

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

The Board of Trustees met in regular session on Wednesday, March 21, 2007, at The Carolina Inn, Chancellor Ballroom West, at 5:03 p.m. Chair Schwab presided.

**ROLL CALL**

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

Nelson Schwab III, Chair	Paul Fulton, Jr.
Jean Almand Kitchin, Vice Chair	Barbara R. Hyde
Russell M. Carter, Secretary	Karol V. Mason
James S. Allred	Roger L. Perry, Sr.
Timothy B. Burnett	A. Donald Stallings
John G. B. Ellison, Jr.	Richard T. Williams

Robert W. Winston was absent.

Chair Schwab 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. Perry, 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 it carried.

- Designer Selection for the School of Information and Library Science Planning Study for a new building for the School of Information and Library Science. The planning budget is \$400 K with funding from the University. The interview committee recommended the selection of the three firms in the following priority order:

- Kieran Timberlake Associates Philadelphia, PA
- Leers Weinzapfl Associates Boston, MA
- Ayers Saint Gross Baltimore, MD

The firm in the number one position, Kieran Timberlake Associates, was recommended because of the strength of its team and its recent and relevant experience.

(ATTACHMENT A)

- Property Acquisition by Ground Lease for the Medical Operations Air Facility to approve a ground lease between the State of North Carolina and the Raleigh Durham Airport Authority in order to relocate the Medical Air Operations facility from its existing location at the Horace Williams Airport to the Raleigh Durham Airport. The proposed ground lease is for an area of approximately 72,640 SF, on which will be constructed a new hangar and office space for Medical Air Operations (not to exceed 18,000 SF) as well as a parking area and drive/walkways (20 parking spaces; approximately 20,000 SF) . The new hangar and office space will be an addition to an existing office building currently occupied by the Department of Transportation (DOT). DOT plans to occupy additional office space in the second floor of the new hangar addition and will share in

**UNC-Chapel Hill Board of Trustees**  
**Full Board Minutes**  
**March 21-22, 2007**

the cost of construction and upfit for its area as well as for common space areas. The proposed term of the ground lease is a 20 year ground lease at a rate not to exceed \$0.12 per SF a year. Ownership of the hangar will transfer to the Raleigh Durham Airport Authority at the end of the lease term. The hangar/office addition will be funded and constructed by the University. Construction is expected to begin in the fall of 2007.

(ATTACHMENT B)

Ms. Wu presented information concerning the following item. Mr. Perry moved ratification by the Board of the item, which was previously approved by the committee. The motion carried.

- Design Approval for Sports Medicine Facility to renovate the Women's Gym and to construct a 5,000 SF addition for the Sports Medicine program. The Department of Exercise and Sport Science, Sports Medicine and Athletics are collaborating on this project to accommodate the needs of the student population and University athletic teams. The project will also include site improvements to the open space connecting South Road with Stadium Drive. The project budget is \$5 M with funding from student fees, Athletics and external gifts.

(ATTACHMENT C)

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.

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

- Preliminary Design Review- Medical Air Operations Facility. This project will relocate the Medical Air Operations Facility from the Horace Williams Airport to the Raleigh Durham Airport. The proposal is to add approximately 21,000 SF of office and hangar space to an existing Department of Transportation (DOT) building. Some of this space will be shared with DOT.

(ATTACHMENT D)

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 North Update- Trustee Perry updated the Board on the status of Carolina North. The Leadership Advisory Council (LAC) finished up their meetings and delivered their report to the Chancellor. Concurrently, the University held infrastructure workshops with our consultants that touched on areas like water quality, transportation, environmental quality and ecological assessment. The master plan for Carolina North has begun; three different schematic plans have been developed. There will be an open meeting on March 27, 2007, to show those plans and get input from the public. This meeting will be the first of a series of monthly meetings with the public. The concept plan will be brought to the Board in July for review and comments. It will then come back to the Board in September for approval to meet the October deadline for submission to the respective municipalities.

**RECESS**

Chair Schwab moved to recess the Board meeting at 5:15 p.m. The motion was duly seconded and carried.

**UNC-Chapel Hill Board of Trustees  
Full Board Minutes  
March 21-22, 2007**

**RECONVENE**

Chair Schwab reconvened the Board meeting at 8:05 a.m. on Thursday, March 22, 2007, at The Carolina Inn, Chancellor Ballroom East and West.

**ROLL CALL**

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

**CONSENT AGENDA**

**Approval of Minutes**

On motion of Mr. Schwab, seconded by Mr. Carter, the minutes of the regular meeting of January 24-25, 2007 were approved as distributed.

**Ratification of Mail Ballot**

On motion of Mr. Schwab, seconded by Ms. Kitchin, the following mail ballot dated February 14, 2007, was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured personnel actions.

(ATTACHMENT E)

On motion of Mr. Schwab, seconded by Mr. Carter, the following mail ballot dated February 19, 2007, was approved as distributed:

- Naming Opportunity for the School of Public Health.

(ATTACHMENT F)

On motion of Mr. Schwab, seconded by Mr. Carter, the following mail ballot dated February 21, 2007, was approved as distributed:

- Property Acquisition by purchase for the University of North Carolina at Chapel Hill.

(ATTACHMENT G)

**CHAIR'S REMARKS**

Chairman Schwab began his remarks by thanking Trustee Perry for representing the Board at the Hardin Hall dedication on Tuesday, which dedicated the four-story residence hall previously known as Morrison South in honor of Paul Hardin, our seventh chancellor. Paul Hardin served seven years (1988-1995) and helped lead our Bicentennial Campaign for Carolina, which raised \$440 million. He pushed for greater fiscal and management flexibility for the UNC campuses and helped double minority representation on the faculty, among other accomplishments.

Chairman Schwab requested Secretary Carter read the following resolution.

**RESOLUTION OF APPRECIATION  
JAMES STEPHEN ALLRED  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
March 22, 2007**

**WHEREAS, James Allred as student body president served his constituents with honesty and dedication, serving as an articulate**

**spokesperson for the student body, maintaining strong communication between students and trustees, and successfully balancing his role as a student representative and administrator;**

**WHEREAS, James Allred worked on multiple issues involving campus and community life, academic advising, enrollment policy, the arts and student fees; and collaborated with the Graduate and Professional Student Federation to address the needs of its students; endeavoring to bring a comprehensive picture to each issue and deliver on his promises;**

**WHEREAS, James Allred co-chaired the Tuition Advisory Task Force, advocating for a full discussion of the issues involved in tuition planning, and working tirelessly but respectfully as the students' representative;**

**WHEREAS, James Allred as a trustee was "ever the gentleman," a serious and articulate participant in discussions; focused and well-prepared, commanding respect for his thoughtful engagement, thorough preparation and careful balancing of the interests of students and the interests of the University;**

**NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill congratulates James Allred on a job well done and expresses its deepest gratitude for his exemplary service and leadership.**

On motion of Chair Schwab, seconded by Mr. Burnett, the Board approved adoption of the resolution and applauded Student Body President Allred.

Mr. Schwab advised the Board on his appointment of the Nominating Committee to nominate officers for the 2007-2008 year. Trustee Burnett will Chair the committee and Trustees Hyde and Mason will serve with him. The Nominating Committee will present the proposed slate of nominees at the Board's May meeting and officers will be appointed at the Board's July meeting.

Mr. Schwab mentioned the \$100 million gift given by the Cain Family to the Morehead Foundation. The money will be managed by the UNC Investment Fund which will precipitate a milestone of the Endowed Funds topping \$2 billion.

Another milestone is the Carolina First Campaign surpassing its \$2 billion goal. Mr. Schwab called on Matt Kupec, Vice Chancellor for University Advancement, to give a special presentation. Mr. Kupec honored Trustee Fulton, co-chair of the Campaign, for all of his hard work and tireless effort. Mr. Kupec presented Trustee Fulton with a framed, signed copy of the article commemorating reaching the \$2 billion Campaign goal.

**UNC-Chapel Hill Board of Trustees  
Full Board Minutes  
March 21-22, 2007**

Mr. Schwab concluded his remarks by thanking Trustee Fulton, Vice Chancellor Kupec, and all of the staff in the Development Office. He presented them with the "Heavy Lifting Award."

**CHANCELLOR'S REMARKS**

Chancellor Moeser recognized the following individuals and their accomplishments:

- Bob Blouin, Dean, School of Pharmacy. According to the American Association of Colleges of Pharmacy, our school ranks 8th among U.S. pharmacy schools in National Institutes of Health contracts and grants. Pharmacy faculty received over \$8.2 million in NIH grants in 2006, up from \$5.8 million and a 14<sup>th</sup> ranking the prior year. The school's overall research funding has grown by over 400 percent in three years. Six \$1 million professorships have been created since 2002. In addition, the newly opened Kerr Hall and the nearly completed renovation of Beard Hall, has made possible the hiring of eight new research-oriented faculty since 2005. Another 70,000 square feet of research space is under construction. And, under Dean Blouin's leadership, we launched a distance-education degree program with Elizabeth City State.
- Derek Poarch, Director of Public Safety, is retiring after 30 years in North Carolina law enforcement. He accepted a position as the bureau chief of the new Public Safety and Homeland Security Bureau for the Federal Communications Commission. During Derek's eight plus years here, our community policing program has earned international recognition. The transportation unit of the department has met the challenge of our construction boom with park-and-ride lots, award-winning commuter alternative programs and other innovations.
- Roy Williams and Sylvia Hatchell for their basketball teams' outstanding seasons and great performances. Graduation rates for both teams again rank among the very highest of any programs making the NCAA tournament.

The Chancellor continued with announcements about:

- Jack Kent Cooke Foundation- The Jack Kent Cooke Foundation announced that Carolina would become the national headquarters for a new effort to increase college enrollment and graduation among low-income high school and community college students. In partnership with the National College Access Network, the University will become the home of the National College Advising Corps Coordinating Office, which will help other universities involved in the initiative. Also, through a \$1 million grant from the Cooke Foundation, the University will place college advisers in 18 low-income high schools across North Carolina. Carolina seniors will be recruited to work full time as corps advisers for one to two years after graduation with 11<sup>th</sup>- and 12<sup>th</sup>-graders, as well as younger students. These efforts draw from a successful Virginia model funded by the Cooke Foundation. In all, the foundation awarded \$10 million in grants to Carolina and nine other campuses, including Brown, Tufts, UC-Berkeley and Penn State. The Chancellor recognized Steve Farmer for his involvement in winning the award.
- Service Scholars- Our Public Service Scholars Program recently recruited its 1,000<sup>th</sup> student, marking a more than 10-fold increase since it began in 2003. The program is run by the Carolina Center for Public Service for students who log at least 300 hours of public service and complete training and courses with a public service component. Students receive a certificate, commendation on their transcripts and a cord to wear at Commencement. Participating students contribute thousands of hours of service working in nursing homes, hospitals, public schools and non-profits. This program brings excellent visibility to a strong public service culture.

**UNC-Chapel Hill Board of Trustees**  
**Full Board Minutes**  
**March 21-22, 2007**

- Global Initiatives - NUS Program- Our overall globalization push is making great progress and is consistent with the worldwide reach of the scope of the entire academic enterprise here at Carolina. It is one of the key priorities in the University's Academic Plan. New developments include:
  - FedEx Global Education Center. This facility is bringing under one roof some of our most important global education people and programs.
  - European Study Center in London/study abroad. We will dedicate this facility in May. It will be home to the honors program and available for faculty, students, alumni and programs from across the university and partner institutions.
  - National University of Singapore. Last month, we launched the new joint undergraduate degree program with the National University of Singapore with an official ceremony at their campus to sign a memorandum of understanding. Associate Provost Peter Coclanis and Interim Dean of the College of Arts and Sciences Madeline Levine attended. We believe this is the first program of its kind at the undergraduate level outside of a professional school setting among our U.S. peer campuses.
  
- President Bowles Initiatives:
  - University of North Carolina Tomorrow, an 18-month initiative to determine how the UNC system can best meet North Carolina's needs over the next two decades. This is a very important initiative that will plan visits with community and business leaders to discuss the challenges facing North Carolina and to listen to what our constituents say they need from the university. In addition, this initiative will address the issues surrounding how the state of North Carolina will deal with the surge of enrollments as the number of high school graduates who plan to attend college increases.
  - The second initiative of note from President Bowles is an accountability plan for the University system, now in draft form. The idea is to take a proactive approach in showing that the University and its campuses are successfully carrying out their missions of teaching, research and public service. Objectives include providing a transparent account of goals, directions and performances on a number of specific performance measures. Their framework includes topics such as student success, outstanding faculty, program quality, use of space, and private fund raising, among others. This is another case in which we will be able to draw from many experiences, including this Board's work on the still evolving Measures of Excellence, our own Academic Plan, the success of Carolina First, and our current work on important topics like faculty support and graduation and retention rates.

Chancellor Moeser concluded his remarks by commending President Bowles and the Board of Governors on their efforts with these new initiatives.

**STUDENT BODY PRESIDENT'S REMARKS**

Mr. Allred gave his final report as Student Body President. He urged the Board to continue its efforts in making tuition predictability a priority. Mr. Allred also spoke about the genocide in Darfur, Sudan, Africa. He asked the Board to consider looking at the university's investments and withdrawing any possible investments in companies that support the Sudanese government.

**UNC-Chapel Hill Board of Trustees  
Full Board Minutes  
March 21-22, 2007**

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

Chair Schwab assured the Board that none of the highlighted investments issued by this committee are directly held by any of these investment companies.

**RESEARCH PRIORITIES**

Tony Waldrop, Vice Chancellor for Research and Economic Development, presented this report to the Board.

By 2015, UNC's goal is \$1 billion of external funding for research. In order to grow our research program, or even just maintain the current level of funding, we have to build up the infrastructure that supports research. The basic infrastructure includes research support offices, cores, centers and institutes, faculty, buildings, seed funding, and public and private research and development space. We must also meet our targets with state funding, corporate funding, and increase our efforts at traditional funding agencies. Carolina North is essential to providing room to grow, bringing researchers together, nurturing new businesses, fostering partnerships, engaging the community in the life of the university, and helping us compete for funding and talent.

There was discussion about the cost of building the infrastructure to grow the research program and how to increase our corporate funding. Trustee Perry asked Mr. Waldrop to come back with a break-down of the estimated costs of construction, maintenance, faculty and all other areas pertaining to research needs.

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 also filed in the Office of the Assistant Secretary.

**REPORT OF THE AUDIT AND FINANCE COMMITTEE**

Ms. Mason, Committee Chair, moved for approval by the Board of the following item which was brought forth as a motion formerly approved by the committee. The motion carried.

- Approval of the Ordinance Regulating Traffic and Parking. Changes from the existing Ordinance are:
  - changes in Zone and Lot identifiers
  - language changes to clarify unlawful entry or exit from a gated facility and the penalties thereof.

No changes are requested in the currently-approved permit price increase schedule or in citation penalties.

(ATTACHMENT H)

Ms. Mason 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).

- Enterprise Resource Planning Update- Robyn East provided an update on the University's plans to implement an Enterprise Resource Planning (ERP) system. Oracle/Peoplesoft was selected as the software vendor because of its ability to handle the current Human Resources applications as well as future financial applications. Of interest, the main cost in this process lies in the implementation process, and not the software. Both Vice Chancellor Mann and Ms. East have experience in these types of implementations and are working to help us develop a process that will work for the university. They are currently selecting the team to design and implement the new system.

**UNC-Chapel Hill Board of Trustees  
Full Board Minutes  
March 21-22, 2007**

- Update on Key Administrative Searches- Vice Chancellor Mann provided an update on the Associate Vice Chancellor for Human Resources, the Director of Environment, Health, and Safety, and the Chief of Police searches. These represent critical searches for the University and the continued success of business and administrative operations.
- The committee heard a report on the Employee Forum from Chair Ernie Patterson. He commended President Bowles' decision to create a task force to study the state personnel system and make recommendations for its improvement. He also applauded the efforts of the Board of Trustees and everyone involved in the Carolina First Campaign and the decision to keep pushing forward even though the Campaign goals have been reached. Ernie asked that a portion of the funds above the goal be placed in a trust to support staff and faculty in two ways. The first would be a tuition grant for the children of staff and faculty. The second would be used to increase University support for affordable childcare and dependent health care options for Carolina employees and graduate students.
- Financial Statement Metrics with UNC Hospitals Included. University Controller, Dennis Press, presented an overview of the Financial Statement Metrics with UNC Hospitals Included to help the Board see how we rank amongst peer institutions that include their hospitals in their metrics. With respect to the metrics, we found that in some cases including the hospital helped and in other cases it did not help. Overall, the report showed that we are very healthy from a financial perspective whether or not we include the hospital in our metrics.

(ATTACHMENT I)

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 First Campaign Update by Paul Fulton. Mr. Fulton reported that \$2,070,175,990 has been raised to date. \$179,093,014 cash has been received to date in FY 07. We are 9% ahead of our cash receipts compared with this time last fiscal year. In February, we had the largest month to date- \$74 million. Our new goal is to raise an additional \$100 million for faculty salaries/support, which means we need about \$160 million more to be raised this year. [A copy of the report is filed in the Office of the Assistant Secretary.]

Chancellor Moeser added that we need to remain on an accelerated curve of fundraising and not have a sense of resting after this campaign ends.

**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Carter, 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 by Bernadette Gray-Little. Provost Gray-Little presented the final draft of the faculty criminal conviction check policy, highlighted the kick-off of a review team that will be looking at the organization and scope of the Graduate School and its programs, updated the Committee on the Undergraduate Advising Review which is set to commence on April 3<sup>rd</sup>, and noted that a review is planned on ways to enhance undergraduate retention and graduation rates.

(ATTACHMENT J)

**UNC-Chapel Hill Board of Trustees  
Full Board Minutes  
March 21-22, 2007**

- Chair's Remarks by Rusty Carter. Trustee Carter commented on the successes of the School of Journalism in regard to the funding model afforded by the Park Foundation for their graduate programs and what a positive impact this offered to the School and the University. He encouraged the administration to consider this as a potential model of excellence for other Schools to emulate in terms of graduate fund raising.
- Faculty Chair Remarks by Joe Templeton. Prof. Templeton offered remarks recognizing the importance of the faculty, and he reiterated that faculty salaries and benefits were among the Trustee's highest priorities.
- Chuck Lovelace, Executive Director of the Morehead-Cain Foundation provided an update on the Foundation's activities and the latest Morehead-Cain scholars who will be enrolling in the University. Due to this new gift of \$100 million, the number of Morehead scholars will increase significantly. Two years ago, we had approximately 40 scholars. With this new funding, we expect to name sixty new scholars this year and seventy-five next year. By 2009, we hope to name as many as ninety Morehead scholars. Mr. Lovelace highlighted three specific concerns for the Board and the Administration: (1) The honors program at Carolina continues to need expansion and is a limiting factor in terms of the number of Morehead-Cain scholars that can be enrolled, (2) the adequacy and quality of the University's academic advising services- access to the system and continuity of contact with a specific advisor, and (3) the current condition of the Morehead Building and the need to accomplish renovations.
- Assistant Provost Steve Farmer reported on the new College Advising Corps which is funded by the Jack Kent Cooke Foundation.
- The incoming Student Body President, Eve Carson, was introduced to the committee.

Mr. Carter concluded his remarks by announcing his plan to bring to the May meeting a summary of all the items the University Affairs Committee has been working on for the last couple of years, which includes:

- an update on athletics and the generated revenues from signage;
- a report concerning behavioral conduct as it relates to student life;
- impact of graduate students on faculty, research and undergraduate teaching; and
- advising.

**MOTION TO CONVENE IN CLOSED SESSION**

On motion of Secretary Carter, and seconded by Mr. Ellison, 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. Carter, Committee Chair, presented the personnel and salary approvals dated March 12, 2007, for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS K-L-M-N-O)

**REPORT OF THE AUDIT & FINANCE COMMITTEE**

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

Ms. Mason, Committee Chair, presented the names to the Board. Mr. Schwab moved approval for ratification by the Board of the nominees for an Honorary Degree to be conferred at May Commencement 2008. The motion carried.

**Report of the Naming Committee**

Ms. Mason, Committee Chair, presented naming recommendations which were previously presented to the Audit & Finance Committee and approved by the committee. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Ms. Mason moved ratification by the Board of the naming recommendations. The motion carried. Of note, Mr. Ellison recused himself from this vote.

**Board of Visitors Nominations**

Ms. Mason, Committee Chair, presented the slate and information concerning nominations for the class of 2011. [A copy of the Board of Visitors nomination information is filed in the Office of the Assistant Secretary.]

**LEGAL ADVICE**

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

**EXECUTIVE CLOSED SESSION**

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

**RECONVENE MEETING IN OPEN SESSION**

Chair Schwab reconvened the meeting in open session.

**OPEN SESSION**

**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Carter, Committee Chair, moved approval by the Board of the following personnel actions dated March 12, 2007, which were discussed earlier in closed session. Ms. Mason seconded the motion and it carried.

- The personnel changes for information did not require action by the Board.  
(ATTACHMENT K)
- Personnel changes in Academic Affairs.  
(ATTACHMENT L)
- Personnel changes in Health Affairs.  
(ATTACHMENT M)
- Tenured Personnel Actions.  
(ATTACHMENT N)
- Cycle Salary Increases.  
(ATTACHMENT O)

**UNC-Chapel Hill Board of Trustees  
Full Board Minutes  
March 21-22, 2007**

Chair Schwab 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, Chair Schwab adjourned the meeting at 1:44 p.m.

---

Assistant Secretary