

FINANCE COMMITTEE
January 19, 2017 - 1:30 p.m.

Members Present:

Lynn Raye
Lisa Estep
Jim Rose

Janet Lowder
Schorr Johnson
Robert Stephens

System Office Staff and Others:

Elizabeth Grovenstein, NCCCS
Brandy Andrews, NCCCS
Jessica Balazsi, NCCCS
Debbie Batten, NCCCS
Chris Cline, NCCCS
Dorrine Fokes, NCCCS
Jason Forlines, NCCCS
Cheryl Kaminski, NCCCS
J. W. Kelly, NCCCS

Maureen Little, NCCCS
Joy Martin, NCCCS
Rondra McMillan, NCCCS
Mary Shuping, NCCCS
Ken Ramos, Ellucian
Bryan Conrad, OSBM
Dr. Dale McInnis, Richmond CC
Dr. Jimmy Tate, Roanoke-Chowan CC
David Forester, Roanoke-Chowan CC

CALL TO ORDER

Mr. Lynn Raye called the meeting to order at 1:30 p.m.

ROLL CALL

Carmen Cargill took the roll of the Finance Committee members.

ETHICS AWARENESS AND CONFLICT OF INTEREST

Mr. Raye read the required ethics statement. There were no conflicts of interest.

AGENDA

Mr. Raye asked for a motion to approve the agenda for the meeting as presented. Mr. Rose motioned, seconded by Ms. Lowder.

MINUTES

Mr. Raye asked for a motion to approve the minutes of the November 17, 2016, meeting as presented. Ms. Lowder moved and Mr. Rose seconded the motion.

FOR INFORMATION

Estimated Receipts (Attachment FC 1)

Ms. Grovenstein provided an overview of the December 2016 Estimated Receipts. Ms. Grovenstein stated that receipts through the end of December were approximately \$159 million, which is about 53.5% of budget. Ms. Grovenstein further stated that receipts are down slightly, approximately 1%, as compared to last year's benchmark.

Annual Survey of Fees (Attachment FC 2)

Ms. Grovenstein reviewed the Annual Survey of Fees FY 2015-16 and stated that each year colleges are surveyed regarding the local fees the SBCC has authorized colleges to charge. These fees, which fall into four categories; Instructional Technology Fees, Student Activity Fees, College Access, Parking and Security Fees (CAPS), and Required Specific Fees, are retained by the college. Ms. Grovenstein proceeded to review and discuss the report in detail.

Capital Improvement Funds Expended or Obligated Report (Attachment FC 3)

Ms. Grovenstein reviewed the Capital Improvement Funds Expended or Obligated Report stating that the report tracks capital expenditures for all community colleges from July 1963 through June 2016. Ms. Grovenstein stated that 68% of the funds expended come from local funding sources which is in line with the general statute which places the responsibility for capital improvements at the local level. An additional 30% of the total funds expended were from state funds, with the remaining 2% from federal funding sources.

Connect NC Bond Status Report (Attachment FC 4)

Ms. Grovenstein presented the Connect NC Bond Status Report stating this is a new report to the Committee. The report details, by college, each project that has been approved using Connect NC Bond funds. Ms. Grovenstein stated the report details whether the project is new construction or R&R, and indicates if any additional funds have been authorized. Ms. Grovenstein indicated that 111 projects have been authorized to date, representing \$147 million of the total Connect NC Bond Funding.

System Office Contract Report as of December 31, 2016 (Attachment FC 5)

Ms. Grovenstein reviewed the semi-annual contract report. She stated that of the 19 contracts issued, 12 were issued to a community college. Additionally, only 1 contract was over \$50,000, which was issued to South Piedmont Community College.

System Office Grants Awarded Report as of December 31, 2015 (Attachment FC 6)

Ms. Grovenstein reviewed the grants report which is also provided to the Board on a semi-annual basis. Ms. Grovenstein stated that the NCCCS received approximately \$30 million in grant funding and that the majority of these funds support Adult Education and Literacy, Career and Technical Education programs, and Golden Leaf Scholarship programs.

SBCC Code Report – January 2017 (Attachment FC 7)

Ms. Grovenstein presented the SBCC Code Report. Ms. Grovenstein stated the first item on the report, "Curriculum Tuition Refunds" was approved at the November meeting and will go into effect on February 1, 2017. The item titled "General Provisions" will be presented as FC 8. Other items of note on the SBCC Code Report, "North Carolina Proprietary School Fee Schedule", and "Temporary Rules" are on the Policy Committee agenda for discussion and "Local College Personnel Policies" is on the Personnel Committee agenda for discussion.

For Future Action

Amend 1E SBCCC 800.2 – “General Provisions” (Attachment FC 8)

Ms. Grovenstein proceeded to review the item stating the process for adopting this rule was initiated at the November committee meeting. The rule seeks to resolve an issue with waivers for curriculum and continuing education students and would set the students eligibility for the waivers at the beginning of the term or course. If a students’ status should change during the term, the change would be effective with the next term or course.

After discussion, Mr. Rose motioned for approval, seconded by Ms. Lowder.

FY 2016-17 Supplemental State Aid Allocation (Attachment FC 9)

Ms. Grovenstein reviewed the request to allocate an additional \$5,293,245 to the 58 community colleges. Ms. Grovenstein indicated that on November 9, 2016, the Office of State Budget and Management (OSBM) notified all state agencies of retirement and health insurance rate changes and the release of statewide reserve funds to support this purpose.

Ms. Lowder motioned for approval, seconded by Mr. Rose, and the request was approved.

Purchasing Delegation Request – Davidson County Community College (Attachment FC 10)

Purchasing Delegation Request – Fayetteville Technical Community College (Attachment FC 11)

Ms. Grovenstein presented the request for additional purchasing delegation from Davidson and Fayetteville Technical Community Colleges (FC 10 and FC 11) concurrently. Ms. Grovenstein stated both colleges currently have Tier 1 designation authority and are requesting approval for Tier 2 delegation authority of \$25,000. Ms. Grovenstein further stated that approval of the State Division of Purchase and Contract was requested and the required 60-day time period had expired.

Mr. Rose motioned for approval, Mr. Johnson seconded and the request was approved.

BioNetwork Allocation Request for Host Colleges (Attachment FC 12)

Ms. Grovenstein reviewed the request to approve an additional \$2,122,023 to be allocated to the BioNetwork host colleges for the current operational funds for salaries, equipment, and other costs for the remaining two quarters of fiscal year (FY) 2016-17.

After discussion, Ms. Lowder motioned, seconded by Mr. Rose and the following allocations were approved.

Host College	Allocation	Time Frame
A-B Technical CC	\$433,408	January 1, 2017 – June 30, 2017
Forsyth Technical CC	\$236,625	January 1, 2017 – June 30, 2017
Gaston College	\$430,164	January 1, 2017 – June 30, 2017
Pitt CC	\$350,785	January 1, 2017 – June 30, 2017
Wake Tech CC	\$671,041	January 1, 2017 – June 30, 2017

NCWorks Career Coach Program Allocations (Attachment FC 13)

Ms. Grovenstein presented the request to approve the allocation of \$1,000,000 for FY 2017-18 and \$1,000,000 for FY 2018-19 for salary, benefits, and travel expenses of NCWorks Career Coaches. These funds would be contingent upon approval of the State General Fund Appropriations and require the colleges to match the funds with non-state funds.

Following discussion, Ms. Lowder motioned and was seconded by Mr. Rose.

Service Agreement for ISIR Verification Services 2017-2018 (Attachment FC 14)

Ms. Grovenstein reviewed the request to approve a Service Agreement with the North Carolina State Education Assistance Authority (NCSEAA) for an amount up to \$220,000 for the provision of services related to the matching and verification of "Institutional Student Information Records" (ISIR) and "SARC C Code Resolution" for those ISIRs that are unable to be verified. Ms. Grovenstein stated that colleges' participation in the service is voluntary and the following colleges have requested to participate in the service agreement:

- College of the Albemarle
- Craven Community College
- Durham Technical Community College
- Gaston Community College
- Johnston Community College
- Piedmont Community College
- Robeson Community College
- Wake Technical Community College

Mr. Rose motioned, seconded by Ms. Lowder and the motioned passed.

Construction and Property (Attachment FC 15)

Ms. Grovenstein introduced the agenda item and called attention to the project detail report (Attachment FC 15A). Ms. Grovenstein requested feedback from the Committee on the presentation of the report. The members requested that the Construction and Property agenda items be consolidated into a single report in grid format.

After discussion of project details, Mr. Rose moved, Ms. Lowder seconded, and the Committee approved the following new projects.

A. Project Approval – New

1. Durham Technical Community College – Project No. 2246 – Facility Services Building – Main Campus – Estimated cost is \$2,000,000 composed of all local funds.
2. Rowan-Cabarrus Community College – Project No. 2276 – Outdoor Learning Center Phase II – Main Campus – Estimated cost is \$1,500,000 composed of all local funds.

Mr. Raye requested each member take a few moments to review the detailed report provided and ask for any needed clarification. Mr. Raye recognized Dr. Jimmie Tate, President of Roanoke-Chowan Community College who provided the Board with additional information on the colleges' Greenhouse project.

Following additional discussion, Ms. Lowder moved, Mr. Rose seconded, and the Committee approved the following New – Connect NC Bond projects.

B. Project Approval – New – Connect NC Bonds (Additional detail found on Attachment A).

1. Catawba Valley Community College – Project No. 2274 – Public Safety Driving Range – Main Campus – Estimated cost is \$3,900,000, composed of all state funds (**Connect NC Bonds – 46620/New Construction**).
2. Catawba Valley Community College – Project No. 2275 – Tarlton Complex and Student Services Center (Instructional/Student Services) Roof Replacements - Main Campus – Estimated cost is \$650,000 composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**).
3. Durham Technical Community College – Project No. 2245 – Newton Building (Instructional Classrooms) Renovation and Addition – Main Campus – Estimated cost is \$20,000,000, composed of \$18,000,000 local funds and \$2,000,000 state funds (**Connect NC Bonds – 46620/New Construction**).
4. Edgecombe Community College – Project No. 2094 – Center for Innovation (Instructional Classrooms) Main Campus – Estimated cost is \$4,800,000, composed of all state funds (**Connect NC Bonds – 46620/New Construction**).
5. Edgecombe Community College – Project No. 2260 – McIntyre Building (Instructional Classrooms) Renovation - Main Campus – Estimated cost is \$200,000, composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**). **Note: Contingent upon receiving completed package.**
6. Edgecombe Community College – Project No. 2261 – Barnes Building (Instructional Classrooms) Renovation – Rocky Mount Campus – Estimated cost is \$200,000, composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**). **Note: Contingent upon receiving completed package.**
7. Edgecombe Community College – Project No. 2262 – Norfleet House (Instructional Classroom) Renovation – Estimated cost is \$50,000, composed of all state funds (**Connect NC Bonds 46620/Repairs and Renovations**). **Note: Contingent upon receiving completed package.**

8. McDowell Technical Community College – Project No. 2251 – Cosmetology Center – Main Campus – Estimated cost is \$2,500,000, composed of all state funds (**Connect NC Bonds – 46620/New Construction**).
9. Montgomery Community College – Project No. 2277 – Building 200 Interior Renovations (Instructional Classrooms) – Main Campus – Estimated cost is \$125,000, composed of all state funds (**Connect NC Bonds – 46620/Repair and Renovations**). **Note: Contingent upon Board of Trustees approval, which is expected on January 11, 2017.**
10. Montgomery Community College – Project No. 2278 – Building 100 Interior Renovations (Administrative/Instructional Classrooms), HVAC and Roof – Main Campus – Estimated cost is \$3,245,000, composed of all state funds (**Connect NC Bonds – 46620/Repairs & Renovations**). **Note: Contingent upon Board of Trustees approval, which is expected on January 11, 2017.**
11. Roanoke-Chowan Community College – Project No. 2265 – Handicap Access Update – Main Campus – Estimated cost is \$550,000 composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**).
12. Roanoke-Chowan Community College – Project No. 2266 – Fine Arts Center (Instructional Classrooms) Main Campus – Estimated cost is \$2,694,000, composed of all state funds (**Connect NC Bonds – 46620/New Construction**).
13. Roanoke-Chowan Community College – Project No. 2267 – Jernigan Auditorium (Instructional Classrooms) Renovation – Main Campus – Estimated cost is \$500,000, composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**).
14. Roanoke-Chowan Community College – Project No. 2268 – Health Sciences Program/Biology Lab (Instructional Classrooms) Renovation – Main Campus – Estimated cost is \$50,000, composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**).
15. Roanoke-Chowan Community College – Project No. 2269 – Davis Center (Multi-Purpose Facility) Renovation – Main Campus – Estimated cost is \$300,000, composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**).
16. Roanoke-Chowan Community College – Project No. 2270 – Mathematics Laboratory and Tutoring Center (Instructional Classrooms) Renovation – Main Campus – Estimated cost is \$52,517, composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**).
17. Roanoke-Chowan Community College – Project No. 2271 – Industrial Skills Building (Instructional Classrooms) Renovation – Main Campus – Estimated cost is \$1,000,000, composed of all state funds (**Connect NC Bonds – 46620/Repairs and Renovations**).

18. Roanoke-Chowan Community College – Project No. 2272 – Campus Wide Classroom Renovation – Main Campus – Estimated cost is \$1,090,000, composed of all state funds **(Connect NC Bonds – 46620/Repairs and Renovations)**.
19. Roanoke-Chowan Community College – Project No. 2279 – Greenhouse (Instructional Classrooms) Main Campus – Estimated cost is \$90,000, composed of all state funds **(Connect NC Bonds – 46620/New Construction)**.
20. Sampson Community College – Project No. 2163 – Welding and Activity Center Buildings (Instructional Classrooms) Main Campus – Estimated cost is \$4,774,533, composed of \$500,000 state equipment funds and \$4,274,533, state funds **(Connect NC Bonds – 46620/New Construction)**.
21. Surry Community College – Project No. 2257 – Emergency Services Training Center (Instructional Classrooms) Propane Disconnect Valves Replacement – Main Campus – Estimated cost is \$25,000, composed of all state funds **(Connect NC Bonds – 46620/Repairs and Renovations)**.
22. Surry Community College – Project No. 2258 – Building S Welding Storage Addition – Main Campus – Estimated cost is \$80,000, composed of all state funds **(Connect NC Bonds – 46620/New Construction)**.
23. Surry Community College – Project No. 2259 – Building V (Instructional Classrooms) Second Floor Renovation – Main Campus – Estimated cost is \$403,000, composed of all state funds **(Connect NC Bonds – 46620/Repairs and Renovations)**.
24. Vance-Granville Community College – Project No. 2188 – Buildings 1-6, and 9 (Instructional Classrooms) HVAC and Fire Alarm System Replacement – Main Campus – Estimated cost is \$4,174,500, composed of all state funds **(Connect NC Bonds – 46620/Repairs and Renovations)**.
25. Vance-Granville Community College – Project No. 2248 – Campus Wide Exterior Masonry Repair and Restoration – Main Campus – Estimated cost is \$1,000,000, composed of all state funds **(Connect NC Bonds – 46620/Repairs and Renovations)**.
26. Vance-Granville Community College – Project No. 2249 – Building 10 (Instructional Classrooms) Phase II Renovation – Main Campus – Estimated cost is \$423,725, composed of \$150,000 local funds and \$273,725 state funds **(Connect NC Bonds – 46620/Repairs and Renovations)**.
27. Vance-Granville Community College – Project No. 2250 – Building 2 Welding Lab Renovation – Franklin County – Estimated cost is \$152,260, composed of all state funds **(Connect NC Bonds – 46620/Repairs and Renovations)**.

Ms. Lowder moved, seconded by Mr. Rose seconded, and the Committee approved the following Amended – Connect NC Bond projects.

C. Project Approval – Amended – Connect NC Bonds

1. Craven Community College – Project No. 2093 – STEM Building (Instructional Classrooms) – Havelock Campus – Estimated cost is \$4,991,215, composed of \$50,000, local funds, \$500,000 state equipment funds, and \$4,441,215 state funds (46620). Project is amended to add \$500,000 state equipment funds and \$4,441,215 state funds (**Connect NC Bonds – 46620/New Construction**).
2. Mayland Community College – Project No. 2177 – Avery Learning Center (Instructional Classrooms) Roof Replacement – Avery County – Estimated cost is \$90,000, composed of all state funds. Project is amended to increase funds by \$40,000 (**Connect NC Bonds – 46620/Repairs and Renovations**).
3. Mitchell Community College – Project No. 2155 – Mooresville Façade and Classroom (Instructional Classrooms) Renovation – Mooresville Campus – Estimated cost is \$1,147,750, composed of all state funds. Project is amended to reduce scope of work and therefore decrease funds by \$686,173 (**Connect NC Bonds – 46620/Repairs and Renovations**).
4. Pamlico Community College – Project No. 2201 – Johnson Building (Instructional Classrooms) Renovation – Main Campus – Estimated cost is \$4,793,233, composed of \$600,000 Golden Leaf funds and \$4,193,233 state funds (**Connect NC Bonds – 46620/Repairs and Renovations**). Project is amended to decrease state funds by \$600,000 to correct funding source, originally approved as all Connect NC Bond funds.
5. Rowan-Cabarrus Community College – Project No. 2234 – Building 300 (Instructional Classrooms) Exterior and Interior Multipurpose Renovation – Main Campus – Estimated cost is \$480,000, composed of all state funds. Project is amended to add \$230,000 state funds (**Connect NC Bonds – 46620/Repairs and Renovations**). **Note: Contingent upon receiving completed package.**
6. Surry Community College – Project No. 2129 – Yadkin Industrial Training Center & Truck Driving Track (Instructional Classrooms) – Yadkin County – Estimated cost is \$2,672,420, composed of \$200,000 Golden Leaf funds and \$2,472,420 state funds (46620). Project is amended to increase funds by \$572,420, state funds (**Connect NC Bonds – 46620/New Construction**). **Note: Contingent upon Board of Trustees approval which is expected on January 9, 2017.**
7. Wake Technical Community College – Project No. 2178 – Ready Hall New Addition (formerly Ready Hall Renovation) – Main Campus – Estimated cost is \$9,123,927, composed of all state funds (**Connect NC Bonds – 46620/New Construction**). Project is

amended to change project name and funding from a renovation to a new addition, and revising project scope.

Ms. Lowder moved, Mr. Rose seconded, and the Committee approved the following Final – Project Close Out – Connect NC Bonds projects.

D. Project Approval – Final – Project Close Out – Connect NC Bonds

1. Surry Community College – Project No. 2208 – Building I Air Compressor Room Addition (Instructional Classroom) – Main Campus – Actual cost is \$30,135.89, composed of all state funds (**Connect NC Bonds – 46620/New Construction**). Project is completed and funds are decreased by \$1,364.11.
2. Wilkes Community College – Project No. 2149 – Walker Center Auditorium (Instructional Classrooms) Roof Replacement – Main Campus – Actual cost is \$67,889, composed of all state funds. (**Connect NC Bonds – 46620/Repairs and Renovations**). Project is completed and funds are decreased by \$82,111.

Mr. Rose motioned, seconded by Ms. Lowder, and the Committee approved the following Acquisition and Disposal of Real Property.

E. Acquisition and Disposal of Real Property

1. Asheville-Buncombe Technical Community College – The Board of Trustees of Asheville-Buncombe Technical Community College request permission as per G.S. 115D-15 to renew a lease for ten years for the Smith-McDowell House to Western North Carolina Historical Association. The Smith-McDowell House is used as a museum of local history. The Board of Trustees have determined that the property is unnecessary for college purposes.
2. Durham Technical Community College – Main Campus – The Board of Trustees of Durham Technical Community College request permission as per G.S. 115D-15 to dispose of by demolition, the following buildings. The Board of Trustees have determined that the buildings are unnecessary for college use.
 - Newton Building North Wing (20,000 square feet) located on Cooper Street, Durham, North Carolina.
 - Facility Services Building (42,000 square feet) located at the corner of Lawson Street and Bacon Street, Durham, North Carolina.
3. Isothermal Community College – The Board of Trustees of Isothermal Community College request permission as per G.S. 115D-15 to transfer the following properties to Rutherford County. This conveyance will allow the County to use the property as security in a loan transaction to provide funding to demolish existing structures and to

construct the Comprehensive Applied Sciences and Workforce Development Center (Project #2088, approved by the State Board in October 30, 2015).

- 3.3 acres of property located at the main campus with a building approximately 37,740 square feet.
 - 1.17 acres of property located at the main campus with a building approximately 22,454 square feet.
4. Wayne Community College – The Board of Trustees of Wayne Community College request permission as per G.S. 115D-15 to transfer approximately 4.95 acres of property located at 3000 Wayne Memorial Drive, Goldsboro, North Carolina to Wayne County. This Conveyance will allow the County to build and maintain a retainage pond. The Board of Trustees have determined that the property is unnecessary for college use.

Adjournment

Mr. Rose motioned, seconded by Ms. Lowder and the meeting was adjourned at 2:51 p.m.

DRAFT