

WINSTON-SALEM STATE UNIVERSITY

Board of Trustees Finance and Administration Committee

Thursday, September 18, 2014

Cleon Thompson Center, Room 304

MINUTES

**\*ACTION ITEM**

Committee Chairman Martin Davis called the Board of Trustees Finance and Administration meeting to order at 11:45 a.m.

**Roll Call**

Linda McCullough

Members Present:

Mr. Martin Davis, Committee Chairman  
Mrs. Debra Miller, Board Chairman  
Mr. Michael Shortt  
Dr. Randy W. Mills, Interim Vice Chancellor, ex-officio

Absent:

Mr. Osyris Uqoezwa

A quorum was established.

Staff Present:

Mr. Frank Lord  
Mr. Owen Cooks  
Mr. Aaron Leftwich  
Chief Patricia Norris  
Mr. Nathan Thompson  
Mr. Ivan Foster

**\*Adoption of the agenda**

Chairman Miller moved and Mr. Shortt seconded the motion to adopt the agenda. The motion passed.

**\*Approval of Minutes**

Chairman Miller moved and Mr. Shortt seconded the motion to approve the minutes of the June 5, 2014 meeting. The motion passed.

**Finance and Administration Update—Dr. Mills**

- Prior to the Bowman Gray Stadium purchase agreement with the City, the State Property Office requires a Brownfield Agreement...the agreement is underway. In the interim, the City pays WSSU for running stadium operations. Moving forward, Facilities, Business Services and Campus Police are working with the City to ensure a smooth transition.
- As a source of revenue and showcase for future students, donors, etc., Business Services led a “Roundtable” group, composed of representatives from Housing, Food Services, Campus Police,

IT, Academic Affairs, Student Activities, and others for increased use of campus facilities during the summer through Conferences and Institutes. Gross receipts were \$450K against expenditures of \$250K for net receipts of \$200K.

**Budget Update -- State Appropriations (2014-15)**

- Budget for 2014-15:
  - Net Budget Reduction: \$1.2 million (1.9%)
  - Enrollment Adjustments (\$1.65 million)
  - Total Reduction: \$2.85 million
  - Total Reduction from 2007-09 Baseline: \$34 million
  - Reductions will be absorbed through vacant positions and operational efficiencies
  
- Salary Adjustments in 2014-15:
  - SPA: \$1,000 in salary (plus associated benefits) across the board
    - Average approximately 3.0%
  - EPA Faculty/Non-faculty: \$126,236 in salary appropriation (less than \$300 per employee)
    - Focus to be on faculty with demonstrated contributions to *Academic Excellence*, whether in teaching or research, and *Student Success*
  - Bonus Leave Award: 40 hours per employee
  
- Outlook for 2015-17 Biennium:
  - “Prepare plan for 2% reduction in state appropriation

**\*WSSU Injury Prevention and Injury Incident Reporting Policy -- Aaron Leftwich**

- This is an initial policy for WSSU that supports sound occupational safety & health practices that sets forth due diligence in examining injuries and eliminating injury/illness occurrences. The Policy is in compliance with recently passed North Carolina Executive Order 13 on Health and Safety Leadership and supports the North Carolina adopted hazard elimination program (“Be a Hazard Hero”) directed to all state agencies. The Director of Environmental Health & Safety assumes lead and will steer efforts to solidify acceptable practices and standards for future activities.

Upon discussion, Chairman Miller moved and Mr. Shortt seconded the motion to recommend approval to the full Board on Friday, September 19<sup>th</sup>. The motion passed.

**\*Hauser Hall for Bands and Music Designer Selection -- Owen Cooks**

- The Designer Selection Committee conducted interviews for the project on August 22, 2014. Architecture and engineering firms were interviewed consistent with qualifications required for the performance of duties and recommended to the Chancellor a prioritized list of finalists for the project in the following priority order for Board of Trustees approval:
  1. Hanbury Evans Wright Vlattas + Company (Norfolk, VA)
  2. LS3P (Charlotte, NC)
  3. Vines Architecture (Raleigh, NC)
  4. Little Diversified Architectural Consulting (Charlotte, NC)

**\*Physical Plant for Art and Visual Studies Designer Selection -- Owen Cooks**

- The Designer Selection Committee conducted interviews for the project on September 4, 2014. Architecture and engineering firms were interviewed consistent with qualifications required for the performance of duties and recommended to the Chancellor a prioritized list of finalists for the project in the following priority order for Board of Trustees approval:
  1. Lord Aeck Saregent (Chapel Hill, NC)
  2. Walter Robbs Callahan & Pierce Architects, PA (Winston-Salem, NC)
  3. LS3P (Charlotte, NC)
  4. Clark Nexsen (Charlotte, NC)

Upon discussion, Chairman Miller moved and Mr. Shortt seconded the motion to recommend approval for both projects, the Hauser Hall for Bands/Music Designer Selection and the Physical Plant for Art/Visual Studies Designer Selection to the full Board on Friday, September 19<sup>th</sup>. The motion passed.

**Capital Projects Report -- Owen Cooks**

**Center for Design Innovation**

- Building envelope is nearing completion, site work (lights, walks) are in process; interior finish work has begun.
- Construction work completion anticipated February 2015.

**North Entry Parking Deck & Bridge**

- Options for parking structure under review due to existing utility infrastructure concerns. (Recent design: 4-level structure; 272 parking spaces.)
- Vehicular and pedestrian bridge over the railroad tracks will connect the Lowery property to Cromartie St.
- Design Development documents submitted to State Construction for review.
- Norfolk Southern has approved preliminary plans for bridge over railroad tracks.

**Performance Energy Contract II**

- Academic/Administrative Buildings and Residence Halls
- Premise: avoided energy and water costs will repay 15-20 year loan.
- Preliminary estimates: \$6.0M total project budget and \$5.2M total construction cost.
- Investment Grade Audit by Honeywell submitted for review
- Honeywell has expressed a desire to terminate project at this time. The university plans to not challenge Honeywell's business decision.

**Residence Hall Phase II**

- Design Development documents reviewed by State Construction; Construction Documents in process.
- \$20.8M total project budget. 74,200 SF; 288 beds
- Building construction bid February 2015
- Anticipated construction completion April 2016
- Demolition of Dillard Hall approved by Council of State 6/3/14.

**Restore the Core II**

- Hauser Hall for Music - \$12M total budget; Designer Selection process completed

- Physical Plant for Art and Visual Studies -\$15M total budget; Designer Selection process completed

#### Science Building

- Construction documents completed in February 2014
- Awaiting appropriation of construction funds.

#### Bowman Gray Stadium

- State Property Office is requiring a Brownfield agreement ahead of any purchase agreement with the City. That process is underway and is expected to take 6-8 months, after which a purchase agreement can be finalized and approved.

#### Salem Creek Connector

- NCDOT's project widens 52, creates a new interchange at Vargrave Street linking to Research Parkway. It will eliminate on/off ramps at Rams Drive and is expected to be completed in June 2016.

### **Financial Report** -- Frank Lord

#### General Fund Summary:

- The statements of revenues and expenses summarize the university's results of operations. The total budget as of June 30, 2014 was \$90,700,517.
  - State Appropriations – \$65,447,760
  - Revenue (tuition and fees) – \$25,252,757
- The university spent \$88,902,086 or 98% of the total budget towards personnel salaries and operating requirements.
- Expenditures as of June 30, 2014 are (\$1,918,730) less than the \$90,820,816 expenditures for June 30, 2013.
- Receipts recorded through June 30, 2014 total \$23,454,327 or 93% of the budget.
- Total receipts collected as of June 30, 2014 are \$1,093,851 more than the receipts of \$22,360,476 collected for the same period last year (June 30, 2013).

#### Auxiliary Services and Business Enterprises Summary:

The University manages a number of auxiliary and business enterprises that are self-supporting operations.

- As of June 30, 2014, all business entities had positive fund balances, except for WSSU's Athletics Program, One Card Office, and Central Transportation.
- The cumulative negative balance for the Athletics program was **(\$7.8M)** through the end of June 30, 2014.
  - Athletics DI/DII transition (FY2009-11) – **(\$5.3M)**
  - Athletics (FY 2011-2013) – **(\$860,000)**
  - Current Year Operations – **(\$1.6M)**

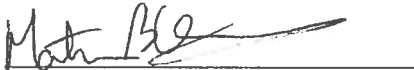
All reporting documents are filed for reference.

**Other Discussions**

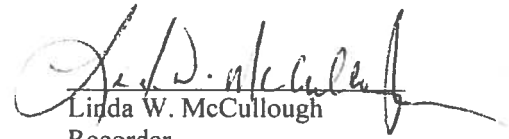
Ivan Foster reported the University is changing to electronic leave reporting in conjunction with UNC General Administration with a go-live date of November 1, 2014 for all employees. Additionally, temporary employees who work in excess of 30 hours per week are now eligible for health care benefits.

**Adjournment**

With no further business for discussion, the meeting was called to adjourn at 12:55 p.m.



Martin Davis, Chairman  
Board of Trustees Finance and Administration Committee



Linda W. McCullough  
Recorder