

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

The Board of Trustees met in regular session on Wednesday, January 21, 2009, at The Carolina Inn, Chancellor's Ballroom West, at 5:00 p.m. Chair Perry presided.

**ROLL CALL**

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

Roger L. Perry, Sr., Chair	Barbara R. Hyde
Russell M. Carter, Secretary	Nelson Schwab III
Phillip L. Clay	Sallie Shuping-Russell
John G. B. Ellison, Jr.	Robert W. Winston
Paul Fulton	J.J. Raynor
J. Alston Gardner	

Karol V. Mason, Vice Chair, and A. Donald Stallings were absent.

Chair Perry opened the meeting by reading the following statement regarding the State Government Ethics Act:

"As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time."

**REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE**

Mr. Winston, Committee Chair, moved ratification by the Board of the following Level 1 items, which were previously approved by the committee. The motion was duly seconded and each item carried.

- **Design Approval- Bell Tower Parking Deck.** This project constructs a 755 car parking deck in the Bell Tower and provides pedestrian connections from the parking deck to the new central park. The project budget is \$28.4 M with funding from Parking receipts, Athletics, and UNC Health Care System. The Board of Trustees reviewed this project in November 2008. The design has been revised to address comments by Trustees.

(ATTACHMENT A)

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://www.unc.edu/depts/trustees/)  
A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Designer Selection- Transportation and Parking Assessment and Efficiency Systems Study.** This project provides for a study to assess the efficiency of the University's transportation and parking systems. It evaluates and develops programmatic strategies to update the system's five year plan. The project budget for the study is \$300 K with funding from Parking receipts. This project was advertised on December 18, 2008. Seven proposals were received. Since the project scope does not require interviews, a committee of University staff reviewed the proposals and recommended the selection of the three firms in the following priority order:

1. Kimley-Horn & Associates, Inc.	Raleigh, NC
2. Martin Alexiou Bryson	Raleigh, NC
3. VBH, Inc.	Raleigh, NC

The firm in the number one position, Kimley-Horn & Associates, Inc., was recommended because of the strength of its team and its recent and relevant experience.

(ATTACHMENT B)

• **Property Disposition by Ground Lease to the Town of Chapel Hill.** This project authorizes a ground lease to the Town of Chapel Hill for the purpose of constructing a new homeless shelter for the Inter-Faith Council. The ground lease area will encompass approximately 1.66 acres (72,309 SF) of land which is a portion of the 13 +/- acre former Duke Operations Center property recently acquired by the State located at the corner of Homestead Road and Martin Luther King, Jr. Blvd. in Chapel Hill as shown on the attached map. The proposed term of the lease would be for a period of 50 years, with one 10 year renewal option, at a proposed rental rate of \$1 per year. Upon expiration of the ground lease, the land and any improvements will revert to the State.

(ATTACHMENT C)

• **Property Disposition by Ground Lease- Orange County Animal Shelter.** This project continues to lease approximately 0.63 acres, as shown on the attached map, with Orange County for the animal shelter and parking for staff and visitors. Orange County has requested to remain at the current location for an additional period of time until its new construction is completed and the existing building can be removed. The construction of the new animal shelter is expected to be completed by March 15, 2009. The proposed lease term would be for a six-month period beginning January 1, 2009, through June 30, 2009, to allow for relocation to the newly constructed shelter and to allow for removal of the existing building and clean up of the current site.

(ATTACHMENT D)

• **Acquisition by Lease of Office Space for Carolina Population Center.** This project leases approximately 10,478 SF of office space at a location to be determined. The lease term is a five (5) year period commencing July 1, 2009, with one three-year renewal option. The initial annual rent will not exceed \$204,321.00 or \$19.50 per SF, not including utilities or janitorial services. The annual rent will increase no more than 3% per annum both in the base period and renewal options. This request is for existing space needs.

(ATTACHMENT E)

• **Acquisition by Lease of Tower Space for WUNC-FM.** This project leases tower space for WUNC-FM in Dare County. The lease term is for a five-year period with one (1) five-year renewal option commencing March 23, 2009, or as soon thereafter as possible at an initial annual rent to be determined, not including utilities. The annual rent will increase no more than 3% per annum both in the base period and renewal option.

(ATTACHMENT F)

• **Acquisition by Lease of Office Space for Carolina Population Center.** This project leases approximately 2,100 SF of office space at location to be determined. The lease term is a six (6) year period commencing March 1, 2009, or as soon thereafter as possible with one three-year renewal option. The initial annual rent will not exceed \$40,950.00 or \$19.50 per SF, not including utilities or janitorial services. The annual rent will increase no more than 3% per annum both in the base period and renewal options. This is a new request for space.

(ATTACHMENT G)

• **Acquisition by Lease of Office Retail Space for Ackland Art Museum.** This project leases approximately 1,800 SF of retail space from the Board of Trustees of the Endowment

Fund in the Hill Commercial Building located at 144 East Franklin Street, Chapel Hill, North Carolina. The Ackland Art Museum proposes to use the space as a gift shop for the museum. The lease term is a one year lease commencing March 1, 2009, or as soon thereafter as possible with two one-year renewal options. The initial annual rent will not exceed \$38,700.00 or \$21.50 per SF, not including utilities or janitorial services. The rental rate will remain the same in the base year and the first renewal option period. However, the annual rent will increase no more than 2.5% for the second renewal option.

(ATTACHMENT H)

• **Acquisition by Lease of Office Space for Institute for the Environment.** This project leases approximately 3,000 SF of office space at a location to be determined. The lease term is for an eighteen-month period commencing March 1, 2009, or as soon thereafter as possible with one six-month renewal option. The initial annual rent will not exceed \$58,500 or \$19.50 per SF, not including utilities or janitorial services. The annual rent will increase no more than 3% per annum in the renewal option.

(ATTACHMENT I)

The following items were presented for information only (no formal action was requested at this time).

• **Carolina North Forest Active Management Program.** Greg Kopsch, Carolina North Forrester, gave a presentation to the Board. He spoke about program goals, operational goals, forest recreation, developing relationships, forest resource management, a forest learning laboratory, program milestones, projects underway, and the future.

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://www.unc.edu/depts/trustees/)  
A copy of the presentation is also filed in the Office of the Assistant Secretary.

• **Semi-Annual Report on Capital Improvement Projects.** This item was presented in Committee.

(ATTACHMENT J)

• **Semi-Annual Report on Leases.** This item was presented in Committee.

(ATTACHMENT K)

#### **RECESS**

Chair Perry recessed the Board meeting at 5:23 p.m.

#### **RECONVENE**

Chair Perry reconvened the Board meeting at 8:02 a.m. on Thursday, January 22, 2009, at The Carolina Inn, Chancellor's Ballroom East and West.

#### **ROLL CALL**

Assistant Secretary Brenda Kirby called the roll. A. Donald Stallings was absent.

#### **CONSENT AGENDA**

##### **Approval of Minutes**

On motion of Mr. Carter, seconded by Mr. Schwab, the minutes of the regular meeting of November 19-20, 2008, were approved as distributed.

##### **Ratification of Mail Ballot**

On motion of Mr. Carter, seconded by Mr. Schwab, the following mail ballot dated December 15, 2008, was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured personnel actions.  
(ATTACHMENT L)

### **CHAIR'S REMARKS**

Chairman Perry began his remarks by thanking the trustees for their work in contacting the Board of Governors members before and after the holidays about our tuition proposal. He acknowledged the difficult issues facing the Board of Governors with the economy, but stated how important our proposals are for Carolina. We believe the proposed increases are fair and necessary to help preserve the value of a Carolina diploma. He acknowledged the support from J.J. Raynor and other student leaders. We appreciate the care with which the Board of Governors and President Bowles are approaching tuition decisions this year. We understand the need for study and review.

Chair Perry then praised the ongoing work by Trustees Ellison and Raynor on "The Best Place to Teach, Learn and Discover" project.

### **CHANCELLOR'S REMARKS**

Chancellor Thorp reported on the following:

- **Legislative Priorities.** This is not a normal budget year, but it's more important than ever to have clear legislative priorities and the support of this board for them as we look forward to the General Assembly's session opening this month. Governor Perdue has engaged very quickly on the challenges with the state budget, and we expect to be working closely with President Bowles, General Administration and the other campuses in dealing with the rest of this year's budget. Then we'll brace for the implications of permanent cuts for next year.

Thanks to extraordinarily prudent financial management by Vice Chancellor Mann and Provost Gray-Little, we will be in a position to take those cuts and keep moving forward. We have been inspired by the way the community has rallied behind the fact that we are all in this together and that we love the university and will do what it takes to get ourselves through this.

We recently submitted planning scenarios to President Bowles for permanent state cuts for next year ranging between 3% and 7%. At 5% and above, we are looking at faculty and staff reductions. We have already cancelled a number of faculty searches and will have to cancel even more next year.

- **Joe DeSimone**, was named "Tar Heel of the Year." He is the youngest recipient ever (44), and the first scientist to be named. This has been great recognition for Joe and the innovative science he is helping foster here at Carolina.

- **Rhodes Scholars.** We have 2 Rhodes Scholars: Aisha Ihab Saad and Elisabeth "Lisette" Yorke. George Lensing does a spectacular job of getting these students ready for their interviews.

- **Applications for the undergraduate class are up more than 10%.**

- **Women's soccer won the NCAA Championship.**

- **Men's soccer went to the championship game.** Elmar did a wonderful job with the team this year.

- **Sylvia Hatchell's 800<sup>th</sup> win** over NC State. We had a great crowd in the Smith Center. It was an exciting game. We won in overtime.

- **Inauguration of a new President** whose agenda is favorable to universities: "Our time of standing pat, of protecting narrow interests and putting off unpleasant decisions — that time has surely passed." President Obama also said, in his inauguration speech, "We will restore science to its rightful place, and wield technology's wonders to raise health care's quality and lower its cost. We will harness the sun and the winds and the soil to fuel our cars and run our factories. And we will transform our schools and colleges and universities to meet the demands of a new age. All this we can do. All this we will do."

### **STUDENT BODY PRESIDENT'S REMARKS**

Ms. Raynor reflected on the things she learned this year. One thing that stood out in her mind is the personal commitments people who are touched by Carolina make back to Carolina. She recognized:

- Judith Wegner, who showed her outstanding work with General Administration on our tuition issues and how far the faculty members go to pursue and protect the educational mission we have here;
- Department of Public Safety for the work they have been doing with the University Affairs committee to better educate our students on safety;
- The students on this campus for their enthusiasm to make Carolina the best place to learn; and
- Student Body President candidates for their desire to serve Carolina.

(A copy of Ms. Raynor's remarks is filed in the Office of the Assistant Secretary)

### **THE BEST PLACE TO TEACH, LEARN, AND DISCOVER UPDATE**

Mr. Ellison reported that with the input from the many different constituents, they have narrowed down the list of great concepts to three. Underneath each of those three ideas, there are twelve to fifteen bullet points of things that we can do on this campus to help implement those three things. Trustees Ellison and Raynor are in the process of going back to some of the constituents to help in the implementation process. Ms. Raynor listed the groups they will go back to for help. A full report will be given at the March Board meeting.

### **LEGISLATIVE UPDATE**

Chancellor Thorp presented the University's proposed strategic budget priorities for the 2009 General Assembly Session:

- **Faculty/Staff-** At five percent reductions in state funding, we would lose 121 faculty positions and 86 staff positions (SPA and EPA non-faculty). Cuts at that level will mean the elimination of more than 282 courses for undergraduates, and the number of undergraduate class sections with more than 100 students will reach an all-time high. A seven percent cut, means an additional 112 faculty will be lost, for a total of 233 faculty. An additional 66 staff positions will be eliminated, for a total of 152. Reductions of that magnitude will necessitate cuts in student enrollment.

- **Priority Categories:**

- Campus Safety
- Access to Higher Education
- Recruit & Retain Faculty
- Global Readiness
- University Outreach & Engagement
- Economic transformation
- Improving public education
- Health

- Our Environment
- Efficient Use of Available Resources
- **Capital Budget Requests-** School of Law/Carolina North, Morehead Planetarium Renovation and Expansion, and Psychology.

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

A copy of the report is filed in the Office of the Assistant Secretary.

#### REPORT OF THE AUDIT AND FINANCE COMMITTEE

Mr. Ellison, Committee Vice Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- **Remarks from Employee Forum Chair.** Tommy Griffin talked about the implications of the budget crisis.

- **Comprehensive Annual Financial Report for FY 2007-2008.** University Controller, Dennis Press, presented an overview of the University's Comprehensive Annual Financial Report for fiscal year-end 2008.

(ATTACHMENT M)

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://www.unc.edu/depts/trustees/)

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- **Review of First Half FY 2008-09 Budget Status and Outlook for Balance of Fiscal Year.** Richard Mann, Vice Chancellor for Finance and Administration, gave those reports. They echo the presentation that Chancellor Thorp gave about the budget.

- **Internal Audit Report.** Phyllis Petree, Director of Internal Audit, presented a summary of audit projects completed or in progress between August 8 and December 7, 2008. No significant control weaknesses or unusual items were noted during this period. Internal Audit processes are going well.

(ATTACHMENT N)

- **Update on Capital Improvement Plan.** Dwayne Pinkney, Assistant Vice Chancellor for Finance and Administration reported that we've made great progress on our bond projects. We are almost through. We are awaiting a number of Certificates of Completion from the bond committee.

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- **Development Report.** Matt Kupec, Vice Chancellor for University Advancement, provided an update on Development. His report included the following highlights:

- Raised \$132 million in cash in FY09.
- Raised \$40 million in November, which was second to John's Hopkins

We felt the pinch of the economic crisis in December as major cash gifts received dropped in comparison to December 2007.

#### REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- **Provost Remarks.** Provost Gray-Little updated the committee on the status of various Dean searches in Nursing and Arts and Sciences, as well as the search for the Director of RENCI.

- **Revisions to the Tenure Policy.** General Counsel and Vice Chancellor Leslie Strohm provided an overview of revisions to the *Trustee Policy and Regulations Governing Academic Tenure in the University of North Carolina at Chapel Hill*. It is in compliance with the Board of Governors. The purpose is to clarify the category of fixed-term faculty and to provide the legal reasoning and procedures related to the discipline or discharge of faculty members.

- **Faculty Chair Remarks by Joe Templeton.** Mr. Templeton talked about the importance of making wise budget cuts, how pleased faculty are that UNC-CH was able to avoid per-credit hour tuition pricing, and the isolation felt by faculty. He also praised the Board for its engagement and leadership.

- **Update on Campus Safety.** Chief McCracken gave an updated report on how the police department was going to handle the recommendations provided from a graduate student safety survey. Recommendations included getting better communication about the "events calendar" and knowing when and where to park, better lighting, and increased officer presence. Graduate students will now have an active representation on the public safety committee.

- **Carolina Student Transfer Excellence Program (C-STEP) and the Advising Corps.** Steve Farmer, Assistant Provost & Director of Undergraduate Admissions, gave an update on the Carolina Advising Corps. This program and C-STEP aim to serve one need: To increase participation, completion/graduation, and the choice of institution of low-income students. The Carolina Advising Corps is somewhat similar to Teach for America in that we are providing peer advisors to go into the public school systems and serve at under-served schools. There is a 488 to 1 ratio of students to college advisors. The average time spent per student on college advising in high school is less than twenty minutes. These peer advisors are in thirty-six schools now and will be in fifty schools by 2010. The student mentors are training in various offices on campus like financial aid, and multi-cultural and minority affairs, for a minimum of six weeks.

The National Advising Corps just received a \$10 million grant from the Jack Kent Cook foundation with a secondary grant from the Gates Foundation. Nicole Hurd, Executive Director of the National College Advising Corps, gave an overview of the national program.

The committee also received an update on C-STEP. We are partnering with three community colleges to accelerate their preparation to enter Chapel Hill. They have seen significant improvement in graduation rates. This is the best way for a student to attend another institution and ultimately end up at Chapel Hill. These programs are complimentary to the mission and goals of the Undergraduate Admissions department to ensure access to higher education.

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A copy of the presentation is also filed in the Office of the Assistant Secretary.

The following item was presented to the committee for action.

- **Proposed Revisions to the *Trustee Policies and Regulations Governing Academic Tenure in the University of North Carolina at Chapel Hill*.** Due to lack of materials for the Board to review at this specific time, the item will be reviewed and voted on when the Board reconvenes in open session.

#### **MOTION TO CONVENE IN CLOSED SESSION**

On motion of Secretary Carter, and seconded by Ms. Mason, 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**

##### **REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Gardner, Committee Chair, presented the personnel and salary approvals dated January 12, 2009, for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS O-P-Q-R-S)

##### **LEGAL ADVICE**

General Counsel Leslie Strohm advised the Board on several legal matters.

##### **EXECUTIVE CLOSED SESSION**

Chair Perry convened the Board in Executive Closed Session to discuss a personnel matter.

##### **RECONVENE MEETING IN OPEN SESSION**

Chair Perry reconvened the meeting in open session.

#### **OPEN SESSION**

##### **REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Gardner, Committee Chair, moved approval by the Board of the following item which was previously approved by the committee. The motion was duly seconded and it carried.

- **Proposed Revisions to the *Trustee Policies and Regulations Governing Academic Tenure in the University of North Carolina at Chapel Hill*.**

Mr. Gardner, Committee Chair, moved approval by the Board of the following personnel actions dated January 12, 2009, which were discussed earlier in closed session. Dr. Clay seconded the motion and it carried.

- The personnel changes for information did not require action by the Board.  
(ATTACHMENT O)

- Personnel changes in Academic Affairs.  
(ATTACHMENT P)

- Personnel changes in Health Affairs.  
(ATTACHMENT Q)

- Tenured Personnel Actions.  
(ATTACHMENT R)

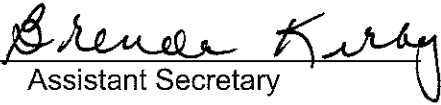
- Out of Cycle Salary Increase.



(ATTACHMENT S)

**ADJOURNMENT**

There being no further business to come before the Board, Chair Perry adjourned the meeting at 10:47 p.m.

  
Assistant Secretary