



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

ATTACHMENT A

CAROL L. FOLT  
Chancellor

103 SOUTH BUILDING  
CAMPUS BOX 9100  
CHAPEL HILL, NC 27599-9100

T 919.962.1365  
F 919.962.1647  
carol.folt@unc.edu

To: Members of the Board of Trustees

From: Carol Folt *CF*

Re: Mail Ballot

Date: February 17, 2014

I write to request your approval by mail ballot of the following matter related to the Endowment Fund:

In 2011, the Department of Microbiology and Immunology (Department) created a quasi-endowment fund to support the educational and research objectives of the Department. The current market value of the fund as of December 31, 2013 is \$822,989. The Department wishes to withdraw \$280,000 from principal to support faculty salaries. Regulations adopted by the Board of Governors require that the Trustees approve any transfer of Endowment principal or income to the useful possession of the institution. I recommend approval of the withdrawal. The Board of Trustees of the Endowment Fund approved this withdrawal by mail ballot on February 11, 2014.

Please mark and return the enclosed ballot indicating whether or not you approve of the above action. Thank you.

Enclosure

cc: David Routh  
Kevin Seitz

This mail ballot was approved by the Board of Trustees on February 18, 2014 with a majority vote from the following members: Lowry Caudill, Alston Gardner, Sallie Shuping Russell, Haywood Cochrane, Chuck Duckett, Peter Grauer, Kelli Hopkins, Steve Lerner and Dwight Stone.

{00072508.DOCX}

Trustees:

Attached for your review and approval is a mail ballot concerning an Endowment Fund matter. This mail ballot will be approved as part of the Consent Agenda at the Full Board meeting on Thursday, March 27, 2014.

The undersigned votes as follows with respect to the recommendation proposed in Chancellor Folt's memorandum dated February 17, 2014.

	Approve	Disapprove
Withdrawal from Quasi-Endowment for the benefit of the Department of Microbiology and Immunology	_____	_____

Signed \_\_\_\_\_

Date \_\_\_\_\_

**Please fax to Patti Wilkinson: (919) 962-1647**

**email: [pattiw@unc.edu](mailto:pattiw@unc.edu)**

**Phone: 919-843-4747**



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

**MEMORANDUM**

**TO:** Members of the Board of Trustees

**FROM:** Carol L. Folt, Chancellor

**RE:** Mail Ballot

**DATE:** February 25, 2014

---

You have authorized my office to poll you by mail concerning personnel matters which require attention by the Board. Accordingly, we are transmitting to you herewith personnel actions as follows:

For Action – EPA Non-Faculty Compensation Actions                      Appendix A

For Action – EPA Faculty Compensation & Tenure Actions                      Appendix B

Please mark and return the enclosed mail ballot indicating whether or not you agree with the actions proposed. Thank you.

This mail ballot was approved by the Board of Trustees on March 4, 2014 with a majority vote from the following members: Lowry Caudill, Alston Gardner, Sallie Shuping Russell, Jeff Brown, Phillip Clay, Haywood Cochrane, Chuck Duckett, and Dwight Stone.



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

**Mail Ballot**

**Board of Trustees**

**February 25, 2014**

Chancellor Carol Folt submits for your review and approval the EPA Faculty and EPA Non-Faculty Personnel Actions as recommended for February 2014. This mail ballot will be approved as part of the Consent Agenda at the Full Board meeting on Thursday, March 27, 2014.

The undersigned votes as follows with recommendation to these proposed actions as presented by the Chancellor.

	Approve	Disapprove
EPA Non-Faculty Compensation Requests (Appendix A)	<input type="checkbox"/>	<input type="checkbox"/>
Faculty Salary Increases and Tenure Promotions (Appendix B)	<input type="checkbox"/>	<input type="checkbox"/>

Signature\_\_\_\_\_

Printed Name\_\_\_\_\_

Date\_\_\_\_\_

Please fax to Patti Wilkinson at (919) 962-1647 or email at [pattiw@unc.edu](mailto:pattiw@unc.edu)

**ATTACHMENT B**

**DESIGNER SELECTION – HAMILTON HALL ENVELOPE RESTORATION**

This project will address the Hamilton Hall exterior façade deficiencies identified in an earlier assessment report.

The project budget is \$1,500,000 and will be funded by University funds.

This project was advertised on January 27, 2014. Ten (10) proposals were received. Five (5) firms were interviewed on February 27, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of the three firms in the following priority order:

- |  |                |
|--|----------------|
| 1. SKA Consulting Engineers                | Greensboro, NC |
| 2. Atlas Engineering Inc.                  | Raleigh, NC    |
| 3. John B. Hawkins Architect/SGI Engineers | Raleigh, NC    |

The firms were selected for their past performance on similar projects, their knowledge of exterior envelope repairs, the strength of their proposed staff and their understanding of the project.

**RECOMMENDED ACTION**

A motion to approve the three firms in the following priority order:

- |  |                |
|--|----------------|
| 1. SKA Consulting Engineers                | Greensboro, NC |
| 2. Atlas Engineering Inc.                  | Raleigh, NC    |
| 3. John B. Hawkins Architect/SGI Engineers | Raleigh, NC    |



300 Pomona Drive  
Greensboro, NC  
27407-1620  
  
P: 336.855.0993  
F: 336.855.6066  
  
www.skaeng.com

**Groups**

Structural

Mechanical

Electrical

Plumbing

Fire Protection

Building Solutions

Roofing

Waterproofing

**Locations**

Greensboro, NC

Asheville, NC

Charlotte, NC

Wilmington, NC

Birmingham, AL

February 18, 2014

UNC-Chapel Hill, Facilities Planning Department  
103 Airport Drive – Suite 202  
Campus Box 1090  
Chapel Hill, NC 27599-1090

Attn: Ms. Elizabeth Lyon, RA (*elizabeth.lyon@facilities.unc.edu*)

Re: **Letter of Interest and Statement of Qualifications**  
Hamilton Hall – Renovation of the Exterior Envelope  
Solicitation # 287-4132332HS

Dear Ms. Lyon,

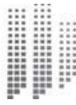
Expertise in brick masonry, flashing, structural connections, and precast concrete panel systems will be critical for the successful repair of the exterior envelope of Hamilton Hall. SKA Consulting Engineers, Inc. (SKA) is ideally qualified to provide this expertise for the benefit of UNC-Chapel Hill. By submission of this letter and the attached qualifications, SKA is seeking to be the designer for the Renovation of the Exterior Envelope for Hamilton Hall.

We believe that you will be favorably impressed by our team’s credentials, our recent experience, and our overall track record as a provider of quality engineering services. Herein is a summary of why you should choose SKA:

***Innovative and Specifically Experienced Team***

Since 1957, SKA has been known for outstanding capabilities in structural engineering, but some are not aware that approximately one third of our company (the Building Solutions Group) is dedicated to investigating and solving problems in existing buildings. The SKA Building Solutions Groups has been providing award winning solutions for masonry walls, flashing systems, and waterproofing components since 1990, including hundreds of brick masonry facades. The combined talents of these Groups (located only an hour from Chapel Hill) allow us to provide an extraordinary variety of expertise to fully address all of the problems with the Hamilton Hall envelope.

Furthermore, SKA has teamed with RGG Architects of Durham to insure that the architectural values of Hamilton Hall are not compromised during the repair process. RGG brings a wealth of architectural experience with masonry repairs to the team. Whether the project will require an innovative flashing design, a creative structural solution to secure the facade, or restoration of the existing masonry, we will use our combined experience and capabilities to provide exceptional repair solutions for UNC-Chapel Hill.

***Team is Available to Provide Superior Service***

The timing of this project fits perfectly into our schedule. The proposed project team is available and prepared to begin work with UNC-Chapel Hill immediately. SKA considers this project to be a project of superior priority – other projects will be scheduled around this project.

***Client Satisfaction***

Considering our history of over 20,000 projects, disputes were inevitable. On the rare occasion that a dispute has occurred with regard to our services, SKA has consistently responded with integrity and a sincere desire to resolve issues in a manner that maintains a positive relationship with our client. Considering that we are one of the largest engineering firms in North Carolina, we are proud to state that there is no litigation currently pending against SKA and over 80% of our business comes from repeat clientele. Your satisfaction is critically important to us.

***Record of Success with the State Construction Office***

Colleges and universities in North Carolina are a key component of our clientele, and as a result, we have developed a long history of successful projects with the North Carolina State Construction Office (SCO). Our experience includes exterior facade investigations and repairs at East Carolina, Appalachian State, UNC-Greensboro, UNC-Chapel Hill, UNC-Charlotte, and NC State. We are well acquainted with SCO procedures and requirements such as accurate budgeting, compliance with document submission schedules, and contract administration services. The enclosed Standard Form 330 reflects a portion of our recent experience with university projects.

I will be the primary contact person for this qualification package. I look forward to getting to know you and your team as we work together to successfully repair Hamilton Hall.

We thank you for your consideration and look forward to your favorable response.

Sincerely,

SKA ENGINEERING CONSULTANTS, INC.

Stephen P. Robinson, PE  
Greensboro Building Solutions Group Manager  
Email: [sprobinson@skaeng.com](mailto:sprobinson@skaeng.com)

Enclosures  
SF-330 (with attachments)

## ATTACHMENT C

### **DESIGNER SELECTION – CAMPUS RECREATION MASTER PLAN**

This project will develop a comprehensive master plan to improve the Campus Recreation facilities. The master plan will evaluate the existing outdoor and indoor facilities and identify improvements to meet the needs of the program.

The project budget is \$200,000 with funding by University funds.

This project was advertised on January 7, 2014. Ten (10) proposals were received. Four (4) firms were interviewed on February 26, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of three firms in the following priority order:

1. 360 Architecture Kansas City, MO
2. RGD Planning+Design Des Moines, IA
3. CRA/Hastings+Chivetta/  
Brailsford & Dunlavey Chapel Hill, NC/  
St. Louis, MO/Charlotte, NC

The firms were selected for their past performance on similar projects, the strength of the proposed staff and their understanding of the project.

### **RECOMMENDED ACTION**

A motion to approve the three firms in the following priority order:

1. 360 Architecture Kansas City, MO
2. RGD Planning+Design Des Moines, IA
3. CRA/Hastings+Chivetta/  
Brailsford & Dunlavey Chapel Hill, NC/  
St. Louis, MO/Charlotte, NC



January 30, 2014

University of North Carolina at Chapel Hill  
Department of Facilities Planning  
103 Airport Drive; Ste. 200; Campus Box #1090  
Chapel Hill, North Carolina 27599-1090  
ATTN: Mr. Keith Snead

Re: Request for Information  
UNC Campus Recreation Facility Master Plan

Dear Mr. Snead,

Thank you for the opportunity to submit our qualifications for the University of North Carolina's Campus Recreation Facility Master Plan. 360 Architecture has been recognized as a sports facilities design leader for more than 25 years. Our expertise includes campus recreation facilities, as well as stadiums, arenas and training facilities for collegiate and professional athletics. We have elected to augment our in-house expertise with the nationally recognized consulting expertise of Sports Management Group (SMG). SMG brings extensive experience providing financial, market and operational analysis for recreation facilities and master planning efforts across the country. As you review our submission you will find that our team brings unparalleled qualifications in the following areas:

**FAMILIARITY.** Our ongoing work with the UNC Athletics Department provides an **understanding of campus standards** and presents an **opportunity to seek synergies** between Campus Recreation and Athletics planning that could **provide added value** for the University. In addition, our team's past experience working with Director of Campus Recreation, Bill Goa during his tenure at the University of Nebraska on a substantial recreation project provides a **solid foundation of trust and a familiarity** with approach that will allow our team to hit the ground running. This experience will aid our team in delivering a master plan that unifies the vision for Campus Recreation and Athletics and enhances the campus experience for students.

**INNOVATION.** With evolving student expectations and an increasingly competitive landscape, **recreation facilities are a critical centerpiece of campus life.** Our experience allows us to go beyond the standard programmatic needs and integrate technology and amenities in **innovative ways to differentiate your facility** from those at other universities. When it comes to the master planning of recreation and athletics facilities a key facet of our approach is to first look for innovative ways to reuse/renovate existing buildings and **maximize our client's existing assets and investments.** Our recent work at Louisiana State University and the University of Nebraska exemplify this approach.

**COLLABORATION.** Our University clients have consistently recognized us for our **success engaging the student population** to develop solutions tailored to each campus' unique needs. Our process is open and inclusive. In a workshop setting we listen to the voices of students, staff and administrators to deliver a project that reflects the **unique qualities of your campus.** We challenge assumptions, explore alternatives and seek fresh opportunities. Fusing collaboration with expertise, we lead the way to new, more efficient and more effective solutions that realize the unique goals and opportunities in each project.

**SUSTAINABILITY.** Our goal on every recreation project is to have a lasting impact on users while leaving a minimal impact on the natural environment. We believe that **healthy buildings and healthy bodies** are inherently intertwined and design should welcome all levels of users, inspire its patrons to engage with wellness and demonstrate a campus commitment to sustainability. 360 will develop a Campus Recreation Facilities Master Plan that **holistically integrates sustainable principles** across new and existing facilities and creates enhanced indoor-outdoor connectivity between your buildings and the abundant outdoor spaces that your campus is known for. 360 Architecture has demonstrated our ability to achieve high-levels of sustainability while reducing operational costs on University projects across the country.

Our team is committed to achieving the University's project goals and enthusiastic about its vision for the continued growth of campus recreation. We sincerely appreciate the invitation to present our qualifications and hope to have the opportunity to work with you to create a Campus Recreation Facilities Master Plan that preserves your history, supports your goals and guides the University into the future.

Sincerely,

Tom Waggoner, AIA  
Principal in Charge

James Braam, AIA, LEED AP  
Senior Project Designer

## ATTACHMENT D

### **DESIGNER SELECTION – HVAC CONTROLS UPGRADE AT HANES, MITCHELL, SWAIN HALLS, AND STEELE BUILDING**

This project will upgrade the existing pneumatic HVAC controls at Hanes, Mitchell, and Swain Halls and Steele Building.

The project budget is \$463,000 and will be funded by State appropriations.

This project was advertised on January 16, 2014. Six (6) proposals were received. Three (3) firms were interviewed on February 27, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of three firms in the following priority order:

1. Dewberry Engineers, Inc. Raleigh, NC
2. Stanford White, Inc. Raleigh, NC
3. McKim & Creed, Inc. Raleigh, NC

### **RECOMMENDED ACTION**

A motion to approve the three firms in the following priority order:

1. Dewberry Engineers, Inc. Raleigh, NC
2. Stanford White, Inc. Raleigh, NC
3. McKim & Creed, Inc. Raleigh, NC

February 12, 2014

Mr. Wm. Keith Snead, LEED AP  
Project Manager  
Department of Facilities Planning  
103 Airport Drive, Ste. 202E  
Campus Box #1090  
The University of North Carolina at Chapel Hill  
Chapel Hill, NC 27599-1090

Reference: **Request for Letters of Interest and Current SF-330  
HVAC Controls Upgrade for Hanes, Mitchell, Swain Halls and Steele Building**

Dear Mr. Snead:

Dewberry Engineers Inc. (Dewberry) is pleased to present this Letter of Interest and SF-330 for the HVAC Controls Upgrade for Hanes, Mitchell, Swain Halls and Steele Building project. Dewberry has performed similar services on previous projects for higher education clients and is very interested in providing our services to the University for this project.

We feel the advantages of the Dewberry Team are:

- ✓ Dewberry has a team with well-rounded, specific expertise in controls systems and the knowledge of building systems and how they are supposed to operate. Having designed previous controls upgrades, we know the systems, their functions, and the expectations for those systems.
- ✓ Our team has substantial experience working for the UNC Campus System and enjoys an excellent relationship with the NC Department of Administration State Construction Office. This relationship has proven to be valuable when discussing critical decisions that need to be made for any particular project that falls under the review of the NC Department of Administration State Construction Office.

Dewberry would sincerely appreciate the opportunity to provide professional engineering services to the University for this project. We are confident that we are well qualified to serve you and the University in a highly professional, efficient, and timely manner.

If you have any questions, please do not hesitate to contact me by phone at 919.424.3730, or via email at gmills@dewberry.com.

Sincerely,



Dewberry Engineers Inc.  
Gregory A. Mills, PE, CEM, LEED AP BD+C  
Manager Building Services Group





February 17, 2014  
Michael A. Pierce  
University of North Carolina at Chapel Hill  
Facilities Planning Department  
103 Airport Drive, Suite 202  
Chapel Hill, NC 27599

RE: Ridge Road Pedestrian Improvements – Master Plan and Advanced Planning

Dear Mr. Pierce,

**Stewart** is pleased to submit our qualifications to provide services for the Ridge Road pedestrian improvements. Stewart's interest in this project is based on our experience successfully delivering similar projects and available manpower to undertake this project. We look forward to working with the University.

After visiting the site, we understand the value these improvements will have for the campus in providing a safe, well conceived design that fully connects all modes of travel through the Ridge Road corridor. For this assignment our firm's unique approach to in-house cross collaborative design is a significant benefit to UNC. Our professional staff of landscape architects, civil engineers, construction specialists, and bike/ped planners work together each day to provide collaborative design solutions that meet our clients' needs. We are excited that this project would allow us to utilize all these disciplines together with your staff, the Town of Chapel Hill and other university leaders.

#### Summation of Information

- **Experienced Project Manager** – Iona L. Thomas, AICP will serve as Project Manager. Iona is the leader of Stewart's Transportation Group. She is a certified planner who combines her passion for bicycle and pedestrian design with extensive technical expertise and management skills to design safe walking and biking connections. She is a passionate supporter of bike/ped facilities and believes they play an important role in economic development, creating healthy communities, providing alternate modes of transportation, and connecting people with nature.
- **Dedicated Bicycle and Pedestrian Design Team** – Bicycle and pedestrian projects make a real difference in the health and quality of life in our communities. We strive to develop a design criteria based on municipal codes and NCDOT guidelines that result in safe, pleasurable biking and walking.
- **UNC Chapel Hill Experience** – Stewart is very proud of our work on the UNC campus. We would welcome the opportunity to continue our work with you.
- **HUB Utilization** – Stewart is a certified Historically Underutilized Business (HUB) with the State of North Carolina through the Statewide Uniform Certification (SWUC) program.

Stewart has the resources and expertise to meet your needs for the proposed assignment. Please do not hesitate to contact me (919.866.4762 or [ithomas@stewartinc.com](mailto:ithomas@stewartinc.com)) if you have any questions or comments.

Sincerely,

**STEWART**

Iona L. Thomas, AICP  
Associate Vice President / Manager of Transportation

**STRONGER BY DESIGN**

421 FAYETTEVILLE ST.  
SUITE 400

RALEIGH, NC  
27601

T 919.380.8750  
F 919.380.8752



observe



design



build



walk

## ATTACHMENT F

### **FOR DESIGN APPROVAL – MARY ELLEN JONES BUILDING RENOVATION**

This project will renovate the upper 6 floors of Mary Ellen Jones Building as new research laboratory and office space. In addition, the project will address deferred maintenance items which include: HVAC, electrical, plumbing, life safety code, accessibility and exterior envelope issues. A new elevated plaza is proposed to connect the 3<sup>rd</sup> floor of Mary Ellen Jones Building to the walkway at Thurston Bowles Building.

The project budget is \$77.4M and will be funded by University funds.

The Board of Trustees reviewed the project at its January 2014 meeting.

The design has been reviewed by the Design Review Committee.

The Chancellor's Buildings and Grounds Committee approved the project at its February 2014 meeting.

### **RECOMMENDED ACTION**

A motion to approve the design.



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

ATTACHMENT G

# *Division of Finance and Administration*

## Student Fees



Photo credit: Sam Kittner '85

Kevin Seitz  
Interim Vice Chancellor for Finance and Administration  
March 26, 2014



# Student Involvement in Fee Process

- **Students play a major role in the fee decision making process**
  - ❖ **Conduct audits**
  - ❖ **Review proposals**
  - ❖ **Obtain feedback from constituencies**
- **Students consider fee requests as a total package**
- **Students base their decisions on student body priorities**



# Fees All Undergraduate Students Pay

- **Chapel Hill's Six Year History**
  - ❖ **General fees**
  - ❖ **Debt Service fees**
  - ❖ **Application fees**
  - ❖ **Special fees**
  - ❖ **Miscellaneous fees**
- **Observations**
  - ❖ **From 2009/10 to 2014/15, fees increased \$200 or 11%**
  - ❖ **No increase in one category (Special fees)**



## General Fees Only

- **Six year historical comparison to UNC System schools**
- **Observations**
  - ❖ **Chapel Hill total General fees are:**
    - **Lowest in the system (\$1,524.99)**
    - **81% of UNC System average (\$1,887.26)**
    - **Chapel Hill 6 year dollar increase (\$120.33) is the lowest in the system**



## General Fees Only

- **Additional Observations**
  - ❖ **Chapel Hill is lower than system average in two categories:**
    - **Athletics fee (46%)**
    - **Student Activity fee (63%)**
  - ❖ **Chapel Hill is higher than system average in two categories:**
    - **Education and Technology fee (108%)**
    - **Student Health fee (153%)**

# UNC CAMPUS HEALTH SERVICES

Overview of fee structure issues

# 3 Questions

- Why, in light of the emergence of UNC system wide comprehensive health care insurance, do we still need campus health services?
- Why is the current Student Health Fee at UNC-CH so high (and in comparison to others in the UNC system)?
- Are there programs and services currently covered by the Student Health Fee that have missions beyond the parameters of the health fee that should be covered elsewhere?

# Why Campus Health Services

## **Minimizing barriers to health care access**

- Out of pocket charges discourage appropriate and timely care
- Mission includes public health surveillance, emergency preparedness, crisis management
- Programming and services address mental health, wellness, and environmental/cultural issues

# Why Campus Health Services

## **The Health fee minimizes out of pocket expenses**

- eliminating high deductible charges, co-pays, and co-insurance
- covers basic medical benefits for those with limited regional coverage
- Immediate access to counseling brief therapy with no out of pocket expense

# Why Campus Health Services

## **Emergency Department**

Sprained Ankle \$1051

Cold/bronchitis \$740

Urinary Tract Infection \$1312

## **Campus Health Services**

Sprained Ankle \$180

Crutches, X ray, Air cast

Cold/bronchitis \$0 to \$22

Urinary Tract Infection \$22-\$44

\*Charges prior to insurance filing

# Why Campus Health Services

- Over 65,000 annual clinical visits
- Over 1/3 of these are same day appointments with many walk in appointments
- Immediate access to counselors/acute care

**61% of eligible students seen at least once**

# Why is our Student Health Fee higher than at other UNC System schools?

It needs to be looked at in context of total fee amounts and our students decisions about where to emphasize the placements of their fees.

**The provision of clinical health services at each institution is driven by student demographics, institutional mission, and community resources.\***

\*Council for the Advancement of Standards in Higher Education  
8<sup>th</sup> edition

# Why is our Student Health Fee higher than at other UNC System schools?

- UNC-Chapel Hill open more hours/week (Hours have gradually been reduced over the years with approval of the students)
- Higher percentage of student body utilizes our services
- More graduate/professional students with school sponsored plans that make it financially advantageous to utilize Campus Health
- Provision of occupational Health care to our health science students
- Study Abroad Travel Clinic serves 400-500 students a year for variety of travel related services
- The Taylor Student Health building is 35 years old and not designed for the provision of modern health care. NCSU, UNC-G, UNC-C, UNC-W all have new or recently remodeled health services. UNC-CH student leaders and the Campus Health Advisory Board have advocated strongly that the fund balance be increased to spread capital costs over more generations of students

# Wellness programming addresses issues proven to impact access and retention

**Psychosocial issues**

**Mental and Behavioral health issues**

**Environment and culture issues**

- Substance abuse
- Stress
- Sleep hygiene
- Relationship issues
- Sexual violence

# Conclusions and proposed actions

- A complete and comprehensive internal/external review of programs, services, and administrative costs will be undertaken prior to the next fee cycle and an immediate decision has been made to reduce the fund balance in order to reduce the fee.
- Notwithstanding confidence in the efficacy and appropriateness of wellness services, our ITC, sexual health education, and access and inclusion programs will be removed from the health fee that does not involve fee based or State appropriated funds.
- CHS will therefore immediately reduce the health fee by \$20 or approximately \$556,000 in operating funds.

## **Carolina Research Venture Fund**

March 2014

Transformation of ideas from the lab to the commercial marketplace is one of the most important benefits UNC-CH can provide to the people of North Carolina and the world. As we have moved into the top ten research institutions in the nation, it becomes increasingly incumbent upon us to move this new knowledge from the confines of campus into the marketplace. Toward this purpose, two years ago the Board of Trustees, through its Finance and Audit Committee, asked the Administration to develop a plan through which we could facilitate development of certain research assets to commercialization, in order to maximize their overall return to the University.

Initially it was thought that such an effort would need to be coordinated through the UNC-CH Foundation, which would hold equity in start-up companies on behalf of the University. Chancellor Holden Thorp and Trustee Sallie Shuping-Russell presented the concept to the Foundation Board and it was approved in May 2011. Since then, a committee of trustees, administrators, and faculty has worked to develop the separate organizational structure through which Carolina can help fund promising technologies. The program, separate from the UNC Foundation, is called the Carolina Research Venture Fund (CRVF).

Many concepts were considered during the past two years. These ranged from modest seed grants to raising a full-scale venture capital fund. The final plan, presented here, is smaller and more focused. That is, providing support at the earliest stages of commercialization – prior to where the commercial market will get involved – and supporting only technology coming from research conducted at UNC-CH where the University has an intellectual property position. It is not intended to replace or usurp other efforts – either within the University or external -- to fund technology spin-outs at UNC. There are several such efforts throughout campus and rather than appear to compete with them this plan is intended to support them.

### **Purpose**

The purpose of CRVF is two-fold: (1) a strategic purpose to maximize the research assets by getting them into the marketplace and (2) an investment purpose to get sufficient return on the investments which can be reinvested into the CRVF, making it an evergreen fund. Because of this two-fold mission– and because the initial funds will not come from the Investment Fund – the CRVF does not have to receive a “venture capital” level of return. Its return goal will be to generate return of capital and provide sufficient excess return to enable CRVF to become an evergreen fund.

In this way CRVF can continue to support further research commercialization efforts indefinitely into the future.

From a strategic point of view, CRVF provides Carolina with a means of supporting faculty research commercialization, generating additional revenue through increased grant support, and creating new companies that can bring new technologies and jobs to North Carolina. Having a mechanism for supporting faculty-founded enterprises is becoming increasingly important in recruiting outstanding researchers to the University. Top researchers are also most likely to secure outside research grants, which are becoming an increasingly important revenue source to Carolina. Equally important, it provides a means to get technology into the marketplace – the original intent of the Dole-Bayh Act. By starting young companies or providing additional areas of growth to existing firms, CRVF creates new technologies and grows the job market within North Carolina. Thus, it provides a direct benefit to the State of North Carolina in a way that only major research institutions can.

### **Governance**

CRVF will be organized as a North Carolina Limited Liability Company with a single member, UNC-CH, and a Board, two of whom are appointed by the Chair of the Board of Trustees. The duties of the CRVF Board are to:

1. Establish investment and strategic objectives
2. Select investment manager(s)
3. Monitor investment manager performance
4. Report annually to the UNC-CH Board of Trustees through its Finance and Infrastructure Committee. The Company will also make a report for information to the Trustees' Innovation and Impact Committee.

It will not be the Board's responsibility to be involved in deciding which technologies to support; that will be outsourced to one or more investment managers who are experienced in investing in start-up companies.

The Board will consist of five ex-officio officers who will elect up to three additional members. The ex-officio officers will be

1. Vice Chancellor for Finance and Administration, or his/her designee;
2. A senior member of the UNC Management Co staff – preferable the Director of Private Investments;
3. Two members of the Board of Trustees, appointed by the Chairman of the Board of Trustees. The ex-officio trustee members shall be in different classes of trustees so that their terms do not expire in the same year; and
4. The Chancellor's advisor on Innovation and Technology (or comparable position)

Elected positions will consist of up to three members. These may include trustees, who in this case would not be considered ex-officio, but it is not expected or required that an elected position be a trustee. The term of the elected members shall be four years and individual directors may be re-elected for another four-year term. Individuals serving two consecutive four-year terms are eligible for re-election after one year off the Board.

The Board shall elect its Chairman, whose term is two years. The Chair can be re-elected for an additional two-year term. Legal documents provide additional detail about the Board, its members and terms of office.

### **Investment Management**

The Fund will outsource its investment decision-making to one or more managers unaffiliated with Carolina but experienced in funding very early stage technology and life science companies. Because of our location in Research Triangle Park, existing organizations and resources can be leveraged to provide professional management in a very capital efficient model. As part of this process we will have industry input from potential strategic partners and also from potential venture partners. This will allow us to get early market feedback into the viability of a project before spending a significant amount of capital.

In addition, CRVG will establish its own Venture Capital Advisory Committee (VCAC). This will comprise leading venture capitalists from across the country and within North Carolina. Examples from outside the region include partners or ex-partners from Kleiner Perkins Caulfield & Byers, Greylock, NEA, Polaris, Domain, Andreessen Horowitz, Sequoia, Trident and others. VCAC will provide strategic advice to the Board as needed. It will also discuss with the manager(s) the viability of potential companies and offer advice to address concerns which start-up companies face as they grow. VCAC will also offer a long-term vision for new markets that could underwrite larger impact investments. It is also hoped that these venture firms would provide additional follow-on capital as the UNC-based companies develop.

### **Process**

Under the plan, a technology would be identified through one of the existing University entities (UNC Kickstart, TRACS, Launch the Venture, Blackstone Network, etc), through independent scouting on the campus by the investment manager for technologies or through word-of-mouth. Once identified, the investment manager would evaluate the technology, help develop a business plan, identify the nascent management team, and facilitate introductions to accounting, legal, insurance, HR and other resources needed by young companies. It would also work with the UNC Office of Technology Development (OTD) to license or option the University technology upon which the company was based. During this time the manager would seek input from its internal advisors as well as Carolina's VCAC and others to

assess market attractiveness. CRVF would directly own equity in the new companies derived from its investments in the young firms. This would be different ownership from that received through OTD or other areas of the University via the technology transfer policies.

Currently we are assuming that later rounds of financing would not be supported by CRVF but instead would have investors such as venture capitalists, industry partners, angel capital or perhaps the UNC Management Company's direct investment program. Such details have yet to be determined. However, the University would try to retain the right to one non-dilutive round of financing. The question of CRVF participating in later rounds will remain outstanding until the Fund is operational and we have a better sense of its funds flow, returns, and other factors.

### **Summary**

The University has long considered how best to advance commercialization of its research. Now that UNC-CH is among the top research institutions in America it is incumbent that we find a way to move these ideas into the marketplace. By providing initial capital for young companies, as well as strategic advice through its VCAC, Carolina Research Venture Fund is an important step in accomplishing this goal.

# UNC-CH Internal Audit Quality Assessment Review

Finance and Infrastructure Committee

March 26, 2014

# Summary

- Generally Conforms - highest level of opinion allowed under the Standards
- Viewed positively – seen as resource
- Opportunities for enhancing conformance and continuous improvement
- Staff resources

# Conformance with Standards

Revise Finance and Infrastructure Committee charter

- *Approve rather than advise*
- *Not typical in UNC System*

# Conformance with Standards

Improve project management and make audits more efficient – interim audit reports.

- *High priority – firm due dates, justify extension*
- *Streamline processes – CAATs*
- *Discuss issues as found; escalate as needed*

# Conformance with Standards

Expand information technology coverage.

- *Limited resources*
- *Focused on advisory work and ERP*
- *Expand after go-live; general controls in departmental audits*
- *Disaster recovery/business continuity test*

# Conformance with Standards

## More frequent and timely follow-up

- *Complete current project – brings up-to-date*
- *Informal follow-up activities*
- *Change approach – follow-up based on due dates*
- *Can produce reports of all uncorrected findings*

# Conformance with Standards

Formal Internal Quality Assessment review.

- *On-going monitoring for ways to improve*
- *Policy written by end of fiscal year 2013/14*
- *Process will evolve*

# Conformance with Standards

Audits of governance and ethics-related programs.

- *Advisory and consulting work*
- *Add formal audits as processes evolve.*

# Conformance with Standards

## COSO Internal Control Framework

- *Excellent tool but not required to align*
- *Departmental audits – 2015/16*
  - *Strategic plans – alignment and awareness*
  - *Risk identification and assessment*
  - *Monitoring of activities and results*
  - *Communications*

# Conformance with Standards

## Report style

- *Focus on nature, cause, and impact*
- *Quantify findings when will add clarity*

# Continuous Improvement

- Audit map
- Affiliated entities
- Audit plan – sharing and staff input
- Cabinet and interaction with management

# Continuous Improvement

## Reports to the Finance and Infrastructure Committee

- *Performance metrics*
- *Significant audit findings*

# Continuous Improvement

- Surveys
- Performance metrics for staff
- Team audits
- Training plans

Questions?



# Development Report

## FY 2014 Progress Report

---

<b>Cash Received:</b>	<b>3/17/14</b>	<b>3/17/13</b>	<b>Variance</b>	<b>% Change</b>
Gifts	\$101,428,596	\$88,998,949	\$12,429,647	14%
Grants	\$ 88,989,151	\$ 95,280,215	(\$6,291,067)	-7%
<b>Total Cash Received:</b>	<b>\$190,417,747</b>	<b>\$184,279,167</b>	<b>\$6,138,580</b>	<b>3%</b>
 <b>New Cash and Commitments:</b>				
	\$206,444,550	\$195,592,090	\$10,852,460	6%



# Total Cash

Group: Grand Total All Groups	Dollars Current FY	Dollars Previous FY	Percent Change	Grants Current FY	Grants Last FY	Percent Change
<b>Academic Affairs</b>	<b>\$34,116,011</b>	\$34,280,181	0%	<b>\$13,296,358</b>	\$13,847,592	-4%
Ackland Art Museum	\$705,744	\$479,220	47%	\$36,500	\$101,000	-64%
College of Arts & Sciences	\$15,651,017	\$14,571,909	7%	\$11,079,709	\$11,011,951	1%
Graduate School	\$168,302	\$190,396	-12%			0%
Kenan-Flagler Business School	\$7,453,055	\$9,044,355	-18%	\$458,808	\$412,530	11%
Morehead Planetarium and Science Center	\$569,728	\$886,453	-36%	\$131,433	\$51,000	158%
NC Botanical Garden	\$538,101	\$548,970	-2%			0%
School of Education	\$2,927,036	\$448,093	553%	\$246,357	\$604,345	-59%
School of Government	\$1,089,390	\$898,921	21%	\$265,886	\$253,218	5%
School of Information & Library Science	\$307,448	\$221,446	39%	\$45,600	\$90,024	-49%
School of Journalism & Mass Communication	\$2,116,988	\$2,752,245	-23%	\$42,388	\$70,569	-40%
School of Law	\$1,116,613	\$2,092,722	-47%	\$301,864	\$82,000	268%
School of Social Work	\$503,720	\$592,742	-15%	\$211,800	\$1,111,966	-81%
University Library	\$968,870	\$1,552,707	-38%	\$476,014	\$58,989	707%
<b>Health Affairs</b>	<b>\$33,839,373</b>	\$21,426,034	58%	<b>\$70,244,723</b>	\$77,150,033	-9%
Eshelman School of Pharmacy	\$3,848,761	\$1,197,067	222%	\$2,830,042	\$2,070,979	37%
Frank Porter Graham Child Development Institute	\$59,983	\$12,312	387%	\$4,276,763	\$3,515,272	22%
Gillings School of Global Public Health	\$10,971,321	\$2,761,859	297%	\$7,930,021	\$11,142,965	-29%
Health Affairs	\$12,945	\$16,170	-20%	\$7,021,707	\$7,752,634	-9%
Health Sciences Library	\$50,325	\$298,967	-83%	\$0	\$6,000	-100%
Institute for the Environment	\$225,280	\$156,292	44%	\$335,677	\$265,108	27%
Lineberger Comprehensive Cancer Center	\$3,085,371	\$2,575,313	20%	\$7,561,185	\$7,324,766	3%
Medical Foundation	\$8,304,849	\$8,565,267	-3%			0%
Nutrition Research Institute	\$443,383	\$118,456	274%			0%
School of Dentistry	\$2,530,466	\$1,713,107	48%	\$963,578	\$606,469	59%
School of Medicine	\$3,477,639	\$3,443,622	1%	\$38,295,092	\$40,834,040	-6%
School of Nursing	\$829,050	\$567,602	46%	\$1,030,658	\$3,631,801	-72%
<b>Other</b>	<b>\$18,517,952</b>	\$17,228,191	7%	<b>\$5,448,080</b>	\$4,282,593	27%
Administrative Units	\$525,215	\$210,913	149%			0%
Carolina Center for Public Service	\$1,949,155	\$27,285	7044%			0%
Carolina Performing Arts	\$563,695	\$655,918	-14%	\$0	\$800,000	-100%
Chancellor	\$1,383,433	\$3,063,274	-55%			0%
Department of Athletics	\$2,181,542	\$1,002,986	118%			0%
Friday Center	\$36,605	\$38,475	-5%			0%
GAA Alumni Center	\$330	\$445	-26%			0%
Morehead-Cain Foundation	\$2,678,389	\$1,355,947	98%			0%
Office of International Affairs	\$158,756	\$691,006	-77%	\$0	\$115,300	-100%
Provost	\$580,029	\$722,768	-20%	\$4,690,941	\$2,792,930	68%
Scholarships & Student Aid	\$4,890,665	\$6,266,593	-22%			0%
Sonja Haynes Stone Center for Black Culture and History	\$50,611	\$50,364	0%			0%
Student Affairs	\$763,530	\$422,691	81%			0%
Unallocated	\$190,217	\$1,116,883	-83%			0%
University Development Office	\$2,206,893	\$1,274,870	73%			0%
University Press	\$13,000	\$81,744	-84%			0%
WUNC-FM	\$345,887	\$246,031	41%	\$757,139	\$574,363	32%
<b>Grand Totals:</b>	<b>\$86,473,336</b>	\$72,934,407	19%	<b>\$88,989,161</b>	\$95,280,218	-7%
Ed Foundation as of 1/31/14	<b>\$14,955,260</b>	\$16,064,542	-7%			



# Commitments

Sites	Prior FYTD Total Committed	Total Committed	Gifts	Private Grants	Total Current	Pledges	Irrevocable Gifts	Revocable Gifts	Total Future
<b>Academic Affairs</b>	<b>\$48,732,693</b>	<b>\$60,075,355</b>	<b>\$26,824,466</b>	<b>\$13,296,358</b>	<b>\$40,120,824</b>	<b>\$9,596,522</b>	<b>\$2,921,008</b>	<b>\$7,437,000</b>	<b>\$19,954,531</b>
Ackland Art Museum	\$529,427	\$531,627	\$493,262	\$36,500	\$529,762	\$1,865	\$0	\$0	\$1,865
College of Arts & Sciences	\$24,847,231	\$27,390,383	\$11,381,491	\$11,079,709	\$22,461,199	\$2,584,555	\$394,629	\$1,950,000	\$4,929,183
Graduate School	\$208,711	\$141,593	\$120,802	\$0	\$120,802	\$20,791	\$0	\$0	\$20,791
Kenan-Flagler Business	\$10,979,860	\$11,988,524	\$6,695,744	\$458,808	\$7,154,552	\$2,090,085	\$1,093,886	\$1,650,000	\$4,833,972
Morehead Planetarium and	\$871,350	\$667,006	\$522,153	\$131,433	\$653,586	\$3,420	\$0	\$10,000	\$13,420
NC Botanical Garden	\$652,431	\$459,170	\$453,315	\$0	\$453,315	\$5,855	\$0	\$0	\$5,855
School of Education	\$890,612	\$3,150,117	\$2,818,259	\$246,357	\$3,064,616	\$13,501	\$0	\$72,000	\$85,501
School of Government	\$1,042,969	\$1,362,816	\$942,689	\$265,886	\$1,208,575	\$154,241	\$0	\$0	\$154,241
School of Information &	\$494,287	\$2,720,403	\$166,153	\$45,600	\$211,753	\$8,650	\$100,000	\$2,400,000	\$2,508,650
School of Journalism &	\$1,968,622	\$5,473,402	\$899,424	\$42,388	\$941,812	\$4,526,591	\$0	\$5,000	\$4,531,591
School of Law	\$2,743,725	\$2,298,517	\$874,810	\$301,864	\$1,176,674	\$171,843	\$0	\$950,000	\$1,121,843
School of Social Work	\$1,797,813	\$2,048,720	\$498,309	\$211,800	\$710,108	\$6,119	\$1,332,494	\$0	\$1,338,612
University Library	\$1,705,655	\$1,843,076	\$958,056	\$476,014	\$1,434,070	\$9,006	\$0	\$400,000	\$409,006
<b>Health Affairs</b>	<b>\$110,235,892</b>	<b>\$113,514,785</b>	<b>\$24,784,333</b>	<b>\$70,244,723</b>	<b>\$95,029,056</b>	<b>\$6,653,541</b>	<b>\$1,088,188</b>	<b>\$10,744,000</b>	<b>\$18,485,729</b>
Eshelman School of	\$3,518,183	\$6,646,793	\$3,801,296	\$2,830,042	\$6,631,338	\$15,455	\$0	\$0	\$15,455
Frank Porter Graham Child	\$3,634,840	\$4,336,452	\$59,689	\$4,276,763	\$4,336,452	\$0	\$0	\$0	\$0
Gillings School of Global	\$14,302,103	\$18,873,224	\$6,118,161	\$7,930,021	\$14,048,182	\$3,825,042	\$0	\$1,000,000	\$4,825,042
Health Affairs	\$8,053,258	\$7,034,632	\$12,925	\$7,021,707	\$7,034,632	\$0	\$0	\$0	\$0
Health Sciences Library	\$300,663	\$390,432	\$48,087	\$0	\$48,087	\$2,345	\$0	\$340,000	\$342,345
Institute for the Environment	\$959,204	\$569,981	\$133,470	\$335,677	\$469,147	\$100,834	\$0	\$0	\$100,834
Lineberger Comprehensive	\$11,568,973	\$12,222,850	\$2,710,312	\$7,561,185	\$10,271,497	\$255,517	\$48,837	\$1,647,000	\$1,951,353
Medical Foundation	\$9,937,280	\$11,207,666	\$6,653,361	\$0	\$6,653,361	\$1,807,305	\$0	\$2,747,000	\$4,554,305
Nutrition Research Institute	\$15,192	\$310,174	\$310,174	\$0	\$310,174	\$0	\$0	\$0	\$0
School of Dentistry	\$2,385,238	\$8,337,764	\$1,738,696	\$963,578	\$2,702,274	\$609,190	\$1,016,300	\$4,010,000	\$5,635,490
School of Medicine	\$49,289,660	\$41,214,890	\$2,392,951	\$38,295,092	\$40,688,043	\$3,796	\$23,051	\$500,000	\$526,847
School of Nursing	\$6,271,298	\$2,369,927	\$805,211	\$1,030,658	\$1,835,869	\$34,059	\$0	\$500,000	\$534,059
<b>Other</b>	<b>\$25,733,505</b>	<b>\$22,610,357</b>	<b>\$14,818,050</b>	<b>\$5,448,080</b>	<b>\$20,266,130</b>	<b>\$1,090,739</b>	<b>\$0</b>	<b>\$1,253,488</b>	<b>\$2,344,227</b>
Administrative Units	\$15,427	\$525,873	\$525,153	\$0	\$525,153	\$720	\$0	\$0	\$720
Carolina Center for Public	\$25,830	\$1,948,721	\$1,947,496	\$0	\$1,947,496	\$1,225	\$0	\$0	\$1,225
Carolina Performing Arts	\$1,408,838	\$576,830	\$532,568	\$0	\$532,568	\$44,263	\$0	\$0	\$44,263
Chancellor	\$374,262	\$136,433	\$136,433	\$0	\$136,433	\$0	\$0	\$0	\$0
Department of Athletics	\$941,989	\$2,215,744	\$2,178,062	\$0	\$2,178,062	\$37,682	\$0	\$0	\$37,682
Friday Center	\$1,801	\$35,910	\$35,825	\$0	\$35,825	\$85	\$0	\$0	\$85
GAA Alumni Center	\$245	\$330	\$330	\$0	\$330	\$0	\$0	\$0	\$0
Morehead-Cain Foundation	\$1,293,560	\$4,346,416	\$2,568,604	\$0	\$2,568,604	\$702,812	\$0	\$1,075,000	\$1,777,812
Office of International Affairs	\$293,864	\$151,416	\$150,896	\$0	\$150,896	\$520	\$0	\$0	\$520
Provost	\$4,543,889	\$5,258,041	\$542,786	\$4,690,941	\$5,233,727	\$24,314	\$0	\$0	\$24,314
Scholarships & Student Aid	\$14,035,282	\$3,352,805	\$3,125,265	\$0	\$3,125,265	\$49,052	\$0	\$178,488	\$227,540
Sonja Haynes Stone Center	\$43,781	\$46,571	\$45,331	\$0	\$45,331	\$1,240	\$0	\$0	\$1,240
Student Affairs	\$426,314	\$528,995	\$462,453	\$0	\$462,453	\$66,542	\$0	\$0	\$66,542
Unallocated	\$94,449	\$191,096	\$107,815	\$0	\$107,815	\$83,281	\$0	\$0	\$83,281
University Development	\$1,420,704	\$2,244,770	\$2,172,170	\$0	\$2,172,170	\$72,600	\$0	\$0	\$72,600
University Press	\$81,744	\$13,000	\$13,000	\$0	\$13,000	\$0	\$0	\$0	\$0
WUNC-FM	\$731,526	\$1,037,406	\$273,863	\$757,139	\$1,031,002	\$6,403	\$0	\$0	\$6,403
<b>Total</b>	<b>\$184,702,090</b>	<b>\$196,200,497</b>	<b>\$66,426,849</b>	<b>\$88,989,161</b>	<b>\$155,416,010</b>	<b>\$17,340,803</b>	<b>\$4,009,196</b>	<b>19,434,488</b>	<b>\$40,784,487</b>



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

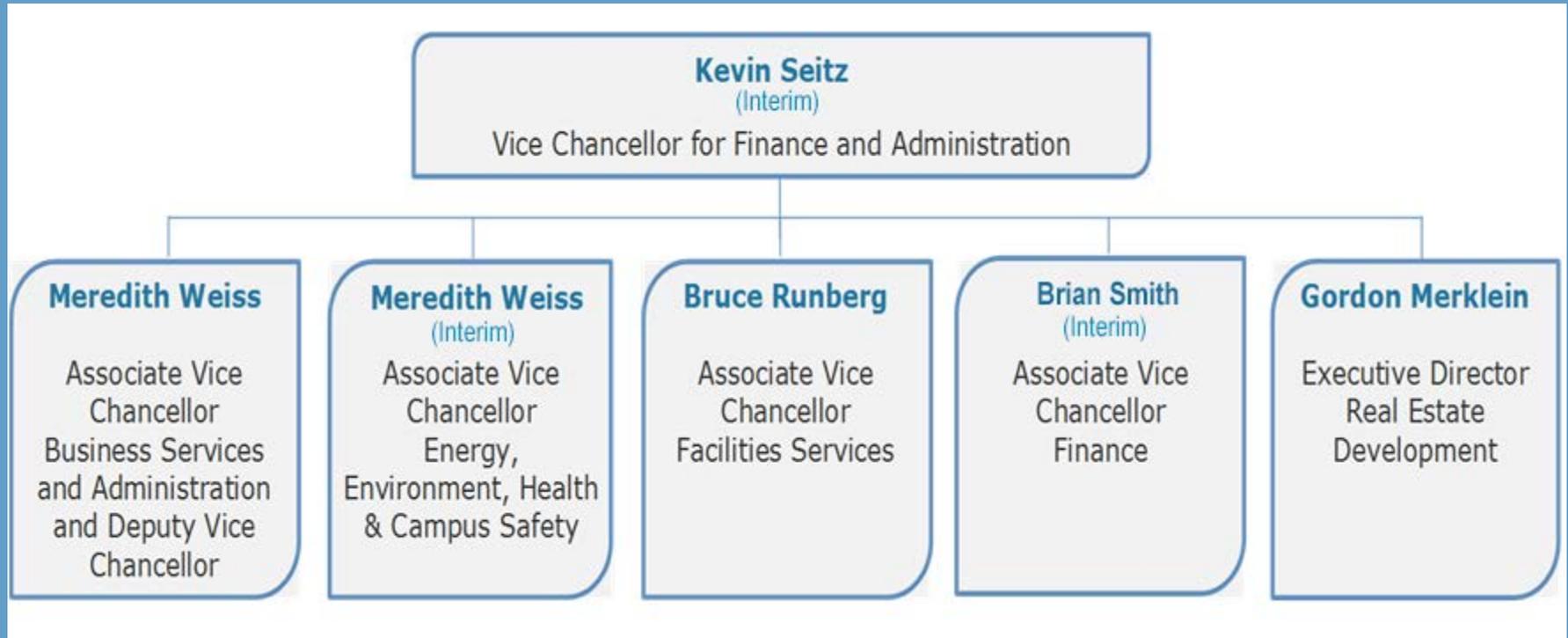
ATTACHMENT K

# *Division of Finance and Administration*



March 26, 2014

# *Division of Finance and Administration*



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL



# Division of Finance and Administration

## Business Services and Administration

- Auxiliary Services
  - Armored Car
  - Carolina Copy
  - Carolina Dining Services
  - Horace Williams Airport
  - Laundromat
  - Laundry
  - PID Office
  - Printing Services
  - UNC One Card
  - University Mail Services
  - Vending
- Division Business Operations (HR, IT, Communications)
- Student Stores
- Trademarks and Licensing

FY 2013 Expenditures: \$74M

360 UNC Employees  
475 Aramark Employees

## Energy, Environment, Health & Campus Safety

- Energy Services
  - Chilled Water
  - Climate Action Program
  - Cogeneration
  - Electric Distribution
  - Water, Wastewater & Stormwater
- Environment Health and Safety
  - Environmental Affairs
  - Fire Safety
  - Industrial Hygiene
  - Occupational Health
  - Radiation Safety
  - Workplace Safety
- Public Safety
  - Parking
  - Police
  - Transportation
- Sustainability

FY 2013 Expenditures: \$140M

528 Employees

## Facilities Services

- Administration
  - Waste Reduction & Recycling
- Capital Planning & Design
- Construction Management
- Energy Management
- Engineering Information Services
  - Mapping, Survey and GIS
  - Space Management
- Facilities Operations
  - Building Services
  - Carolina North Forest
  - Design and Construction Services
  - Grounds
  - Housekeeping
  - Motor Pool
- Historically Underutilized Businesses

FY 2013 Expenditures: \$89M

1005 Employees

## Finance

- Finance Communications and Training
- Internal Controls
- Procurement Services
  - Asset Management
  - Disbursement Services
  - Purchasing
  - Surplus
  - Travel Services
- Student Accounts and University Receivables
  - Cashier
  - Loans
  - University Department Services
- Treasury and Risk Management Services
- University Controller
  - Accounting Services
  - Budget Office
  - Financial Reporting & Management
  - Payroll Services

FY 2013 Expenditures: \$20M

147 Employees

## Real Estate Development Office

- Property Office
  - Leasing
  - Property Management
- Carolina Inn
- Chapel Hill Foundation Real Estate Holdings
- University Square
- Granville Towers
- Endowment
  - Hill Building
  - Bolin Creek
  - Various land holdings

FY 2013 Expenditures: \$15M

4 UNC Employees  
256 Carolina Inn  
95 Granville Tower



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL



# *Division of Finance and Administration*



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL



# *Auxiliary Services*

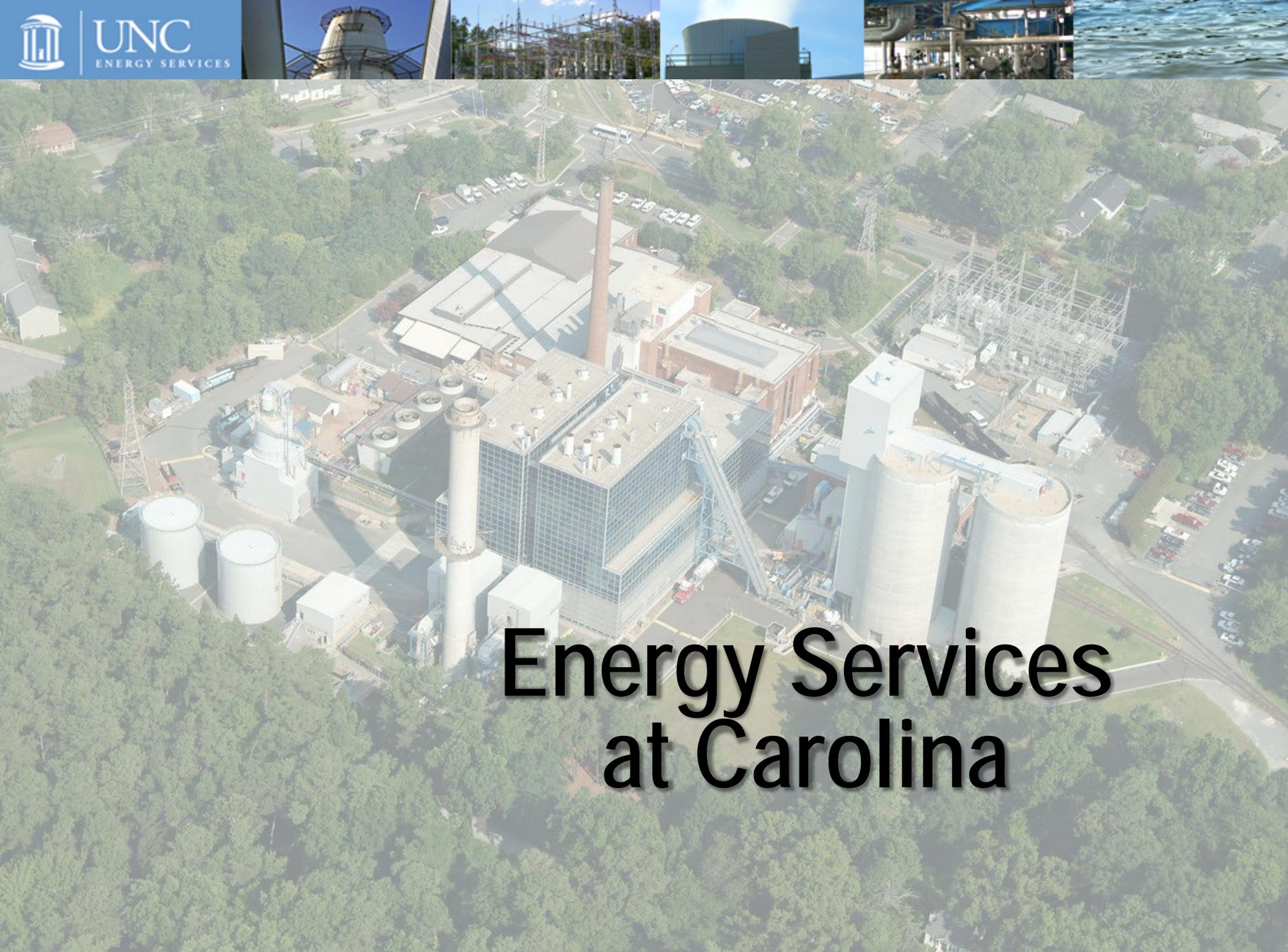
## *A Strategic Approach to Ongoing Improvement*

- Strategic Plans
- Key Performance Indicators (KPIs)
- Formalized Process for Evidence-Based Decision Making
  - Question Current Business Assumptions
  - Identify Key Unanswered Questions
  - Analyze Available Data
  - Gather New Data
  - Turn Data into Useful Information for Evidence-Based Decision Making
- Structured Evaluation
  - Monitor Metrics (KPIs) through Performance Dashboards
  - Review Goals
  - Evaluate Strategy
  - Assess Implementation



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL





# Energy Services at Carolina

# Energy Services

## Electric Distribution Systems

Distributes power received from Duke Energy, the Cogeneration Plant, and from remotely distributed solar PV systems on campus.

## Cogeneration Systems

Generates steam and electricity. Distributes steam for heating, humidification, hot water, distilled water production, sterilization.

## Chilled Water Systems

Central production and distribution of chilled water for cooling and dehumidification for campus buildings and equipment.

## Water, Non-Potable Water, Wastewater

Engineering and planning for the University's potable and non-potable water resources, and wastewater collection system. Liaison to OWASA.

## Stormwater

Engineering, management, and planning for the University's stormwater system, including piping, structures, and BMPs.

Finance and Administration: Budgets, financial reporting, utility billing, rate setting, human resources, information technology, customer service, climate action program

# Cogeneration (Steam + Electricity)

## Cogeneration Plant

- 2 250,000 PPH circulating fluidized bed coal/gas/oil boilers
- 1 250,000 PPH gas/oil boiler
- 1 32 MW turbine
- 2 2 MW diesel generators

## Manning Steam Plant

- 2 200,000 PPH gas/oil boiler
- Power Generation Addition 2017

45 miles of distribution and condensate return piping



# Chilled Water

## 4 chiller plants \*

- 48,000 tons total capacity
- electric centrifugal chillers
- steam absorption chillers
- 5 million gallons thermal storage

26 miles of distribution piping

## Capacity in process

- North Plant – 4000 ton expansion 2014
- Manning Plant – new, 10,000 tons, 2017



# Electricity

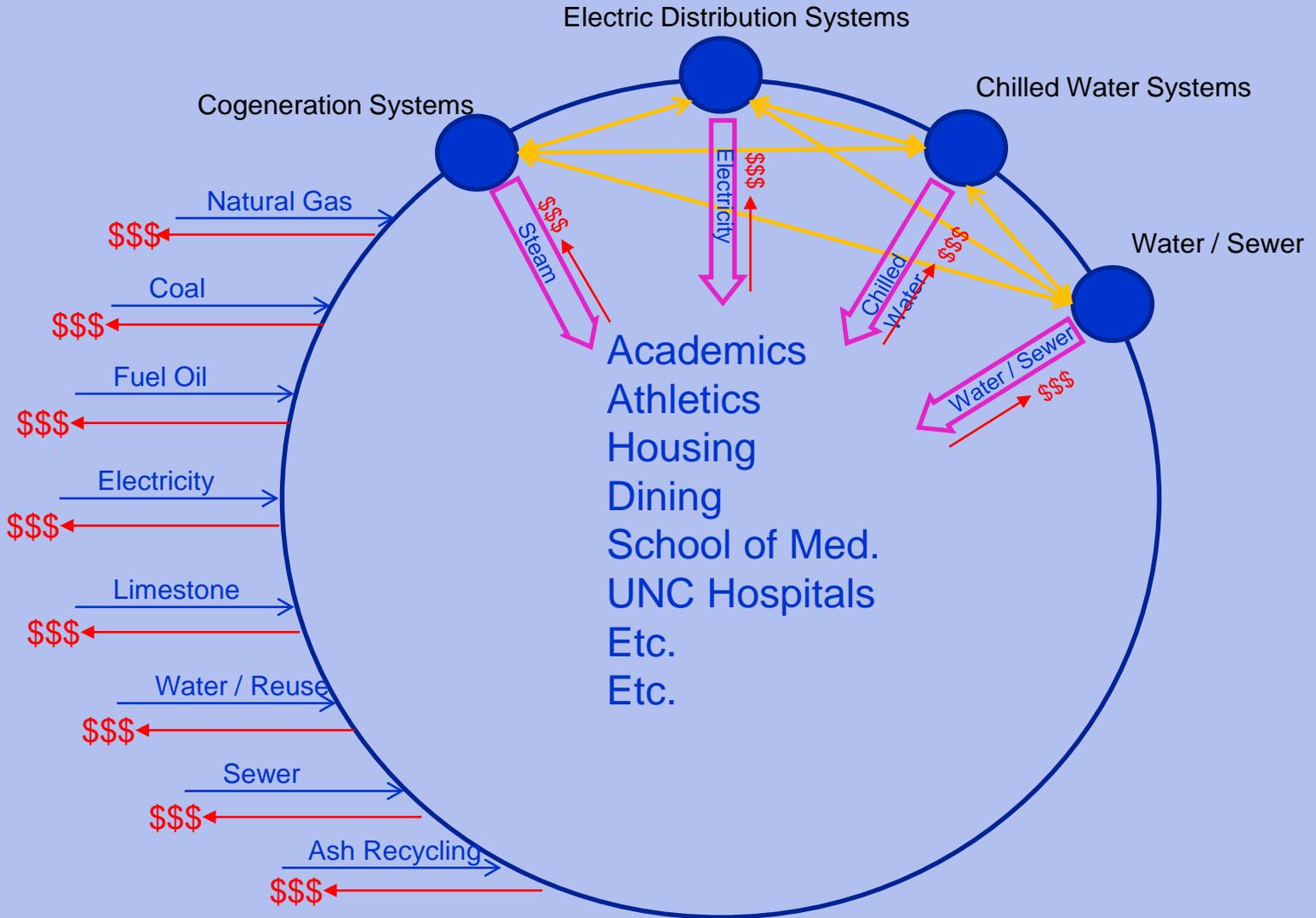
3 substations

- gas insulated switchgear
- 250 MVA total transformation capacity
- interconnected by 100 kv underground

64 miles underground power cable, 5 miles overhead



# The University



# Benefits of Ownership

- Synergistic Operation of Utilities results in cost savings
- Emphasis on Supporting UNC's Education and Research Missions
- Sensitivity to Internal Customer Needs
- Control of Reliability / Resiliency!

# Peer Institutions

Public Institutions	Own/ Operate		Private Institutions	Own/ Operate
Cal -Berkeley	Yes/Yes		Duke	Yes/Yes
UCLA	Yes/Yes		Johns Hopkins	Yes/Yes
Maryland	Partner-ship		Northwestern	Yes/Yes
Michigan	Yes/Yes		U Penn	Yes/Yes
Minnesota	Yes/ Contracted		U. So. Cal.	Yes/Yes
Pittsburgh	Partially Shared			
UT - Austin	Yes/Yes			
UVa	Yes/Yes			
UWash - Seattle	Yes/Yes			
UWisc - Madison	Yes/Yes			

# 2013 Consumption and Cost

## Steam

- 1,241,084 MLBS annual consumption
- 475,000 PPH peak demand
- \$55,935,348 total revenue

## Chilled Water

- 99,365,374 ton hours annual consumption
- 38,639 tons peak demand
- \$21,617,617 total revenue

## Electricity

- 482,800,531 KW annual consumption
- 90.15 MW peak demand
- \$44,093,724 total revenue

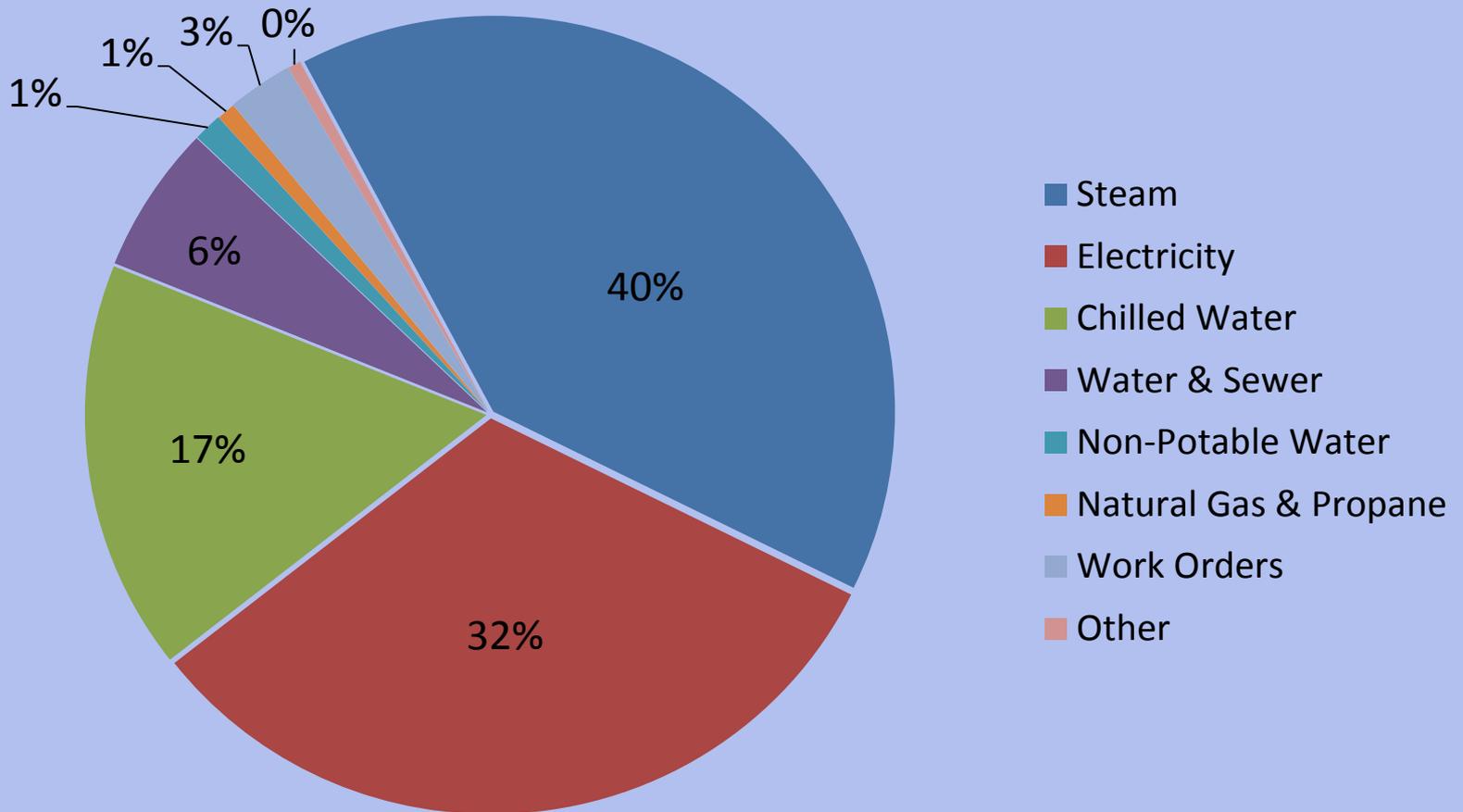


Over \$500 million capital program since  
2000

No deferred maintenance

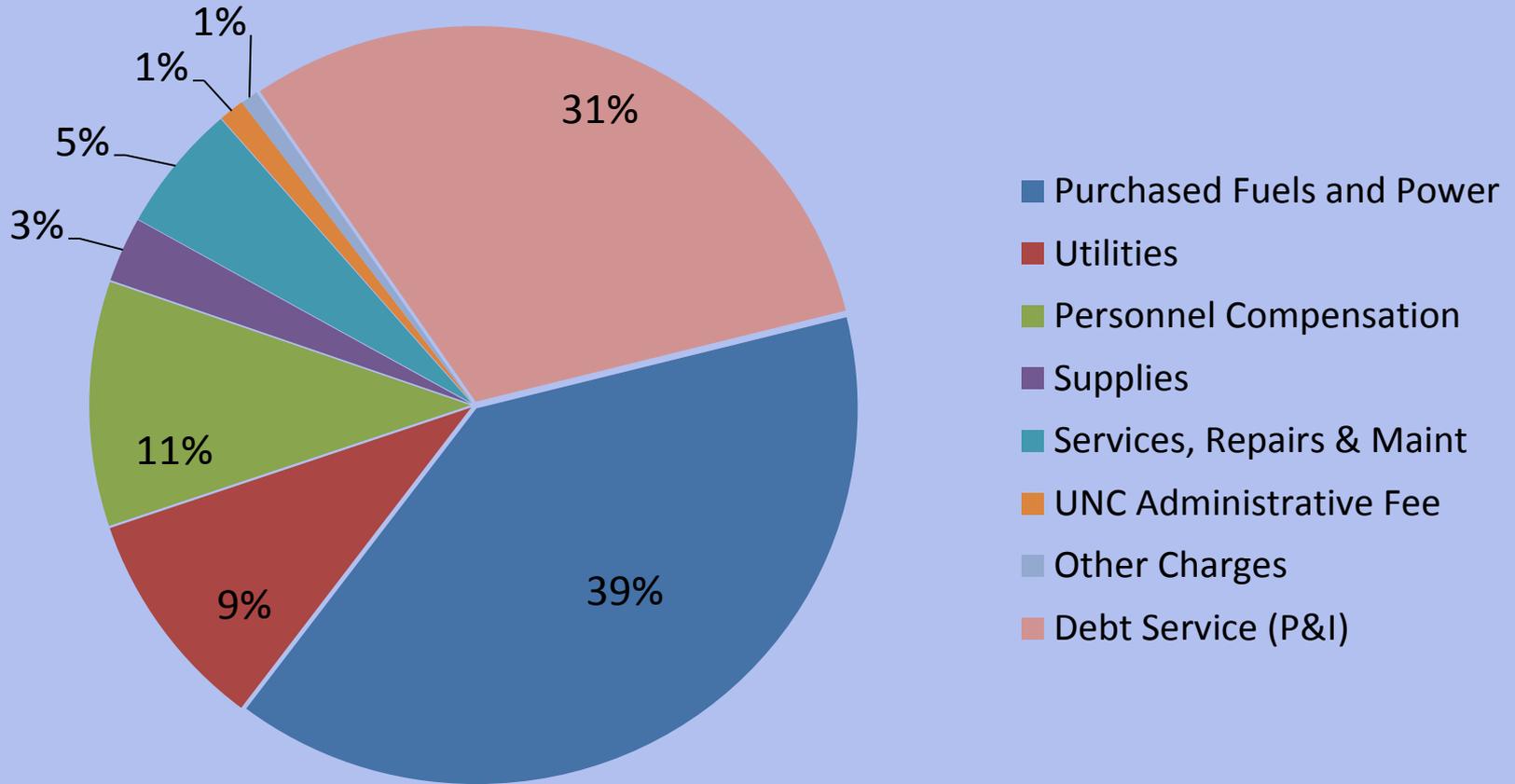
# FY 2012-13 Revenues

## \$128,928,869

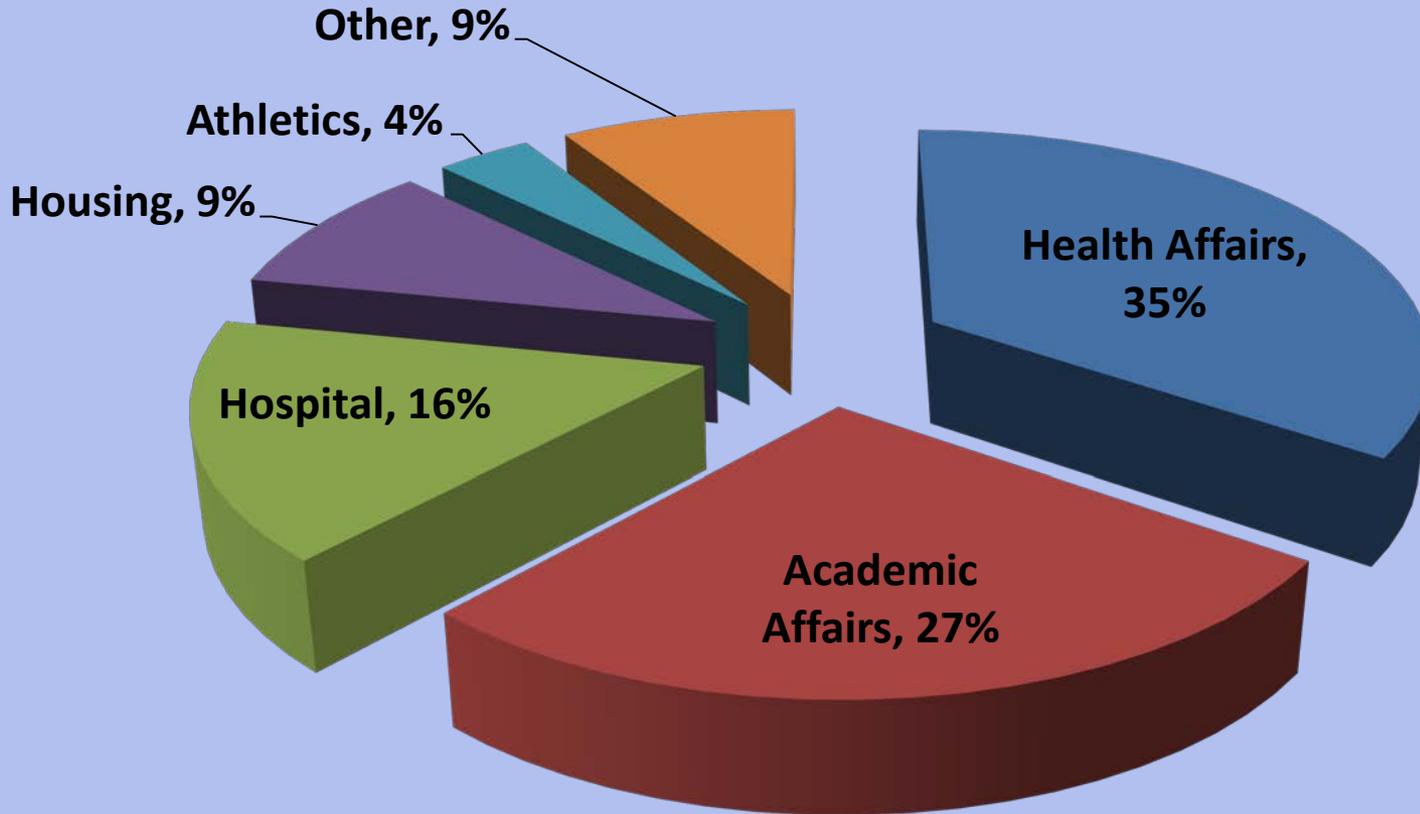


# FY 2012-13 Expenses

## \$127,133,667



# Utility Billing Allocations By Customer Group (FY 2013)



# Rate Setting Methodology

- Rates include all costs (Energy Services is entirely receipts supported)
  - Purchased fuel and utility charges (power, water, sewer, natural gas)
  - Operations and maintenance (includes personnel)
  - Major repairs and renovations
  - Capital project costs
- Costs are allocated based on metered consumption except for stormwater, where costs are based on impervious surface

# Rate Components

- Variable Production Cost (varies with usage)
  - Purchased fuels (coal, oil, gas, limestone)
  - Purchased electricity from Duke Energy
  - Purchased chemicals
  - Plant utilities
- Fixed Production Cost
  - Personnel compensation (salaries and benefits)
  - Repairs and maintenance
  - Supplies and services
  - All other expenses
- Debt
  - Principal and interest on capital projects

# Current Initiatives

- Additional Electric Generation at Manning Plant
- New Steam Driven Chilled Water Capacity
- Review of Electric Rate Billing Determinants
- Dynamic Decision Making Model

# Dynamic Decision Making Model

OVERVIEW

KEY METRICS

COMMODITY PRICE DECK

## Charts and Reports

### Charts for Key Metrics

Cost of Utility Services



Sources of Cost of Utility Service



Required Capital



Cumulative Capital



Steam Tipping Point



Electric Tipping Point



Chilled Water Tipping Point



Overall Plant Efficiency



Building Energy Intensity



Campus Energy Intensity



% Reliance on Coal



GHG Emissions



**Questions?**

EXECUTIVE SUMMARY

Board of Trustees

March 14, 2014

Appendix A

No.	College/Division	Name	Dept./School	Current Rank	New Rank	Tenure Request Reason	Effective Date	Salary
<b>Personnel Actions</b>								
<b>New Appointments without Tenure</b>								
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Addition of Joint Appointment without Tenure</b>								
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Promotion to Full Professor</b>								
1	Health Sciences	Ilona Jaspers	Pediatrics Environmental Sciences & Engineering Microbiology & Innumology	Associate Professor	Professor	N/A	3/28/2014	\$110,818
				Associate Professor	Professor	N/A	3/28/2014	
				Associate Professor	Professor	N/A	3/28/2014	
2	Academic Affairs	Joseph Myers	Exercise & Sport Sciences	Associate Professor	Professor	N/A	7/1/2014	\$79,312
3	Academic Affairs	Fred Naiden	History	Associate Professor	Professor	N/A	7/1/2014	\$75,250
4	Academic Affairs	Brian Payne	Psychology	Associate Professor	Professor	N/A	7/1/2014	\$95,504
5	Academic Affairs	Andrew Perrin	Sociology	Associate Professor	Professor	N/A	7/1/2014	\$87,032
6	Academic Affairs	Antonio Rodriguez	Institute of Marine Sciences	Associate Professor	Professor	N/A	7/1/2014	\$76,604
7	Academic Affairs	Maria Servedio	Biology	Associate Professor	Professor	N/A	7/1/2014	\$88,185
8	Academic Affairs	Silvia Tomaskova	Women's and Gender Studies	Associate Professor	Professor	N/A	7/1/2014	\$79,658
9	Academic Affairs	Karolyn Tyson	Sociology	Associate Professor	Professor	N/A	7/1/2014	\$105,000
10	Academic Affairs	Jefferey Whetstone	Art	Associate Professor	Professor	N/A	7/1/2014	\$80,365
<b>Reappointments to the same Rank</b>								
1	Academic Affairs	Juan Carrillo	School of Education	Assistant Professor	Assistant Professor	N/A	7/1/2015	\$64,375
2	Academic Affairs	Gemma Mojica	School of Education	Assistant Professor	Assistant Professor	N/A	7/1/2015	\$64,375
<b>Designation/Reappointments to Departmental Chair</b>								
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Designation/Reappointments to Distinguished Professorship</b>								
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Actions Conferring Tenure</b>								
<b>Promotion Conferring Tenure</b>								
1	Academic Affairs	Carol Cheatham	Psychology	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on her significant work in local, national and global contributions to human health.	7/1/2014	\$87,550
2	Academic Affairs	Evan Feldman	Music	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on his creative activity and scholarship.	7/1/2014	\$67,800
3	Academic Affairs	Irene Gomez-Castellano	Romance Languages	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on outstanding performance in research, teaching and service.	7/1/2014	\$64,500
4	Academic Affairs	Michelle King	History	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on strong record of teaching, service and scholarship.	7/1/2014	\$68,175
5	Academic Affairs	Wei-Cheng Lin	Art	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on strong record of research, teaching and service.	7/1/2014	\$71,540

**The University of North Carolina at Chapel Hill**  
**EXECUTIVE SUMMARY**  
**Board of Trustees**  
**March 14, 2014**

**Appendix A**

No.	College/Division	Name	Dept./School	Current Rank	New Rank	Tenure Request Reason	Effective Date	Salary
6	Academic Affairs	Nina Martin	Geography Global Studies	Assistant Professor Assistant Professor	Associate Professor Associate Professor	Promotion to tenured associate professor based on strong and promising achievements and trajectory in performance and contributions.	7/1/2014 7/1/2014	\$69,380
7	Academic Affairs	Todd Ochoa	Religious Studies	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on excellent and exceptional teaching, research and service.	7/1/2014	\$70,000
8	Academic Affairs	Roxana Perez-Mendez	Art	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on distinctive contributions in teaching, research and service.	7/1/2014	\$66,430
9	Academic Affairs	Yaron Shemer	Asian Studies	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on strengths in research, teaching and service.	7/1/2014	\$30,780
10	Academic Affairs	Tanya Shields	Women's and Gender Studies	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on qualifications in research, teaching and service.	7/1/2014	\$64,634
11	Academic Affairs	Kevin Slep	Biology	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on strong record in research, teaching and service.	7/1/2014	\$74,300
12	Academic Affairs	Patricia Sullivan	Public Policy	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on her record of research, teaching and service.	7/1/2014	\$87,032
13	Academic Affairs	Matthew Taylor	English & Comp. Literature	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on strong credentials in research, teaching and service.	7/1/2014	\$65,000
14	Academic Affairs	Ruth von Bernuth	Germanic & Slavic Lang. & Lit.	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on exemplary record of research, teaching and service.	7/1/2014	\$65,896
15	Academic Affairs	Ellen Welch	Romance Languages	Assistant Professor	Associate Professor	Promotion to tenured associate professor based on outstanding performance in research, teaching and service.	7/1/2014	\$65,000
<b>New Appointments Conferring Tenure</b>								
0	N/A	N/A	N/A	N/A	N/A	N//A	N/A	N/A
<b>Addition of Joint Appointment Conferring Tenure</b>								
0	N/A	N/A	N/A	N/A	N/A	N//A	N/A	N/A
<b>27 Total</b>								
<b>Corrections</b>								
1	N/A	Theodore Shaw	School of Law	N/A	Professor	Appointment based on exceptional engagement and scholarship	7/1/2014	\$212,000 corrected salary

**The University of North Carolina at Chapel Hill**  
**EXECUTIVE SUMMARY**  
**Board of Trustees**  
**March 14, 2014**

**Appendix B**

No.	College/Division	Name	Department/School	Rank	Reason	Requested Increase Amount	Percent of Increase	Current Salary	New Salary	Effective Date
<b>Compensation Actions</b>										
* Available funding for each action has been confirmed by the appropriate Department and School/Division management officials to support the proposed salary increase. Upon implementation, specific funding sources are reviewed and approved at the Department level, as well as by the applicable University Central financial offices, including the University Budget Office and the Office of Sponsored Research for grant-funded salaries.										
1	Health Affairs	Adil Gasim	School of Medicine	Research Assistant Professor	In serving as lead faculty liason between the Nephropathology Lab and Kidney Center research programs, he will be the primary coordinator and collaborator for nephrology faculty and trainees who need the participation of a renal pathologist in their research projects	\$15,000	22.70%	\$72,468	\$87,468	4/1/2014
2	Health Affairs	Seth Glickman	School of Medicine	Clinical Assistant Professor	Due to a written offer from Indiana University School of Medicine, increase is requested as competitive retention, as he is critical to the further development of the department's NIH funding	\$75,480	39.83%	\$189,520	\$265,000	4/1/2014
3	Health Affairs	Matthew Hirsch	School of Medicine	Research Assistant Professor	Change in tracks from Fixed Term to Tenure Track; FT role was specifically tied to grant funding, while his TT role is not offered with the contingency of grant funding	\$13,070	28.57%	\$76,930	\$90,000	7/1/2014
4	Health Affairs	Jennifer Kirby	School of Medicine	Clinical Associate Professor	Proposed move from Psychology to Psychiatry, where her new role involves considerably more clinical responsibility, and teaching and supervision of more advanced trainees and faculty; as well as assuring equity with respect to salaries in Psychiatry	\$12,172	43.46%	\$28,008	\$40,180	4/1/2014
5	Academic Affairs	Stephanie McGarrah	College of Arts & Sciences	Lecturer	Increase in job duties; will entail conducting reaserach on an EDA Grant for the Dept of Public Policy	\$10,000	35.09%	\$28,500	\$38,500	3/1/2014

**Total**  
**Monetary Value of Non-Salary Compensation**    **Duration of Non-Salary**  
**Compensation**    **Compensation**    **Effective Date**    **End Date**

No.	College/Division	Name	Department/School	Rank	Reason	Compensation	Compensation	Effective Date	End Date
<b>Non-Salary Compensation Actions</b>									
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA

# Compensation Actions

No.	College/Division	Name	Department/School	Rank/Title	Reason	Justification	Requested Increase \$\$	Requested Increase %	June 30 Salary	Current Salary	Proposed Salary	Effective Date
1	School of Medicine	Jocelyne Brazile	Medicine Administration	Assistant Director of Annual Giving - Medical Foundation	Competitive Recruitment (External)	External Competitive Recruitment: Jocelyne Brazile emerged as the strongest candidate with her experience in annual fund, major gift, group fundraising and volunteer management. This request brings her to the minimum of the Development/External Affairs pay band. For the past six years, she has led the fundraising efforts for the Sonja Hanes Stone Center on campus with a very limited constituent pool of alumni and friends while at the same time assisting the center's director with day-to-day operations. Unlike her current position where her fundraising responsibilities have varied from 40-60% of her time, this position is 100% fundraising with much higher expectations, including: work as a team to raise \$1.3M annually across three funds at the Medical Foundation of North Carolina; constituent base more robust including alumni physicians, families and friends; 1,948 donors as compared to 350 donors at the Stone Center; advanced annual fund segments across three funds with 27 direct marketing efforts as compared to two direct marketing efforts at the Stone Center. This request is not funded by state funds, does not create any inequities within the department.	10,144	20.68	49056.00	49,056	59,200	3/1/2014
2	VC Research	Shea Henson	Carolina Population Center	Associate Director of Research Operations	Promotion	The proposed base salary of \$82,000 for Henson is based on the conversion from SPA to EPA. Waiver of recruitment has been approved by the University's EO/ADA Office. As SPA, Ms. Henson focused on technical reporting responsibilities. The position has assumed higher-level duties and management responsibilities following the retirement of the Measure Project's Deputy Director for Operations. The Deputy for Operations position is being abolished and not replaced. Henson's responsibilities are at a similar level as Irene Handlon (position #1002797, \$82,425) and Stephanie Watson-Grant (position #1002931, \$82,996).	13,750	20.15	68250.00	68,250	82,000	3/1/2014
3	College of Arts & Sciences	Kathleen McNeil	Academic Advising / Environment & Ecology	Academic Advisor	Competitive Recruitment (External)	External, Competitive Recruitment. Applicant pool consisted of 247 applicants; 9 candidates were interviewed for two open positions. Ms. McNeil is the selected candidate based upon her proven experience providing academic advising to students, interpreting academic policy, conducting new student orientations and other student related advising activities. Ms. McNeil exceeded the qualifications advertised for the position. In her current role as Student Services Manager (working title), she has a good working knowledge of Connect Carolina and Tar Heel Tracker, tools vital to the work done in the Academic Advising Program. Her unwavering commitment to students is readily apparent and her references enthusiastically attest to this. The Academic Advisor position is a promotional opportunity for Ms. McNeil and we believe that a new salary of \$45,000 is a fair and equitable salary and is in line with the starting salaries that have been offered to other employees in this same position.	7,364	19.57	37636.00	37,636	45,000	3/1/2014

**The University of North Carolina at Chapel Hill - EXECUTIVE SUMMARY (EPA Non-Faculty)**

**Board of Trustees - Meeting Date - 03/27/2014**

4	University Relations	Anne Kendrick	WUNC Radio	Assistant Director of Individual Giving	Internal Equity	This proposed increase is requested is to address that Ms. Kendricks current salary of \$52,500 is below the minimum salary range for UNC's External Affairs/Development Band of \$59,200. In addition we wish to address an internal equity issue. Ms. Kendrick possesses required fundraising skills for her current role and is underpaid compared to her peers with similar skills. The Corporation for Public Broadcasting compiles an annual salary for positions in public broadcasting. This proposed increase would help bring Ms. Kendrick's salary more in line with her peers.	10,000	19.05	52500.00	52,500	62,500	3/1/2014
5	University Library	Jill Sexton	University Library	Head, Digital Research Services	Additional Duties	Ms. Sexton has been appointed head of the newly formed Research Hub that was an extension of her current role as Head of Digital Research Services. She has assumed significant higher level duties and responsibilities including: direct supervision of 4 program staff associated with the Research Hub; coordination of staffing levels and practices among allied Library departments, coordination of activities at Davis, Kenan Science, and Health Sciences Hub locations; development of strategic partnerships with other campus departments, including Information Technology Services, Odum Institute, and Center for Faculty Excellence; coordinate with Library Communications on direct marketing, branding, and outreach efforts, and Library Development to pursue funding and equipment. Recommended salary is equitable based on the scope of duties and responsibilities and level of experience and below the market reference rate for Professional Librarians - Level 2 which is \$84,100.	9,900	13.73	72100.00	72,100	82,000	3/1/2014
6	College of Arts & Sciences	Jeanine Simmons	Institute of Arts and Humanities	Assistant Director of Development	Competitive Recruitment (External)	Jeanine Simmons was selected for this position because she has served as the Interim Assistant Director of Development over the past year and has successfully worked with donors, volunteers, staff and faculty to seek funding to support the priorities of the Institute of Arts and Humanities. In this new role she will raise funds for the Institute and assist the Director of Development in implementing and managing a comprehensive annual fund program which involves cultivating and soliciting annual gifts. Ms. Simmons will be moving from an SPA position to an EPA Non-Faculty position where the minimum salary is \$59,200.00	15,205	33.94	44795.00	44,765	60,000	3/1/2014

**The University of North Carolina at Chapel Hill - EXECUTIVE SUMMARY (EPA Non-Faculty)**

**Board of Trustees - Meeting Date - 03/27/2014**

7	Office of University Counsel	Neera Skurky	Office of University Counsel	Associate University Counsel	Promotion	<p>Ms. Skurky is being promoted from Assistant University Counsel to Associate University Counsel. The promotion is the result of a waiver of recruitment that has been approved by the University's Equal Employment Opportunity office. Ms. Skurky has closely partnered with the prior position incumbent, Joanna Carey-Cleveland, on a number of complex and critical legal issues and is being moved into this new role to assure continuity for these ongoing matters. She will be assuming principal responsibility for legal oversight of all Equal Employment Opportunity Commission (EEOC) claims and Office of Administrative Hearings (OAH) cases brought against the University, which was also a responsibility of the departing position incumbent. Ms. Skurky possesses valuable institutional knowledge and close working relationships with a number of internal campus clients that would have been difficult to achieve through a competitive search. Ms. Skurky has almost eight years of professional experience focused on employment law, including five years working for highly regarded employment law firms and three years working as Assistant University Counsel at UNC-Chapel Hill. In consideration of Ms. Skurky's skills and experience and internal equity with her colleagues possessing similar experience and credentials, the proposed salary amount is \$130,000. This salary is consistent with the salaries of the three other Associate University Counsels in the Office of University Counsel, all of whom earn \$130,000 annually. The market reference rate for this position in our EPA Non-Faculty Compensation plan is \$165,600 and the proposed salary places Ms. Skurky at slightly less than 80% of this reference rate. .</p>	-103,330	-100.00	103330.00	103,330		
---	------------------------------	--------------	------------------------------	------------------------------	-----------	---	----------	---------	-----------	---------	--	--

No.	College/Division	Name	Department/School	Rank	Reason	Total Monetary Value of Non-Salary Compensation	Duration of Non-Salary Compensation	Effective Date	End Date	
<b>Non-Salary Compensation Actions</b>										
1	None									
2										

<b>Information Items</b>										
1	None									