

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

The Board of Trustees met in regular session on Wednesday, November 19, 2003 at The Carolina Inn, Chancellor Ballroom East, at 5:20 p.m. Chairman Williams presided.

ROLL CALL

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

Richard T. Williams, Chairman
Nelson Schwab III, Vice Chairman
Jean Almand Kitchin, Secretary
Timothy B. Burnett
Philip G. Carson
Russell M. Carter
John G. B. Ellison, Jr.
Paul Fulton, Jr.
Karol V. Mason
Roger L. Perry, Sr.
A. Donald Stallings
Matthew S. Tepper
Robert W. Winston

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Burnett, chair of the Buildings and Grounds Committee, presented the committee's report on the following items, which were previously approved by the committee.

Level 1 Items

- Designer selection of the following three firms in priority order as listed for renovations to Wilson Hall:
 1. Little – Research Triangle Park, North Carolina
 2. Boney Architects – Raleigh, North Carolina
 3. Flad & Associates – Raleigh, North Carolina
(ATTACHMENT A)
- Revised design of the additions to the Paul J. Rizzo Center
(ATTACHMENT B)
- Disposition and acquisition to exchange the University's property located at 412 East Rosemary Street, Chapel Hill, North Carolina for 606 Cameron Avenue, Chapel Hill, North Carolina owned by The University of North Carolina at Chapel Hill Foundation, Inc.
(ATTACHMENT C)

Mr. Schwab moved ratification by the Board of the above three level 1 items. Mr. Carson seconded the motion and it carried.

Level 3 Item

- Siting of the Ashes Garden to be located adjacent to the existing Chapel Hill Cemetery at the northwest corner of Country Club Drive and South Road
(ATTACHMENT D)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, presented information concerning the location of the Ashes Garden to the members of the Board.

Following extensive discussion, Ms. Mason moved ratification by the Board of the siting of the Ashes Garden. Mr. Schwab seconded the motion and it carried.

Chairman Burnett stated that the preliminary design review of the Ashes Garden was reviewed by the Buildings and Grounds Committee; however, it would not be presented to the Board of Trustees until the January Board meeting.

(ATTACHMENT E)

The following items were presented previously to the committee for information only (no formal action was requested at that time).

- The North Carolina Botanical Garden Visitor Education Center. Mr. Peter White, director of the Botanical Garden, distributed a brochure on the Botanical Garden and commented that the Visitor Education Center is seeking contributions for general support of the center. [A brochure is filed in the Office of the Assistant Secretary.]

Level 3 Items

Ms. Anna Wu, Director of Facilities Planning, presented information concerning the following two preliminary design review items to the members of the Board.

- Preliminary design review of Phase II Residence Halls
(ATTACHMENT F)

Following extensive discussion of this item, Chairman Burnett stated that another preliminary design review of the Phase II Residence Halls would be presented to the committee and the Board at the January meeting.

- Preliminary design review of the Information Technology Services Building
(ATTACHMENT G)

Chairman Burnett stated that another preliminary design review of the Information Technology Services Building will be presented to the committee and the Board at the January meeting.

- Advance information on a lease of space for UNC Printing Services
(ATTACHMENT H)
- Historic Preservation Survey by Paul Kapp, Campus Historic Preservation Manager
(ATTACHMENT I)
- Update on Capital Improvement Program by Kevin McNaughton, Special Assistant for Capital Projects. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

Before recessing the Board meeting, Chairman Williams stated that there would be a change in the agenda when the Board reconvened in the morning. Due to General Counsel Strohm having to go out of town in the morning, the Board will go immediately in to closed session for legal advice following the roll call.

RECESS

Chairman Williams recessed the Board meeting at 6:25 p.m.

RECONVENE

Chairman Williams reconvened the Board meeting at 8:00 a.m. on Thursday, November 20, 2003 at The Carolina Inn, Chancellors' Ballroom.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and all Board members were present.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, seconded by Mr. Schwab, 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) (6).

CLOSED SESSION

LEGAL ADVICE

General Counsel Leslie Strohm advised the Board regarding a legal matter.

RECONVENE IN OPEN SESSION

Chairman Williams reconvened the Board meeting in open session.

OPEN SESSION

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Schwab, seconded by Ms. Kitchin, the minutes of the regular meeting of September 24-25, 2003 were approved as distributed.

Ratification of Mail Ballots Dated October 15, 2003

On motion of Mr. Schwab, seconded by Ms. Kitchin, the following mail ballots were approved as distributed:

- Resolution authorizing the University, among other things, to enter into an Employment Agreement with Roy A. Williams, Men's Head Basketball Coach, in the form as per Exhibit A to the resolution
(ATTACHMENT J)
- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured appointments and promotions
(ATTACHMENT K)

CHAIRMAN'S REMARKS

Chairman Williams began by thanking the Trustees for their participation in the William Richardson Davie Award Dinner that was held last night to honor the following special members of the Carolina family: Mary Anne Dickson, former Board of Visitors Chair; Dr. Bill Jordan, former Vice Chair of the Board of Trustees; Dean Smith, former Carolina Basketball Head Coach; and Van Weatherspoon, President of the Weatherspoon Group, a Charlotte real estate development firm. The William Richardson Davie Award is the highest honor the Board of Trustees bestows for "extraordinary service to the University or to society".

Chairman Williams also commented on the following:

- Enrollment Cap. He reiterated the Board's strong support for the University's position as a matter of UNC System policy. Chairman Williams joined Chancellor Moeser in expressing appreciation to Board of Governors Chair Brad Wilson for his willingness to initiate the deliberations. It is hoped that the Board of Governors will continue actively and carefully considering this important policy issue.

- Downtown Study Committee. He thanked Mr. Perry and Vice Chancellor Suttentfield, Finance and Administration, for serving on this new committee which will help make Chapel Hill a better place for both local citizens and the University community by exploring the creation of a new entity to lead the efforts to revitalize the downtown business district. They are the University representatives on the committee, which was recently appointed by Chapel Hill Mayor Kevin Foy, Chancellor Moeser, and Charles House, who heads the downtown commission.
- Board of Trustees New Committee. Chairman Williams stated that a Compensation Committee has been formed and will be chaired by Chairman Williams. Other Trustees serving on the committee are: Timothy Burnett, Russell Carter, Jean Kitchin, and Nelson Schwab III. The Compensation Committee will focus on issues related to performance evaluations and compensation for the University's senior officers. The committee will only meet when necessary and the meeting may occur by a conference call.
- Measures of Excellence. Chairman Williams thanked everyone involved in the preparation of the report to be presented by Executive Vice Chancellor and Provost Shelton later in the meeting.
- Historically Underutilized Business (HUB) Office. Chairman Williams expressed his appreciation to Garland Burton, director of HUB, and his staff for their work in ensuring that a fair share of the construction contracts awarded by the University go to qualified minority or underutilized businesses. The HUB office has an impressive track record in this regard.

CHANCELLOR'S REMARKS

Chancellor Moeser began his remarks by recognizing the following individuals from the University:

- Garland Burton, director of the HUB Office. In introducing Mr. Burton, Chancellor Moeser stated that Carolina accounts for roughly half of the African-American participation in the 16-campus UNC System's Bond Referendum Construction Program. In our last quarter, we achieved a rate of 9.8% participation among African-Americans and 30.8% overall for minority businesses.
- Oliver Smithies, Excellence Professor of Pathology, who recently was inducted as a fellow in the National Academy of Sciences Institute of Medicine—among the highest honors a physician or health scientist can earn.
- Barbara Entwisle, the Carolina Population Center's Director from Sociology, and Sian Curtis, Project Director from Public Health. The U.S. Agency for International Development selected UNC for a \$70 million project, the largest such award ever received by the University for social science research, extending our efforts to improve health in thirty developing countries by fighting diseases such as HIV/AIDS, tuberculosis, and malaria.
- Rut Tufts, who directs the University's trademark licensing program, is retiring from the University after 31 years to become the new Executive Director of the Fair Labor Association, a Washington-based non-profit working to improve workplace conditions around the globe and promote compliance with fair labor standards. Mr. Tufts will also maintain a part-time consulting relationship with the University from his base in Washington.
- Cindy Shea, the University's Sustainability Coordinator. Ms. Shea and Vice Chancellor Suttentfield recently attended a ceremony for recipients of the 2003 Sustainability Awards given to leaders in sustainable development by Save our State, a non-profit that seeks to find new ways to promote both a healthy economy and a healthy environment by joining the efforts of the private and public sectors. Carolina was recognized for using cutting-edge sustainable development practices endorsed by the Board of Trustees as our campus master plan is brought to life. Asphalt is being replaced with green space, we're using green building strategies, promoting fare-free

transit, and using an impressive recycling program that saved \$400,000 last year.

- Laurie Charest, Associate Vice Chancellor for Human Resources; Drake Maynard, Senior Director for Administration; Matt Broady, Senior Director for Planning and Systems; and Chris Chiron, Communications Director, recently received a National Excellence in Human Resources Practices Award from the College and University Professional Association for Human Resources. This award honors improvements in the quality of programs and services through effective practices.

Chancellor Moeser commented on the Carolina Covenant. He stated that he has written to his fellow presidents and chancellors in the American Association of Universities and the National Association of State Universities and Land Grant Colleges. Shirley Ort, Association Provost and Director of Scholarships and Student Aid, has been in demand, fielding questions and calls from her colleagues. She recently heard from the principal of Peck Elementary School in Greensboro where 82% of the students are on free or reduced-price lunch programs. The principal is working with us to make sure the students know our admission requirements, and Shirley's staff will be interviewing the principal next month as part of our own planning for starting the program next fall.

At a recent College Board meeting, Shirley received requests for details from twenty campuses—many are working on cost projections to determine if they can start something similar.

This week, Shirley hosted a team from the University of Virginia, which is investigating starting a similar program. She has also heard from many other campuses nationwide.

The Chancellor thanked Chairman Williams and the members of the Board for their supportive comments about the program.

The Chancellor concluded his remarks by updating the Board on Carolina North. Vice Chancellor Tony Waldrop is leading the University's efforts on this project. A draft plan will be presented on December 2 to the Carolina North Advisory Committee, of which Trustees Burnett, Fulton, and Perry are members. Other initial campus and community presentations are scheduled on December 3 and 4.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Tepper commented on the Beat Hunger, Beat Duke Food Drive; the Student Leader Summit held on October 15 (Trustee Ellison participated on a panel at the Summit); town elections and voter registration; and tuition.

VISIONS OF DEANS

Dean Jack Richman presented his vision for the School of Social Work, which prepares professionals to provide policy development and practice leadership to serve disadvantaged, vulnerable, and oppressed individuals, families and communities. The mission of the school is to prepare students for careers in strengthening families and communities, to develop and test knowledge, and to provide leadership in addressing and solving social problems facing the people of North Carolina and beyond.

Dean Richman envisions the School of Social Work as a recognized national and international leader in all three of its enterprises: (1) knowledge generation, (2) knowledge dissemination, and (3) public service.

Dean Robert Blouin presented his visions for the School of Pharmacy. Dean Blouin envisions the following goals for the School:

- to achieve better scholarship, research, and economic development in the School.
- to establish the School as a national and international leader in pharmaceutical sciences while contributing to the economic wellbeing of the State of North Carolina.
- to triple the School's National Institutes of Health funding and triple the total funding over the next five to seven years.
- to be ranked among the top five schools by standards of both the National Institutes of Health and *U.S. News and World Report*.

Dean Blouin concluded by stating that he would like the Board of Trustees to raise expectations for the School of Pharmacy. Chairman Williams responded that this would be in accord with the Measures of Excellence.

Chancellor Moeser commented that at the January Board meeting, the Board would hear from Dean Tom James of the School of Education and Dean Steve Jones of the Kenan-Flagler School of Business on the visions for their respective school.

REPORT OF THE FINANCE COMMITTEE

Mr. Schwab, chair of the Finance Committee, presented the committee's report on the following item, which was previously approved by the committee.

- Consent Agenda (Endowment Fund Annual Report for Fiscal Year Ending June 30, 2003)
(ATTACHMENT L)

Chairman Schwab moved approval for ratification by the Board of the Endowment Fund Annual Report for Fiscal Year Ending June 30, 2003. The motion was duly seconded and carried. The report will be transmitted to the Board of Governors.

The following items were presented previously to the committee for information only (no formal action was requested at that time).

- Review of First Quarter Fiscal Year 2003-2004 Budget Status by Nancy Sutfenfield, Vice Chancellor for Finance & Administration
(ATTACHMENT M)
- Follow-up to September benefits presentation by Laurie Charest, Associate Vice Chancellor for Human Resources
(ATTACHMENT N)
- Draft Five-Year Plan by Vice Chancellor Sutfenfield
(ATTACHMENT O)

Following discussion of the plan by the members of the Board, Chancellor Moeser suggested that the priorities stated in the plan, as well as the discussion about sources of funds, are key issues and the Five-Year Plan should be considered a Level 3 item that the Board should be engaged with over the course of several meetings, depending on scheduling.

- Update on Capital Improvement Program by Kevin McNaughton, Special Assistant for Capital Projects. [A copy of the presentation is filed in the Office of the Assistant Secretary.]
- Remarks by Tommy Griffin, Employee Forum Chair, concerning the work of the Chancellor's Task Force for a Better Workplace and the various subcommittees of the task force. A report is expected in January.
- Carolina First Campaign Update by Paul Fulton, Jr. Mr. Fulton reported that the Carolina First Campaign has raised \$1,115,346,109 toward its \$1.8 billion goal. Mr. Fulton stated that with 55 percent of the campaign over, we are at 62 percent of the goal.

Mr. Fulton commented on the Campaign's progress by purpose (faculty support, student support, research, strategic initiatives, and building the campus), the goal for each purpose and the total committed to date for each purpose.

He concluded his report by stating that at its February 2004 meeting the Campaign Steering Committee will consider raising the goal for faculty support from \$300 million to \$400 million.

The Report on Investment Funds by Max Chapman, Chair of The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. was not presented at the committee meeting, but will be presented at the January 2004 committee meeting.

The following agenda item was not acted upon by the Board at this meeting. There will be further discussion concerning it and tuition at the January 2004 Board meeting.

- Student Fees for Academic Year 2004-2005
(ATTACHMENT P)

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following item, which was previously approved by the committee.

- Changes to Trustee Policies and Regulations Governing Academic Tenure
(ATTACHMENT Q)

In the absence of General Counsel Leslie Strohm, Joanna Carey Smith, Associate University Counsel, presented this item to the Board.

Chairman Carter moved approval for ratification by the Board of the above item. The motion was duly seconded and carried.

The following items were previously presented to the committee for information only (no formal action was requested at that time).

- Faculty Chair's Remarks by Professor Judith Wegner
 - Faculty retention
 - Health benefits
 - Government relations

Chairman Carter distributed a handout that Professor Wegner presented at the committee meeting. [A copy of the handout, "Recruiting and Retaining Talented Faculty: Preliminary Literature Review", is filed in the Office of the Assistant Secretary.]

- Provost's Remarks by Robert Shelton
 - The National Research Council Review of Graduate Programs
 - New Awards of Excellence

- Advising Update by Robert Shelton and Bernadette Gray-Little, Executive Associate Provost. This item was carried over to the January 2004 meeting.
(ATTACHMENT R)

Following discussion, the following items were not acted upon by the Board at this meeting. These items will be brought back to the Board for further discussion and action, along with student fees for academic year 2004-2005, at the January 2004 Board meeting.

- Campus-Based Tuition
(ATTACHMENT S)
- School-Based Tuition
(ATTACHMENT T)

Chairman Carter mentioned that Sylvia Hatchell, Women's Basketball Head Coach, was recently elected to the Women's Basketball Hall of Fame.

MEASURES OF EXCELLENCE

Due to time constraints, this presentation was moved to the January 2004 Board meeting.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, and duly seconded, 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 FINANCE COMMITTEE

Mr. Schwab, chair of the Finance Committee, presented the committee's report on the following item which was previously approved by the committee.

- Report of the Committee on Honorary Degrees & Special Awards by Joe Ferrell, Faculty Secretary. [A copy of the Report of the Committee on Honorary Degrees & Special Awards is filed in the Office of the Assistant Secretary.]

Mr. Carson moved approval for ratification by the Board of the five nominees for Distinguished Alumna/Alumnus Awards to be presented at the University Day Convocation on October 12, 2004. Mr. Burnett seconded the motion and it carried.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following items, previously approved by the committee and subject to final ratification by the Board in open session:

- Personnel and Salary Actions dated November 10, 2003
(ATTACHMENTS U-V-W-X)

DEEP EXECUTIVE CLOSED SESSION

Chairman Williams convened the Board in Deep Executive Closed Session to discuss a personnel matter.

RECONVENE MEETING IN OPEN SESSION

Chairman Williams reconvened the Board in open session.

OPEN SESSION

UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following items, which were previously approved by the committee and discussed earlier in closed session:

- Personnel change in Academic Affairs dated November 10, 2003
(ATTACHMENT U)
- Personnel changes in Health Affairs dated November 10, 2003
(ATTACHMENT V)
- Personnel reappointment at the same rank conferring tenure dated November 10, 2003
(ATTACHMENT W)

Chairman Carter moved approval for ratification by the Board of the personnel actions. The motion was duly seconded the motion and carried.

- The personnel changes for information dated November 10, 2003 did not require action by the Board.
(ATTACHMENT X)

Chairman Williams stated that the personnel and salary actions voted on in open session had been distributed to the press.

ADJOURNMENT

There being no further business to come before the Board, Chairman Williams adjourned the meeting at 1:30 p.m.

Assistant Secretary