state obligation for post-employment expenses is reflected in financial statements.
- Unrestricted net position has actually improved by \$5 million

Total net position increased by \$ 51 million:

- Investments increased by \$17 million on a gain of 8.1%.
- Endowment gifts increased by \$4 million.
- Distribution were at \$13.5 million.
- Capital assets increased \$30 million.
- Debt decreased by \$7 million

This was a positive growth year for UNCG. Student tuition and fees improved through growth in the student population. Operating revenues increased as did operating expenses (primarily salary and benefits) as a consequence of growth. All other expenses were reasonable from a management prospective.

Trustee Charles Blackmon asked if there were any indications or trends in FY18 that would cause concern. In response, Maimone indicated that there were not. Rather, our debt has reduced and stabilized, we have no plans to borrow funds, and our net position continues to improve. Nothing in the near future would indicate any change in that strategy. If we continue to grow and maintain control over expenses, we should see net position continue to improve, and debt should remain stable.

BAC-3 Campus Security Initiatives

Dr. Cathy Akens, Vice Chancellor for Student Affairs, and Police Chief Paul Lester gave an update on campus security initiatives, drawing data from several annually administered surveys which give us a good outlook on students' perception of campus climate, student health, and wellbeing.

In 2014, following a System-level review of security practices and an assessment of pending needs, the System issued a report containing 36 recommendations to enhance campus safety, ensure compliance with laws governing campus security, and offer a blueprint for continuous improvement. To date, UNCG has completed 32 recommendations, all of which were within our scope. The four remaining recommendations pertain mostly to The System Office initiatives and require collaboration among multiple universities and The System Office.

Specific areas of concern were discussed, including some lighting issues and the safety of students on Gate City Boulevard, given the speed with which motorists drive. UNCG has installed fencing and increased lighting along the area, and Associate Vice Chancellor Milman indicated that the City of Greensboro has a high visibility crossing study, which would provide money for improvement along Gate City Blvd and for a lighted crosswalk.

Chancellor Gilliam recommended that individual board members reach out to City Council about the study money. He also plans to speak with city officials to reinforce the University's concerns. Chief Lester indicated that the UNCG Police Department had met with the City's traffic department to discuss reduce posted speed limits around campus and is also considering physical speed reduction options as part of Gate City corridor improvements.

Safety data highlights included a 12% decrease in crime on campus; the lowest number of incidents at UNCG in 12 years.

Information Items.

Trustee Mona Edwards noted that the report on open end agreement contracts contained in BAC-4.1 included several female HUBs but did not reflect minority owned businesses. Associate Vice Chancellor Quintal stated that minority-owned businesses were not represented in the 153 submissions received in response to requests for bids. He opined that because there is so much work currently in the market, perhaps we are not as attractive to some firms. Efforts to increase such interest include outreach with the local community, county, and state; offering sessions on how to do business with UNCG (in partnership with A&T and WSSU). Trustee Edwards stated that she would like to see UNCG as the employer of choice. UNCG has set a 25% HUB participation goal for design services and a 30% goal for construction services, which exceeds the state goal of 10%. UNCG has exceeded this participation goal for the last seven years.

There being no further questions or comments about the information items on the agenda, Chair Sprinkle then recognized Vice Chancellor Maimone, who informed the Committee that this was Associate Vice Chancellor Quintal's final BOT meeting given his impending retirement at the end of June. Maimone stated that Quintal has been a remarkable contributor to the campus in countless ways and recognized him for the great work he has done for UNCG.

Chancellor Gilliam stated that Quintal will be sorely missed, not only for his expertise, but also for his professional and gentlemanly manner.

The meeting was adjourned at 9:30 am.

Respectfully submitted,



Kelly Harris
Assistant Secretary to the Board of Trustees