UNIVERSITY OF NORTH CAROLINA
SCHOOL OF THE ARTS

MEETING OF THE BOARD OF TRUSTEES

Finance Committee

March 3, 2022
University of North Carolina School of the Arts
Seman's Arts and Administration Building, Room 306
Winston-Salem, North Carolina

BOARD MEMBERS:

Mark Land (chair), Kyle Petty, Jeffrey Bullock, Paul Tazewell, Ralph Womble (ex officio)

COMMITTEE STAFF:

Cindy Liberty (Foundation Liaison), Krista Smith (Staff Council Representative), Elizabeth Klaimon (Faculty Council Representative), Michael Smith (VC for Finance & Administration), Wendy Emerson (AVC Finance), Heidi Mallory (Director of Budget), Steve Martin (AVC Facilities), David Harrison (VC for Institutional Integrity & General Counsel), Krista Hopkins, Amanda Balwah

AGENDA

1. Call to Order and Confirm Quorum……..……...Chair Land
2. Approval of Minutes from the December 2022 Meeting…..…….....Chair Land
3. State Budget Update ……..…..Michael Smith
4. 2022-2023 Tuition & Fees ……..……Michael Smith
5. Capital Projects Update …….……..……..……..Steve Martin
6. University All Funds Budget ..……..Michael Smith
7. Financial Statement Audit ……..…….Michael Smith
8. Other Business ……..……..Chair Land
9. Adjourn ……..……..…….Chair Land

UNIVERSITY OF NORTH CAROLINA
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DRAFT OPEN MINUTES

December 2, 2021
University of North Carolina School of the Arts
Winston-Salem, North Carolina

COMMITTEE PRESENT

Mark Land (Chair), Jeffery Bullock, Kyle Petty (*via conference call*), Jeffrey Bullock, Ralph Womble *(ex officio)*

COMMITTEE STAFF PRESENT

Michael Smith, Wendy Emerson, David Harrison, Steve Martin, Krista Smith (Staff Council Representative), Krista Hopkins, Amanda Balwah

OTHERS PRESENT

Jim DeCristo, Patrick Sims, Karen Beres, Claire Machamer, Jenna Cusack, Tracey Ford, Josh Selander, Frank Brinkley

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CONVENE MEETING AND CONFIRM QUORUM

Chair Mark Land convened the Finance Committee Meeting at 9:00 a.m. and confirmed a quorum was present.

APPROVAL OF MINUTES

Chair Mark Land asked the committee members to review the minutes from the September 2021 meeting. He then called for a motion to approve the minutes as presented.

MOTION: Ralph Womble moved to approve the minutes from the September 2021 meeting. Jeffrey Bullock seconded and the minutes were unanimously approved.

STATE BUDGET UPDATE

Michael Smith provided an update on the recently-enacted state budget to the committee. Michael discussed the many positive impacts for UNCSA, with specific information regarding employee compensation, capital projects, enrollment growth, and building reserves.

2022-2023 TUITION & FEES

Mr.Smith outlined the annual Tuition and Fees process for proposing adjustments to FY22-23 Tuition and Fees. The UNCSA Tuition and Fees Committee presented a recommendation not to increase tuition or fees for the academic year 2022-2023.

MOTION: Ralph Womble moved to approve the Tuition and Fees recommendation as presented. Jeffrey Bullock seconded and the minutes were unanimously approved.

CAPITAL PROJECTS UPDATE

Vice Chancellor Smith gave the capital projects update, providing specific updates on Artist Village Residence Hall and Performance Place projects. Michael briefly discussed the annual Repair and Renovation appropriation for UNCSA to address the backlog of deferred maintenance.

UNIVERSITY ALL FUNDS BUDGET

Mr. Smith provided background information regarding the All-Funds Budget, a UNC System initiative to encourage best practices in budgeting across the System. The All-Funds Budget will provide a comprehensive operating budget for each institution in a standard and consistent format, reflecting both General Fund and Institutional Trust Fund operating revenues and expenses.

FINANCIAL STATEMENT AUDIT

Michael Smith also provided an update on UNCSA's financial statement audit which will be concluded with the next few weeks. It is expected that another clean audit without any findings will be the result.

ADJOURN

Chair Mark Land asked for a motion to adjourn the meeting of the Finance Committee of the University of North Carolina School of the Arts adjourned at approximately 9:24 a.m.

MOTION: Ralph Womble madethe first motiong to adjourn with a second from Jeffery Bullock.

Submitted by: Krista Hopkins, Executive Assistant to the Vice Chancellor of Finance and Administration

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AGENDA ITEM

FY21-23 State Budget Update……....…….……..……Michael Smith

Summary: The North Carolina state budget has been enacted, recognizing all major UNC system-wide priorities.

The 2021 appropriations act fully funds enrollment growth, building reserves, and multiple capital projects, including Phase I Stevens Center renovations.

Long awaited compensation increases and non-recurring bonuses for faculty and staff were also included in the appropriations act.

Additionally, UNCSA was allocated non-recurring COVID-19 funding for the High School Academic Program.

Action: This item is for information only.

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AGENDA ITEM

2022-2023 Tuition and Fees……Michael Smith

Summary: An update will be provided regarding the annual tuition and fees process and the actions taken by the Board of Governors during the February meeting.

Action: This item is for information only.

UNIVERSITY OF NORTH CAROLINA
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MEETING OF THE BOARD OF TRUSTEES

Finance Committee

March 3, 2022

AGENDA ITEM

Capital Projects Update……..……..... Steve Martin

Summary: An update will be provided regarding the status of numerous construction projects at UNCSA, including Alex Ewing Performance Place, Artist Village Residence Hall, and multiple smaller repair and renovation projects.

Additional information will be provided regarding funding for capital projects, building reserves, and repair and renovation (R&R) allocations in the FY21-23 state budget.

Action: This item is for information only.

Capital Project Update

March 3, 2022

Facilities Management Department
W. Steve Martin, AIA
Associate Vice Chancellor - Facilities

UNIVERSITY OF NORTH CAROLINA

SCHOOL OF THE ARTS

Artists Village Residence Hall

- **Budget:** Total Project Budget: $46,000,000.00
- **Designer:** LS3P/Ayers Saint Gross
- **Construction Manager @ Risk:** MetCon Inc.
  Construction Costs: $35,048,113
- **Status:** Project Phase 1 (Site, Concrete, Structural Steel) is complete.
  Project Phase 2 (remainder of punch list items in progress)
- **Schedule:** Project completion is scheduled for Spring Semester- Beneficial Occupancy granted January 6, 2022

Artists Village Residence Hall

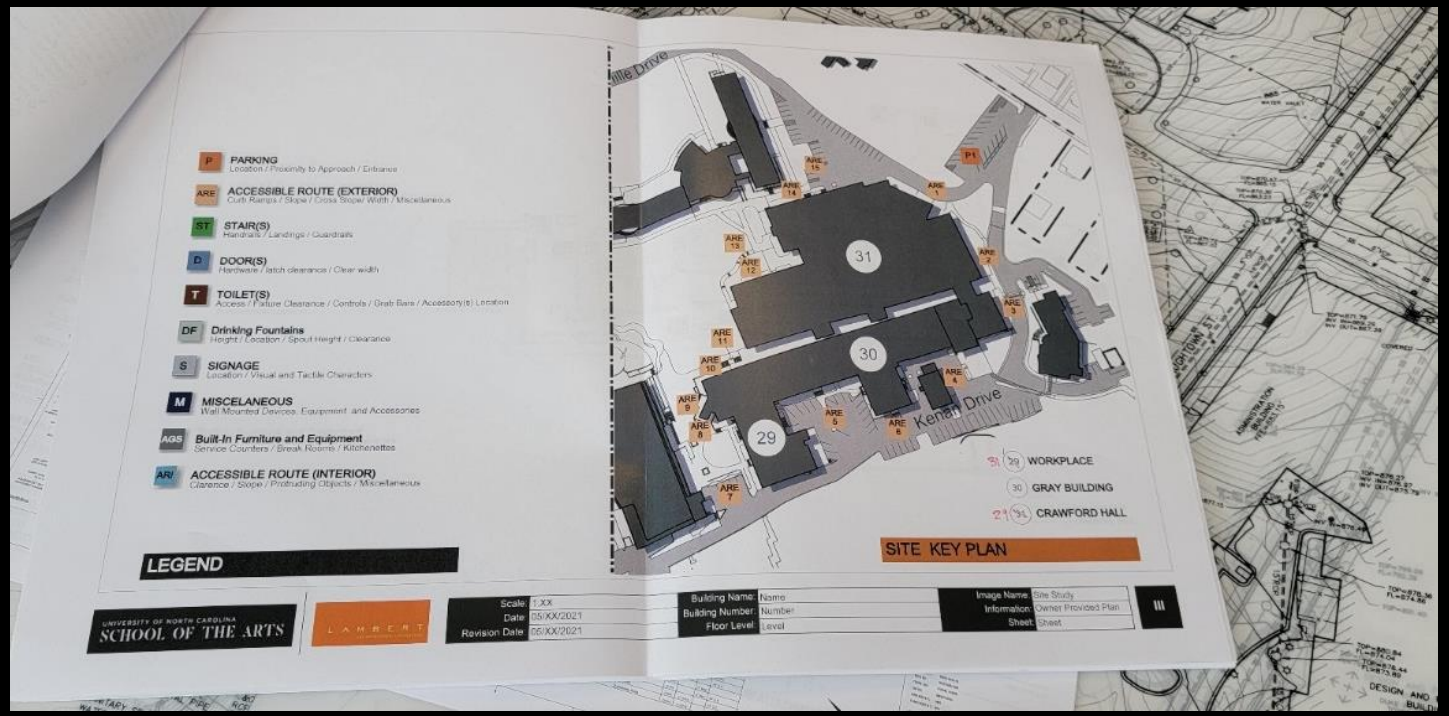
Artists Village Residence Hall

2020-2021 Repair and Renovation: $1,898,382

Repair & Renovation Category and Project List		Amount
➢ Roof Repairs and replacements		$ 948,634
▪ Hanes Commons – Roof Replacement	$543,900	
▪ Design & Production – Roof Replacement (partial)	$112,279	
➢ Structural Repairs		$ 190,000
➢ Repairs and Renovations to meet federal and state standards		$ -
➢ Repairs to or installation of new electrical, plumbing and HVAC		$ 485,000
▪ Gray Building Studio A – HVAC replacement	$158,600	
▪ Dunnigan Sculpture Studio – Dust Collection Syst.	$195,135	
➢ Improvements to meet requirements of ADA Act		$ 154,748
▪ Campus Wide ADA Survey	$14,000	
➢ Improvements to meet fire safety needs		$ 40,000
➢ Improvements to existing facilities for energy efficiency		$ -
➢ Improvements to remove asbestos, lead paint, and other contaminants		$ -
➢ Improvements and renovations to improve existing space		$ -
➢ Historical restoration		$ -
➢ Improvements to roads, walks, drives, utilities infrastructure		$ 40,000
➢ Drainage and landscape improvements		$ 40,000
➢ Building demolition		$ -

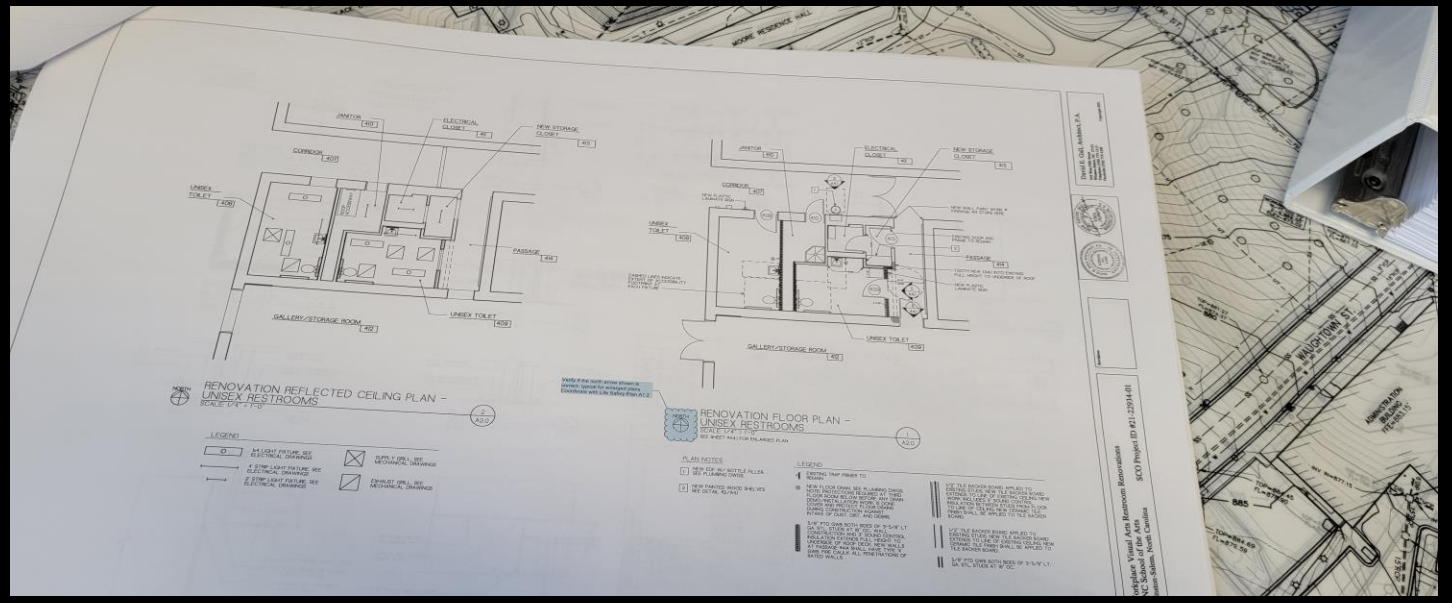
Campus wide – ADA Feasibility Study – Phase II

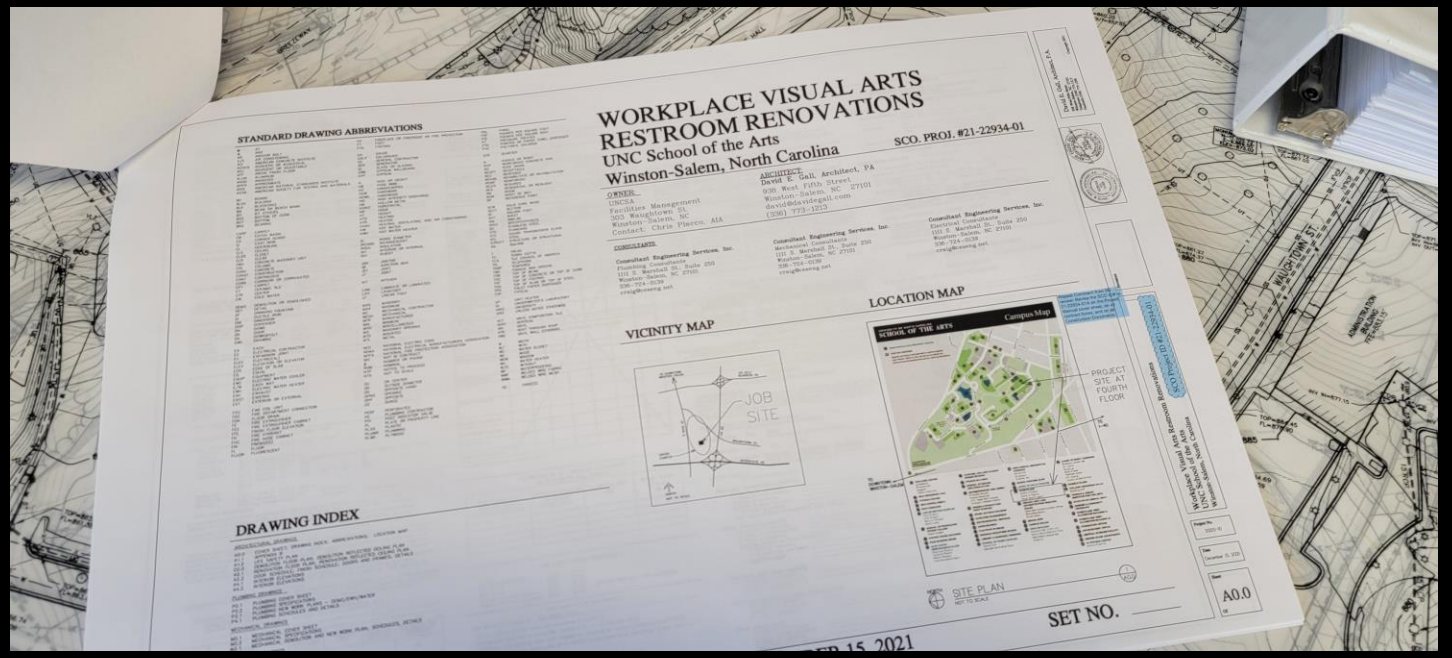
- **Budget:** Repairs & Renovations Allocations
- **Designer:** Lambert Architects
  Design Fee: $14,000
- **Status:** In Progress



Workplace Visual Arts Restroom Renovations

- **Budget:** Repairs & Renovations Allocations
- **Designer:** David Gall Architect
  Design Fee: $14,000
- **Status:** In Progress (SCO Review)





2020-2021 Carry Forward: $1,696,844

➢ Kenan Drive – Repaving and Curb/Gutter repair	$500,000
➢ Performance Place - Increase in Authorization	$400,000
➢ DeMille Theater – Boiler/AHU/BAS replacement	$375,000
➢ Hanes Commons – Emergency Generator	$190,000
➢ Gray Building – Window Replacement	$135,000
➢ Campus Pedestrian Bridge – retaining wall repair	$96,844

2021-2022 Repair & Renovations: $2,000,000

- Gray Building – New Main Electrical Service $256,000
- Workplace – Drama Studio Renovations $448,000
- Workplace – Drama Administrative Office Renovations $323,000
- Film School – Buildings #1 and #2 Repair/Replace Windows $202,000
- Film Archives Building – HVAC and Controls $485,000
- Campus wide – ADA Improvements $54,000
- Film School Building #3 – Theater Dimmers & Lighting $232,000

2021-2022 Major Renovations: $35,585,000

- Stevens Center – Comprehensive Renovation Phase I $25,000,000
- Stevens Center – Roof, Water Infiltration, Building Envelope $4,800,000
- Gray Building – Roof, HVAC, Fire Suppression, Building Envelope $3,350,000
- Performance Place, Workplace, Workplace V – Roof replacements $2,435,000

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AGENDA ITEM

FY2023 All-Funds Budget……Michael Smith

Summary: In order to further the financial management of the University of North Carolina System, all constituent institutions are required to develop a comprehensive, all-funds budget for Fiscal Year 2023 and annually thereafter.

The UNC System Office has been working with campuses to develop a common template and standard budgeting conventions, reflecting both General Fund and Institutional Trust Fund operating revenues and expenditures.

Campuses will be required to submit their FY23 budgets by May 4, 2022. UNCSA's All-Funds Budget will be presented at the April 2022 meeting for approval prior to submission.

Budgets are expected to be reflective of strategic priorities and follow system-wide budgeting conventions and submission requirements.

Action: This item is for information only.

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AGENDA ITEM

Financial Statement Audit..……..……..……..…Michael Smith

Summary: The State of North Carolina Office of the State Auditor concluded the FY2021 financial statement audit for the University of North Carolina School of the Arts.

The result of the audit was an unqualified opinion (clean audit), with no findings or issues to report.

The Audit Managers were highly complementary of the knowledge, professionalism, and flexibility of the financial management team while adapting to the challenges and additional complexities of performing an audit during a global pandemic.

Action: This item is for information only.