

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

The Board of Trustees met in regular session on Thursday, November 17, 2011, at The Carolina Inn, Chancellor's Ballroom, at 9:00 a.m. Chair Hargrove presided.

**OATH OF OFFICE**

The Honorable Willis P. Whichard, Former Associate Justice of the North Carolina Supreme Court, administered the Oath of Office to a new member of the Board:

Peter T. Grauer

**ROLL CALL**

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

Wade H. Hargrove, Chair	Steven J. Lerner
Barbara R. Hyde, Vice Chair	Sallie Shuping-Russell
Phillip L. Clay, Secretary	Edward C. Smith
W. Lowry Caudill	John L. Townsend III
Donald Williams Curtis	Felicia A. Washington
J. Alston Gardner	Mary Cooper
Peter T. Grauer	

Chair Hargrove read 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.”

Trustee Washington announced that her law firm represents National Collaborative for Bio-Preparedness, which was listed on the Academic Affairs Agenda. She said, “While I am not aware of the nature of its presentation today or of any conflict or that any voting or other discussion will be required of the Board, I wanted to disclose that and will recuse myself should that become appropriate.”

**CONSENT AGENDA**

**Approval of Minutes**

On motion of Mr. Townsend seconded by Dr. Clay, the minutes of the regular meeting of September 22, 2011, were approved as distributed.

On motion of Mr. Townsend seconded by Dr. Clay, the minutes of the emergency meeting of October 14, 2011, were approved as distributed.

(ATTACHMENT A)

**Ratification of Mail Ballots**

On motion of Mr. Townsend, seconded by Dr. Clay, the following mail ballot dated October 12, 2011, was approved as distributed:

- Amendments to contracts with Mike Fox, Sylvia Hatchell, and Roy Williams

(ATTACHMENT B)

On motion of Mr. Townsend, seconded by Dr. Clay, the following mail ballot dated October 17, 2011, was approved as distributed:

- Personnel actions and actions conferring tenure, compensation actions, and items for information.

(ATTACHMENT C)

### **CHAIR'S REMARKS**

Chair Hargrove welcomed Peter Grauer to the board. Peter Grauer is a 1968 alumnus and chairman of Bloomberg, L.P. He has a long and distinguished history of devotion to this University, including service as Chairman of the External Advisory Board of the Undergraduate Honors Program for several years. And he's a previous recipient of this board's William R. Davie Award. Chair Hargrove then commented on the following:

- **Davie Awards Dinner-** Many thanks to the trustees for helping with last night's dinner to honor this year's recipients of the William Richardson Davie Award. It's the highest honor this board can bestow for extraordinary service to the University or to society, and we are pleased to have recognized these outstanding recipients:
  - **Joan Heckler Gillings**, one of the namesakes of our Gillings School of Global Public Health.
  - **Bernadette Gray-Little**, a longtime faculty member and administrator at Carolina who is now chancellor of the University of Kansas.
  - **Luther Hodges, Jr.**, whose varied career interests have included service as chairman of what is now Bank of America when it rose to prominence in the Southeast and then nationally.
  - **Nelson Schwab**, co-founder and managing director of Carousel Capital in Charlotte, and no stranger to this board. Nelson served two terms as a trustee and chair.

Thanks to everyone who helped make last night a great event for the Board of Trustees and the University. I especially want to acknowledge Trustees Shuping-Russell, Hyde, Curtis and Townsend for their help in introducing the honorees.

- **Dick Baddour** has given us 15 years of devoted service in this role and 45 total years to Carolina. Thank you to the entire search committee, but especially the work of Trustee Caudill as chair.

Chair Hargrove called on Secretary Clay to read the following resolutions.

### **RESOLUTION OF APPRECIATION ATHLETICS DIRECTOR RICHARD A. BADDOUR THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL November 17, 2011**

**WHEREAS**, Richard A. "Dicky" Baddour has served as Athletics Director of the University of North Carolina at Chapel Hill for the past fifteen years, capping an impressive forty-five year career at Carolina;

**WHEREAS**, Mr. Baddour has guided UNC Athletics to unparalleled competitive success including thirteen national championships – seven in women's soccer, three in field hockey, two in men's basketball, and one in men's soccer – along with three football bowl victories; sixty-four Atlantic Coast Conference championships involving nineteen separate teams, more than any other ACC school during this period; and nine top ten finishes in the Learfield Sports Directors' Cup over the last ten years, including top four showings in 2006, 2007, and 2009;

**WHEREAS**, Carolina student-athletes have achieved impressive graduation rates and academic progress rates with nine teams recognized this year for being in the top 10% of the APRs in their sports;

**WHEREAS**, Mr. Baddour created the Carolina Leadership Academy, the preeminent program in the country providing leadership training for student-athletes, coaches, and athletics administrators;

**WHEREAS**, Mr. Baddour presided over an unprecedented renovation and expansion of athletic facilities, including Boshamer Stadium, Carmichael Arena, the Stallings-Evans Sports Medicine Center, the Ernie Williamson Athletics Center, Finley Golf Course, and most recently the Blue Zone at Kenan Stadium which includes the state-of-the-art Loudermilk Center for Excellence;

**WHEREAS**, Mr. Baddour has provided thoughtful and thorough support to the Board as Athletics Director, remaining focused on the well-being of student-athletes and the reputation of the University;

**NOW, THEREFORE, BE IT RESOLVED THAT** members of the Board of Trustees of the University of North Carolina at Chapel Hill offers Dick Baddour their sincerest appreciation for his leadership as Athletic Director and his many years of dedication to the University and its students.

The Board of Trustees unanimously approved the resolution, followed by a round of applause for Athletic Director Baddour.

**RESOLUTION OF APPRECIATION  
RICHARD L. MANN  
VICE CHANCELLOR FOR FINANCE AND ADMINISTRATION  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
November 17, 2011**

**WHEREAS**, Richard L. "Dick" Mann has served as the University's vice chancellor for finance and administration since November 2006, as principal finance and business officer of the University;

**WHEREAS**, Vice Chancellor Mann led an outstanding team to oversee and implement the University's Enterprise Resource Planning initiative to update, integrate and manage its administrative data and business systems; guided the University through the final stages of one of the largest capital construction programs in its history; was instrumental in the planning and continued development of Carolina North; played a key role in implementing Carolina Counts, the University-wide effort to streamline campus operations and provide more funding for academics; served on the UNC Health Care Board, the UNC-Chapel Hill Foundation Investment Fund Board, and the UNC System Advisory Committee on Efficiency and Effectiveness;

**WHEREAS**, Vice Chancellor Mann calmly faced the economic downturn, deploying financial resources to protect the University's mission and creatively achieve academic, medical, research, athletic and student life objectives; living up to the sailors' adage that, "You can't direct the wind, but you can adjust your sails;"

**WHEREAS**, Vice Chancellor Mann was a masterful advisor to the Board, preparing them in a timely manner, always maintaining a positive outlook, a can-do approach and a no-nonsense style served up with a ready smile;

**WHEREAS**, Vice Chancellor Mann departs for a well-deserved retirement, leaving behind stronger and more efficient fiscal and management units;

**NOW THEREFORE BE IT RESOLVED** that members of the Board of Trustees of the University of North Carolina at Chapel Hill express their gratitude for Vice Chancellor Mann's exceptional service and dedication to Carolina; and wishes him blue skies, a following sea and a steady breeze through his retirement.

The Board of Trustees unanimously approved the resolution, followed by a round of applause for Vice Chancellor Mann.

**RESOLUTION OF APPRECIATION  
EDWARD C. "EDDIE" SMITH JR.  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
November 17, 2011**

**WHEREAS**, Edward C. "Eddie" Smith Jr. has served as a member of the Board of Trustees since 2009, bringing his devotion to UNC and his deep understanding of Carolina athletics to Board deliberations;

**WHEREAS**, Mr. Smith has served the University in multiple roles, including president of the Educational Foundation, member of the UNC Board of Visitors and of the Cabinet for the Carolina First Campaign; and supported many program including the Lineberger Comprehensive Cancer Center, the UNC Medical School and Medical Foundation, the Carolina Clinic for Executive Wellness, the Kenan-Flagler Business School, the College of Arts and Sciences, and the Carolina Scholars program;

**WHEREAS**, Mr. Smith, in partnership with his wife Jo, has especially been a passionate supporter of Carolina athletics and student athletes, contributing to the expansion and renovation of facilities to support their well-being;

**NOW THEREFORE BE IT RESOLVED** that the members of the Board of Trustees of the University of North Carolina at Chapel Hill express their appreciation to Eddie Smith for his dedication to his alma mater and thanks him for his service.

The Board of Trustees unanimously approved the resolution, followed by a round of applause for Trustee Smith.

**CHANCELLOR'S REMARKS**

Chancellor Thorp spoke about the following:

- **Chair Hargrove's Law School Award-** Congratulations to Chair Wade Hargove for receiving the law school's Distinguished Alumni Award last month during Law Alumni Weekend.
- **Dick Mann/Dick Baddour-** Dick Mann and Dick Baddour have given incredible service to this University. Dick Mann's retirement is well deserved after a 40-year career at four universities. Dick Baddour's transition is another milestone for our athletics department.

Dick has given so much of himself to the department and this University – 15 years as AD; 45 years in total service.

- **David Rubinow**- chair of psychiatry, has been elected to the Institute of Medicine. David is an internationally recognized expert in the evaluation and treatment of women with mood disorders.
- **Gabe Whaley**- People magazine just selected Gabe Whaley, a philosophy undergraduate student, to receive a Reader's Choice Hero Award. His non-profit organization, [Kicking4Hunger](#), will receive \$10,000, which Gabe says they will be using to speed up their plans for national expansion.
- **Fulbright Students**- The Chronicle of Higher Education recently published a list of the largest research institutions producing students selected to receive Fulbright Awards. We're tied for 10<sup>th</sup> in 2011-112, with 18 students receiving grants in the Fulbright U.S. Student Program. That ranks 3rd among all public universities and 1st in the Southeast.
- **Joint NC State Forum – Global Southern Economy**- a joint forum is being hosted today with NC State at SAS in Cary. It's called "A Way Forward: Building a Globally Competitive South," starting at 3 p.m. Chancellor Randy Woodson and I are convening the event, which was developed by our Global Research Institute and NC State's Institute for Emerging Issues. This forum is evidence of the Global Research Institute's growing success, and the promise of the vision so generously supported by Bill Harrison.

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

Ms. Cooper spoke about the tuition increase proposed later in the meeting:

[A copy of Ms. Cooper's remarks is located in the Office of the Assistant Secretary.]

#### **BUILDINGS AND GROUNDS COMMITTEE OF THE WHOLE**

Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction presented the following action item to the committee:

- **Designer Selection- Lighting Upgrades for Parking Decks.** Committee Chair Clay moved to approve the analysis of eight (8) existing structured parking decks to determine the feasibility of replacing existing High Pressure Sodium (HPS) lights with new energy efficient Light Emitting Diode (LED) lights. Work is expected to include the replacement of fixtures in the Dogwood, Rams Head, Cobb, Jackson Circle, McCauley, Business School, School of Government, and Craige parking decks. The Advance Planning budget is \$250,000. The total project budget is \$1.5M with funding from the Department of Public Safety receipts. The committee recommended the selection of three firms in the following priority order:

1. Clark-Nexsen; Raleigh, NC
2. Engineered Designs, Inc.; Cary, NC
3. RMF Engineering, Inc.; Raleigh, NC

Clark-Nexsen was recommended because of its recent and relevant experience and strength of its team.

Ms. Hyde seconded the motion and it carried.

(ATTACHMENT D)

Anna Wu, Director of Facilities Planning, presented the following item for information only (no formal action was requested at this time).

- **Carolina North Update.** Anna Wu, Director of Facilities Planning, updated the Committee on the status of Carolina North.

- **Conservation Easements-** We are proposing to modify the six areas for conservation and reducing the number of parcels, but the acreage is staying the same. The Town Council was presented with the plan.
- **2011-2012 Development Schedule-** Landfill Gas Pipe Construction Phasing. Phase one is complete and phase two will begin in January.

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

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

### **REPORT ON INVESTMENT FUNDS**

Jonathon King, President and Chief Executive Officer of the UNC Management Company, Inc., presented this report to the Board:

- UNC Investment Fund Summary.
  - 1) Market Value of the Investment Fund at June 30, 2011- \$2.9 Billion- a 15.3% increase since June 30, 2010.
  - 2) \$52.4 million was distributed from the Endowment Fund for spending in 2011.
- UNC Chapel Hill Foundation Investment Fund Summary.
  - 1) The market value of UNC CH Foundation Investment Fund at June 30, 2011- \$2.22 Billion, a \$28 million increase since June 30, 2010.

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.

Chair Hargrove praised the UNC Management Company team and the Investment Fund Board for their outstanding work, especially in these down times.

### **TUITION AND FEES PROPOSALS**

Chancellor Thorp set up the tuition discussion by explaining how budget cuts have negatively affected the campus, especially in the classroom and regarding faculty salaries and increased class sizes. A tuition increase is vital for maintaining UNC-Chapel Hill's prestige.

Bruce Carney, Executive Vice Chancellor and Provost, presented recommendations from the tuition and fees advisory task force. Based on the deliberations of the Task Force, the Chancellor is recommending an across-the-board 6.5% increase in tuition for 2012-2013, and a one-time increase to help with critical needs that will be spread out over five years.

Student Body President, Mary Cooper, proposed an alternate recommendation to reconsider the increase and take more time to come up with a better and more agreeable solution.

A number of students spoke against the tuition increase.

Committee Chair Shuping-Russell moved to approve the tuition and fees proposal as set forth by the Tuition Task Force Advisory. Dr. Clay seconded the motion.

The trustees discussed the tuition proposal at length and asked questions. Mr. Gardner asked Provost Carney to initiate a strategic review of all departments to take a look at how to make the university more efficient. It is important to look at departments that are costing too much money without providing sufficient revenue to be self-maintaining.

Ms. Cooper moved to postpone the vote until the special meeting date in December. Ms. Shuping-Russell seconded the motion. After Chancellor Thorp reminded the trustees how

important it is to vote today, and further discussion, Ms. Shuping-Russell withdrew her second. Therefore, Ms. Cooper's motion became void.

After all the discussion, the original motion to approve the tuition and fees proposal as set forth by the Tuition Task Force Advisory carried. Mary Cooper voted no.

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.

### **REPORT OF THE BUDGET, FINANCE & AUDIT COMMITTEE**

Ms. Shuping-Russell, Committee Chair, moved ratification by the Board of the following item which was previously approved by the committee. Mr. Curtis seconded the motion and the item carried.

- **The University of North Carolina at Chapel Hill Endowment Fund Annual Report for Year Ended June 30, 2011.** Jon King, President of UNC Management Company, presented the Endowment Fund Annual Report including investment performance for FY 2011. The Audit and Finance Committee recommends acceptance of the Endowment Fund report.

(ATTACHMENT E)

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.

Ms. Shuping-Russell, 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).

- **Status of Financial Audit of University of FYE 2011.** Richard Mann, Vice Chancellor for Finance and Administration, reported on the annual financial audit of the University conducted by the State Auditor. The University received a clean audit. The details of the audit are available on the State Auditor's website.

- **Remarks from Employee Forum Chair.** Jackie Overton spoke about the good works in which employees are involved: Habitat for Humanity, Employee Appreciation Day, and Partnerships for a Better Carolina. She also spoke about the peaceful gathering of the housekeepers, University Day, staff assembly, the community garden, and upcoming events.

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.

- **Development Update.** Matt Kupec, Vice Chancellor for University Advancement, provided an update on Development. FY12 Progress Report:

	<u>11/14/11</u>	<u>11/14/10</u>	<u>% change</u>
○ Gifts Received	\$71,247,010	\$78,293,418	-9%
○ Donors	25,532	26,898	-5%
○ New commitments (new cash & pledges)	\$87,169,412	\$83,206,032	5%

#### NOTES

- \$226,063,788 proposals in the pipeline.
- Averaging \$19.4 Million in new commitments per month.

### **REPORT OF THE UNIVERSITY ADVANCEMENT COMMITTEE**

Committee Chair Don Curtis reported that Matt Kupec, Vice Chancellor for University Advancement, talked about advocacy and state and federal relations.

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.

### **REPORT OF THE ACADEMIC 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).

- **Academic Plan Update.** Provost Carney reported that the Academic Plan is moving along nicely and updates are forthcoming.

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.

- **Faculty Chair Remarks.** Faculty Chair McKay Coble spoke about athletics, the Academic Plan, the honor system, and tuition.

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

- **Center for the Study of Hazards and Natural Disasters.** Rick Luetlich, Director of the Center, spoke about the Coastal Hazard Modeling. It is a widely used program that helps model storms and provides invaluable data for the coastal regions and other flood zones within the state.

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.

- **NCB-Prepared.** Dr. Charles Carins, Chair of the Department of Emergency Medicine, in collaboration with Dr. David Potenziani, Executive Director of National Collaborative for Bio-Preparedness, reported that the National Collaborative for Bio-Preparedness responds to the need for accurately detecting and rapidly analyzing biological hazards to ensure public health and safety with a comprehensive system that both improves surveillance, awareness and responsiveness to emergent threats, and supports better care and health outcomes for Americans.

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.

### **REPORT OF THE STUDENT AFFAIRS COMMITTEE**

Ms. Hyde, 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).

- **Graduate School Dean's Update.** Steve Matson, Dean of the Graduate School reported on Graduate/Professional Student Population- 40% of student population.

Serena Witzke, President of the Graduate and Professional School Federation (GPSF), spoke about what the GPSF is and what they do. She highlighted current GPSF campus issues surrounding affordable education, and spoke about actions items that will make a difference for graduate students' wellbeing: stipends, tuition, and getting in-state residency.

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.

• **Carolina Leadership Academy.** Athletic Director, Dick Baddour, reported that there are three levels: CREED, Rising Stars, and Veteran Leaders. There are 50 workshops for student athletes and coaches to develop leadership skills. Over 4700 hours are devoted to leadership development of student athletes.

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.

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

On motion of Secretary Clay, 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 BUDGET, FINANCE & AUDIT COMMITTEE**

##### **Report of the Naming Committee**

Matt Kupec presented naming recommendations which were previously presented to the Budget, Finance & Audit Committee and approved by the committee. Ms. Shuping-Russell, Committee Chair, moved ratification, and seconded by Mr. Curtis, the motion carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

##### **Report of the Committee on Honorary Degrees & Special Awards**

Committee Chair Shuping-Russell, presented nominees for Distinguished Alumna/Alumnus Awards to be presented on University Day, October 12, 2012. All nominees were previously presented to the Budget, Finance, & Audit Committee and approved by the committee. Mr. Grauer moved approval of the motion. Ms. Hyde seconded the motion and it carried.

##### **Honorary Degree Candidate Selection**

Matt Kupec presented candidates for an Honorary Degree to be conferred at May Commencement 2013. The trustees discussed the candidates and will present their nominee to the Committee on Honorary Degrees & Special Awards.

#### **REPORT OF THE ACADEMIC AFFAIRS COMMITTEE**

Mr. Gardner, Committee Chair, presented the personnel and salary approvals dated November 7, 2011, for the Board's consideration. The actions will be voted on in open session.  
(ATTACHMENTS F-G-H-I)

#### **LEGAL ADVICE**

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

**EXECUTIVE CLOSED SESSION**

Chair Hargrove convened the Board in Executive Closed Session to discuss legal and personnel matters.

**DEEP EXECUTIVE CLOSED SESSION**

Chair Hargrove convened the Board in Deep Executive Closed Session to discuss legal and personnel matters.

**RECONVENE MEETING IN OPEN SESSION**

Chair Hargrove reconvened the meeting in open session.

**OPEN SESSION**

**REPORT OF THE ACADEMIC AFFAIRS COMMITTEE**

Mr. Gardner moved approval by the Board of the following personnel actions dated November 7, 2011, which were discussed earlier in closed session. Ms. Hyde seconded the motion and it carried.

- Personnel Actions & Actions Conferring Tenure.  
(ATTACHMENT F)
  
- Compensation Actions.  
(ATTACHMENT G)
  
- For Information- no items.  
(ATTACHMENT H)
  
- Walk-on Item.  
(ATTACHMENT I)

Chair Hargrove stated that the personnel and salary actions voted on in open session have been distributed to the press.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 2:34 p.m.

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Assistant Secretary