



**BOARD OF COMMISSIONERS MEETING
MONDAY, MARCH 16, 2015, 7 P.M.
ROBERT E. HIBBITTS MEETING ROOM
1924 COURTHOUSE, NEWTON, N.C.**



The Board approved a request from CVCC to transfer \$480,000 from capital projects funded in Fiscal Year 2014/15 to current expense to mitigate required State funding reversions. Additionally, the Board approved a request to provide CVCC with a letter of commitment to fund \$890,000 to replace underground pipes.

Due to State funding formula changes and overall reductions at the State level, CVCC has been forced to revert \$1,386,001 since July 1, 2014. So far this year, CVCC has been able to cover roughly \$900,000 of the reversion by eliminating 12 positions and transferring State capital/operating funds to instruction. These reductions are in addition to a \$1.47 million reversion resulting in the elimination of 11 positions last year. In order to avoid eliminating 7 additional positions, CVCC requested that the County transfer \$480,000 from two capital projects (chiller and gas pack replacements) approved in Fiscal Year 2014/15 to current expense. These projects would then be the two top priorities for the College in Fiscal Year 2015/16. CVCC anticipates being able to cover the current expense deficit moving forward through a combination of increased enrollment that will increase State funding, anticipated changes in funding flexibility from the State and savings resulting from reductions made after the start of the current fiscal year.

Additionally, CVCC requested that the County provide a letter of commitment to fund \$890,000 to replace roughly 1.5 miles of underground piping across the campus. After a sinkhole developed on the campus in 2013, CVCC contracted an engineer to do an inspection of all underground piping. The engineer's report found that there were multiple sections of piping across the campus that were severely deteriorated and recommended replacement within one year to 18 months. CVCC has an existing renovations project with \$1.5 million to address paving needs and many of the areas to be paved are also the areas that need piping replacement. CVCC can obtain State approval for the project and begin design work now with the existing funding, with the bulk of the work to be completed over the summer.

CVCC requested that a letter of commitment be provided now to include the additional \$890,000 in the County's Fiscal Year 2015/16 budget. The entire project will be debt financed, with debt likely issued this fall. The County has sufficient funds dedicated to schools' debt service to finance roughly \$41 million in projects in the next four year cycle, including the piping replacement. The Board's Finance and Personnel Subcommittee recommended approval of the transfer of \$480,000 from capital projects funded in FY 2014/15 to current expense, and approval of a letter of commitment to fund \$890,000 to replace underground piping on the CVCC campus.

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