

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

The Board of Trustees met in regular session on Thursday, March 28, 2013, at The Carolina Inn, Hill Ballroom, at 8:04 a.m. Chair Hargrove presided.

ROLL CALL

Assistant Secretary Erin Schuettpez called the roll and the following members were present:

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

Chair Hargrove 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.”

Chair Hargrove and Dr. Lerner recused themselves of an action on the Buildings & Grounds Committee agenda due to prior business relationships with Mr. Ron Strom who is associated with Clancy Theys and the Construction Manager at Risk Selection for Odum Village.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Grauer, and duly seconded, the following minutes were approved as distributed:

- Minutes of the special meeting of December 20, 2012.
(ATTACHMENT A)

On motion of Mr. Townsend, and seconded by Mr. Leimenstoll, the following minutes were approved as distributed:

- Minutes of the regular meeting of January 24, 2013.

On motion of Mr. Townsend, and seconded by Dr. Lerner, the following minutes were approved as distributed:

- Minutes of the emergency meeting of March 18, 2013.
(ATTACHMENT B)

Ratification of Mail Ballot

On motion of Mr. Townsend, and seconded by Ms. Hyde, the following mail ballot was approved as distributed:

- February 18, 2013- Personnel actions and actions conferring tenure, compensation actions, and personnel changes for information.

(ATTACHMENT C)

CHAIR'S REMARKS

- **Governor Martin Report.** The Board received the detailed report of an independent investigation, conducted by former Governor Jim Martin, of a distressing pattern of academic irregularities within the University which apparently began in 1997. Despite extreme measures to understand and rectify the situation, questions continue to be asked by some about the investigations, whether other individuals were involved in these irregularities and what possible motive either of these two individuals might have for engaging in this wrongdoing. I wish to assure the public and the University community that there are no facts –no evidence – in connection with this matter of which I am aware that has not been publicly disclosed. The University and the citizens of North Carolina are indebted to Governor Martin for his service to the University – service for which he accepted no compensation and for which he contributed hundreds of hours of his personal time. This is one more instance in which Governor Martin demonstrated his abiding and longstanding commitment to the service of the people of this State.
- **Sexual Assault Complaints.** The Board is fully aware of, and sensitive to, the concerns that have been expressed for students – both accuser and accused – in instances of sexual assault. These issues surrounding the current controversy are very serious and every effort is being made to address these issues in a thoughtful and equitable manner. We'll hear more on this subject from Chancellor Thorp and from Gina Smith, the outside consultant retained by the University to work with students and University personnel. There is a zero tolerance at this University for assault – sexual or otherwise – and it is incumbent upon the University to spare no effort in dealing with these issues in a sensitive manner and in compliance with all laws and regulations.
- **Chancellor's Search.** The search is underway, a truly impressive pool of highly qualified candidates has expressed interest in the position, and we fully anticipate fulfilling our commitment to have a new Chancellor named and in place at the start of the new fiscal year in July.
- **U.S. News and World Report rankings.** I'd like to commend our many schools and programs that were ranked by U.S. News and World Report for the 2014 edition of "America's Best Graduate Schools." Here are some of the highlights:
 - The School of Medicine is ranked 1st in Primary Care and tied for 22nd in Research overall. Dean Bill Roper is with us today to give us an update on the health care system. Congratulations to you on this recognition for the School of Medicine.
 - The School of Information and Library Science, led by Dean Gary Marchionini, was ranked 2nd for its master's degree program. The school ranked 1st in digital librarianship and tied for 1st in archives and preservation.
 - The College of Arts and Sciences, headed by Dean Karen Gil, ranked in the top 10 for Ph.D. programs in sociology, sociology of population, African-American history and developmental psychology.
 - Also ranked were programs in the Gillings School of Global Public Health, the Kenan-Flagler Business School, the School of Education and the law school. These national rankings affirm the outstanding work done in many areas at this University. Congratulations to all.
- **Will Leimenstoll, Student Body President.** Chair Hargrove thanked Will for his service on the board. He has worked tirelessly on many issues, including financial aid and has helped communicate with the student body about the new policies and procedures the campus has implemented regarding the difficult issue of sexual assault. Will was recently named a Luce Scholar, and after graduation, will spend a year studying in Asia. Christopher Lambden will join the board in May.

Chair Hargrove then called on Secretary Clay to read the following resolution of appreciation:

**RESOLUTION OF APPRECIATION
WILL LEIMENSTOLL
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
March 28, 2013**

WHEREAS, Will Leimenstoll served as President of the UNC student body in 2012-2013, and as a member of the University's Board of Trustees, and was an insightful and creative advocate for students and a valuable voice in board discussions; and,

WHEREAS, Will, was an inspiring leader and manager who built a great team in student government and kept them focused on collaboration and results, and in so doing, brought out the best in others and himself; and,

WHEREAS, Will, as co-chair of the Tuition and Fee Advisory Task Force, endeavored to address the disparities between in-state and out-of-state students and helped develop an effective solution; and,

WHEREAS, Will, as a trustee, listened and contributed a thoughtful and compassionate voice to board deliberations, exhibiting a level of wisdom and insight well beyond his years; and,

WHEREAS, Will served on the Chancellor Search Committee, providing a constructive voice for students in deliberations about the future leadership of the University; and,

WHEREAS, Will as student body president and trustee, capped a distinguished career at Carolina in scholarship and service, concluding a distinguished undergraduate academic record as a recipient of the prestigious Henry Luce Scholarship;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill congratulates Will Leimenstoll for a job well done, and expresses its deepest appreciation for his outstanding work on behalf of the University, its student body, and once and future Tar Heels everywhere.

On motion of Dr. Lerner, and duly seconded, the Board approved adoption of the resolution and applauded Student Body President Leimenstoll.

- **Nancy Davis, Associate Vice Chancellor for University Relations.** Nancy recently retired after 30 years of service to the State of North Carolina. Twenty-three of those years were at Carolina. She led communications efforts for the campus and provided invaluable counsel to Chancellors Hooker, McCoy, Moeser and Thorp, other administrators and to past and present members of this Board.

Chair Hargrove then called on Secretary Clay to read the following resolution of appreciation:

**RESOLUTION OF APPRECIATION
ASSOCIATE VICE CHANCELLOR NANCY DAVIS
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
March 28, 2013**

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WHEREAS, Nancy Davis has served the University of North Carolina at Chapel Hill for twenty-three years as a communicator and exceptional administrator, most recently as Associate Vice Chancellor for University Relations;

WHEREAS, Ms. Davis led the University Relations team with consummate professionalism, integrity and grace, establishing an atmosphere of collegiality and dedication, mentoring many young communicators, and proving herself as both a strategic and tactical thinker; and,

WHEREAS, Ms. Davis presided over key projects, including a campus-wide redesign of the University's graphic identity, bringing order and polish to communications and enabling the campus to speak with one voice; and the creation of a news studio that enabled the University's faculty to be available for media; and,

WHEREAS, Ms. Davis, as an advisor to successive chancellors, administrators, and faculty and student leaders provided invaluable counsel and thoughtful advice, proving to be unflappable and tireless in the execution of her job; and,

WHEREAS, Ms. Davis was a source of great wisdom and creative ideas for current and former trustees, skillfully advising them on difficult issues, and exhibiting a sure knowledge of the best ways to communicate the outstanding activities of Carolina's faculty, staff and students to alumni, parents, friends, and the people of North Carolina and beyond; and,

WHEREAS, Ms. Davis as an alumna and devoted Tar Heel, always considered what was best for the University, listening with her heart and her head, and always exhibiting exemplary commitment to tell the University's story;

NOW, THEREFORE, BE IT RESOLVED THAT Members of the Board of Trustees of the University of North Carolina at Chapel Hill hereby express their boundless gratitude and appreciation to Nancy Davis for her exceptional service and dedication to the University and to her home state of North Carolina, and wish her the very best in her well-deserved retirement after thirty years of total service to North Carolina.

On motion of Ms. Hyde, and duly seconded, the Board approved adoption of the resolution and applauded Ms. Davis.

- **Nominating Committee.** The nominating committee will recommend Board officers for next year. Barbara Hyde, Phil Clay and Felicia Washington have agreed to serve, and Barbara will chair the group. The committee will present their slate at the May meeting, and officers will be appointed in July. [A copy of the Chair's remarks is located in the Office of the Assistant Secretary.]

CHANCELLOR'S REMARKS

Chancellor Thorp commended SBP Leimenstoll for his great service to the university and also commended Nancy Davis for her exceptional 30 years of service to the university. He then spoke on the following:

- **Governor's Budget Proposal.** We remain committed to providing high-quality teaching, research and public service to help ensure economic competitiveness for North Carolinians. The proposed cuts are concerning, but we're pleased with the support for many important components of the Board of Governors' strategic plan. We will work closely with President

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Ross, the General Assembly and Governor McCrory in the next steps of the budget process in Raleigh.

• **Rawlings Panel.** Hunter Rawlings, president of the AAU, will be here on April 19 to lead a roundtable discussion about the balance of academics and athletics on college campuses. President Rawlings will lead a panel of distinguished higher education and athletic leaders including:

- Jim Delany, commissioner of the Big Ten athletic conference;
- Bob Malekoff, associate professor and chair of the sport studies department at Guilford College;
- Amy Perko, executive director of the Knight Foundation, and
- Patricia Timmons-Goodson, former associate justice of the N.C. Supreme Court, an alumna and a Guilford College trustee

We're asking the panel to make recommendations about the role of athletics in the life of the University. Joining the panel at its first meeting on the 19th will be several speakers to help launch the panelists' initial conversation and this process. Today I'm pleased to announce that this lineup includes:

- Jay Bilas, ESPN broadcaster and attorney;
- Bubba Cunningham, Director of Athletics;
- Joy Renner, Faculty Athletics Chair and Associate Professor and Director of Allied Health Sciences;
- Jay Smith, Professor of History; and
- Richard Southall, Associate Professor in Exercise and Sport Science.

The campus community will also have an opportunity to comment at this first meeting, which will be held at the Carolina Inn from 1 p.m. to 3 p.m. This is a good opportunity to have an honest conversation that will lead to recommendations for best practices moving forward.

• **Gina Smith/Campus Conversation on Sexual Assault.** Later in our agenda this morning, you will hear firsthand from Gina Smith, a nationally recognized consultant on sexual misconduct issues. Gina has spent the past several weeks engaging our campus community in dialogue about our policies and practices with a goal of making recommendations about how we can strengthen the support the University can provide to people affected by sexual assault and misconduct. The University is cooperating fully with the U.S. Department of Education's Office for Civil Rights and Clery Act Compliance Division in their efforts to assess how we have handled and reported about sexual assault cases. Earlier this month, we added two new employees to help us respond to people who experience sexual assault and investigate allegations. They are:

- **Ew Quimbaya-Winship**, Student Complaint Coordinator/Deputy Title IX Officer, Student Affairs office; and
- **Jayne Grandes**, Investigator in the Equal Opportunity/Americans with Disabilities Act Office.

The issue of dealing with sexual assault goes directly to the safety and security of our students and their ability to succeed academically. We take very seriously our responsibilities to them and to follow the federal guidelines in the Dear Colleague letter. [A copy of the Chancellor's remarks is located in the Office of the Assistant Secretary.]

STUDENT BODY PRESIDENT'S REMARKS

Mr. Leimenstoll, Student Body President, gave his final report. Mr. Leimenstoll reported on:

• **Sexual Assault Issues.** I worry about most is that students who experience sexual assault now and in coming months won't feel safe coming to the university for help. As I have previously stated along with the other elected officials representing the students, faculty, and staff of UNC, I have full faith that leaders of this university are 100% committed to tackling the challenge of sexual assault. I hope that future survivors of sexual assault know that this university most

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certainly does not seek to silence them, and instead wants to support them and get them the help they need to the best of its ability.

- **Honor System.** Our university's tradition of student-self-governance is one of its defining characteristics. The Honor System is a vital part of this tradition with a very practical application. I have urged my successor and the incoming Honor System leaders to think critically about how best to protect student self-governance and ensure the system's continuity into the future.
- **Christy Lambden** is the 2013-2014 Student Body President. Christy is a Junior Philosophy major from Shepton Mallet, England. He will do an incredible job representing and advocating for students and I look forward to hearing about all the wonderful things he and his team accomplish next year.
- **Divestment from coal and responsible investing.** This spring 77% of students voted to tell our university to divest from coal. Given the amazing diversity of our student body, the fact that 77% of them voted to make this a priority is quite impressive. Our university has a responsibility to lead by example, stop investing in dirty fuels of the past, and start investing in a cleaner future. While I know endowment issues are unbelievably complex, I urge the Board to do as much as practicable on this topic next year and beyond.

Mr. Leimenstoll concluded his remarks by thanking his fellow Trustees, Chancellor Thorp, Ms. Schuettpelz, and other administrators in the room for a great year. [A copy of Mr. Leimenstoll's remarks is filed in the Office of the Assistant Secretary.]

UNC HEALTH CARE SYSTEM UPDATE

Bill Roper, Vice Chancellor for Medical Affairs, CEO of UNC Health Care System, and Dean of the School of Medicine gave the report. He highlighted:

- Mission of UNC Health Care: To provide comprehensive patient care, facilitate physician education and research excellence and promote the health and well-being of all North Carolinians.
- We are anchored by a strong academic medical center and community hospitals
- Community and faculty physician groups extend across central NC and are aligned with the UNC School of Medicine.
- Nationally-recognized School of Medicine leads critical research and trains tomorrow's medical professionals
- We serve North Carolina every day
- We coordinate care in communities across the state through programs like Area Health Education Centers (AHEC) and University Cancer Research Fund (UCRF)
- We are recognized for leading, teaching and caring

Dr. Roper concluded his remarks by speaking about state funding issues, physician shortages, and other budgetary concerns.

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.

CAMPUS CONVERSATION UPDATE

Gina Maisto Smith, an outside consultant, updated the Board on the work that is being done regarding sexual assault issues on campus. She spoke about the need for culture change, and was pleased with the support and help she received from her meetings with student groups, faculty and staff. She is excited to engage in further conversations and begin to educate the campus community on how to appropriately handle sexual assault cases. She then spoke about four areas of focus:

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1. **Culture/Climate Change-** We have to change the climate and tend to the victims and the accused through proper education.
2. **Policy-** The current policy is compliant and well written, but it could be modified for clarity of language and presentation style.
3. **Training-** Train on 3 levels: campus community, implementers, adjudicators.
4. **Implementation-** we need better structures and processes.

Chair Hargrove thanked Ms. Smith for her work thus far.

REPORT OF THE EXTERNAL RELATIONS & UNIVERSITY ADVANCEMENT COMMITTEE

- **Legislative Session Update.** Jennifer Willis, Director of State Relations gave a brief update about the Governor's budget.

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

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

- **North Carolina Public Radio- WUNC: An Update.** Connie Walker, General Manager of WUNC, spoke about WUNC financials.
- **William and Ida Friday Center for Continuing Education: An Update** Rob Bruce, Director of the William and Ida Friday Center, reported on all the opportunities provided by the Friday Center.

A copy of the PowerPoint presentation is located at: 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 the following action items to the board, which were previously approved by the committee. Both items were duly seconded and each item carried.

- **Withdrawal from the Quasi-Endowment for the Benefit of the Cystic Fibrosis Research Center.** The Cystic Fibrosis Research Center is requesting approval to withdraw \$300,000 from principal for use in connection with expenses related to research. The Board of Trustees of the Endowment Fund approved this withdrawal by mail ballot on February 25, 2013.

(ATTACHMENT D)

- **Update to the Internal Audit Charter.** Phyllis Petree, Director of Internal Audit, presented revisions to the Internal Audit Charter for approval. The changes update the Charter to include the current definition of internal auditing and the revised name of the Budget, Finance, and Audit Committee. Provides additional details regarding responsibilities, and adds information about a quality assurance and improvement program.

(ATTACHMENT E)

Ms. Shuping-Russell presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- **Remarks from Employee Forum Chair.** Jackie Overton spoke about success in staff development. A number of staff have taken classes to become a notary public, and to improve public speaking skills. The community garden continues to play a vital role in providing food and collegiality. Several partnerships are underway across campus to make sure employee voices are heard.

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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.

- **Budget Update.** Karol Gray, Vice Chancellor for Finance and Administration, provided a three year analysis of actual revenues and expenditures for July through February and year to date budget for fiscal year 2012-13. For the first eight months of this fiscal year, all trending patterns are on target at approximately 67% for both revenues and expenditures. Over the three years, state appropriations have declined and tuition and fees have increased. All other revenues have remained relatively consistent. Expenditures have increased slightly due to the 2012-13 salary increase of 2.2%. On March 20, 2013, Charles Perusse, UNC System's Chief Financial Officer, distributed guidelines to all the Universities restricting expenditures for salary adjustments, travel and purchasing from General Fund appropriations only. It is anticipated that these expenditure restrictions will remain in effect the rest of this fiscal year. On March 20th the Governor released his budget. This is the first step in the state's multi-step budget process. The Governor's budget includes additional funding for enrollment, building reserves, Strategic Plan initiatives, a 1% salary increase and repair and renovation funds.

Areas of particular concern to the University are:

- Increase of 12.3% for our non-resident tuition with those dollars going to the state.
- No additional recurring funds for need based financial aid were identified (effectively resulting in \$25 million reductions).
- The UNC system would receive only 33% of the State Repair and Renovation funds rather than the customary 50%.
- At this time, UNC Chapel Hill is expecting a 5.4% cut of general fund state appropriations which equates to a \$27.54 Million budget reduction.

Karol Kain Gray also provided an overview of revenue generators of scholarships and libraries:

- Student Stores
 - \$16.1 Million donated to scholarships in the past 20 years
 - \$300,000 in FY12
- Trademarks and Licensing
 - In FY12 more than 2,000 students received scholarships that were paid from the \$3.89 Million in licensing revenue.
- Carolina Inn
 - \$200,000 was donated to libraries in FY12.

PeopleSoft implementation is underway. The Finance, Human Resources, and Payroll modules are scheduled to be implemented in January 2014.

- **123 West Franklin Street Update.** Gordon Merklein, Executive Director of Real Estate Development, provided an update on the 123 West Franklin Street redevelopment project:
 - Mixed use project including office, retail, apartments, parking and open space.
 - Recently approved by Chapel Hill Town Council.
 - Project will be on a ground lease from Real Estate Holdings to Cousins Properties, who will own, lease, and manage the buildings.
 - \$110 million investment in downtown Chapel Hill.
 - Construction estimated to begin in early 2014 with occupancy in mid-2016.

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

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- **Sequestration Update.** Barbara Entwisle, Vice Chancellor for Research, discussed the impact of the sequestration:
 - Agencies can cut their spending on new awards, continuing awards, or both.
 - Ultimate impact is difficult to project, but could be as much as \$28M, or more for federal FY13.
 - We will continue to communicate with funding agencies, investigators, PIs making adjustments within their research programs, and will consider bridge programs.

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

- **Development Report.** Karol Gray, Vice Chancellor for Finance and Administration, presented the Development Update in the absence of Julia Grumbles, Interim Vice Chancellor for University Advancement.
FY 2013 Progress Report

	<u>3/18/13</u>	<u>3/18/12</u>	<u>% change</u>
New Commitments	\$197,437,129	\$211,140,599	-6%
Gifts Received	\$188,754,865	\$187,716,117	1%
Pipeline	\$268,039,435 proposals in the pipeline		

Other info and trends: New commitments are improving. At the last BOT meeting, it was down -8%. Gifts received are 1% above last year. As a reminder, last year was the 2nd best fundraising year in UNC history. Private donors are down but grants are up.

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

- **Divestment from Coal.** A group of students from the Sierra Student Coalition gave the committee information about their report that the university stop investing in coal. Included in the packet of materials is a resolution. Ms. Shuping-Russell explained that the Budget, Finance, and Audit committee is not responsible for handling this matter, but would pass the materials to body who does handle it. [A copy of the materials given to the committee is filed in the Office of the Assistant Secretary.]

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

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

- **Provost's Remarks.** Executive Vice Chancellor and Provost, Bruce Carney reported on academic support for student athletes has moved to the Provost's Office. He introduced Michelle Brown, Incoming Director of the Academic Support Program for Student-Athletes, who is from the University of Florida.
- **Faculty Chair's Remarks.** Jan Boxill provided a brief report on matters of importance to the faculty and the life of the University including: searches for a chancellor and provost, budget, the sexual assault matter, and the strategic plan.

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

- **Vice Chancellor's Remarks & Student Affairs Update.** Winston Crisp, Vice Chancellor for Student Affairs spoke about the loss of trust by some students focused around the sexual

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assault issues. He also Introduced new Student Complaint Coordinator/Deputy Title IX Officer-Ew Quimbaya-Winship.

- **Law School Admissions & Update.** Jack Boger, Dean of the Law School spoke about how the recession of 2008 has significantly impacted the law profession. He mentioned that UNC's Law school is not following the national trend, which is good. We are excelling where the national trend is showing a tremendous decrease in admissions.

Trustee Landis commended the idea of increasing the scope of Law education to more than just a law degree.

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.

BUILDINGS AND GROUNDS COMMITTEE

Chair Hargrove and Dr. Lerner stepped out to recuse themselves from actions of the committee due to a conflict of interest mentioned at the beginning of the meeting.

Dr. Clay, Committee Chair, mentioned that the following item was not voted on by the committee and will be postponed to a later date.

- **Design Approval- South Road Pedestrian Bridge.**
(ATTACHMENT F)

Dr. Clay, Committee Chair, moved ratification by the board for the following action items which were previously approved by the committee. The motion was duly seconded and each item carried.

- **Designer Selection- Vivarium Equipment Replacement.** This project will replace the aging equipment used for the care of animals in the various facilities operated by the Division of Laboratory Animal Medicine. The project budget is \$4.8M and will be funded by Division of Laboratory Animal Medicine receipts. The committee recommended the selection of three firms in the following priority order:

- | | |
|------------------------|-----------------|
| 1. Wagner Architecture | New Hill, NC |
| 2. Perkins + Will | Morrisville, NC |
| 3. BHDP Architecture | Durham, NC |

The firms were selected for the past performance on similar projects, in depth knowledge regarding animal facilities, proposed design approach, and their team structure.

(ATTACHMENT G)

- **Construction Manager at Risk Selection- Odum Village Replacement.** This project will replace the existing Odum Village housing units with 500 new beds that will either be suites or efficiency style apartment units. Various on-campus sites will be considered as part of the advance planning effort. The project budget is \$25M and will be funded by Student Life and Residential Education. The committee recommended the selection of three firms in the following priority order:

- | | |
|--|---------------|
| 1. Clancy Theys + RJ Leeper, Joint Venture | Raleigh, NC |
| 2. HJ Russell + Woodline Solutions | Durham, NC |
| 3. Balfour Beatty + Daniele Company | Charlotte, NC |

The firms were selected for their strong team, their understanding of the project and their experience in all the project areas.

Mr. Hargrove and Dr. Lerner were out of the room and did not vote on this item.

(ATTACHMENT H)

• **Property Disposition by Ground Lease- Kenan Flagler Business School Foundation.**

This project will authorize a ground lease to the Kenan Flagler Business School Foundation (Foundation) for the renovation of portions of the Kenan Center and McColl Buildings, both of which are currently utilized by Kenan Flagler Business School. This lease will expedite facility improvements to both buildings by converting several underutilized common spaces into faculty office spaces. The project, to be completed Fall 2013, is estimated to cost \$250,000, and will be funded entirely by the Foundation. The following steps describe the process of construction:

- The site is leased by the State of North Carolina on behalf of the University to the Foundation for a term lasting through the construction period but no later than the date the University accepts the completed improvements.
- The Foundation contracts for the design and construction of the project according to the plans and specifications approved by the Foundation and the University.
- The Foundation constructs the project using its own resources.
- Upon completion of the construction of the project in accordance with the plans and specifications, the Foundation conveys by way of a gift the improvements to the University.

(ATTACHMENT I)

The following item was presented for information only; no formal action was required by the committee.

- **Repair & Renovation.** We have a considerable backlog of projects and the cost for these is considerable. We need approximately \$60 million to fund the current projects and the Governor's budget for R&R doesn't cover even half of the need.

A copy of the PowerPoint presentation is located at: 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 Committee on Honorary Degrees & Special Awards

Committee Chair Shuping-Russell presented the names to the committee. She then moved ratification by the Board of the following nominees for an Honorary Degree to be conferred at May Commencement 2014. The motion carried.

Report of the Naming Committee

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

Board of Visitors Nominations

Linda Douglas, Director of Community Relations, presented the slate and information concerning nominations for the class of 2017. Ms. Shuping-Russell moved approval for

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ratification by the Board of the nominees for serving on the Board of Visitors. The motion carried. [A copy of the Board of Visitors nomination information is filed in the Office of the Assistant Secretary.]

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner, Committee Chair, presented the personnel and salary approvals dated March 18, 2013, for the Board's consideration. The actions will be voted on in open session.
(ATTACHMENTS J-K-L)

LEGAL ADVICE

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

EXECUTIVE CLOSED SESSION

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

DEEP EXECUTIVE CLOSED SESSION

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

RECONVENE MEETING IN OPEN SESSION

Chair Hargrove reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner, Committee Chair, moved approval by the Board of the following personnel actions dated March 18, 2013, which were discussed earlier in closed session. The motion was duly seconded and it carried.

- Personnel actions and actions conferring tenure.
(ATTACHMENT J)

- Compensation Actions.
(ATTACHMENT K)

- Personnel changes for information. (No items).
(ATTACHMENT L)

Chair Hargrove 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 Hargrove adjourned the meeting at 2:20 p.m.


Assistant Secretary