



Finance and Administration Committee
October 29, 2024

DRAFT MINUTES

MEMBERS PRESENT: Tim Rice, Chair; Anita Bachman, George Hoyle, Tim Sessoms

MEMBERS ABSENT WITH NOTICE: Oita Coleman

OTHERS PRESENT: Chancellor Frank Gilliam; Bob Shea, Vice Chancellor for Finance and Administration; Jerry Blakemore, Vice Chancellor for Institutional Integrity and General Counsel; Scott Milman, Associate Vice Chancellor for Finance; Sameer Kapileshwari, Associate Vice Chancellor for Facilities; Jeanne Madorin, Associate Vice Chancellor for Human Resources; Waiyi Tse, Chief of Staff; Ghazala Bibi, University Controller; Michele Laudenbacher, Budget Director; Eric Willie, Provost Fellow; Tami Draves, Provost Fellow; Kelly Harris, Assistant Secretary to the Board of Trustees; Kammy Jefferson, Assistant to the VC for Finance and Administration.

PROCEEDINGS:

Chair Tim Rice called the meeting to order at 8:33 a.m.

Chair Rice reminded committee members of the Conflict of Interest (COI) statement from the State Government Ethics Act and their duty to avoid COI and appearances of COI, if any should be identified. None were identified.

Roll call was read, and a quorum was confirmed.

The minutes of the August 27, 2024, Committee meeting were unanimously approved without additions or corrections.

Vice Chancellor's Welcome/Overview

Vice Chancellor Shea gave a high-level overview of the recently completed six-year Capital Improvement Plan submitted to the System Office. He acknowledged the hard work of the Facilities team in preparing the Plan and hosting the System Office team for on-campus interviews and tours.

Action Items

Associate Vice Chancellor Sameer Kapileshwari then presented five action items on the agenda, which included four capital project requests and a request for increased authority for an existing project.

FAC-1 Main Campus Surface Lots 1 and 7 Repair and Renovation

The Board of Governors delegated authority to the constituent institution boards of trustees to approve capital improvement projects designed, constructed, and operated by non-general fund money, with a total project cost of \$750,000 to \$4,000,000. With an estimated cost of \$1.2M, the improvements to main campus parking lots 1 and 7 fall within this threshold. A 2020 conditions assessment identified the need for imminent repairs for lots 1 and 7, which have 331 and 462 spaces, respectively.

This project's scope will include complete asphalt replacement required to remediate cracking, root intrusion, potholes, and drainage issues. Dumpster pads will be replaced. Lot 07 work also includes addressing proper accessibility. This project will be funded through the Parking and Transportation reserves, and construction will be completed in the summer of 2025.

FAC-2 Tower Village Elevator Replacement

With an estimated cost of \$950,000, the Tower Village Elevator Replacement also falls within the Board of Governors' delegation range. The project scope will replace two existing six-stop hydraulic elevators in Tower Village, which were installed during the building's construction in 1993. It will be funded through Housing and Residence Life reserves, and construction will be completed in the summer of 2025.

FAC-3 ITS Data Center Planning Assessment

The ITS Data Center Planning Assessment project is not a construction project. However, under state guidelines, studies over \$50,000 are considered major capital improvement projects and follow the same processes. With an estimated project cost of \$300K, the scope of this study will include evaluating and assessing aging University Data Centers within three campus buildings and selecting data closets within two other buildings. The goal is to obtain recommendations regarding the potential reuse and renovation of current physical facilities and analysis of data storage options.

FAC-4 Spring Garden Apartments Roof and HVAC Replacement

Per a recent delegation by the Board of Governors under the Board's Construction Task Force, the Board of Trustees has authority to approve Advance Planning. Once the Schematic Design phase is completed and the scope and budget have been more clearly defined, the Capital Request will be brought to the Board of Governors for approval. Spring Garden Apartments were built in 2005. The roof is 19 years old and shows significant degradation. The annual inspection report shows accelerated deterioration of the single-ply membrane, and the building is experiencing roof leaks that damage the apartment ceilings below. The building's HVAC system comprises individual heat pumps for each apartment unit. The heat pumps use R-22 refrigerant and are primarily obsolete, making partial replacement difficult for some system components. Combining the two projects makes sense in coordinating both system replacements, as the roof can only be replaced by removing the heat pumps.

The estimated project cost is \$4.6M, and the advance planning (design and commissioning) will be \$200K. The funding will come from Housing and Residence Life reserves. Construction will start in May 2025 and is slated to be completed by July 2026.

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FAC-5 Increase in Authorization Request to the Board of Governors for the Phillips Hawkins and Moore Strong Phased Resident Halls HVAC Replacement Project

The Board of Trustees and Board of Governors previously approved the Phillips Hawkins and Moore Strong Phased Resident Halls HVAC Replacement project at a total project estimate of **\$10,685,509** to replace the aged mechanical systems in both halls, update mechanical rooms to provide chilled and hot water to HVAC units, and add redundancy to the HVAC system. Construction bids received in April 2024 for the Phillips Hawkins project phase exceeded the design estimate. Negotiation and value engineering occurred with the low bidder, resulting in a construction contract awarded to maintain the required work schedule. Based on that contract amount of \$7,870,400, it was determined that the scope for the Moore Strong phase would need to be significantly reduced, and the remaining funding would need to be increased to meet the desired reduced scope.

To move forward with the Moore Strong phase of the project with a reduction in scope, a request for increased authorization for **\$212,000** needs to be brought to the Board of Governors for approval. If approved, the increase will take the previous authorization from \$10,685,509 to a total project budget of \$10,897,509.

Following discussion, Chair Rice called for a motion to approve items FAC-1 through FAC-5. Trustee Hoyle made the motion, which was seconded by Trustee Bachmann. The motion carried.

Information Items

FAC-6 Budget and Endowment Update

FAC-7 Selection of Designer: Weatherspoon Art Museum- Center for Art and Human Understanding

FAC-8 Report on Chancellor Approval of Increased Authority: Spring Garden Apartment Garage Sprinkler Replacement

FAC-9 Facilities Design and Construction Update

FAC-10 Annual Report on Delegated Real Property Transactions: July 1, 2023 to June 30, 2024

Five information items were included on the meeting agenda and were part of committee members' pre-meeting materials. There were no questions or comments about the items.

There being no further business, the meeting was adjourned at 9:15am.

Respectfully submitted,

Kelly Harris, Assistant Secretary to the Board of Trustees