

**AMENDED MEMORANDUM OF UNDERSTANDING  
FOR FUNDING OF BRUNSWICK COUMMUNITY COLLEGE  
ALLIED HEALTH FACILITY PROJECT**

**THIS MEMORANDUM OF UNDERSTANDING**, made and entered into this the \_\_\_\_ day of December 2017, by and between Brunswick County, a political subdivision of the State of North Carolina ("County") and Brunswick Community College, a tax-supported, public, nonprofit school that is part of the North Carolina Community College System, located at 50 College Road, Bolivia, NC 28422 ("College").

**WITNESSETH:**

WHEREAS, Brunswick Community College offers six allied health programs to educate students in fields of study which are in increasing demand in Brunswick County; and

WHEREAS, Brunswick Community College seeks to establish a single facility to provide its allied health programs that will encourage students to seek their education locally and prepare them, through an excellent and up-to-date facility, to enter the workforce; and

WHEREAS, it is in the interests of the County that said project be assisted by the County and thereby enhance the educational opportunities available to residents of the County;

NOW, THEREFORE, in consideration of the above and the mutual covenants and conditions hereafter set forth, the County and the College agree as follows:

1. The College will repurpose its 12,160 square foot Early Childhood Education Center and add a new addition of 13,750 square feet for a total of 27,292 square feet to house six allied health programs.
2. The estimated construction costs for the new building are approximately 5.7 million dollars. The college currently holds 50% of the estimated construction costs, totaling \$2,857,320, of ConnectNC state bonds. The college will furnish and up-fit the building technology using county reserves held by the college institutional funds totaling approximately \$325,000.
3. For the remaining costs estimated at \$2,857,320, the college will deed the county the South Brunswick Island Center with the county to either sell or utilize the building for functions not related to the college. The estimated value of the South Brunswick Island Center is between \$1M and \$1.7 million with actual market value undetermined. The County will assist the College with the remainder of the needed funds as follows.
4. The County agrees to purchase the South Brunswick Island Center from the college by transferring \$1.7 million (2015 tax value) into the County Capital Reserve designated for the Allied Health Facility, leaving a need for an additional \$1,157,320 for the balance of the estimated construction costs. Upon the designation of funds, the deed will be executed and delivered.

5. The County agrees to utilize reserves held by the county for the benefit of the college in the amount of \$213,267 and any additional similar reserves that accrue for the fiscal year ending June 30, 2017, estimated to be at least \$200,000, additional county sources contribution of \$192,894, and unexpended local college bonds from the 2004 college bond of \$168,508 for the Allied Health Building for an estimated total of \$911,669.
6. On June 30, 2016, the College held approximately \$1.1 million of fund balance to meet college needs as determined by the Board of Trustees. The College has the following obligations: contract of \$53,877, escrow agreement with surety \$306,593, approved change order of \$96,015 and \$55,400 for FY 17 capital outlay. After subtracting obligations and designations the undesignated college held fund balance as of April 27, 2017 is \$582,651. The college will utilize approximately \$382,651 of the undesignated fund balance leaving an undesignated balance of \$200,000 to meet college needs and contract obligations as determined by the Board of Trustees. The college will hold the surety escrow of \$306,593 and the change order reserve of \$96,015 until those matters are resolved. The college will work with the county to explore sales tax refunds that may benefit the college.
7. The County agrees that it is the county's statutory responsibility to maintain a minimum of 8% of the county budget in reserve, and this balance is calculated to include the County's appropriations to the College. In addition, local county policy requires the county to hold in reserve an additional 12% of the county budget, which also is calculated to include the County's appropriations to the College. Beyond that, the County's practice is to maintain a target fund balance of an additional 8%, for a total of 28%. Therefore, the county's practice is to hold 28% of the college's local county budget in reserve.
8. Notwithstanding the \$1.7 million in paragraph 4 of this agreement and in addition to the fund balance maintained by the County, the county agrees that the college may utilize a college-held fund balance of \$200,000 to meet college needs and contractual obligations as determined by the Board of Trustees without preapproval from the county. When needs arise requiring more than \$200,000, then those needs will be presented to the county for assistance and that assistance will not be unduly withheld. The county agrees that for any quarter of the fiscal year where the college-held fund balance is less than \$200,000, the county will provide the college the funds necessary to replenish the college-held fund balance to the reserve amount of \$200,000.
9. The County and the College recognize that County contracts are governed by the laws of the State of North Carolina and are subject to the availability of funds and may be terminated if such funds become unavailable.
10. The County and the College agree that this agreement will be terminated on June 30, 2019 unless extended by both parties.
11. The County and the College authorize staff to execute such further agreements as are necessary to carry out the terms of this Memorandum of Understanding.

**IN WITNESS WHEREOF**, Brunswick County and Brunswick County Community College have signed this Memorandum of Understanding, effective on the last date that this Memorandum is signed by both parties as indicated by the dates set forth under signatures below.

***For and on behalf of Brunswick Community College***

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Alan Holden, Chair BCC Board of Trustees

***For and on behalf of Brunswick County Government***

\_\_\_\_\_  
Frank Williams, Chair  
Board of County Commissioners

\_\_\_\_\_  
Date