



MARCH 22, 2017, 1:00PM

ALUMNI HALL I,
GEORGE WATTS HILL ALUMNI CENTER

OPEN SESSION

FOR ACTION

1. [Ordinance Regulating Traffic and Parking – Effective August 15, 2017](#) (Attachment A)
Cheryl Stout, Director of Transportation and Parking
2. Designer Approval
 - [Media and Communications Studios](#) (Attachment B)
 - [McGavran Greenberg Energy Savings Project](#) (Attachment C)
 - [Taylor Hall Energy Savings Project](#) (Attachment D)
 - [Thurston Bowles Energy Savings Project](#) (Attachment E)*Anna Wu, Associate Vice Chancellor for Facilities Services*
3. Site Approval (Attachment F)
 - [Medical Education Building](#)
Anna Wu, Associate Vice Chancellor for Facilities Services
4. Design Approval
 - [Fetzer Soccer/Lacrosse Facility Field Improvements](#) (Attachment G)
 - [Indoor Practice Facility](#) (Attachment H)*Anna Wu, Associate Vice Chancellor for Facilities Services*

FOR INFORMATION ONLY (No formal action is requested at this time)

1. Preliminary Design Review
 - [New Women's Field Hockey Stadium and Playing Field](#) (Attachment I)
 - [Addition to Chase Hall Dining](#) (Attachment J)*Anna Wu, Associate Vice Chancellor for Facilities Services*
2. [Development Report](#)
David Routh, Vice Chancellor for University Development
3. [Financial Quarterly Update](#)
Dwayne Pinkney, CFO & Sr. Assoc. Vice Chancellor for Finance & Administration
Aimee Turner, University Controller
4. [OWASA Update](#)
Brad Ives, Associate Vice Chancellor for Campus Enterprises & Chief Sustainability Officer
5. [Environment, Health, and Safety Overview](#)
Mary Beth Koza, Director of EHS

COMMITTEE MEMBERS

Haywood D. Cochrane Jr., Chair
W. Lowry Caudill, Vice Chair
Donald Williams Curtis
Julia Sprunt Grumbles
Allie Ray McCullen
William (Ed) McMahan
Administrative Liaison:

Matthew (Matt) Fajack, Vice Chancellor for Finance and Administration

ADOPTION OF THE ORDINANCE REGULATING TRAFFIC AND PARKING

Attached is the Ordinance Regulating Traffic and Parking having an effective date of August 15, 2017. Changes from the existing Ordinance are:

1. Housekeeping item(s):

- date changes
- changed meter hours of operation from 7:30 a.m. – 9:00 p.m. to “during the hours” posted
- remove reference to payment notices placed on vehicles after hours
- update the terms for employee classifications

2. Article III. Parking Permits Parking Fees

Sec. 3-4.1 Parking Permit Fees

- 5-Year Permit Pricing - 1% increase for first 3 years 2017-18 through 2019-2020
- Addition of a Night Parking (NP) permit fee beginning 2019-2020
- Remove permit pricing for AM,PM,NR,SR,PDV,AMH, and PMH beginning 2019-20
- Student Night Parking paid via fee. If the fee is not approved, the lowest employee permit cost will be established for the student NP permit.
 - \$6 fee in 2019-20
 - \$8 fee in 2020-21
 - \$10 fee in 2021-22

Sec. 3-4.2 Short-Term Parking and Special Event Parking Fees

- Metered Space Parking:
 - increase from \$1.50 to \$1.75 for hourly
 - increase from \$0.75 to \$1.00 for half-hour rate
 - increase from \$7.00 per half day to \$8.00 and \$14.00 per day to \$16.00
- Increase Hourly/Daily Pay Parking, Validations, and Reservations rates for Swain Lot, Morehead Lot, Raleigh Road Visitor Lot, Rams Head Deck:
 - increase hourly parking from \$1.50 to \$1.75 per hour
 - increase validation coupons from \$1.50 to \$1.75 per hour
 - increase 8-Hour Validation Coupon from \$12 to \$14
 - increase Space Reservations from \$7.00 per half day to \$8.00
 - increase Space Reservations from \$14.00 per day to \$16.00

RECOMMENDED ACTION

A motion to adopt The Ordinance Regulating Traffic and Parking effective August 15, 2017.

Five Year Plan (FY17/18 to FY21/22)

- March 2017 -

UNC - CHAPEL HILL

Transportation & Parking Systems
Assessment & Efficiency Study



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Kimley»Horn



Planning Process

Transportation & Parking partners with broad-based representatives on the Advisory Committee for Transportation and Executive Sponsors to vet 5-Year Plan recommendations.

January – March 2016

- Kimley-Horn Consultants hired and launched 5-Year Plan Process
- Previous 5-Year Plan performance reviewed

April – May 2016

- Public Outreach & Stakeholder Feedback

June – August 2016

- System Evaluation & Strategy Analysis

September 2016

- Initial recommendations to Advisory Committee for Transportation (ACT)

October – November 2016

- ACT members collaborated and reviewed multiple iterations of proposed strategies
- Continued campus outreach to solicit feedback on draft recommendations
- Executive Sponsor review after ACT review

December 2016

- Final 5-Year Plan recommendations revised to reflect feedback from stakeholders
- Continued Stakeholder Outreach

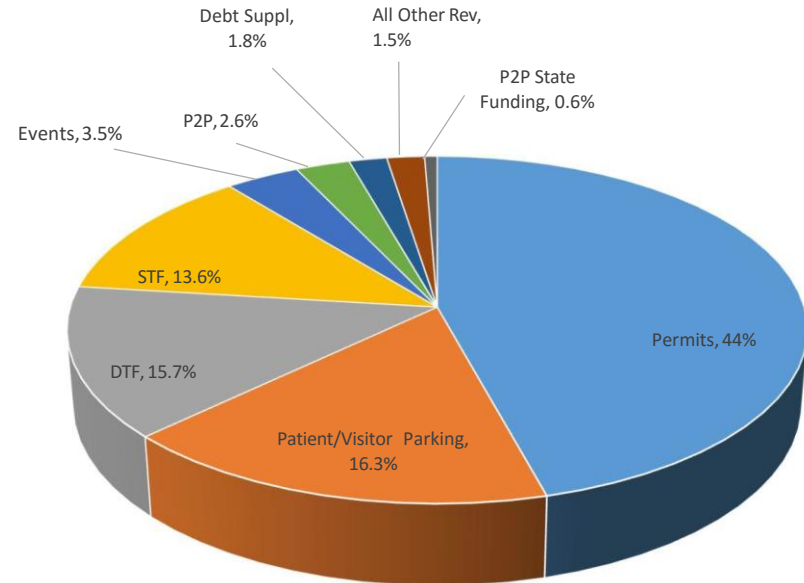
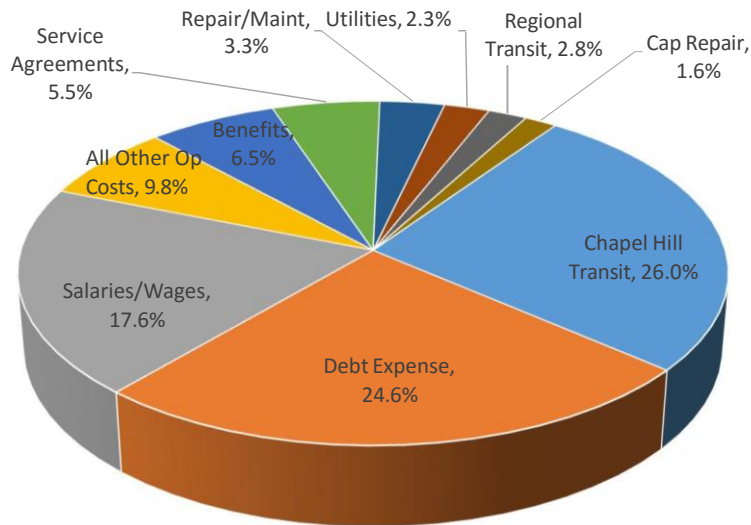
January – February 2017

- Presented final 5-Year Plan recommendations to Executive Sponsors
- Presented to Faculty Council
- Prepare Ordinance changes

March 2017

- Present to the Board of Trustees.

Expenses & Revenue



1. UNC Parking System 100% receipt supported (no state funding)
2. Citations (minus 20% cost of collection) return to K-12 Education
3. Annual Budget projected \$31 million

Growth & Obligations

Obligation	5-Year Total	Average Growth per Year
Chapel Hill Transit	\$7,730,700	\$1,546,140/yr
Regional Transit (Go Triangle, PART, Chatham)	\$1,056,837	\$211,367/ yr
P2P – TransLoc	\$350,000	\$70,000/ yr
Inflation on Existing Expenses	\$4,179,981	\$835,996/ yr
Patient/Visitor Deck Debt Payment	\$1,168,000	\$233,600/ yr
Total Needed over 5 Years to Meet Growth		\$2,897,103/yr
Growth as Percent of Annual Budget		8%

Meeting Obligations

- System Enhancements
 - Enhance Customer Service
 - Improve Financial Performance
 - Increase Sustainability
- Revenue Sources

Enhancements



LED Lights

- Increased visibility and after hours safety
- Reduced electrical costs and longer lifespan
- Less energy use



TransLoc

- Real-time location
- Reduced wait times
- Efficient dispatching for rides
- Less vehicle mileage and idling

Parking Access Revenue Control System

- Improved parking availability and reliability
- Lower operating costs
- Less vehicle idling



Bike Share

- Convenient alternative transportation option
- Less vehicle use reduces carbon emissions
- Reduce on campus transit and parking demands

CampusBird

- Online and mobile availability
- Less paper waste
- Efficient use of resources



Timeline of Implementation for Enhancements

System Enhancement	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
LED Parking Deck Installations	Rams Head / Cobb	Rams Head / Cobb	Jackson Circle / Business School	Jackson Circle / Business School	
PARCS	Implementation	Implementation	Implementation		
Bike Share	Implementation				
TransLoc	Implementation				
Campus Bird	On-going				

Utilize available resources to fund PARCs and Bike Share

1. Reduce operating reserve from 90 day to 30 day = \$4,500,000
2. Utilize accumulated capital reserve = \$1,150,000
3. Total available resource = \$5,650,000

Funding Strategy Considerations

Guiding Principles

- Reduce parking subsidy for transit services
- Develop a more equitable balance of the cost of the Transportation and Parking System to all users of the System
- Sufficient funding for Chapel Hill Transit over the 5-year planning period

Stakeholder Feedback for Strategy Development

- Consider weeknight parking fees/permits to help fund system
- No increases on UNC Healthcare patient/visitor rates (Dogwood, ACC, Hospital ADA)
- Minimize increases to: Student Transportation Fees & Daytime Permit Holders
- Adjust lowest parking permit salary scale from \$25K to \$29K

Recommended Strategy

	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Annual Daytime Permit Increases ^{1,2} 1% = \$0.12 to \$0.88 / bi-weekly period	+1%	+1%	+1%	-	-
Department Transportation Fee Increases ³	-	-	-	-	-
Student Transportation Fee Increases					
- Local/Regional component	+\$5.44/yr (3.5%)	+\$5.64/yr (3.5%)	-	-	-
- Weeknight parking component (Overall rate)	-	-	+\$6 (\$6)	+\$2 (\$8)	+\$2 (\$10)
Weeknight parking – Employee Permit	-	-	\$234-402/yr	\$234-402/yr	\$234-402/yr
Weeknight parking – Visitor Parking ⁴	-	-	Y	Y	Y
North Campus & Meters Hourly Rate Increases ⁵ (Overall rate)	+\$0.25/hr (\$1.75/hr)	- (\$1.75/hr)	- (\$1.75/hr)	- (\$1.75/hr)	- (\$1.75/hr)

Footnotes

1. Parking Permit Wage Scale revises the lowest salary range from \$25K to \$29K
2. Parking subsidy set at \$800K/yr (reduced from \$1M in FY16/17)
3. No planned increases to healthcare patient/visitor rates (Dogwood, ACC, Hospital ADA)

Weeknight Parking Program

Weeknight parking policies will be developed with the advisory group and campus partners to refine operations and communications prior to implementation. Implementation is scheduled for 2019-20.

Basic Information:

- Weeknight parking only
- Daytime and Park & Ride permits honored at night
- Parking not zoned
 - Parking on first-come, first-serve basis in most lots throughout campus
 - Freedom to park in available proximate parking to destination
- All undergraduate (excluding first-year) and graduate students eligible for permit
 - Students pay annual fee for program (\$6, \$8, and \$10 last 3 years of plan)
 - First-year students do not pay fee and are not eligible for permit
- Paid visitor/metered parking hours extended in areas not currently operating weeknights
- Daily permits available online for public or infrequent users in throughout campus to public or infrequent users

Weeknight Parking Program – Permit & Fees

- Increase Visitor Hours: Raleigh Rd, Swain, Morehead, ACC, Hospital, Meters
- Employee Weeknight Parking Permits

Salary Scale	FY 19/20 Permit Price	FY 20/21 Permit Price
<\$29K	\$234 (\$9.00/bi-weekly)	\$234 (\$9.00/bi-weekly)
\$29K - \$50K	\$258 (\$9.91/bi-weekly)	\$258 (\$9.91/bi-weekly)
\$50K - \$100K	\$309 (\$11.89/bi-weekly)	\$309 (\$11.89/bi-weekly)
>\$100K	\$402 (\$15.45/bi-weekly)	\$402 (\$15.45/bi-weekly)

- Student Weeknight Parking Fee

	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Fees	\$0	\$0	\$6/yr (\$3/semester)	\$8/yr (\$4/semester)	\$10/yr (\$5/semester)

Questions

ATTACHMENT B

DESIGNER SELECTION – MEDIA & COMMUNICATIONS STUDIO

This project will construct a 12,000 square foot addition to Koury Natatorium to house media and communication studios for the ACC network. The facility will include three control rooms and two studios. The broadcast center will also provide a robust production service (live production, studio services) to campus entities and offer opportunities for academic partnerships and real-world experience in growing fields for students.

The project budget is \$10,000,000 and will be funded by Athletics funds.

This project was advertised on February 2, 2017. Four (4) proposals were received. Three (3) firms interviewed on February 28, 2017. 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. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

The firms were selected for their past performance on similar projects, the strength of their project team members, and experience with campus projects.

RECOMMENDED ACTION:

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

- | | |
|--------|---------|
| 1. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

ATTACHMENT C

DESIGNER SELECTION – McGAVERN GREENBERG ENERGY SAVINGS PROJECT

This project will repair the existing energy recovery system on air handling unit (AHU) #9 and re-commission the existing HVAC control system including but not limited to modifications to the pumping system, valves, and new direct digital controls. Project will return the non-functional energy recovery system to service resulting in energy savings.

The project budget is \$409,000 and will be funded by University funds.

This project was advertised on January 6, 2017. Six (6) proposals were received. Four (4) firms were interviewed on February 21 and 22, 2017. 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. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

The firms were selected for their past performance on similar projects, the strength of their project team members, and experience with campus projects.

RECOMMENDED ACTION:

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

- | | |
|--------|---------|
| 1. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

ATTACHMENT D

DESIGNER SELECTION – TAYLOR HALL ENERGY SAVINGS PROJECT

This project will repair the existing HVAC system including but not limited to modifications to the variable volume air distribution (VAV) boxes, valves and new direct digital controls. Project will incorporate new controls programming to reduce total air changes within the building to both reduce energy and maintain safety of staff and students.

The project budget is \$520,000 and will be funded by University funds.

This project was advertised on January 6, 2017. Eight (8) proposals were received. Four (4) firms were interviewed on February 21 and 22, 2017. 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. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

The firms were selected for their past performance on similar projects, the strength of their project team members, and experience with campus projects.

RECOMMENDED ACTION:

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

- | | |
|--------|---------|
| 1. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

ATTACHMENT E

DESIGNER SELECTION – THURSTON BOWLES ENERGY SAVINGS PROJECT

This project will repair the existing HVAC system including, but not limited to, modifications to the variable volume air distribution (VAV) boxes, valves and new direct digital controls. Project will incorporate new controls programming to reduce total air changes within the building to both reduce energy and maintain safety of staff and students.

The project budget is \$1,300,000 and will be funded by University funds.

This project was advertised on January 6, 2017. Seven (7) proposals were received. Four (4) firms were interviewed on February 21 and 22, 2017. 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. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

The firms were selected for their past performance on similar projects, the strength of their project team members, and experience with campus projects.

RECOMMENDED ACTION:

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

- | | |
|--------|---------|
| 1. XXX | XXX, XX |
| 2. XXX | XXX, XX |
| 3. XXX | XXX, XX |

ATTACHMENT F

SITE APPROVAL – MEDICAL EDUCATION BUILDING

This project will construct a 124,000 SF facility to provide a new building designed to meet the needs of modern medical education curriculum and enable the UNC Chapel Hill School of Medicine to increase enrollment by 30%, increasing class size from 180 to 230 students.

The project budget is estimated at \$90,000,000 and will be funded by the Carolina Connect bond and gifts.

The Chancellor's Buildings and Grounds Committee approved the site at its March 2, 2017 meeting.

RECOMMENDED ACTION:

A motion to approve the site.

ATTACHMENT G

DESIGN APPROVAL – FETZER SOCCER/LACROSSE FACILITY

This project will add a new grandstand for the soccer and lacrosse teams, renovate the existing McCaskill building and provide new press box and team facilities. Additionally, the project will include a new east/west pedestrian concourse connection from the Eddie Smith Fieldhouse to Stadium Drive.

The project budget is \$30,000,000 and will be funded by the Educational Foundation.

The Board of Trustees received the preliminary design at its January, 2017 meeting.

RECOMMENDED ACTION:

A motion to approve the design.

DESIGN APPROVAL – INDOOR PRACTICE FACILITY

The indoor practice facility project will provide an indoor turf field, two outdoor fields and associated support facilities for the Department of Athletics and shared use by Campus Recreation and Exercise and Sport Science.

The project budget is \$25,000,000 and will be funded by the Educational Foundation.

The Board of Trustees received the preliminary design at its January, 2017 meeting.

RECOMMENDED ACTION:

A motion to approve the design.

No formal action is requested at this time.

ATTACHMENT I

PRELIMINARY DESIGN REVIEW – NEW WOMEN’S FIELD HOCKEY STADIUM AND PLAYING FIELD

This project will construct a new 950 seat stadium, 9,800 square foot team facility, playing field and press box for Women’s Field Hockey.

The project budget is \$14,186,500 and will be funded by the Educational Foundation.

The Chancellor’s Buildings and Grounds Committee reviewed the preliminary design at its March, 2017 meeting.

This information is presented to the Board of Trustees for review and comment.

No formal action is requested at this time.

PRELIMINARY DESIGN REVIEW – CHASE HALL ADDITION

This project will add approximately 5,000 SF to the existing Chase Hall dining facility at Rams Head and provide an additional 150-200 seats and food venue.

The project budget is \$3,800,000 and will be funded by the Student Dining receipts.

The Chancellor's Buildings and Grounds Committee reviewed the preliminary design at its March, 2017 meeting.

This information is presented to the Board of Trustees for review and comment.

No formal action is requested at this time.



Development Update

David S. Routh, Vice Chancellor for Development

Board of Trustees Meeting: Finance, Infrastructure and Audit Committee

Campaign Dashboard

Information accurate as of March 2017

\$1,314,190,067

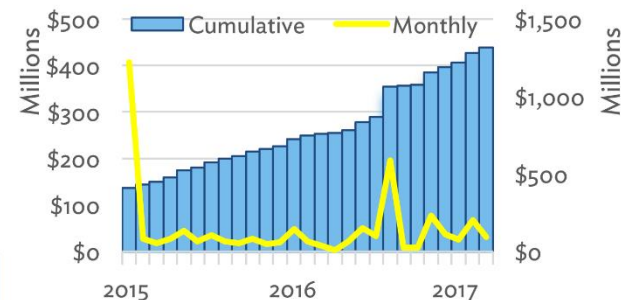
Total Campaign Activity



27% Time Elapsed

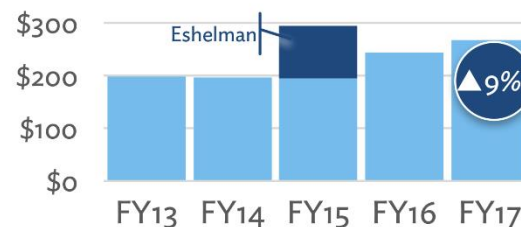
Unit	Campaign	Prior 3 Years	Change
Eshelman School of Pharmacy	\$ 125,031,713	\$ 22,277,398	▲461%
Kenan-Flagler Business School	\$ 84,567,503	\$ 43,258,021	▲95%
Educational Foundation	\$ 131,596,557	\$ 79,225,987	▲66%
College of Arts & Sciences	\$ 184,876,576	\$ 131,136,607	▲41%
UNC Medicine	\$ 342,791,826	\$ 274,316,553	▲14%
Gillings School of Global Public Health	\$ 78,897,140	\$ 70,078,918	▲13%
School of Law	\$ 19,334,343	\$ 18,916,169	▲2%
University (all units)	\$1,314,190,067	\$ 926,003,176	▲42%

Total Campaign New Cash & Commitments



Year-To-Date Comparisons (March)

Amounts in millions



New Cash & Commitments Analysis

All amounts in millions

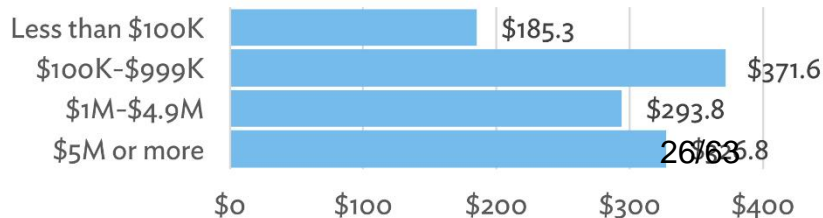
By Donor Type - Individuals



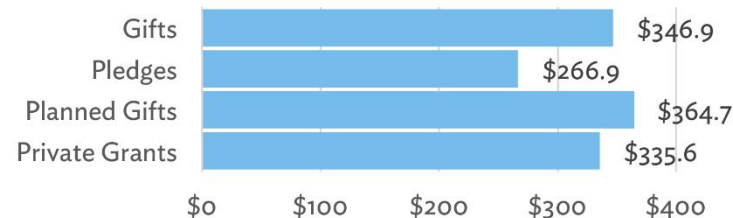
By Donor Type - Organizations



By Gift Amounts



By Gift Type



Campaign Facts

Chancellor's
Philanthropic
Council

111
members

6.1M
Marketing Impressions

7 Rembrandt
drawings are
part of \$25M gift
to Ackland

Around-the-World Engagement Events

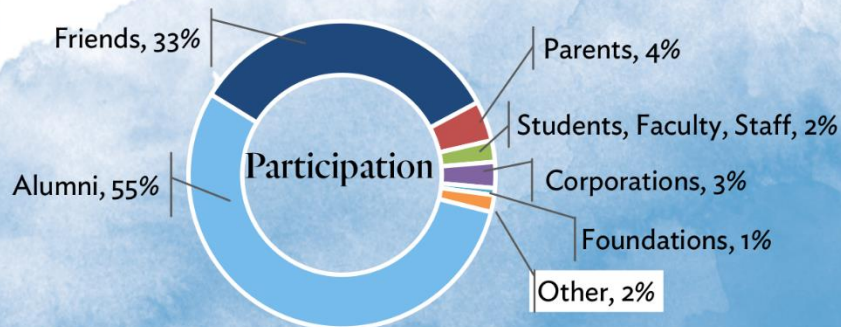


Atlanta · Beijing · Chapel Hill/Durham · Charlotte ·
Greenwich, CT · Figure 8 Island · Greensboro · Hong Kong ·
Jacksonville, FL · Linville · London · Memphis, TN · New Orleans ·
New York City · Palm Beach, FL · Raleigh · SF Bay Area · Singapore ·
Vero Beach, FL · Washington, DC · Wilmington

CULTIVATIONS

3,538
ACTIVE

Total Donors
121,197



Rated Donor Prospects

Gift Range	As of Dec 2015	As of Mar 2017	Change
\$ 100 M	9	17	▲8
\$ 50 M	10	15	▲5
\$ 25 M	12	19	▲7
\$ 10 M	16	33	▲17
\$ 5 M	249	284	▲35

\$520,454,184

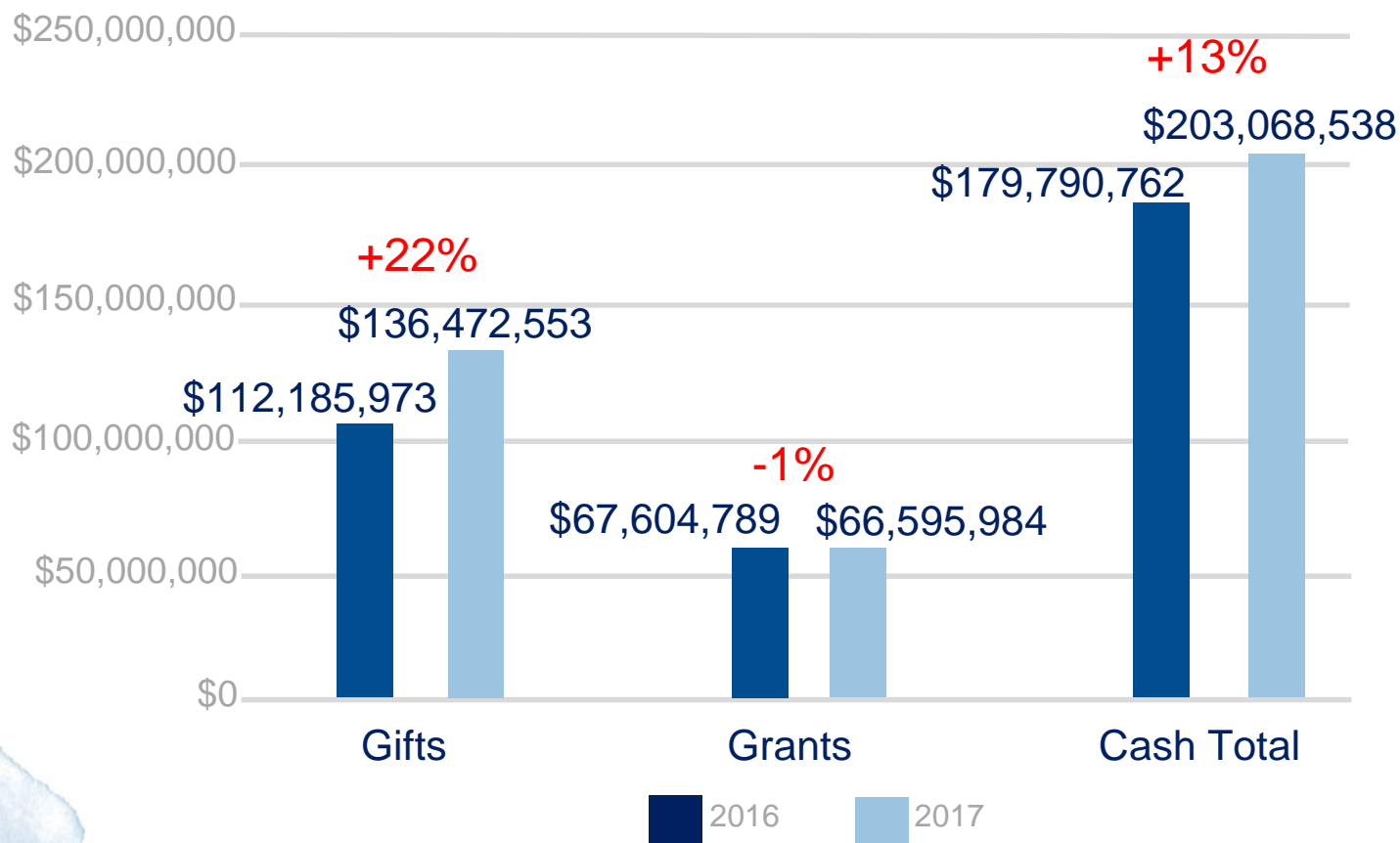
Value of Submitted Proposals

500+
Participants in Creative
Town Halls



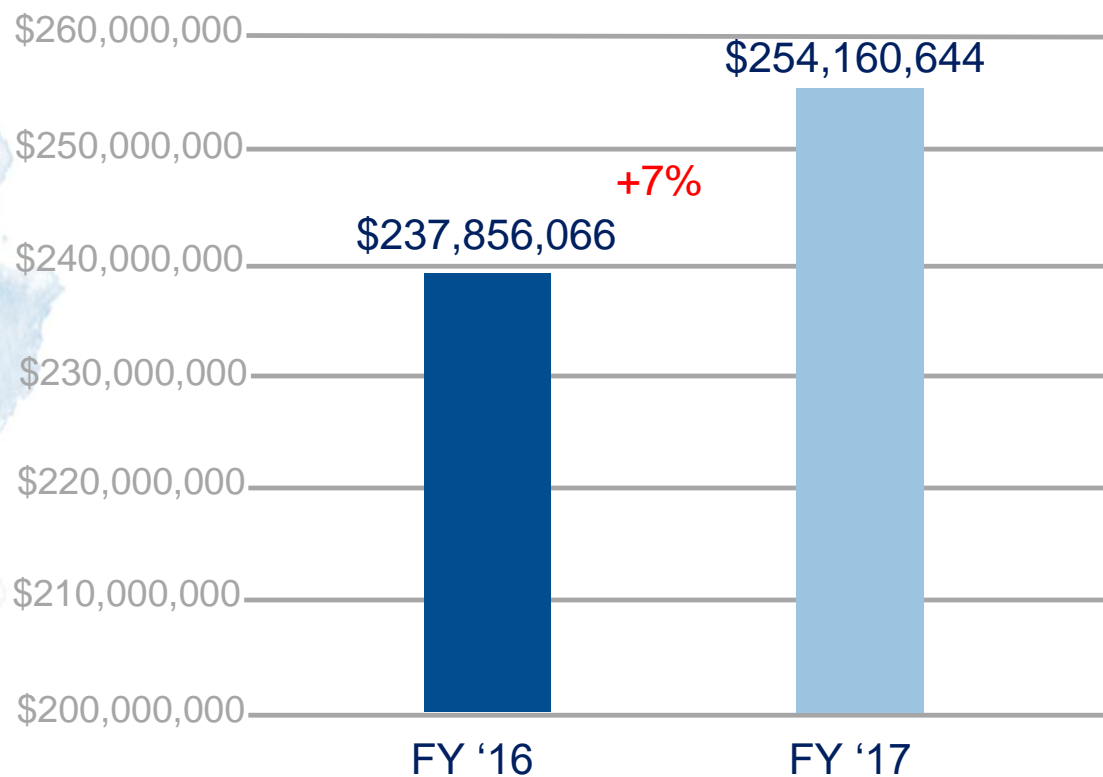
Cash & Commitments Report

New Cash & Commitments Totals



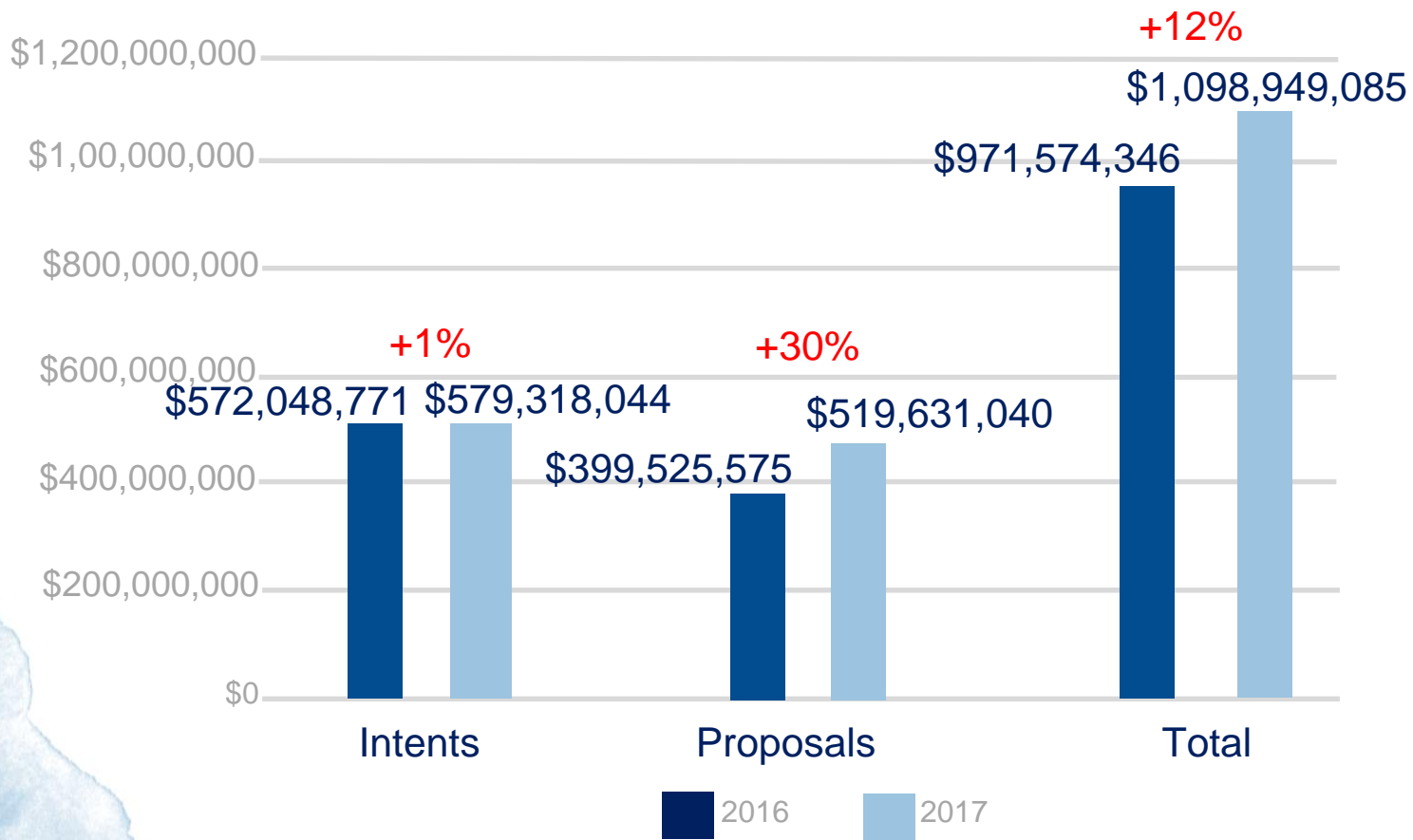
YTD comparison as of 2/26/17. Grants through 12/23/16, and Ed Foundation through 1/31/17

Cash Totals



YTD comparison as of 2/26/17. Grants through 12/23/16, and Ed Foundation through 1/31/17

The Pipeline



YTD comparison as of 2/26/17. Grants through 12/23/16, and Ed Foundation through 1/31/17

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A Student Story



Development Update

David S. Routh, Vice Chancellor for Development

Board of Trustees Meeting: Finance, Infrastructure and Audit Committee

Finance, Infrastructure, & Audit Committee

FY17 Mid-year Management Report for UNCCH



UNC
DIVISION OF FINANCE
AND ADMINISTRATION

Agenda

- UNC's Performance vs. Moody's Outlook for the Industry in 2017
- Revenues, Expenses, and Changes in Net Position Highlights
- Revenues, Expenses, and Changes in Net Position Overview

UNC's¹ Performance vs. Moody's Outlook for the Industry in 2017

Moody's Outlook for Industry

Aggregate revenue growth will remain above 3 percent for both public and private universities. Moody's projects modest net tuition revenue growth, incremental increases in state appropriations, stable research funding and favorable academic medical center performance for the industry.

However, clouds are beginning to form on the horizon. Rising pension liabilities, increasing labor costs and uncertainty around future federal policies and funding could weigh on the sector during the later portion of the outlook period.

UNC's Performance

UNC's aggregate revenue² is 3.3% higher at mid-year than at the comparable period of the prior year. This aligns with Moody's growth projections, with gains concentrated in net tuition revenue, sponsored research funding, and consistent endowment payouts, patient care revenue, and state appropriations.

UNC's labor costs and pension liabilities continue to grow. As of the six-month period ended December 31, 2016, the University's operating expenses have increased 4.7 percent due primarily to increased labor costs. Pension liabilities are expected to continue to rise.

¹The financial performance of consolidated foundations included in the CAFR are not reflected in interim management reporting.

²Aggregate revenue is calculated to align with Moody's analysis and includes operating revenue, state appropriations, and endowment payout



UNC's¹ Performance vs. Moody's Outlook for the Industry in 2017

Moody's Outlook for Industry

Changing business conditions will affect elements of the diverse sector differently. Universities, both public and private, with the strongest brands and value propositions for students will continue to outperform. Smaller, more regionally oriented public and private universities will face the greatest challenges.

What could change Moody's outlook. A third year of weak financial market performance or material negative changes to federal policy or funding related to higher education or healthcare are the primary downside risks for the sector.

UNC's Performance

UNC's brand continues to attract top students. For fall 2016 first-year admissions, the University received 35,875 applications—approximately 12.0 percent more than fall 2015, and 50.0 percent more than five years ago. UNC's selectivity is increasing, as the percentage of applicants admitted is 26.0 percent in FY2016 compared to 30.0 percent in FY2015.

UNC's financial results continue to depend significantly on financial market performance. While the UNC Investment Fund, the primary pool of university investments, has consistently outperformed benchmarks, FY2017 to-date performance lags its own 3- and 5-year historical performance.

¹The financial performance of consolidated foundations included in the CAFR are not reflected in interim management reporting.

²Aggregate revenue is calculated to align with Moody's analysis and includes operating revenue, state appropriations, and endowment payout



Revenues, Expenses, and Changes in Net Position Highlights

UNC's¹ financial results for the six-month period ended December 31, 2016, show operating expenses increasing over the same six-month period of the prior year, and increasing at a greater rate than increases in revenues, leading to less favorable operating results. The decline in net position as of December 31, 2016, is less than the decline in the same period of the prior year, primarily attributable to improving unrealized investment gains.

- Operating revenues increased by \$24.2 million (to \$1.05 billion from \$1.03 billion) over FY2016 while operating expenses increased by \$66.4 million (to \$1.47 billion from \$1.41 billion) over FY2016.
- Salaries and benefits increased \$60.1 million, or 7.5 percent.
- The University's operating loss, adjusted to include state appropriations, increased to \$246.7 million.
- Investment income increased to \$94.6 million from a loss of \$5.3 million during the prior year; FY2017 to-date returns of 5.8 percent are exceeding benchmarks but lagging 3- and 5-year historical fund performance.
- At mid-year, UNC's net position has decreased by \$22.9 million. This is an improvement over the \$137.8 million loss at mid-year in FY2016.

¹The financial performance of consolidated foundations included in the CAFR are not reflected in interim management reporting.

Revenues, Expenses, and Changes in Net Position Overview

Revenues	FY2017	FY2016	\$ Change	% Change
Operating Revenues:	(Period Ended 12/31/2016)	(Period Ended 12/31/2015)		
Student tuition and fees, net	\$ 201,694,346	\$ 191,438,160	\$ 10,256,186	5.4%
Patient services, net	213,616,285	209,451,623	4,164,662	2.0%
Grants and contracts (federal, state, and non-governmental)	391,798,266	385,426,911	6,371,355	1.7%
Sales and services, net	211,421,194	211,802,006	(380,812)	-0.2%
Other operating revenues	31,025,006	27,240,397	3,784,609	13.9%
Total operating revenues	1,049,555,097	1,025,359,097	24,196,000	2.4%
Expenses				
Operating Expenses:				
Salaries and benefits	858,606,402	798,546,422	60,059,980	7.5%
Supplies and materials	96,387,077	106,206,105	(9,819,028)	-9.2%
Services	346,362,332	328,799,432	17,562,900	5.3%
Scholarships and fellowships	61,598,623	59,357,656	2,240,967	3.8%
Utilities	40,475,426	44,142,176	(3,666,750)	-8.3%
Depreciation and amortization	68,286,217	68,246,333	39,884	0.1%
Total operating expenses	1,471,716,077	1,405,298,124	66,417,953	4.7%
Operating loss	\$ (422,160,980)	\$ (379,939,027)	\$ (42,221,953)	-11.1%

Note: To ensure an accurate comparison, certain FY16 figures were adjusted to conform with FY17 presentation.

Revenues, Expenses, and Changes in Net Position Overview

Non-Operating Revenues (Expenses)	FY2017 (Period Ended 12/31/2016)	FY2016 (Period Ended 12/31/2015)	\$ Change	% Change
State appropriations	\$ 175,482,370	\$ 180,673,206	\$ (5,190,836)	-2.9%
Other non-capital grants	47,131,084	29,823,360	17,307,724	58.0%
Non-capital gifts, net	72,467,638	60,253,246	12,214,392	20.3%
Investment income	94,646,612	(5,287,586)	99,934,198	1890.0%
Interest and fees on debt	(27,842,529)	(28,210,941)	368,412	1.3%
Other non-operating revenues (expenses)	12,306,543	(4,807,727)	17,114,270	356.0%
Net non-operating revenues	374,191,718	232,443,558	141,748,160	61.0%
Income before other revenues, expenses, gains, or losses	(47,969,262)	(147,495,469)	99,526,207	67.5%
Capital appropriations	8,112,500	-	8,112,500	-
Capital grants	2,681,879	4,582,068	(1,900,189)	-41.5%
Additions to endowments	12,932,827	6,930,539	6,002,288	86.6%
Transfers	1,351,765	(1,779,413)	3,131,178	176.0%
Total other revenues, expenses, gains, or losses	25,078,971	9,733,194	15,345,777	157.7%
Change in Net Position	\$ (22,890,291)	\$ (137,762,275)	\$ 114,871,984	83.4%

Note: To ensure an accurate comparison, certain FY16 figures were adjusted to conform with FY17 presentation.

Update to Board of Trustees on OWASA Water Outage

Brad Ives, Associate Vice Chancellor for Campus Enterprises
March 22, 2017



UNC
DIVISION OF FINANCE
AND ADMINISTRATION

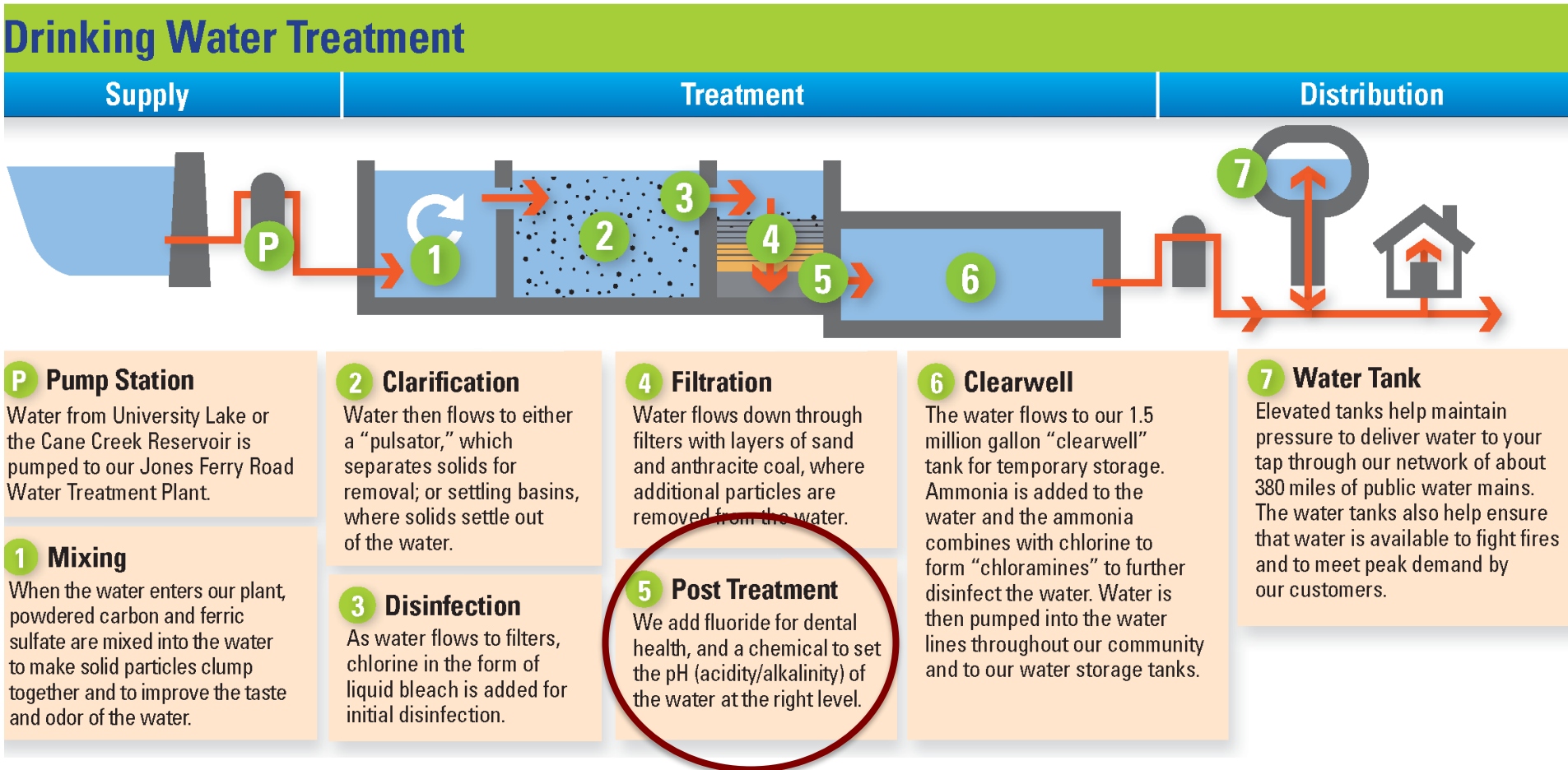


Overview of Water Outage

1. Problem initially caused by over Fluoridation
2. Compounded by issue with back-up supply from Durham & failure of 12" main
3. Emergency Operations Center established with key departments within 30 minutes of crisis notification & 7 leadership calls held
4. Close communication with OWASA and Health officials throughout
5. 8 campus-wide Alert Carolina emails were distributed
6. Student safety and access to food, water & restrooms were priorities



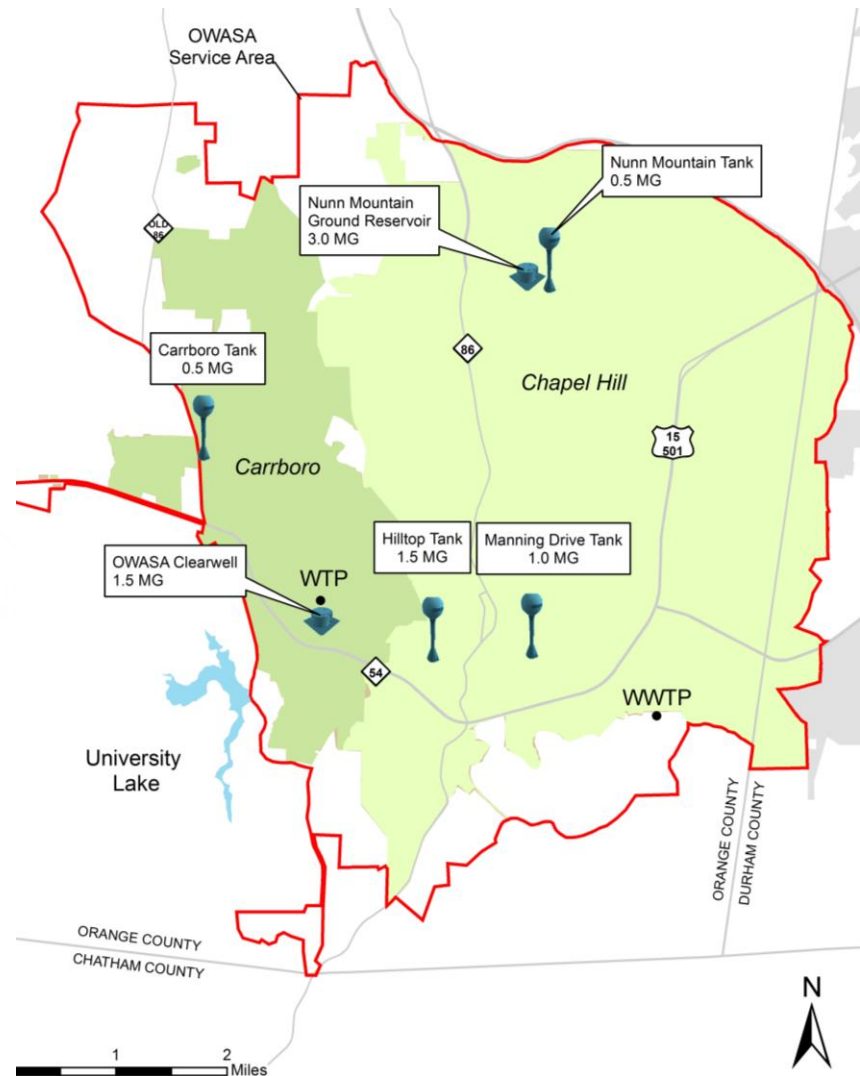
Problem Caused by Over Fluoridation



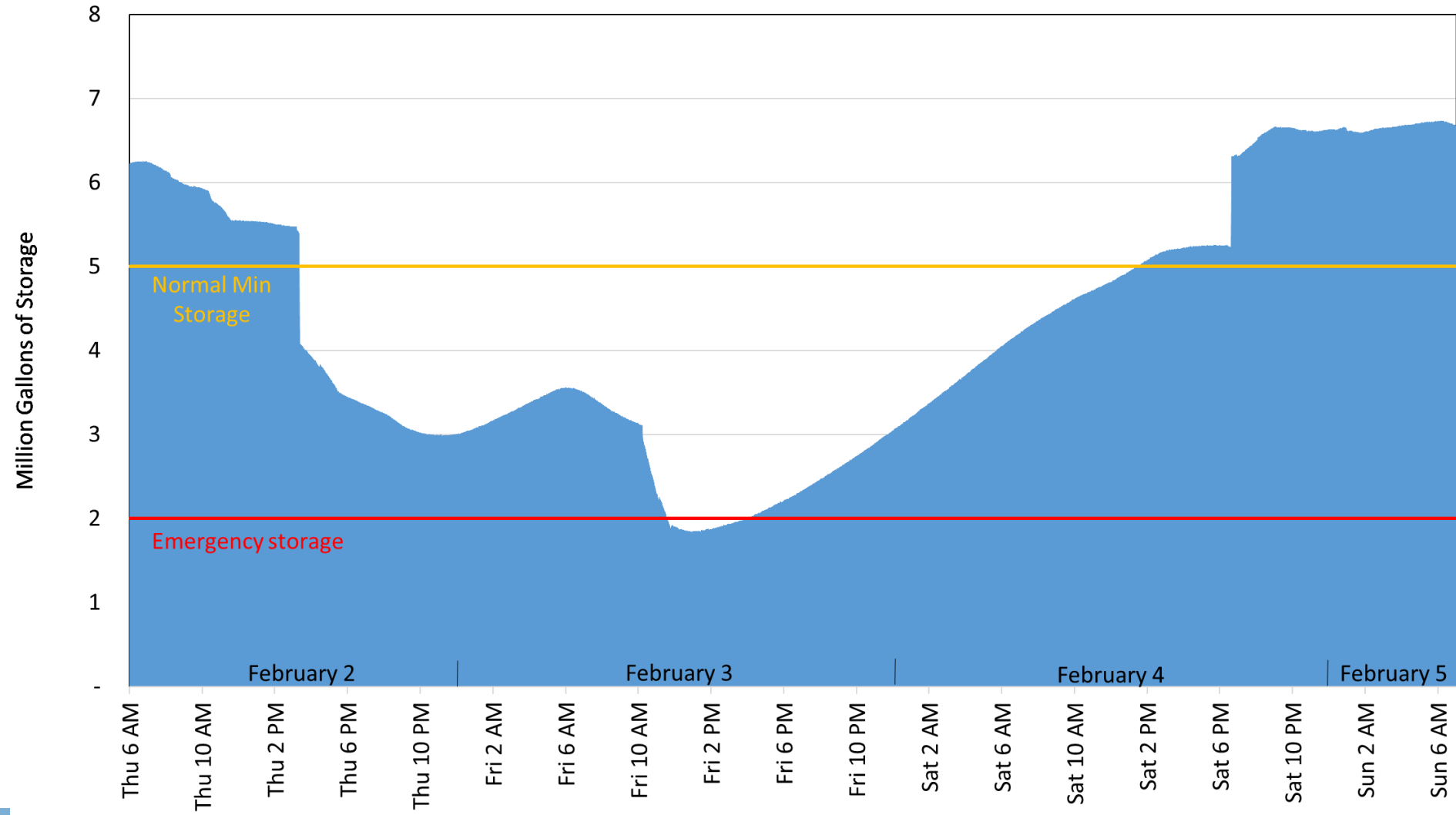
OWASA Storage Capabilities



1. 8 Million Gallons Total Storage Capacity
2. Usually Kept Between 5 and 7 Million Gallons
3. Emergency if Below 2 Million Gallons



February 2017 Water Emergency



Services Provided To Campus



- Approx. 50% to 60% of residential students vacated campus.
- Several pallets of water bottles were distributed on campus.
- 128 portable toilets & lights, including 26 ADA-compliant toilets, were distributed to 36 campus locations Friday night.
- Dining received permission from Health Dept. to serve.
 - Chase Dining Hall at Rams Head Plaza served breakfast, brunch and dinner throughout the weekend
 - Granville Towers remained open for meals
 - UNC Student Stores passed out free lunch items on Saturday
 - Dining restrictions were lifted Saturday afternoon at 2 p.m.
- Campus Health Services remained open to provide acute medical care.





Conclusions

1. Difficult situation handled well through teamwork and preparation.
2. After-action reports not indicating any significant need for changes.



Campus Safety Overview

Mary Beth Koza
Director, Environment, Health & Safety





Environment, Health & Safety

- Provides comprehensive environmental, health and safety services to the University community through education, training and consultation.
- Supports maintaining a safe environment through recognizing and controlling health and safety hazards.
- Maintains an EHS Management System.



Mission of the Organization

- Providing a safe work place
- Ensuring a process of compliance
- Minimizing future potential liabilities





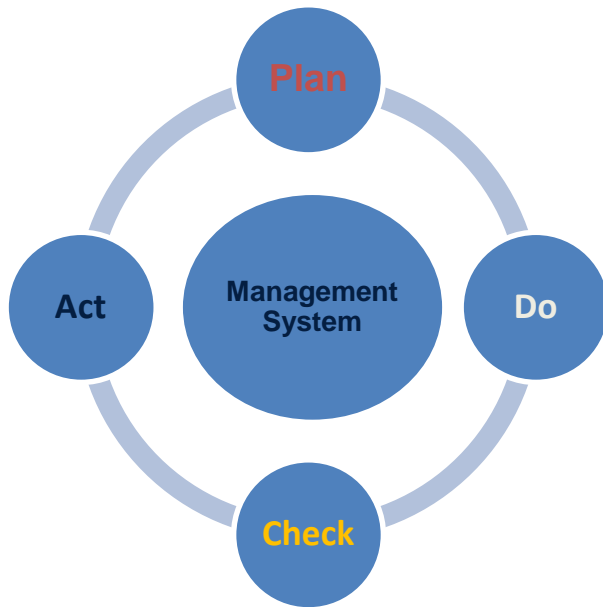
EHS Group Functions

- Chemical Safety
- Biological Safety
- Radiation Safety
- Environmental Affairs
- Fire Safety & Emergency Response
- Occupational Hygiene
- Workplace Safety
- University Employee Occupational Health Clinic





EHS Management System Core Elements



- Policy
- Defined Organization and Responsibilities
- Standard Practices and Procedures
- Training
- Records System
- Internal Audit Process
- Corrective Action System
- Management Review for Continual Improvement





Plan-Do-Check-Act

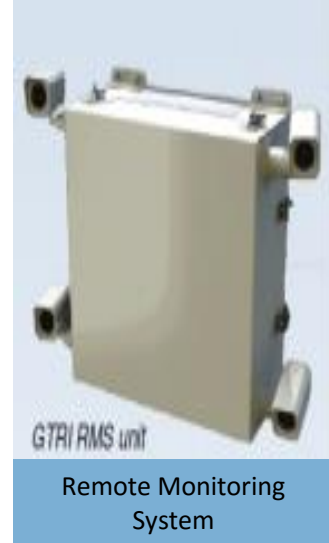
- With the breadth and depth of UNC research always expanding, the process of EHS compliance management is ongoing and ever changing, requiring a robust and adaptive management system.
- In 2017, the department continued its emphasis on an integrated management system for the University's environment, health and safety compliance programs.
- This effort was designed to ensure continuous improvements by incorporating a process of ongoing monitoring, reviews, and revisions of procedures and policies through the use of the:
Plan - Do - Check - Act (PDCA) model.
- Just as a circle has no end, the **Plan - Do - Check - Act cycle** is a four-step process model for carrying out change, cycling through each step for continuous improvement.



PLAN-Do-Check-Act



- Laboratory Safety Culture
 - 2017 EHS Goals
- (<http://ehs.unc.edu/about/ar/#goals>)





Plan-DO-Check-Act

- Training
- Waste Pick-up
- Medical Surveillance





Plan-Do-CHECK-Act

- Hazards Management & Collaborative Laboratory Inspection
 - Programs HMP & CLIP





Plan-Do-Check-ACT

- Incident Investigation & Corrective Actions

University Safety and Security Committee

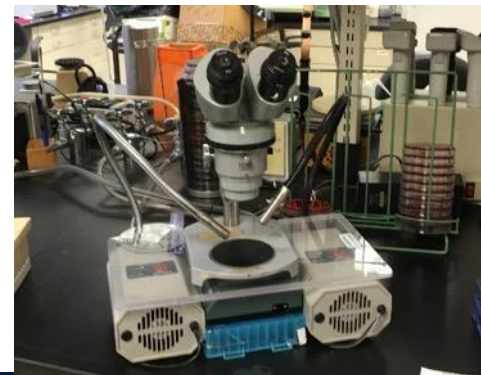
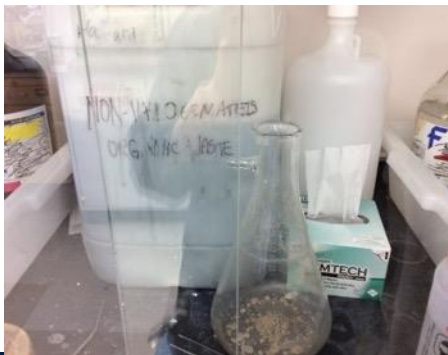
Hazards
Management
Safety
Committee

Occupational
Health & Clinical
Safety Committee

Institutional
Biological Safety
Committee

Laboratory and
Chemical Safety
Committee

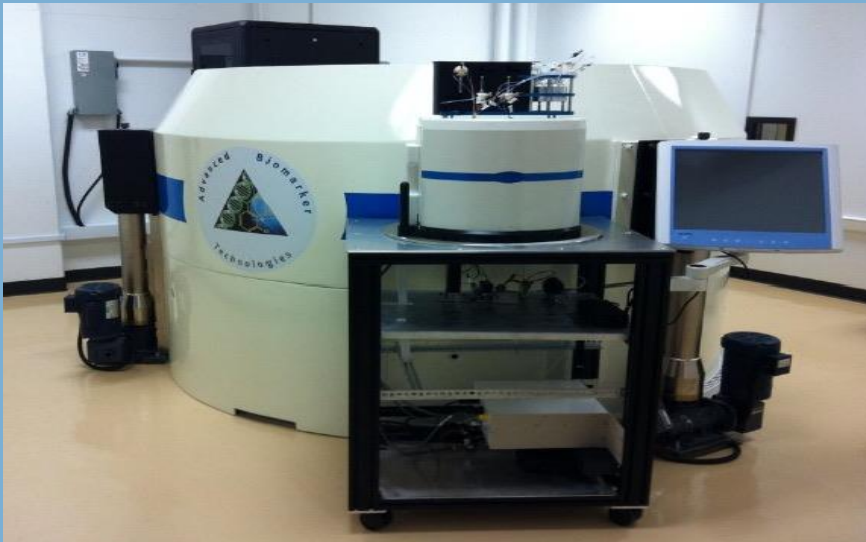
Radiation Safety
Committee





2016-2017 Key Initiatives

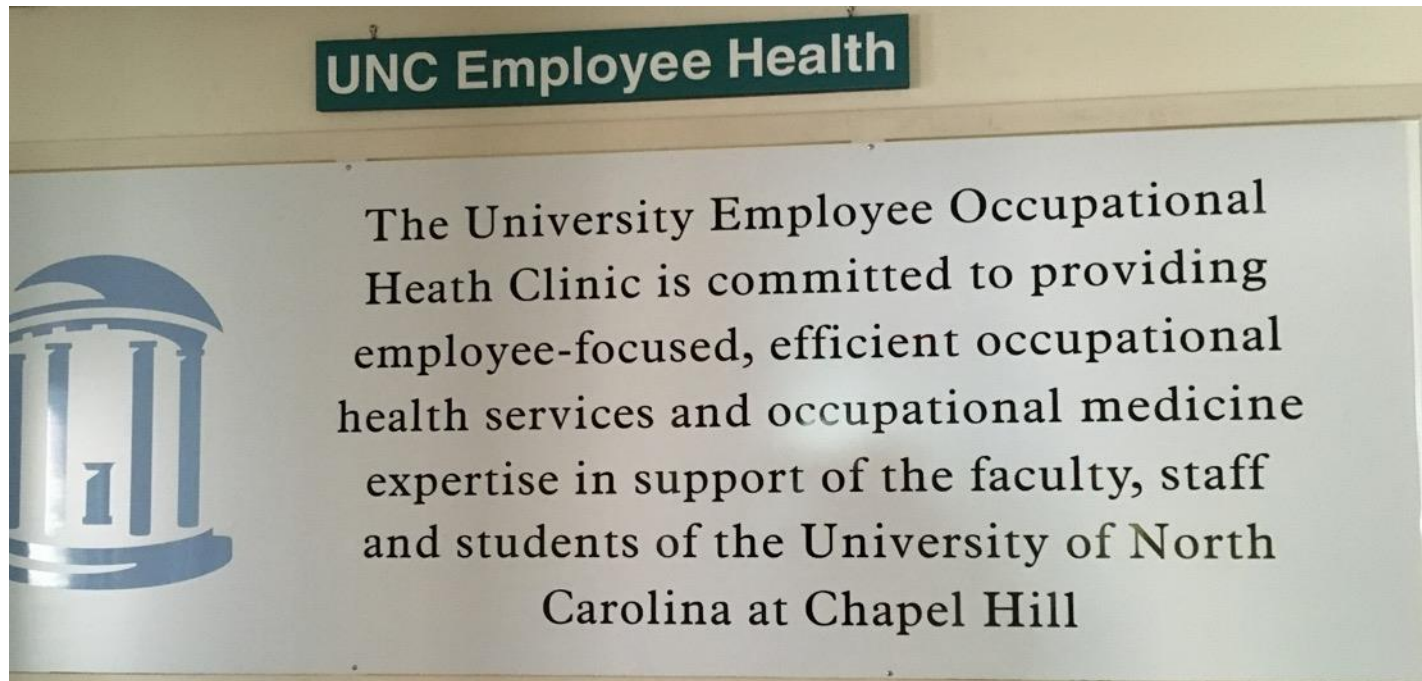
- Laboratory Safety Culture
- Biomedical Research
- Support of the Research Mission
- 2017 EHS Goals (<http://ehs.unc.edu/ehs/ar.shtml>)





The “C” Department

- Customer Service
- Compliance
- Collaboration
- Compassionate
- Communication
- Complaint department





Accomplishments

- Provided expertise to UNC System
 - Radiation Safety
 - Fire Safety
 - Chemical safety
 - Training
 - High Containment lab – Kannapolis





Accomplishments

- Zika Preparedness and Awareness
- Education to Campus
- Fire Safety
- Chemistry Teaching Assistants
- Participation in Emergency Response and Planning
- Core Emergency Response Team for Campus
- Implemented an award program for laboratories
- 21 Regulatory Inspections



EHS Tools & Resources



- EHS Management System Database
- Emergency Response Equipment
- Industrial Hygiene Equipment
- Waste Handling Facilities
- Dedicated Staff



Zika Awareness

June 30, 2016

