

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session in the Faculty Lounge of The Morehead Building on January 25, 2001 at 8:30 a.m. Chairman Cates presided.

The Finance and Business Committee, Student Affairs Committee, Academic Affairs Committee, and Development Committee all met as a Committee of the Whole.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and the following members were present:

Anne W. Cates, Chairman
Dr. William R. Jordan, Vice Chairman
David E. Pardue, Jr., Secretary
William J. Armfield, IV
Timothy B. Burnett
James E. S. Hynes
Jean Almand Kitchin
Robert B. Matthews
Dr. Charles A. Sanders
Richard Y. Stevens
Cressie H. Thigpen, Jr.
Richard T. Williams

The following member was absent:

Walter R. Davis (due to illness)

CONSENT AGENDA

Approval of Minutes

On motion of Dr. Sanders, seconded by Mr. Matthews, the minutes of the regular meeting of November 15-16, 2000 and the minutes of the special meeting of January 8, 2001 were approved as distributed.

Approval of Personnel Items

On motion of Dr. Sanders, seconded by Mr. Matthews, the following personnel items were approved as distributed:

- Personnel Changes for Information (ATTACHMENT A)
- Personnel Changes in Academic Affairs (ATTACHMENT B)
- Personnel Changes in Health Affairs (ATTACHMENT C)

- Recommendations for Exceptions to Employment Policies Annual Leave Provisions (ATTACHMENT D)

Ratification of Mail Ballots

On motion of Dr. Sanders, seconded by Mr. Matthews, the following mail ballots were approved as distributed:

- Mail Ballot Dated December 11, 2000 (ATTACHMENT E)
- Mail Ballot Dated December 13, 2000 (ATTACHMENT F)

CHAIRMAN'S REMARKS

Chairman Cates introduced recently appointed Chapel Hill Police Chief Gregg Jarvies, who is an alumnus of the University, and Ms. Joan Siefert Rose, the new general manager for WUNC. Chairman Cates thanked Jonathan Howes, who has been the interim general manager for WUNC.

Chairman Cates commented on the University Marching Band's performance at the Inauguration Parade for President Bush.

She commented on the stone gates at the campus entrance at Columbia and Cameron, diagonally across from The Carolina Inn. The gates are a gift from the Class of 1999.

Chairman Cates commented on the Campus Master Plan. No action will be taken on the plan at today's Board meeting. A third public workshop will be scheduled on February 22. She commented that the Board of Trustees "fully realizes the difficult choices that we face. We, the Trustees, have to balance our responsibilities to our local neighbors and the town, but also with our responsibilities to the state, the nation and the world. We look forward to a continued dialogue with all of our constituents on the master plan".

Chairman Cates requested Secretary Pardue read the following resolution.

**RESOLUTION OF APPRECIATION
FOR INTERIM PROVOST RICHARD EDWARDS**

WHEREAS, Richard Edwards, Dean of the School of Social Work, has ably served as Interim Provost since July 1, 2000, managing and overseeing all academic functions at The University of North Carolina at Chapel Hill;

WHEREAS, Dr. Edwards will step down from this post January 31, after seven outstanding months of service and leadership during which he has left a lasting impression on the academic operations of this great University;

WHEREAS, his appointment coincided with the arrival of a new Chancellor, placing upon Dr. Edwards an even greater responsibility in helping acclimate our new leader;

WHEREAS, he will long be remembered for creating a successful and much-needed spousal hiring program that will enable the University to more effectively recruit outstanding faculty talent by helping assure placement of their husband or wife within the academic enterprise, where appropriate;

WHEREAS, Dr. Edwards has worked closely with Chancellor Moeser to make genomics and bioinformatics a continued priority at Carolina and has recently identified funding for a number of new faculty positions across campus related to this important emerging field;

WHEREAS, Dr. Edwards' forthright, professional and goal-driven nature has served him well in the Provost's Office, helping him understand and tackle a wide variety of complex issues;

WHEREAS, Dr. Edwards clearly has a deep and abiding love and devotion for Carolina that has been the impetus for his outstanding efforts as Interim Provost;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of North Carolina at Chapel Hill congratulates Dean Richard Edwards for his extraordinary service as Interim Provost and offers its sincerest thanks for providing strong leadership and vision for our academic endeavors.

On motion of Mr. Burnett, seconded by Mr. Hynes, the Board approved adoption of the resolution and applauded Dr. Edwards.

CHANCELLOR'S REMARKS

Chancellor Moeser began by adding his personal note of appreciation to Dick Edwards for his service as interim provost and announced that Dr. Edwards has submitted his resignation as dean of the School of Social Work. Provost Shelton has asked Dr. Edwards to stay on through the spring semester as special assistant to the provost to help with the transition. Chancellor Moeser thanked Dr. Edwards for providing this degree of continuity in the Provost's Office by working directly with the new Provost.

Chancellor Moeser also thanked Dr. Edwards for helping him during the transition into his role as Chancellor.

The Chancellor acknowledged Nancy Sutfenfield, the new Vice Chancellor for Finance and Administration, and John Heuer, the new Employee Forum Chair.

The Chancellor commented on the convening of the new General Assembly in Raleigh and stated that the State of North Carolina has significant financial challenges ahead of it, which will have an effect on the University. The Chancellor remarked that it's important to recognize that the financial challenge facing the State is serious and will have an impact on the University budget. We will experience a reversion of nonrecurring funds in

the current year; however, it's important for us not to review this as a crisis. The University community should recognize that the State of North Carolina is under duress, but the general health of the economy, and especially the health of the University, are very good. We will be able to manage ourselves through this situation. He stated that a great deal of support for the University is generated through the work of the faculty and funded research. We're engaged in aggressive fund-raising on the private side, and the overall financial stability and health of this institution are strong.

Chancellor Moeser commented on a meeting he attended on Tuesday with the State Building Commission in Raleigh. President Broad and other system leaders also attended the meeting. We have received the first set of exceptions to building practices, which will allow us to use the construction manager at risk process for the first bond projects that will be going through the system. The most critical ones are the first phases of the science complex. Married student housing will be coming up early on the project and this is also included in the mix. The Chancellor commented that this is very good news for the University, as well as the University System. The State Building Commission has established a precedent that will allow us to ask for the same set of exceptions for future projects coming on line. This will permit us to bring appropriate management to these projects, which will save the taxpayers money because the buildings will be brought in on budget and on time. The Chancellor commented that we are determined to be good stewards of the half billion dollars that will come to the University through the voters' approval of the bond issue. This is a very good move by the State. The Chancellor stated that the best thing that the state can do for the University right now is to give us the managerial flexibility to manage our own resources, not only with regard to buildings, but also with regard to the management of the human resource side. We desperately need relief from an overly bureaucratic State system and there is serious work going on regarding that front.

Chancellor Moeser commented on the Campus Master Plan and the upcoming public workshop in February. He stated that a critical part of the Campus Master Plan would be the architectural guidelines for the future build-out of the campus.

The Chancellor commented on the outstanding leadership on campus of both the students and the faculty. He introduced Sue Estroff, the chair of the faculty, to speak to the Board of Trustees on behalf of the Faculty Council.

Faculty Chair Remarks

Dr. Estroff presented an overview of UNC-CH Faculty and Faculty Governance. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

Chancellor Moeser concluded his remarks by thanking Dr. Estroff for presenting her remarks to the Board and acknowledged the faculty's sense of citizenship in being stakeholders in the University and taking their role seriously. The University is better because of it.

At the conclusion of Chancellor Moeser's remarks, there was discussion in response to an inquiry from Mr. Pardue concerning the construction manager at risk policy.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Matthews commented on the upcoming student elections and the large number of candidates for Student Body President.

On behalf of the Student Body, he thanked Interim Provost Edwards for his assistance to Student Government and students in general.

Mr. Matthews commented on the fare-free transit initiative. There will be a referendum on the ballot in February to raise student fees voluntarily as part of a conditional offer to make the Chapel Hill Transit System fair free. This is the first step in a process of identifying funding sources and making the initiative a reality, which is very important to the future of the University, particularly as the University continues to grow in conjunction with the Campus Master Plan.

He commented on the Student Activities Fund Office (SAFO), which is the main banking instrument used by students. SAFO is losing its Director, Howard Brubaker, after fourteen years of service to the student body. Final candidate interviews are taking place for his successor.

He also commented on the other system campuses and their student government elected representatives' upcoming visit to the General Assembly. The group will focus on three primary goals: (1) to support the Board of Governors proposal for a 6% faculty salary increase, which is very important to the success of all the campuses; (2) the fulfillment of the State Need-Based Financial Aid Package, which was initiated in 2000, and is still very important to the students of the State of North Carolina; and (3) the passage of legislation allowing the student member of the Board of Governors to vote.

Mr. Matthews presented the following resolution to the Board.

**A RESOLUTION
CONCERNING A STUDENT VOTE
ON
THE UNIVERSITY OF NORTH CAROLINA
BOARD OF GOVERNORS**

WHEREAS, eighty-two percent (82%) of states with student representation on higher education governing boards have granted voting privileges to that student representative; and

WHEREAS, each of the student body presidents of The University of North Carolina System have been voting members of their respective Boards of Trustees since 1972; and

WHEREAS, the President of The University of North Carolina Association of Student Governments is a duly elected ex-officio member of The University of North Carolina Board of Governors; and

WHEREAS, the President of The University of North Carolina Association of Student Governments represents over 162,000 students; and

WHEREAS, the student member of the Board of Governors has consistently presented significant perspectives on actions and decisions made by the Board;

NOW, THEREFORE, BE IT RESOLVED, that the Trustees of The University of North Carolina at Chapel Hill encourage the North Carolina General Assembly to adopt legislation allowing a voting membership on The University of North Carolina Board of Governors for the President of The University of North Carolina Association of Student Governments.

On motion of Mr. Matthews, seconded by Mr. Armfield, the Board approved adoption of the resolution.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Mr. Pardue, seconded by Mr. Thigpen, the Board voted to convene in closed session pursuant to North Carolina General Statutes Section 143-318.11 (a) (1) (to prevent the disclosure of privileged information under Section 126-22 and the following); and also pursuant to Section 143-318.11 (a) (2), (3), (5), and (6).

CLOSED SESSION

DEVELOPMENT COMMITTEE

Report of the Honorary Degrees and Special Awards Committee

Secretary of the Faculty Joe Ferrell presented five nominees for Distinguished Alumna/Alumnus Awards to be presented at the University Day Convocation on October 12, 2001. Mr. Hynes moved approval of the five nominees. Mr. Matthews seconded the motion and it carried. [A copy of the Report of the Honorary Degrees and Special Awards Committee is filed in the Office of the Assistant Secretary.]

Honorary Degree Nominee

Mr. Armfield moved approval of the forwarding of a nominee for an Honorary Doctorate Degree to be presented at the 2002 May Commencement. Mr. Hynes seconded the motion and it carried.

Report of the Naming Committee

Mr. Kupec presented the Report of the Naming Committee. Mr. Hynes moved approval of the naming recommendation. Dr. Sanders seconded the motion and it carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

LEGAL ADVICE

Ms. Ehringhaus advised the Board regarding several legal matters.

CONSENT AGENDA/PERSONNEL CHANGES FOR CONSULTATION

Dr. Sanders moved approval to authorize the Chancellor to forward to the President and the Board of Governors the personnel report and recommendations presented for consultation. Mr. Williams seconded the motion and it carried.

(ATTACHMENT G)

DEEP CLOSED SESSION

Chairman Cates excused everyone except the members of the Board and Chancellor Moeser in order to discuss a personnel matter.

RESUMPTION OF OPEN SESSION

Chairman Cates requested a motion to reconvene in open session. Mr. Thigpen moved that the Board reconvene in open session. Dr. Sanders seconded the motion and it carried.

OPEN SESSION

FINANCE AND BUSINESS COMMITTEE

Mr. Burnett, chairman of the Finance and Business Committee, introduced the agenda items to the Board.

Approval of Student Fees for 2001-2002

Nancy Suttentfield, Vice Chancellor for Finance and Administration, presented the student fees for 2001-2002.

Mr. Matthews moved approval of the student fees for 2001-2002. Dr. Sanders seconded the motion and it carried.

(ATTACHMENT H)

The Board recommended that student fees be brought to the Board for approval before January in the future.

Due to concerns expressed by the Trustees concerning low fees, Chancellor Moeser and Ms. Suttentfield will review the fees and submit a proposal for the 2002-2003 fees that are more representative of the Board's interests

Approval of Acquisition by Lease of Space for Consolidated Leases

Mr. Thigpen moved approval of the acquisition by lease of the entire building (approximately 7,274 square feet of office space at the Pars Office Building, 208 North Columbia Street, Chapel Hill, Orange County, North Carolina) from Bell Family Properties, LLC for The Student Coalition for Action in Literacy Education (SCALE), Child Medical Evaluation Program, Department of Radiology, Health Promotion Disease Prevention, International Training in Health Program (Intrah) and World View. The lease term is a five-year period commencing March 1, 2001, or as soon thereafter as possible at an initial annual rent not to exceed \$127,295 or \$17.50 per square foot including utilities and janitorial services. The rental rate will increase 3% annually in years 2-5. Mrs. Kitchin seconded the motion and it carried.

(ATTACHMENT I)

Small Business and Technology Development Center

This item was presented for information only and no formal action was required.

A briefing was presented to the Board on the background and services of the Small Business and Technology Development Center (SBTDC), which is a business development service of The University of North Carolina system.

The SBTDC was founded in 1984 and has provided management counseling to nearly 70,000 small to medium-sized businesses and to would-be entrepreneurs. The University of North Carolina system and the U.S. Small Business Administration provide funding for the SBTDC.

Semi-annual Report on Leases

This item was presented for information only and no formal action was required.

(ATTACHMENT J)

Semi-annual Report on Capital Improvement Projects

This item was presented for information only and no formal action was required.

(ATTACHMENT K)

Budget Update

Nancy Suttentfield, Vice Chancellor for Finance and Administration, presented the budget status report covering the second quarter of fiscal year 2001 (period from July 1, 2000 through December 31, 2000). This was presented for information only and no formal action was required.

(ATTACHMENT L)

STUDENT AFFAIRS COMMITTEE

Mr. Stevens, chairman of the Student Affairs Committee, introduced the agenda to the Board.

Student Life Update

Dr. Sue Kitchen, vice chancellor for Student Affairs, introduced Dr. Cynthia Wolf Johnson, associate vice chancellor for Student Learning, who presented a brief update on the Campus Y.

The following students presented information concerning the various committees of the Campus Y and the service work provided by these committees:

- (a) Bridgette Enloe, co-president
- (b) Raj Panjabi, co-president

(c) Love Hailey, co-chair of the Hunger and Homelessness Outreach Project (HOPE)

(d) Rudy Kleysteuber, co-president

Virginia Carson, director of the Campus Y, thanked the students for their presentations, and introduced Chimi Boyd, assistant director of the Campus Y, and Kesha Tysor, office manager of the Campus Y.

Ms. Carson commented on the current activities and the future growth of the Campus Y, including the fund-raising for the building renovation.

ACADEMIC AFFAIRS COMMITTEE

Dr. Sanders, chairman of the Academic Affairs Committee, introduced the agenda to the Board.

Nutrition at UNC-Chapel Hill

Dr. Steven Zeisel, chair of the Department of Nutrition, presented information on the Department of Nutrition, which is housed in both the School of Public Health and the School of Medicine. The Department of Nutrition provides a broad curriculum in public health sciences as well as courses in the physiological, biochemical, and behavioral aspects of nutrition and their applications to the health of human populations.

Dr. Zeisel distributed a publication on nutrition and a CD on Diet, Obesity & Cardiovascular Disease. [These handouts are filed in the Office of the Assistant Secretary.]

DEVELOPMENT COMMITTEE

Development Update

Mr. Hynes, chairman of the Development Committee, presented a report regarding the level of activity and current contributions in the Office of University Advancement.

ADJOURNMENT

There being no further business, Chairman Cates declared the meeting adjourned at 1:10 p.m.

Assistant Secretary