



Special Called Meeting
Thursday, January 23, 2025
4:00 pm

AGENDA

Call to Order

Dr. Kimberly Jeffries Leonard, *Chair*

Roll Call

Frederick Nelson, *Secretary*

State Governance Ethics Act

Dr. Kimberly Jeffries Leonard, *Chair*

Information Items:

There are no information items to be presented.

Action Items:

Construction Projects Approval Requests
BF-1 Increase in Project Authority-
Health and Wellness

Kenny Spayd
Associate Vice Chancellor for Business and Finance

Adjournment

Dr. Kimberly Jeffries Leonard, *Chair*

BOARD OF TRUSTEES SPECIAL CALLED MEETING BUDGET AND FINANCE UPDATE

**Kenny Spayd
AVC for Finance
January 23, 2025**

CI-Related Action Items

Item BF-1:

- Increase in Project Authority- Health and Wellness Center

BF-1, FSU Health & Wellness Center Project: Increase in Project Authority

Existing Project

- Current BOT approved project authority is \$12.9 million.
- The University received two bids for the project, both higher than predicted by our 3rd party estimator.
- The additional \$1M will allow the University to complete the building and add some additional parking, but not to extent originally envisioned.
- The request is to increase the project authority by \$1 million, bringing the total project authority to \$13.9 million.

QUESTIONS?

Agenda Item BF-1

Executive Summary

MEETING DATE:

January 23, 2025

SUBJECT

Increase in Project Authority- Health and Wellness Center

BACKGROUND:

Board of Trustees approval is required for new capital projects or additions in construction project budget authority for previously approved projects. The original project authority for the Health and Wellness Center project was \$5,500,000 from a State of North Carolina capital appropriation. In 2019 the FSU Board of Trustees and the UNC Board of Governors approved an increase in authority to \$7,500,000 based on City of Fayetteville funding. Because those City funds are no longer available, only the original \$5,500,000 State of North Carolina capital appropriation remained.

The Higher Education Emergency Relief Fund (HEERF) regulations were revised in 2022 to allow for more flexibility for the funds to be used on construction projects. By 2022, the original scope of the \$5,500,000 HWC project had eroded due to construction cost escalation.

In June 2022, the FSU BOT and UNC BOG approved to increase the project authority to \$11,100,000 using \$5,600,000 of available HEERF funds. The U.S. Department of Education has also approved FSU's request to spend \$5,600,000 in HEERF funds for this project.

In February 2024, the BOT approved an additional \$1M in project authority, bringing total project authority to 12.1 million

In August 2024, the BOT approved an additional \$800 thousand in project authority, bringing total project authority to \$12.9 million

In December 2024, the University received construction bids for the project. The low bid was higher than estimated and additional funding is required to complete the building and provide additional parking.



Board of Trustees

MOTION: Move to approve the additional \$1 million of project authority.

Supporting Documents(s) Included: none

Reviewed by: Kenny Spayd
Associate Vice Chancellor of Finance

Date: 1/17/2025

Prepared by: Gene Cottrell
Director of Facilities Budget & Administration

Date: 1/17/2025