

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

The Board of Trustees met in regular session on Wednesday, May 26, 2010, at The Carolina Inn, Chancellor Ballroom West, at 5:00 p.m. Chair Winston presided.

Chair Winston welcomed Mr. Medlin to the Board.

OATH OF OFFICE

The Honorable James Stanford, Orange County Clerk of Superior Court, administered the Oath of Office to Student Body President Hogan Medlin.

ROLL CALL

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

Robert W. Winston III, Chair	Roger L. Perry, Sr.
Barbara R. Hyde, Vice Chair	Sallie Shuping-Russell
Phillip L. Clay, Secretary	Edward C. Smith
Donald Williams Curtis	John L. Townsend III
John G. B. Ellison, Jr.	Felicia A. Washington
J. Alston Gardner	Hogan Medlin

Wade H. Hargrove was absent.

Chair Winston read the following statement regarding the State Government Ethics Act: "As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time."

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Dr. Clay, Committee Chair, moved ratification by the Board of the following items, which were previously approved by the committee.

• **Construction Manager at Risk Selection- Lenoir Hall Renovation.** This project renovates Lenoir Hall to expand seating and food service operations. The scope also includes master planning for improvements to first floor and basement to expand capacity. The project budget is \$5M with funding from Student Dining receipts. The committee recommended the selection of the three firms in the following priority order:

1. Brasfield & Gorrie/Callis Construction Raleigh, NC
2. Le Chase Construction/NFE Technologies Durham, NC
3. Rentenbach/Hall Builders Greensboro, NC

The firm in the number one position, Brasfield & Gorrie/Callis Construction, was recommended because of its prior experience as Construction Manager at Risk, its engagement of HUB relationships and mentoring, and its solutions for the logistics of the tight site and project phasing.

Mr. Gardner seconded the motion and it carried.

(ATTACHMENT A)

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• **Construction Manager at Risk Selection- Frank Porter Graham Student Union Renovation.** This project provides code improvements to the existing 1960 building and 1980/2000 additions and converts existing program spaces into a new food service dining facility. The project budget is \$7.5M with funding from Student Facility and Student Dining receipts. The committee recommended the selection of the three firms in the following priority order:

- | | |
|----------------------------------|----------------|
| 1. HJ Russell/Room 4 Improvement | Durham, NC |
| 2. Rodgers/Davis JV | Charlotte, NC |
| 3. Rentenbach/Hall | Greensboro, NC |

The firm in the number one position, HJ Russell/Room 4 Improvement, was recommended because of the strength of its team and its recent and relevant experience.

Mr. Townsend seconded the motion and it carried.
(ATTACHMENT B)

• **Construction Manager at Risk Selection- Bingham Facility.** This project provides preconstruction and construction services for two animal buildings and one laboratory/office/core building at the Bingham Facility. In addition, the project scope includes improvements to the site, wastewater treatment system and utility infrastructure systems to support the facility. The project budget is \$37.2M with funding from the University and federal grants. The committee recommended the selection of the three firms in the following priority order:

- | | |
|--|------------------------|
| 1. Skanska USA Building | Durham, NC |
| 2. Bovis Lend Lease | Raleigh, NC |
| 3. BE&K Building Group and
Crowder Construction Co. | Durham, NC
Apex, NC |

The firm in the number one position, Skanska USA Building, was recommended because of the firm's ability to manage a complex multi-faceted project, its previous experience with similar projects, and its familiarity with the University and the State construction process.

Mr. Smith seconded the motion and it carried.
(ATTACHMENT C)

• **Site Approval- School of Law at Carolina North.** This project provides a new 287,000 SF facility for the School of Law, the first academic building at Carolina North. The location of the new building reinforces the framework for the initial development of the new campus. The proposed site for the School of Law anchors the first section of the Entry Road along with a proposed public plaza. The site is bounded by the Entry Road to the north, the plaza to the west and the Central Green Way to the south. The project budget is approximately \$153 million. Funding for advance planning is requested from the 2010 session of the General Assembly.

Ms. Hyde seconded the motion and it carried.
(ATTACHMENT D)

Chair Winston asked Trustee Perry to give an update on the Deferred Maintenance plan. Trustees Shuping-Russell and Townsend are working with Trustee Perry to create a strategic plan to not only address the back-log of projects, but to prevent similar issues in the future.

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Chair Winston also announced a plan to get together with the NC State trustees in the Fall, here on campus. The September Board meeting dinner time was suggested and agreed upon by everyone.

RECESS

Chair Winston recessed the Board meeting at 5:13 p.m.

RECONVENE

Chair Winston reconvened the Board meeting at 8:04 a.m. on Thursday, May 27, 2010, at The Carolina Inn, Chancellor Ballroom East and West.

ROLL CALL

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

CONSENT AGENDA

Approval of Minutes

On motion of Dr. Clay, seconded by Ms. Washington, the minutes of the regular meeting of March 24-25, 2010, were approved as distributed.

Ratification of Mail Ballot

On motion of Dr. Clay, seconded by Ms. Washington, the following mail ballot dated April 12, 2010, was approved as distributed:

- Personnel changes in Academic Affairs and Health Affairs, actions conferring tenure, and compensation actions.

(ATTACHMENT E)

CHAIR'S REMARKS

Chairman Winston commented on:

- **Hogan Medlin.** Chair Winston welcomed Mr. Medlin to his first Thursday morning full board meeting.
- **Commencement.** Chair Winston acknowledged John Grisham for his remarks and Chancellor Thorp and the University for the quality of the ceremony.
- **Paperless Initiative.** He thanked the board members for their willingness to rely on electronic technology and our website. We're saving nearly \$2,000 a year, or \$333 per meeting, by going paperless. Those costs represent what we used to spend on producing paper notebooks and mailing them. Now these numbers may seem small. But I think the real value is the message that we're sending; Carolina is a leader in sustainable initiatives.

REPORT OF THE NOMINATING COMMITTEE

Mr. Ellison, Chair of the Nominating Committee, presented the following proposed slate of officers for the term July 2010 to July 2011:

Robert W. Winston, Chair
Barbara R. Hyde, Vice Chair
Phillip L. Clay, Secretary

The Board will approve the nominations at the July Board meeting. Mr. Gardner and Mr. Smith also served on the Nominating Committee.

Chair Winston acknowledged former Trustee Paul Fulton for his attendance at the meeting. He thanked him for the job he is doing as a member of the Board of Governors.

CHANCELLOR'S REMARKS

Chancellor Thorp spoke about:

• **Shelton Brothers' Heroism** – We have two heroes in our midst. They singlehandedly stopped an attempted kidnapping of a student who was out jogging in the middle of the afternoon near downtown Chapel Hill. She was grabbed, pepper sprayed and in the process of being forced into a car. Joey and Freddie Shelton are our local Good Samaritans. Joey Shelton is a part-time barber and driver and has no health insurance. He required a hospital stay. Local business leaders have started an assistance fund to help Joey pay his doctor's bills. It's being coordinated by our local RBC bank branch. The Sheltons have been very humble about the episode.

• **Olympic Sports**- Our athletic teams have had another great run in the NCAA post-season competition this spring. Our women's lacrosse team is playing in the national semi-finals against Northwestern tomorrow. It's the second straight year the team has been to the Final Four and the fifth time overall. Last weekend, our women's tennis team lost in the national semifinals to Florida. The Tar Heels finished with a program-best record of 30-5. It was our first time in the national semifinals, made possible by beating Duke for a third time. Last weekend, our women's softball team finished 42-20. Danielle Spaulding, our ace pitcher, pitched 2 no-hitters in the NCAAs and ACC Pitcher of the Year. We have 29 Tar Heels – both men and women -- competing in individual and relay track and field events at the NCAA East Regional in Greensboro. Last weekend our men's lacrosse team lost to Duke in a nationally televised national semi-final matchup. Chancellor Thorp praised the overall strength of the athletic program and the quality of our student-athletes and coaches.

• **Winston Crisp**- Winston is here at first official meeting as Vice Chancellor for Student Affairs. We are thrilled to have Winston on the team.

• **Tony Waldrop**- Tony has accepted the position of Provost and Vice President for Academic Affairs at the University of Central Florida, effective August 1. This is a great move for Tony. With Tony as vice chancellor, Carolina has made tremendous gains in faculty research funding, rising from \$438 million to \$716 million last year. Last year's \$168 million in federal stimulus money is a tribute to our faculty's research prowess, as well as the instrumental role that Tony and his great staff have played in those efforts.

• **Budget Update**- This week, Trustees Winston, Perry, Curtis and Medlin were with me in Raleigh along with Board of Visitors members and others as part of a UNC Legislative Day organized by General Administration. The House budget shows fairly severe cuts. Our presence there made a big difference and we will continue to work with the general assembly to get the best budget we can. The Senate has a better view for us about tuition and cuts in general and UNC Hospitals. Our priorities remain: getting enough money for need-based financial aid, minimizing our cuts, getting our enrollment growth and keeping our tuition. The Senate budget provides:

- Additional funding for enrollment growth (also in the House proposal) and need-based financial aid.
- \$4 million in one-time funding for the state match on distinguished professorships. Our share would help reduce the current backlog (\$17 million).
- The Senate's capital project bill is just out, and there is no funding for us to finance any new construction projects. The UNC system would receive some repair and renovation funding that we would be hopeful to get a share.

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- **Bill Friday-** He will be 90 on July 13. The GAA is putting together an event.
- **Distinguished Service Medal-** Coach Williams, Trustee Barbara Hyde, former Trustee Karol Mason, and Brenda Kirby received their medals the day before commencement.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Medlin began by saying that he was honored to have the privilege and the opportunity to address the Board. He commented on this year's election season, and how excited he is about the direction Carolina academics is headed. He mentioned that his administration has three goals:

- 1) Create a more interdisciplinary and overarching academic agenda,
- 2) Collaboration, and
- 3) Efficiency.

Mr. Medlin concluded his remarks by highlighting two projects he is working on with students.
[A copy of Mr. Medlin's remarks is located in the Office of the Assistant Secretary.]

UPDATE ON GREEK AFFAIRS

Chair Winston commented that in January, he asked Jordy Whichard to serve as our special adviser on Greek Affairs. Jordy's charge was to consult widely with our constituents about the current state of Greek life and ways in which we can improve the experiences for our students. He has done that and is coming to us today to share his findings and perspective on this issue. It's been an impressive effort, and we all owe Jordy an enormous debt of gratitude for taking this on for the University and the Board of Trustees.

Chancellor Thorp mentioned that Jordy has made an enormous personal commitment of his time to take on this effort. He has made twenty-five or so visits to Chapel Hill, two hundred hours of meetings, and another fifty to seventy-five hours of phone calls and information gathering. He has reached out to more than one hundred fifty students, alumni, parents, Parent's Council members, fellow trustees, faculty, staff, and representatives from other campuses and national Greek representatives. He concluded by thanking Jordy for all he has done.

Mr. Whichard spoke about the goals of his charge, the review process, Carolina's Greek system, common themes, recommendations, and objectives. Key points include:

- The goal is for UNC to have the best Greek system in the country, for Greeks to have the best Carolina experience possible, and for the Greek system to promote excellence across student life.
- Common themes include governance and accountability, Greek judicial process, adult engagement and supervision, academic achievement, campus and community engagement, health and safety issues, risky social behaviors, recruitment, new member education, and leadership development.
- Recommendations include establishing an IFC Fraternity Alumni Association, appointing a full-time IFC Executive Director, funded by and reporting to the IFC FAA, restructuring the judicial process, separating the judicial process from Office of Fraternity and Sorority Life, establishing a new process involving IFC Judicial Board, FAA and assistant dean of students for judicial programs, maintaining the University's role in providing recognition of fraternities and strengthening the University's engagement and support of the IFC in pursuit of these goals, and implementing FAA/IFC Joint Task Force plans.

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Trustee Gardner thanked Jordy for his work. He encouraged Jordy to meet with the IFC and make the objectives smart and clear. There should be a very clear set of metrics to measure the compliance and fulfillment of objectives.

Chair Winston thanked Jordy for his work and addressed an issue regarding Rush. He asked Trustee Gardner to form a committee to study the issues surrounding recruitment and delaying Rush. Chair Winton asked that Trustee Gardner come back to the Board by January 2011 to report on the issue. Trustee Gardner should be able to report on what he found, the different types of recruitment, and what we need to do as a Board to promote positive change across the system.

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 filed in the Office of the Assistant Secretary.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Ms. Shuping-Russell, Committee Chair, moved for approval by the Board of the following items which were brought forth as a motion formerly approved by the committee.

• **Revision to Ordinance Regulating Traffic and Parking.** No pricing changes are requested. The only significant change is the implementation of a park-and-ride fee for persons who already are receiving a subsidy for another commuting mode. For example, a person commuting via bus from Pittsboro receives a bus pass and 12 one-day permits for parking on campus. If the person also wants a park-and-ride permit, then there would be a \$60 charge. Mr. Ellison seconded the motion and it carried.

(ATTACHMENT F)

• **Financing of Kenan Stadium Expansion.** Dick Baddour made a presentation to the committee in support of Athletics request for BOT approval of the financing of the Carolina Student-Athlete Center and premium seating in the east end of Kenan Stadium. The accelerated pace of ticket sales and success in fundraising to date warrant proceeding with the Project. The BOT has already approved the Project and its initiation is pending approval of the financing. Based on the success of ticket sales and fundraising to date, Athletics believes sufficient funding is available to move forward with the Project and requests BOT approval. Mr. Medlin seconded the motion and it carried.

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
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• **Board of Visitors Elections.** Ms. Shuping-Russell moved ratification by the Board of the following 40 people to the Board of Visitors Class of 2014 and the ratification of Michael Kennedy as Chair and Linda Tarrson as Vice Chair of the Board of Visitors. The motion was duly seconded and it carried.

Richard Eugene Allison Jr.
Philip E. Berger Sr.
M. Robert Blum
Kelly B. Browning
Peter Samuel Brunstetter
Gail Weaver Bunn
Patrick Joseph Burns
Erika Williams Canady

James Hardison III
Sandra Long Henson
Truman Hobbs Jr.
James H. Kitchen
David L. Lewis
G. Wayne Long
Thomas Luther Lutz
Kenneth Perry McNeely

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Joseph Francis Cannon	Bryant M. Moore
Culley C. Carson IV	Dena Frith Moore
James Edwin Clement Jr.	Louis A. Newsome
Casey M. Cooper	Macon Glasgow Patton Jr.
Keith Osburn Cowan	Stephen Rich
Ian Heyward Fay	Charlotte B. Robbins
Beth R. Fleishman	Arthur Lloyd Samet
Anthony E. Foriest	Jay William Sammons
Ralph Houston Grogan	Susan Goodman Stern
Edward Francis Hanes Jr.	Richard Allen Vinroot Jr.
Boyd Elder Harden	J. Spencer Whitman
P. Russell Hardin	Michael Lawrence Zollicoffer

(ATTACHMENT G)

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, Vice Chair, expressed concerns about the budget cuts and healthcare costs. She also mentioned the University's garden on Pittsboro Street. Food is grown to help the Carolina Community in this economic situation. It has been successful so far. Forum elections are underway and there is some concern about the budget constraints and the amount of time people are spending on the forum.

- **Board of Visitors Update.** Michael Kennedy, Chair of Board of Visitors, addressed the committee with a brief synopsis of the work conducted by the Board of Visitors during the 2009-2010 fiscal year.

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

- **Internal Audit Report.** Phyllis Petree, Director of Internal Audit, presented a summary of internal audit activities for fiscal year 2009 and of projects completed or in progress between December 7, 2009, and April 25, 2010. While some individual projects have revealed control weaknesses, none of these weaknesses have a material impact on the university's operations or financial reporting. Because of hours needed for unscheduled projects and the addition of two projects – a post-implementation review of the Time Information Management system and a required project to evaluate the adequacy of action to correct findings reported in the State Auditor's General Controls Review of campus systems, five projects will be deferred to fiscal year 2010/11.

Larry Conrad discussed campus actions to comply with the IT security and controls audit conducted by the State Auditor's office.

(ATTACHMENT H)

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
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- **FY 2010-11 Update on Budget.** The committee discussed the status of the FY 2010-2011 budget in the legislature.

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• **Development Update-** Matt Kupec provided an update on Development. His report included the following highlights:

- FY10 Progress Report

	<u>5/24/2010</u>	<u>5/24/09</u>	<u>% change</u>
○ Gifts Received	\$227,269,267.11	\$229,377,769.08	-1%
○ Donors	65,832	67,717	-3%
○ New commitments (new cash & pledges)	\$242,405,487	\$254,516,569	-5%

• **NOTES:**

- \$148,839,126 proposals in the pipeline (presented).
- Averaging \$22.0 Million in new commitments per month.

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 Remarks by Bruce Carney.** He spoke about:

- The search for the Dean of Dentistry School is underway. John Stamm is acting as the Interim Dean;
- Funding from Jack Kent Cooke for C-STEP;
- Retention of tenured faculty- To date, we have seen an increase of almost 50% in the number of faculty with outside offers, and a decline in our rate of successful counter-offers; and the
- Academic plan.

• **Update on Academic Plan**– Ron Strauss updated the board on the six subcommittees of the Academic Plan steering committee. Themes include:

- Transformative academic experiences,
- Faculty prominence, recruitment, development and scholarship,
- Interdisciplinarity in teaching, research, and public engagement,
- Further campus inclusivity and diversity,
- Engagement with the profound challenges of state, national, and global communities, and
- Extending Carolina's global presence in research and teaching.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Clay, and seconded by Mr. Curtis, 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 AUDIT & FINANCE COMMITTEE

William Richardson Davie Award Nominations

Sallie Shuping-Russell, Committee Chair, presented the names that were discussed at the Audit and Finance Committee concerning the Davie Award. The Board then selected and approved

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four candidates for the William Richardson Davie Award which will be presented on November 17, 2010. [A copy of the Davie Award 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 May 17, 2010, for the Board's consideration. The actions will be voted on in open session.
(ATTACHMENTS I-J-K)

LEGAL ADVICE

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

EXECUTIVE CLOSED SESSION

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

RECONVENE MEETING IN OPEN SESSION

Chair Winston 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 May 17, 2010, which were discussed earlier in closed session. Ms. Hyde seconded the motion and it carried.

- Personnel Actions.
(ATTACHMENT I)
- Compensation Actions.
(ATTACHMENT J)
- For information items.
(ATTACHMENT K)

Chair Winston 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 Winston adjourned the meeting at 11:31 a.m.


Assistant Secretary