

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
November 22, 1996

The Board of Trustees met in regular session in the Chancellor's Ballroom at The Carolina Inn at 8:30 a.m. Chairman Armfield presided.

MINUTES

Mrs. Wood and Mr. Stevens moved approval of the minutes of the regular meeting of the Board on September 27, 1996. Dr. Sanders seconded the motion and it carried unanimously.

ROLL CALL

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

William J. Armfield, IV, Chairman	Aaron M. Nelson
William R. Jordan, Vice Chairman	David E. Pardue, Jr.
Anne W. Cates, Secretary	Charles A. Sanders
Angela R. Bryant	Richard Y. Stevens
Walter R. Davis	David J. Whichard, II
James E. S. Hynes	Annette Fairless Wood

The following member was absent:

Cressie H. Thigpen, Jr.

CHAIRMAN'S REPORT

Chairman Armfield commented on the success of the William Richardson Davie Award Dinner. The Davie Award was presented to Mrs. Albert Coates, Mr. Charlie Shaffer, Jr., Mr. Tommy Kearns, and Mr. Max Chapman.

TRUSTEE COMMITTEE ON ATHLETICS

Mr. Armfield stated that, at the request of the Chancellor, he was appointing a Trustee Committee on Athletics. Mr. Hynes will chair this committee and Dr. Jordan and Mrs. Wood will serve as members. This committee will provide information regarding athletics to other members of the Board.

CHANCELLOR'S REPORT

Chancellor Hooker announced that the housekeepers were presently meeting to vote on the ratification of an agreement that had been worked out with the assistance of a court appointed mediator and the Housekeepers Steering Committee. Upon learning of the

ratification, the Chancellor said he would make further comments. He said that this had been an extremely difficult task upon which to come to an agreement.

Chancellor Hooker commented on misstatements which appeared in the press regarding the percentage of out-of-state students enrolled at Carolina.

Chancellor Hooker referred to the IBM Global Campus. He said that he is very pleased with the progress that is being made in putting technology in the classroom and using technology to extend the boundaries of the classroom throughout the state. The Chancellor remarked that this next semester we will have a number of courses on-line through continuing education.

The Chancellor commented concerning the continuation of his tour of the 100 counties in the state and said that he is learning a great deal about what the citizens of North Carolina expect from their University, what they want from it, and we are improving the information flow between us and them in both directions.

The Chancellor reported that the land-use plan has been presented and he is extremely pleased with the way the University has worked with the Town of Chapel Hill.

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On behalf of the Trustees, Chairman Armfield thanked Chancellor Hooker, Ms. Susan Ehringhaus, and Dr. Elson Floyd for bringing the issue with the housekeepers to hopefully a positive conclusion for both the housekeepers and the University.

Chairman Armfield also thanked the Chancellor regarding his efforts in visiting all 100 counties of the state to extend the message of our University.

Chairman Armfield welcomed Mrs. Ellen Newbold, a member of the Board of Governors, who was visiting the meeting on behalf of the Board of Governors.

STUDENT BODY PRESIDENT'S REPORT

Mr. Nelson began his report by thanking Information Technology Services for the work done with regard to the quick response to a list of concerns presented to them by Student

Government. He also thanked Auxiliary Services with regard to their cooperation in relocating dining facilities next year while Lenoir is being renovated. He mentioned Public Safety and the Housing Department with regard to providing a shuttle to take out-of-state students to the airport during the holidays.

Mr. Nelson introduced several members of the Executive Branch Cabinet of Student Government and recognized them for the work they have done in Student Government.

Mr. Nelson distributed a copy of "the 1996-97 executive branch OCTOBER REPORT" and presented an overview of the report. (A copy of the report is filed in the Office of the Assistant Secretary.)

He reported on the Out-Of-State Student Association and the work being done regarding meeting the needs of out-of-state students. These students comprise only 18% of the student population. One of the needs met has been rides to the airport by Point-to-Point Express.

He remarked concerning state relations and said that letters had recently been sent to all newly elected North Carolina Legislators congratulating them on their election on behalf of everyone at the University and reminding them that education is the key to the future of North Carolina. Thank you letters were also sent to the leadership of the North Carolina House and the Senate and responses have been received reminding us that they are indeed committed to higher education.

Mr. Nelson reported on student voter turnout in the last election--the highest student voter turnout reported in the history of the University since 18-year olds were given the right to vote in 1972. Estimates are as high as 80-85% of registered students who were in town voted and a great percentage voted absentee ballots. He said this is exceptional and it now allows students to demand political attention to their issues because it shows that they do vote and participate.

He referred to the Town of Chapel Hill passing an ordinance requiring fraternity and sorority houses to install sprinkler systems in the next five years. Methods are being explored concerning how to fund these installations.

Dr. Sanders asked what the cost would be to install a sprinkler system. Mr. Nelson responded that it was anywhere from \$35,000 to \$50,000.

Mr. Nelson advised that a Fire Safety Committee has been established. This is a group of students who will serve as liaison between the student body and the fire department. They will work with the fire chief and Mr. Richard Bolyard, fire and safety officer (Health & Safety Office), to train a group of students who will be able to assist what we now have as a fire marshal at each of the fraternities and sororities and talk to students about fire safety and be somewhat of a first responder when there is a fire on campus.

Mr. Nelson introduced Mr. Ronald Campbell who will head up this project on behalf of Student Government. Ronald's father is a fire department chief. Ronald is a trained firefighter and has been working very hard with the Town of Chapel Hill Fire Department.

Mr. Nelson reported that the Town Council has been invited to The Pit every third Thursday. Council members will come to The Pit to interact with the students and remind them that they are also citizens of the town.

He reported on the Student Advisory Committee to The Board of Trustees. There is a proposal which will be given to the Chancellor and the Chairman of The Board. Hopefully, it will come before the Board in a formal manner at the January 24, 1997 meeting of the Board.

Mr. Nelson recognized Dr. Susan Kitchen, vice chancellor of Student Affairs. He remarked that Dr. Kitchen has been very responsive and committed to the students by assisting them in any manner possible.

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Chairman Armfield remarked that Mr. Stevens had suggested that perhaps a future Board meeting could be held at The Student Union in order to make the meeting more accessible to any students interested in attending it. Mr. Nelson responded that he thought that was an excellent suggestion.

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Chancellor Hooker reported that the housekeepers had endorsed the terms of the settlement proposal and that the proposal would now go to Judge Becton for approval.

GLOBAL CAMPUS PRESENTATION

Executive Vice Chancellor Elson Floyd reported that under Chancellor Hooker's leadership the University has been very aggressive regarding the improvement of information technology on campus. There has been discussion concerning the financial requirements associated with it and we are continuing to explore resources to help both meet the challenges of the future, as well as the demands of the present.

He introduced Dr. Diana Oblinger, academic programs manager for the Higher Education Division of IBM North America.

Dr. Oblinger distributed a pamphlet and a publication, "IBM Global Campus" and presented an overview concerning these items. (A copy of the pamphlet and publication is filed in the Office of the Assistant Secretary.)

REPORT OF THE STUDENT AFFAIRS COMMITTEE

Mr. Whichard presented the following items previously presented to the committee.

Greek Activities

Aaron Nelson and a group of Greek student leaders presented some very interesting statistics and information regarding the Greek Community and how they are dealing with such matters as alcohol and the various other problems on campus. He emphasized that community service is a very important part of the program. Approximately 19% of the student body (2600 people) are involved in Greek organizations on campus.

Mr. Whichard remarked that he found it interesting that in the Spring of 1996 (the last semester for which grades were available) the sorority grade point average was 3.051. The grade point average for all women on campus was 2.959. In the fraternities, the grade point average was 2.914. For all men on campus, it was 2.857. That presents a little different perception many people may have had

about academics within Greek Affairs. It is a very interesting program.

Mr. Nelson reported that in the Spring of 1996 the members of the Greek Community performed 16,591 hours of voluntary community service. That same semester they raised \$79,000 for charities. That's a real testimony to their contribution to the community.

REPORT OF THE HONORARY DEGREE SELECTION COMMITTEE

Mr. Pardue reported that the committee, comprised of Ms. Bryant, Dr. Jordan, and Mr. Pardue, had met one time and he had met with three members of the Faculty Council--Jane Brown, Joe Ferrell, and Weldon Thornton. This committee was established to look at procedures for the selection of recipients for honorary degrees as opposed to awards. They are in the process of working with the Faculty Council to develop a procedure where the Trustees have a more formal opportunity to have input into the decision process. In meeting with the three Faculty Council members, they have found a great deal of reception on their part to the early involvement of the Trustees. Mr. Pardue said he has also seen a very dedicated faculty committee which has worked extremely hard in initiating and reviewing names for honorary degrees. They are in the process of working out a system for early involvement with the Trustees. He thinks it will be a system where one or more of the Trustees will be a part of the committee as a nonvoting member. They will report back to the Board on the development of names for honorary degrees. Mr. Pardue said that by the January 24, 1997, Board meeting (either by resolution prior to the meeting or at the meeting itself) they will be able to distribute something for everyone's approval to this effect.

REPORT OF THE FINANCE AND BUSINESS COMMITTEE

Receipt of Final Plan for the University's Outlying Properties

Chairman Wood reported that Mr. Dick Rigterink of Johnson, Johnson & Roy, Inc. (JJR) presented the proposed final land use plan for the University's outlying properties. Action will be taken on

this matter during the Board's January 24, 1997 meeting. The final plan would include, for the Mason Farm Property, allowances for potentially eleven more buildings which would have an additional 350,000 gross square feet of space. It also would reserve a transit pattern between this property and the Meadowmont Property with a parking deck in close proximity. The Horace Williams Property would set aside 300 acres of reserved open space. There would be no development in the environmentally sensitive areas. Also noted was the fact that all of the setbacks as delineated on the plan would exceed the city requirements for setbacks on all sides.

(ATTACHMENT A)

Preliminary Design Review of the Proposed Soccer Center

Mrs. Wood reported that Ms. Teresa Crossland, supervisor of Project Management, Facilities Planning & Design, presented a preliminary design review of the proposed Soccer Center. The Soccer Center will be a two-story, 6600 square foot facility for both men's and women's teams. The offices in the Soccer Center will be designed so they can be oriented toward the field for recruitment purposes.

(ATTACHMENT B)

Approval of Final Plans and Specifications for Additions to Kenan Stadium

Mrs. Wood moved to approve the final plans and specifications of the addition to Kenan Stadium. Mrs. Cates seconded the motion and it carried unanimously.

(ATTACHMENT C)

Approval of Design of Renovations and an Addition to Graham and Aycock Residence Halls

Mrs. Wood moved to approve the design of renovations and an addition to Graham and Aycock Residence Halls. Mrs. Cates seconded the motion and it carried unanimously.

(ATTACHMENT D)

**REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL
COMMITTEE**

**The James M. Johnston Center for Undergraduate
Excellence**

Chairman Bryant reported on Professor Miles Fletcher's presentation on The James M. Johnston Center for Undergraduate Excellence. Professor Fletcher gave the full vision of the center as it will exist in the renovated Graham Memorial building. It is scheduled to be open in the Fall of 1999. The hubs will include the housing for both the Honors Program and the North Carolina Fellows Leadership Development Program. The facilities will include seminar rooms, master classroom, and meeting spaces which will be accessible to all students on campus. Ms. Bryant remarked that the vision is one of it being the catalyst for the intellectual climate on campus. In the meantime, these programs are proceeding to be enhanced by coordinating efforts and opportunities for national scholarships for all students, as well as opportunities for studying abroad. (Professor Fletcher distributed a handout which is filed in the Office of the Assistant Secretary.)

Admissions/Retention Update Report

Ms. Bryant reported that Executive Vice Chancellor Elson Floyd presented a very informative report on the retention figures for our undergraduate students--how many students we are returning, what our yield is on return, graduation, and how we compare competitively with other institutions nationally. The report showed that we are improving every year in all categories in a substantial manner and that we are far above the average for AAU public institutions. We are in a respectable position with all public and private institutions.

She pointed out a significant item of the statistics with regard to retention of African-American students. These students have reached a competitive percentage in the returning sophomores and juniors of both races. This is extraordinary. These students are now suffering in the areas of returning seniors and graduation rates--the differentials across race in the percentage of seniors who return and in the percentage of students who graduate in four years. She

remarked that it's nice to have that slice of the pie to focus upon in some respect and Dr. Floyd had made an important observation that the earlier work on retention has focused on the freshman and sophomore years. It may now be time to add to that focus--research about and services targeted toward what makes the difference for people in the senior year and toward completing graduation.

Several Trustees raised issues about what economic factors may be a part of the whole process--both the family backgrounds of students and what stresses students may experience while they are here. Dr. Floyd will look at what further information he can present in that regard to the Board. (Copies of Dr. Floyd's handouts are filed in the Office of the Assistant Secretary.)

DEVELOPMENT

Prior to Mr. Kupec's presentation, Chairman Armfield reported that Mr. Kupec had recently received recognition for being the outstanding development officer in the state. The members of the Board and the audience applauded Mr. Kupec's accomplishment.

Mr. Matt Kupec, vice chancellor for University Advancement, presented the following resolutions to the Board.

Resolution

WHEREAS, the Werner P. Friederich Fellowships in Humanities Endowment Fund (the "Fund") was established in 1970 by a bequest from the Estate of Charles L. White (the "Donor") of Frederick, Maryland; and

WHEREAS, the Donor's Will provided that the income of the Fund be used to grant "fellowships for study at a university in Switzerland to outstanding graduate students in the humanities at The University of North Carolina at Chapel Hill as determined by The University of North Carolina Graduate School Fellowship Committee (the "Committee")...;" and

WHEREAS, the Donor's Will further provided that "in the event that the Board of Trustees of the University of North Carolina shall determine that the objectives I have specified for this trust have become impossible or impracticable of performance, the income of the trust may be used for such purposes as the chief administrative officer of The University of North Carolina, with the approval of the Board of Trustees of The University of North Carolina, may direct, taking into consideration my original intent;" and

WHEREAS, the market value of the Fund as of June 30, 1996 was \$255,178.65 with a book value of \$67,165.53; and

WHEREAS, the earnings paid out of the Fund for use during fiscal year 1996-97 was \$11,966.35; and

WHEREAS, since the inception of the Fund, the Graduate School Fellowship Committee has actively solicited applicants for the Friederick Fellowship; and

WHEREAS, the Committee has awarded the Friederich Fellowship only 5 times in the past 16 years because of difficulty in finding outstanding graduate students interested in study opportunities in Switzerland; and

WHEREAS, the objectives specified by the Donor for the use of the income of the Fund have become impracticable to perform; and

WHEREAS, it would be in the best interest of the University and consistent with the Donor's original intent for the income of the Fund to be used more broadly to provide fellowships to outstanding graduate students in the humanities for off-campus study opportunities in the United States as well as abroad, with preference given to those outstanding graduate students interested in study opportunities in Switzerland.

NOW THEREFORE BE IT RESOLVED that consistent with the Donor's original intent and with the authority give to the Board of Trustees in the Donor's Will, the income from the Fund shall be used to award fellowships to outstanding graduate students in the humanities for off-campus study opportunities in the United States as well as abroad, with preference given to those outstanding graduate students interested in study opportunities in Switzerland.

Resolution

WHEREAS, the Dalton L. McMichael, Sr. Professorship Endowment Fund (the "Fund") was established in 1990 by William J. Armfield, IV and friends (the "Donors") in honor of Dalton L. McMichael, Sr.; and

WHEREAS, in an endowment fund agreement dated December 31, 1990, the Donors provided that the income of the Fund be used at the Kenan-Flagler Business School to "supplement the salary of a professor(s) and to provide additional support for the professor's teaching and research including but not limited to equipment, library, resources, academic leaves, research assistants, and travel;" and

WHEREAS, the Fund agreement further provides that "If, in the opinion of the Board of Trustees of the University, all or part of the earnings of this Fund cannot appropriately be used in the manner described in this agreement, it may use the same for other purposes as nearly aligned to the Donors' original intent as good conscience and need dictate;" and

WHEREAS, Dr. William Fischer is the current holder of the McMichael Professorship, teaching in the area of operations management; and

WHEREAS, Dr. Fischer will be on academic leave for the 1996-97 and 1997-98 fiscal years, and all of the income from the Fund will not be needed to support his salary, teaching and research needs during the period of time that he is on academic leave; and

WHEREAS, the market value of the Fund as of June 30, 1996 was \$1,672,438.16 with a book value of \$974,257.17; and

WHEREAS, the earnings paid out of the Fund for use during fiscal year 1996-97 was \$114,300.52; and

WHEREAS, during the period of time that Dr. Fischer is on academic leave, all of the earnings of the Fund cannot be used in the manner described in the Fund agreement; and

WHEREAS, it would be in the best interest of the University and consistent with the Donors' original intent for that portion of the earnings from the Fund not used for Dr. Fischer's travel and professional development during the period of time that he is on academic leave, to be used to support the research of four or five key professors in the Kenan Flagler Business School. These faculty members would be chosen through a competitive process in the Spring of 1997, and their research would be funded in the summer of 1997. When Dr. Fischer returns to the University at the end of his academic leave, the earnings from the Fund would again be used to support the original purposes of the Fund.

NOW THEREFORE BE IT RESOLVED that consistent with the Donors' original intent and with the authority give to the Board of Trustees in the Donors' Fund agreement, that portion of the earnings from the Fund not used fir Dr. Fischer's travel and professional development during the period of time that he is on academic leave, shall be used to support the research of four or five key professors in the Kenan Flagler Business School. These faculty members shall be chosen through a competitive process in the Spring of 1997, and their research funded in the summer of 1997. When Dr. Fischer returns to the University at the end of his academic leave, the earnings from the Fund will again be used to support the original purposes of the Fund.

Mrs. Cates moved acceptance of these resolutions. The motion was seconded by Dr. Sanders and it carried unanimously.

Mr. Kupec reported that \$25,563,720 had been received in donations from 19,489 donors during the 1996-97 fiscal year.

He referred to the \$360,000 which had recently been raised by WUNC-FM. He reported that 30 of the 100 counties in North Carolina had been visited by the Chancellor and staff of the Development Office.

He presented an update on the Orange County State Employees Combined Campaign for the University and UNC Hospitals. To date, \$560,000 has been raised and it is estimated that the campaign will go over the \$650,000 mark this year.

(A copy of Mr. Kupec's report is filed in the Office of the Assistant Secretary.)

MOTION TO GO INTO CLOSED SESSION

Mrs. Cates moved that the Board go into closed session to (1) prevent the disclosure of privileged information under Section 126.22 and following of the North Carolina General Statutes or regulations; (2) prevent the premature disclosure of an honorary award or scholarship; (3) consult with our attorney to protect the attorney-client privilege, to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action, and to consider and give instructions concerning an existing judicial action titled Tinnen v. UNC-CH; (4) establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property by purchase, option, exchange, or lease; (5) establish or instruct the staff or agent concerning the negotiation of the amount of compensation or other terms of an employment contract; and (6) consider the qualifications, competence, performance, conditions of appointment of a public officer or employee or prospective public officer or employee. The following persons were instructed to remain for the closed session: Members of the Board, Chancellor Hooker, Elson Floyd, Susan Ehringhaus, Matt Kupec, Wayne Jones, Garland Hershey, Weldon Thornton, Brenda Kirby, and Marsha Ferrin. Mr. Stevens seconded the motion and it carried unanimously.

CLOSED SESSION

REPORT OF THE FINANCE AND BUSINESS COMMITTEE

Acquisition of Property

Mrs. Cates excused herself from this portion of the closed session.

Dr. Sanders moved to approve the acquisition of property located at 1402 Mason Farm Road, Chapel Hill, for \$205,000. Dr. Jordan seconded the motion and it carried unanimously.

(ATTACHMENT E)

Mrs. Cates returned to the closed session.

**REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL
COMMITTEE**

Personnel Matters for Information

Ms. Bryant presented personnel matters for information not requiring action by the Board.

(ATTACHMENT F)

Personnel Matters for Consultation

Mr. Stevens moved approval to authorize the Chancellor to forward to the President and the Board of Governors the personnel report and recommendations presented for consultation. The motion was seconded by Mr. Whichard and it carried unanimously.

(ATTACHMENT G)

Personnel Matters for Action in Academic Affairs

Ms. Bryant presented the following personnel changes in Academic Affairs: Appointments and Salary Increases

(ATTACHMENT H)

Personnel Matters for Action in Health Affairs

Ms. Bryant presented the following personnel changes in Health Affairs: Appointments, Reappointment At Same Rank, and Salary Increase

(ATTACHMENT I)

**Recommendations for Exceptions to Employment
Policies Annual Leave Provisions**

Ms. Bryant presented the exceptions from the EPA Non Faculty Annual Leave Provisions.

(ATTACHMENT J)

DEVELOPMENT

**Report of the Committee on Honorary Degrees and
Special Awards**

Dr. Weldon Thornton, chair of The Committee on Honorary Degrees and Special Awards, reported on the Distinguished Alumnus(a) Award Candidates for 1997. These awards will be presented at University Day on October 12, 1997.

Mrs. Cates moved to accept the nominations as presented. Mr. Pardue and Mr. Stevens seconded the motion and it carried

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

Naming Committee Report

Mr. Kupec presented the Naming Committee Report.

Mrs. Cates moved to accept the naming recommendations as presented. Mr. Armfield and Dr. Sanders seconded the motion and it carried unanimously. (A copy of the report is filed in the Office of the Assistant Secretary.)

STUDENT APPEAL

Chairman Armfield reported that the student appeal had been withdrawn at the request of the student.

LEGAL ADVICE

Ms. Susan Ehringhaus advised the Board on several legal matters.

Chairman Armfield recognized Chancellor Hooker who reported that a request had been made by Athletic Director John Swofford to extend Head Football Coach Mack Brown's contract for another three years after July 1, 1997. Mr. Pardue moved, seconded by Ms. Wood, to extend the contract. The motion carried unanimously.

Chairman Armfield dismissed everyone in the room except the Members of the Board of Trustees to discuss personnel matters.

MOTION TO RECONVENE IN OPEN SESSION

Chairman Armfield moved to reconvene in open session. Mrs. Cates seconded the motion and it carried unanimously.

OPEN SESSION

REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Ms. Bryant moved approval of the personnel changes in Academic Affairs. Mr. Whichard seconded the motion and it carried unanimously.

(ATTACHMENT H)

Ms. Bryant moved approval of the personnel changes in Health Affairs. Mr. Whichard seconded the motion and it carried unanimously.

(ATTACHMENT I)

Ms. Bryant moved approval of recommendations for exceptions to employment policies annual leave provisions. Mr. Whichard seconded the motion and it carried unanimously.

(ATTACHMENT J)

RATIFICATION OF MAIL BALLOT

Ms. Bryant moved to ratify the mail ballot dated October 17, 1996. Mr. Whichard seconded the motion and it carried unanimously.

(ATTACHMENT K)

Ms. Bryant announced that the appendices containing the personnel matters voted on in open session had been distributed to the Press.

ADJOURNMENT

There being no further business to come before the Board, Chairman Armfield adjourned the meeting at 10:45 a.m.

Assistant Secretary