

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

The Board of Trustees met in regular session on Wednesday, May 25, 2011, at The Carolina Inn, Chancellor Ballroom West, at 5:00 p.m. Chair Winston presided.

The Buildings and Grounds Committee met as a Committee of the Whole.

Chair Winston welcomed Ms. Cooper 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 Mary Cooper.

ROLL CALL

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

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

John L. Townsend III 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, called on Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, to present the following action items to the committee:

• **Designer Selection- Brauer Hall Renovation.** Mr. Hargrove moved approval to renovate 24,500 SF in Brauer Hall for the School of Dentistry to accommodate an increase in student enrollment and the requirement for more operatory clinic, seminar, and office space. The project budget is \$4.8 M and will be funded by University sources. The committee recommended the selection of the three firms in the following priority order::

- | | |
|--|-------------|
| 1. MHA Works | Durham, NC |
| 2. Clark Nexsen Architecture and Engineering | Raleigh, NC |
| 3. 310 Architecture & Interiors | Raleigh, NC |

MHA Works was recommended because of the strength of its team and its recent and relevant experience.

Mr. Curtis seconded the motion and it carried.

(ATTACHMENT A)

• **Designer Selection- Thurston Bowles- third Floor Renovation.** Mr. Hargrove moved approval to renovate 3,200 SF in Thurston Bowles to provide laboratory space for the

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

School of Medicine. The project budget is \$1.2 M and will be funded by the School of Medicine. The committee recommended the selection of the three firms in the following priority order:

- | | |
|-------------------------------|-----------------|
| 1. Wagner Architecture | New Hill, NC |
| 2. BJAC | Raleigh, NC |
| 3. John B. Hawkins, Architect | Chapel Hill, NC |

Wagner Architecture was recommended because of the strength of its team and its recent and relevant experience.

Mr. Smith seconded the motion and it carried.

(ATTACHMENT B)

• **Designer Selection- Craige Deck Expansion.** Ms. Hyde moved approval to add three levels to the existing Craige Parking Deck and adds approximately 900 spaces to the deck. The project budget is \$24 M and will be funded by Parking receipts. The committee recommended the selection of the three firms in the following priority order:

- | | |
|--------------------------|---------------|
| 1. Little Diversified | Durham, NC |
| 2. PBC+L | Raleigh, NC |
| 3. Peterson + Associates | Charlotte, NC |

Little Diversified was recommended because of the strength of its team and its recent and relevant experience.

Mr. Gardner seconded the motion and it carried.

(ATTACHMENT C)

• **Designer Selection- Friday Center Chiller Replacement.** Mr. Smith moved approval to provide a complete replacement of all equipment associated with the production of chilled water at the Friday Center. Two new high efficiency 500 ton chillers will be installed. The total project budget is \$2.7M and will be funded by Energy Services Receipts. The committee recommended the selection of the three firms in the following priority order:

- | | |
|-----------------------------|-----------------|
| 1. Affiliated Engineers | Chapel Hill, NC |
| 2. RMF Engineering | Raleigh, NC |
| 3. Engineered Designs, Inc. | Raleigh, NC |

Affiliated Engineers was recommended because of the strength of its team and its recent and relevant experience.

Mr. Curtis seconded the motion and it carried.

(ATTACHMENT D)

• **Site Approval- ACC Express.** Mr. Curtis moved approval to construct a 3,600 SF modular building to provide retail food service for patients and employees at the Ambulatory Care Clinic. The total project budget is \$500K and is being developed by the UNC Health Care System.

The motion was duly seconded and the motion carried.

(ATTACHMENT E)

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

• **Preliminary Design Review- ACC Express.** This project constructs a 3,600 SF modular building to provide retail food service for patients and employees at the Ambulatory Care

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

Clinic. The total project budget is \$500K with funding from the UNC Health Care System. The preliminary design is presented to the Board of Trustees for review and comment.

This item originally came for information. Mr. Curtis moved approval of the design. The motion was duly seconded and it carried.

(ATTACHMENT F)

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

- **Carolina North Update.** Bruce Runberg reported on the following:
 - **U.S. Army Corps of Engineers Permit.** The permit was deemed complete. There was a 30-day public comment period that ended on May 9, 2011. We are awaiting a summary of the comments that were made, if any. Once we receive that report, we have 30 days to respond. WE require an approved permit before we can build on Carolina North.
 - **Conservation easements.** We must submit and review a document that describes the 6 areas that will go into conservation easements. We are developing the document that describes the attributes of the land. There is a process with the State Property Office and third-party entities that must be completed before we submit the information to the Town Manager. This is also required before anything can be built on Carolina North.
 - **Future Construction.** A concept plan for the Research Building is moving forward. It will be the first building constructed at Carolina North. We received approval/authorization to do the infrastructure planning.

Gordon Merklein, Executive Director of Real Estate Development, presented the following item for action.

- **Request for Delegated Authority for Acquisition of Real Property by Lease.** The Board of Governors adopted the Policy on Acquisition of Real Property by Lease in January 2011. General Administration then issued regulations to implement the policy in May 2011. The policy and regulations allow for constituent institutions to acquire directly (as opposed to acquiring through the State Property Office) real property by lease if the lease term is not more than 10 years. In order for the Board of Governors to delegate the authority to the Board of Trustees, the BOT must make a formal request to the BOG.

Mr. Hargrove moved approval to request from the Board of Governors delegated authority to acquire real property by lease consistent with BOG policy and regulations established by UNC General Administration.

The motion was duly seconded and it carried.

(ATTACHMENT G)

RECESS

Chair Winston recessed the Board meeting at 5:37 p.m.

RECONVENE

Chair Winston reconvened the Board meeting at 8:00 a.m. on Thursday, May 26, 2011, at The Carolina Inn, Chancellor Ballroom East and West.

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

ROLL CALL

Assistant Secretary, Brenda Kirby called the roll and Barbara R. Hyde was absent.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Townsend, seconded by Dr. Clay, the minutes of the regular meeting of March 23-24, 2011, were approved as distributed.

Ratification of Mail Ballot

On motion of Mr. Townsend, seconded by Dr. Clay, the following mail ballot dated April 11, 2011, was approved as distributed:

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

(ATTACHMENT H)

CHAIR'S REMARKS

Chairman Winston commented on:

- **Student Body President Mary Cooper.** Chair Winston welcomed Ms. Cooper to her first Thursday morning full board meeting.

- **Commencement.** Chair Winston commented on a successful commencement with an inspiring talk by Dr. E. O. Wilson.

- **Blackstone Gift.** A new \$3.63 million gift was given to create the Blackstone Entrepreneurs Network. The Blackstone Charitable Foundation is supporting this initiative to help the Research Triangle region become more competitive in nurturing high-growth companies with the greatest potential to create new jobs. All of the Triangle universities and the Council for Entrepreneurial Development are working together to build a network of support for entrepreneurs comparable to what exists in Silicon Valley and the Boston Corridor. I was honored to attend the launch announcement in Durham. Chancellor Thorp served as emcee, and was joined by Blackstone Group CEO Steven Schwarzman, Governor Bev Perdue, Senator Kay Hagan, Representative Brad Miller and the chancellors of NC State, Duke and NC Central. It was as impressive a gathering as you could imagine and sent such a strong signal about the powerful role of higher education in advancing North Carolina's economy.

- **Lunch with Dean Swanson, UNC School of Nursing.** Kristen Swanson, Dean of the School of Nursing, shared that the nursing school is among those dependent on state funding and most challenged by the current budget situation. It was good to learn some of the context for that and what a great job the school and its faculty are doing to train the next generation of nurses and health-care professionals. These lunches have helped the trustees to focus on our individual schools.

- **Farewell Dinner.** Chair Winston commented on the farewell dinner for members whose terms are ending. It was a wonderful occasion.

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

**RESOLUTION OF APPRECIATION
JOHN G. B. ELLISON, JR.
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
May 26, 2011**

WHEREAS, Mr. Ellison has been a dedicated trustee for two terms, serving as chair of the conflicts of interest committee, vice chair of the audit and finance committee and bringing a balanced voice to board discussions;

WHEREAS, Mr. Ellison advocated for the best interests of students through his work on tuition and student life and was honored for this work by the Graduate School Dean's Award for Significant Contributions; and, as co-chair with student body president J.J. Raynor of "Carolina – the Best Place to Teach, Learn and Discover," a campus-wide discussion which produced a thoughtful analytical report that has informed subsequent academic planning;

WHEREAS, Mr. Ellison has been an active advocate for the University, serving as chair of the Board of Visitors and of the Educational Foundation Board, as a member of the UNC Endowment and Investment Funds, the Carolina First Campaign Steering Committee, as co-chair of the Kenan Stadium Expansion, and as a member of the search committee that selected Holden Thorp as the University's tenth chancellor;

WHEREAS, Mr. Ellison enhanced board deliberations through his deep understanding of Carolina and his focused examination of issues, and was a leader in shaping direction and perspective;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill, salutes John on his steady guidance and expresses its deepest gratitude for his exemplary service.

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

**RESOLUTION OF APPRECIATION
ROGER L. PERRY, SR.
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
May 26, 2011**

WHEREAS, Mr. Perry has been a dedicated trustee since 2003, serving as board chair from 2007-2009, as chair of the buildings and grounds committee and as a member of the university advancement and the university affairs committees;

WHEREAS, Mr. Perry made one of his more important contributions as vice chair of the search committee that selected Chancellor Thorp as the University's tenth chancellor, and as board chair ensured a seamless transition between chancellors and was an invaluable councilor to Chancellor Thorp;

WHEREAS, Mr. Perry's leadership benefitted both the campus and the community through his guidance on Carolina North, in which he encouraged broad involvement and developed consensus, achieving a widely-hailed agreement; and through his long-term vision for a re-developed downtown through the University's acquisition of University Square;

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

WHEREAS, Mr. Perry played a major role in the successful conclusion of the Carolina First Campaign, which raised \$2.38 billion and surpassed the original goal, making it the most successful private fund-raising campaign in University history;

WHEREAS, Mr. Perry's steady leadership, warmth and sense of humor were a great contribution to board deliberations;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill, recognizes Roger for his love for Carolina and expresses its deepest gratitude for his exemplary service to university and community.

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

**RESOLUTION OF APPRECIATION
ROBERT W. WINSTON III
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
May 26, 2011**

WHEREAS, Mr. Winston has served ably on the Board of Trustees since 2003, and as its chair for the last two years, providing enlightened and pragmatic leadership;

WHEREAS, Mr. Winston as chair of the Buildings and Grounds Committee, helped oversee the dramatic physical transformation of the campus which resulted from the bond referendum for higher education, and has continued to be an important voice on the committee, applying his business experience to the improvement of university operations;

WHEREAS, Mr. Winston was a champion for fiscal responsibility, supporting a review of the campus operating structure by Bain & Company which is helping the University streamline and improve its systems; and also led the way in improving the board's operations, introducing paperless meetings and encouraging innovative thinking to improve efficiency and communication, making its activities a model for others to follow;

WHEREAS, Mr. Winston has continued a long family tradition of service and leadership on behalf of the University of North Carolina, serving as chair of the Endowment Fund and the UNC Foundation Board, working with Roger Perry to advance the plans for Carolina North, and providing council to the Chancellor and fellow board members on timely critical issues;

WHEREAS, Mr. Winston has brought balance and a joyous enthusiasm to his service as a trustee and as the board's leader;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill congratulates Bob on his valuable leadership and thanks him for his service to his alma mater and his state.

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

**RESOLUTION
BOARD OF TRUSTEES
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
May 26, 2011**

WHEREAS, John G. B. Ellison, Roger L. Perry, and Robert W. Winston III have served the people of North Carolina and the University of North Carolina at Chapel Hill faithfully and wisely as Trustees of the University; and

WHEREAS, Mr. Ellison, Mr. Perry, and Mr. Winston have ended their service as Trustees;

NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL THAT

1. Mr. Ellison, Mr. Perry, and Mr. Winston are elected Honorary Trustees of the University of North Carolina at Chapel Hill.
2. Those elected to the position of Honorary Trustee of the University of North Carolina at Chapel Hill shall be invited to attend all regular meetings of the Board.
3. Those elected to the position of Honorary Trustee of the University of North Carolina at Chapel Hill shall become members ex-officio of the Board of Visitors.
4. An Honorary Trustee shall cease to hold that position if he or she again becomes a Trustee.

The Board of Trustees unanimously approved the resolution.

REPORT OF THE NOMINATING COMMITTEE

Chair Winston presented the following proposed slate of officers for the term July 2011 to July 2012.

Wade Hargrove, Chair
Barbara R. Hyde, Vice Chair
Phillip L. Clay, Secretary

The Board will approve the nominations at the July Board meeting.

CHANCELLOR'S REMARKS

- **Departing Trustees.** Chancellor Thorp thanked Trustees Winston, Ellison and Perry for everything they've done for the University. They each have given so much of their time and talents for Carolina. The resolutions captured very well the snapshot of activity, but the legacies you are leaving are remarkable.
- **Faculty Leadership Transition.** Professor Kay Coble's service as Faculty Chair has ended. Professor Jan Boxill will be the next great faculty chair who will bring valuable insights to the board's attention. She will continue the tradition of excellent faculty leaders.
- **AIDS Study.** We're very proud of the prominent role that Carolina played in the recent breakthrough result in the world of AIDS research. A research study we led made a major discovery in efforts to halt the spread of HIV. The international clinical trial covering nine countries was led by Mike Cohen, School of Medicine, and director of our Institute for Global Health & Infectious Diseases. The research found that treating HIV-infected individuals with antiretroviral therapy while their immune systems are still strong significantly reduces the risk of their sexual partners contracting the virus. The findings are the first to show that treating an HIV-infected person can make them less contagious, not just keep them healthy. The study was due to run until 2015. However, data gathered to date so clearly showed the benefits of

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

early treatment the research community decided to release the results now. These are impressive results and show the power of the research presence – and respect – that Carolina has earned in the global health-care arena. Congratulations to Mike Cohen and his colleagues!

- **Budget Update.** On Tuesday, the State Senate officially released its version of a proposed state budget for 2011-13, and it's an improvement over the House proposal. For the UNC system, the Senate's budget cut target is just under 12.5 percent. We're already enacted a permanent cut of \$26 million – about 5 percent – that will take effect July 1.

The Senate did fund important areas like enrollment growth and need-based financial aid. In the Graduate School, the cut to support graduate student tuition remissions was eliminated in the Senate proposal, a promising acknowledgement of the importance of graduate education. One additional significant positive step forward came with the reappearance of the UNC Health Care system's appropriation to support indigent care at \$25 million. The previous appropriation was \$44 million, which was zeroed out in the House proposal. That funding is very important to the health care system's commitment to serving the state.

The Senate proposal does not address tuition, so it's unclear at this time what might happen on that issue beyond the campus- and school-based increases already approved by the trustees and the Board of Governors. Next up in the process is the final floor vote on the Senate proposal followed by the appointment of a conference committee to negotiate over the differences before the Legislature votes on a final proposal to send to the governor.

Speaking of UNC Health Care, he commented on Wake Med's proposal to purchase Rex. As President Ross and Bill Roper have both said, UNC Health Care and the UNC School of Medicine exist to provide high-quality medical care to the people of North Carolina, to conduct research that results in medical breakthroughs, and to educate the next generation of physicians. To do all of that, we need strong partnerships like the one we have with Rex. Selling Rex to generate one-time revenue for the state is in the long-term best interests of the people of North Carolina. But at the same time, we have a responsibility to review whatever offer comes forward.

- **Innovation Update.** We are very encouraged by the response to the Blackstone Entrepreneur Network. It's just the latest indication that we're building strong momentum for our innovation initiative and that this work has such excellent potential to strengthen our ties even more with our sister campuses and the private sector.

Judith Cone, Special Assistant for Innovation and Entrepreneurship, gave a brief update to the Board.

STUDENT BODY PRESIDENT'S REMARKS

Ms. Cooper began by saying that she was honored to have the privilege and the opportunity to address the Board. She mentioned the following:

- 1) Administration is fully staffed,
- 2) Updating "Freshman Central" website,
- 3) Being more proactive in budget discussions,

Ms. Cooper concluded her remarks by highlighting her platform goals:

- 1) Academic Plan
- 2) increasing safety features on campus
- 3) celebrating and continuing to work on environmental initiatives on campus

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

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

UPDATE ON FACULTY RETENTION

Chancellor Thorp began by saying that the single most important asset this University has is the faculty. Our ability to retain the most productive faculty is absolutely critical to Carolina's future. Attracting and keeping nationally and internationally renowned scholars and teachers make a big difference in our ability to bring others like them to Chapel Hill. And when we lose the very best ones it certainly hampers our ability to carry out the University's teaching and research missions.

Bruce Carney, Executive Vice Chancellor and Provost reported on the University's considerable efforts in recent years to retain our best faculty – an ever increasing challenge. He cited several statistics about the number of counter-offers made by the university in an effort to retain faculty. Other institutions, he said, are becoming much more “predatory” since they know that the University is weakened by budget pressures and stagnant faculty salaries.

Two years ago the University made 51 counter-offers; in 2010-11 the number rose to 110, and we were successful in retaining only 32 of the 110. Of the faculty that left, 41% went to public universities, 38% to private universities, 14% to industry and government, and 7% to foreign schools. These trends are worrisome, for as the economy improves faculty will be able to sell homes and relocate with greater ease. Increasingly, the University is focusing on “pre-emptive” retention efforts.

He then called on Karen Gil, Dean of the College of Arts and Sciences, who stated that two years ago the College was able to retain two-thirds of the faculty they were trying to keep through counter-offers, but this year they were successful in retaining only one-third. She highlighted the importance of having private funds available for the purpose of making counter-offers, and the need to understand what it may take to keep faculty here – such things as spousal hires or offering research grants. It is costly to lose faculty. It costs staff time and money to recruit replacement faculty, but there is also a cost to the students. A particular section of a class may not be taught until one year later when a new faculty member can be brought in.

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.

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.

- **Disaster Mitigation Plan Resolution.** Carolyn Elfland, Associate Vice Chancellor for Campus Services, presented a description of the University's Natural Hazard Mitigation Plan. The preparation of this plan was funded by as FEMA grant. The purpose of the plan is to identify vulnerabilities of campus buildings to high wind events and to define mitigation actions that can be taken in advance. The completion of this plan makes the University eligible to apply for grants to mitigate identified hazards. In order to secure federal approval for the plan, the Board of Trustees must approve it.

Mr. Ellison seconded the motion and it carried.

(ATTACHMENT I)

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

• **Board of Visitors Elections.** Ms. Shuping-Russell moved ratification by the Board of the following 41 people to the Board of Visitors Class of 2015 and the ratification of Linda Tarrson as Chair and William T. Hobbs II as Vice Chair of the Board of Visitors. Mr. Ellison seconded the motion and it carried.

Sterling Wilson Bell	Susanne "Sandy" Moulton
Ronald W. Black	Tran Minh Thi Nguyen
Sam B. Bowles	Vinod Paidipalli
Pamela Brewington Cashwell	Gwenevere C. Parker
Donald Paul Cogsville	Catherine M. Reuhl
Frank Rockwell Comfort	Sandy Fleischman Richman
James W. Crow	Kelly Williams Rike
Leah McCall Devlin	Fred W. Roper
Matthew W. Farris	Colby David Schwartz
Valerie Paige Foushee	Laura Scott
Gardiner W. Garrard III	William P. Shipp
Alfred W. Griffin III	Anna S. Shivers
Howell Knight Hallett II	James L. Sigman
John Dorward Harrison	Christopher Blake Smith
Susan E. Heinemann	Robert W. Spearman
Frances Shamberg Hoch	Shelayne Daly Sutton
Byron B. Kirkland	Frank Lyndon Van Buren
Stephen E. Lewis	Walker Armfield Wilson
Robert Allen Manekin	John Sunghoon Won
Carolyn Carter Maness	Aaron Colbert Wright
Richard W. Margerison	

(ATTACHMENT J)

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 the Diversity Award, Years of Service Awards, Housekeeping issues, legislative initiatives, and the community garden.

• **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 2010-2011 fiscal year.

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.

• **Internal Audit Report.** Phyllis Petree, Director of Internal Audit, presented a summary of internal audit projects completed or in progress between December 6, 2010, and April 10, 2011. Due to requests by management and changes in relative risk, the audit schedule for fiscal year 2010/11 has again been revised. Four new projects have been added which will be completed in fiscal year 2011/2012.

(ATTACHMENT K)

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

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

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

- **University Square/Granville Towers Update.** Gordon Merklein, Executive Director of Real Estate Development, presented on the operations and redevelopment of Granville Towers and University Square.

Granville Towers

- For the academic year 2011/2012, the 1300 bed Granville Towers has achieved 99.5% occupancy. At the time of acquisition in 2009, the occupancy rate was 71%.
- The partnership with campus housing, which provides resident advisors, along with significant room, hallway and lobby renovations, has contributed to the improved occupancy at Granville Towers.
- Granville Towers will continue to operate in its current capacity for a minimum of 10 years.

University Square

- The proposed project, a partnership between Real Estate Holdings and Cousins Properties, will expand from ~120,000 square feet to ~550,000 square feet and will contain a mixture of retail, office, multi-family, public open space and a parking deck.
- Cousins Properties intends to submit the Special Use Permit (SUP) in June. It is anticipated that the approval process through the town will take 18 to 24 months.
- Approximate schedule would be for initial occupancy to occur in four years; two years for the approval process and two years for construction.

- **FY 2011-12 Update on Budget.** Vice Chancellor Mann reported on the status of the budget in the legislature. The House recommended cuts of 15.5% while the Senate budget released on Tuesday cuts the UNC budget a net of 12.4% which includes funding for enrollment growth and building reserves as well as repair and renovation. The goal is to have conference committee deliberations in June and a final budget deal by the end of June. A veto by the Governor is a possibility. The University has contingency plans for budget cuts up to 15%. Double digit cuts to the campus will have significant consequences.

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

- FY11 Progress Report

	<u>5/23/11</u>	<u>5/23/10</u>	<u>% change</u>
○ Gifts Received	\$225,027,821	\$228,553,972	-1%
○ Donors	68,347	66,301	3%
○ New commitments (new cash & pledges)	\$258,983,999	\$242,405,487	6%

- NOTES

- \$301,684,384 proposals in the pipeline.
- Averaging \$22.6 Million in new commitments per month.

Chair Winston recognized Ms. Shuping-Russell for receiving the Distinguished Service Medal.

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).

- **Faculty Chair Remarks.** Professor Mc Kay Coble, Faculty Chair, reported that this is her last official meeting with the Board as faculty chair, and expressed her appreciation for the opportunity to serve, as well as for the engagement of the Board on faculty issues. She

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

provided a comprehensive written report, but highlighted several recent achievements of the faculty:

- 1) adding two emeritus faculty as voting members of Faculty Council;
- 2) expanding fixed term faculty to include a third tier;
- 3) implementing policy changes on grading (contextualized grading);

- **Provost Remarks by Bruce Carney.** He spoke about:
 - Personnel- the search for a new Dean of the School of Journalism (chaired by James Dean, Dean of the Business School) is progressing well. Three candidates are in the process of being interviewed.
 - Academic Plan - the plan is moving into the implementation phase. The Provost's office, working with faculty, is exploring the use of "Academic Analytics," a commercial enterprise that gathers and consolidates databases so that a college or university can individualize metrics.
- **Contextualized Grading.** Bruce Carney, Executive Vice Chancellor and Provost reported on contextualized grading. He discussed:
 - 1) grade inflation nationally, as well as at Chapel Hill;
 - 2) grade inequality at Chapel Hill, by school and discipline;
 - 3) grade compression (e.g., the giving of more As and fewer Cs); and
 - 4) a steady rise in the increase of students qualifying for the dean's list (now 40%).

As an example of grade inequality, he stated that the average GPA for an education major at Carolina is 3.7 while the average GPA for a student studying natural science and mathematics is 2.9. He reported that faculty have adopted the policy on contextualized grading with little opposition. The challenge now is to work with the Registrar to communicate these changes clearly on transcripts so that students will not be disadvantaged as their credentials are being evaluated by graduate and professional schools or employers. The norms related to contextualized grading will be available to students and faculty on a searchable database, with a full implementation of the policy change planned for 2012-13.

Mr. Gardner, Committee Chair, moved for approval by the Board of the following item which was brought forth as a motion formerly approved by the committee.

- **Changes to Trustee Tenure Policy.** Bruce Carney, Executive Vice Chancellor and Provost reported on a recommended change to classifications for lecturers (faculty who do not have research responsibility). Currently the University has two tiers, that of "lecturer" and "senior lecturer." The committee is seeking Board approval to add a third tier with the designation of "Master Lecturer" to the tenure policy.

Dr. Clay seconded the motion and it carried.

(ATTACHMENT L)

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 AUDIT & FINANCE COMMITTEE

Report of the Naming Committee

Matt Kupec 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. Shuping-Russell moved ratification by the Board of the naming recommendations. The motion carried.

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 four candidates for the William Richardson Davie Award which will be presented on November 16, 2011. [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 16, 2011, for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS M-N-O-P)

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 16, 2011, which were discussed earlier in closed session. Ms. Shuping-Russell seconded the motion and it carried.

- Personnel Actions and Actions Conferring Tenure.
(ATTACHMENT M)

- Compensation Actions.
(ATTACHMENT N)

- For information items.
(ATTACHMENT O)

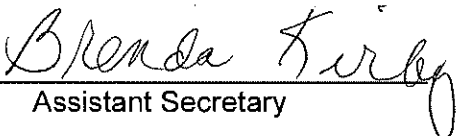
- Walk-on Item.
(ATTACHMENT P)

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
May 25-26, 2011**

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 11:57 a.m.


Assistant Secretary