

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

The Board of Trustees met in regular session on Wednesday, May 23, 2013, at The Carolina Inn, Chancellor Ballroom West, at 8:04 a.m. Chair Hargrove presided.

**OATH OF OFFICE**

The Honorable James Stanford, Orange County Clerk of Superior Court, administered the Oath of Office to Student Body President Christopher David McCartney Lambden.

Chair Hargrove welcomed incoming trustee Chuck Duckett. He will be sworn in at the July meeting.

**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
Donald Williams Curtis	John L. Townsend III
J. Alston Gardner	Felicia A. Washington
Peter T. Grauer	Christopher D. M. Lambden

W. Lowry Caudill was absent.

Chair Hargrove 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."

**CONSENT AGENDA**

**Approval of Minutes**

On motion of Mr. Townsend, seconded by Dr. Clay, the minutes of the regular meeting of March 28, 2013, were approved as distributed.

**Ratification of Mail Ballot**

On motion of Ms. Shuping-Russell, and duly seconded, the following mail ballot dated April 15, 2013, was approved as distributed:

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

(ATTACHMENT A)

**CHAIR'S REMARKS**

Chair Hargrove mentioned the following items:

- May Commencement Ceremony
- Dinner for departing trustees and Chancellor Thorp.

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

**RESOLUTION OF APPRECIATION  
WADE HAMPTON HARGROVE  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
May 23, 2013**

**WHEREAS**, Wade Hargrove has served with distinction on the Board of Trustees of the University of North Carolina at Chapel Hill for the last four years, and as board chair for the last two years; and,

**WHEREAS**, Mr. Hargrove as chair provided steady leadership, devoting considerable time and attention to ably guiding the Trustees and the University through significant challenges; and,

**WHEREAS**, Mr. Hargrove has helped with the financial stewardship of the University, serving as chair of the Endowment Fund, the UNC Foundation Board and the Real Estate Holdings Board, and as a member of the Investment Fund Board, providing council to the Chancellor and fellow board members on timely issues;

**WHEREAS**, Mr. Hargrove enthusiastically assumed additional responsibilities when the University called upon him to chair the search committee that selected Carol Folt as the University's 11th chancellor; and,

**WHEREAS**, Mr. Hargrove has been a devoted alumnus and parent, serving the School of Law and the School of Journalism and Mass Communication on various boards, helping to found the UNC Center for Media Law and Policy, as a member of the General Alumni Association Board and the UNC Board of Visitors; and,

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of North Carolina at Chapel Hill recognizes Wade Hargrove for his service and thanks him for his valuable leadership for the University.

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

**RESOLUTION OF APPRECIATION  
BARBARA ROSSER HYDE  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
May 23, 2013**

**WHEREAS**, Barbara Hyde is stepping down after two terms on the University of North Carolina at Chapel Hill Board of Trustees, during which she provided thoughtful guidance as Board Vice Chair for four years; and,

**WHEREAS**, Ms. Hyde's leadership was a tremendous resource for the Board as she served as Chair of the Student Affairs Committee, Vice Chair of the University Affairs Committee and the Compensation Committee; and as a member of the Buildings and Grounds and External Relations and University Advancement Committees; bringing to deliberations a quiet competence and broad understanding of the University; and,

**WHEREAS**, Ms. Hyde was strong advocate for the students' perspective in board discussions, and supported their involvement in Board deliberations; and was as an excellent mentor for the student body presidents who served with her; and,

**WHEREAS**, Ms. Hyde enthusiastically assumed additional responsibility when the University called upon her to serve as vice chair of the search committee that selected Carol Folt as the University's 11th chancellor; and,

**WHEREAS**, Ms. Hyde has further served the University's interests as chair of the Advisory Board for the Institute for Arts and Humanities, as a member of the Carolina First Campaign

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Steering Committee, and as co-chair of the Carolina Women's Leadership Council; and has been recognized for her achievements with the General Alumni Association's Distinguished Service Medal;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees of The University of North Carolina at Chapel Hill salutes Barbara Rosser Hyde for her devotion to her alma mater and thanks her for her service.

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

**RESOLUTION OF APPRECIATION  
H. KEL LANDIS III  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
May 23, 2013**

**WHEREAS**, Kel Landis has served as a member of the University of North Carolina at Chapel Hill Board of Trustees for the last year, graciously stepping in to replace Trustee Eddie Smith; and,

**WHEREAS**, Mr. Landis was a valued addition to Board discussions as a member of the University Affairs Committee and the External Relations and University Advancement Committee; and,

**WHEREAS**, Mr. Landis, as a member of the UNC Foundation Board, brought his considerable financial expertise to the management of the University's investments; and,

**WHEREAS**, Mr. Landis has been an active proponent of the University in multiple ways, especially as a member of the Kenan-Flagler Business School's Board of Visitors, the UNC Board of Visitors, which he chaired; and as a trustee of the Kenan Institute of Private Enterprise, which is housed at UNC; and,

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of The University of North Carolina at Chapel Hill salutes H. Kel Landis III for his dedication to his alma mater and thanks him for his service.

On motion of Mr. Washington, and duly seconded, the Board approved adoption of the resolution and applauded Mr. Landis.

**RESOLUTION OF APPRECIATION  
FELICIA A. WASHINGTON  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
May 23, 2013**

**WHEREAS**, Felicia A. Washington has served as a member of The University of North Carolina at Chapel Hill Board of Trustees for four years, during which she contributed invaluable guidance; and,

**WHEREAS**, Ms. Washington served as Chair of the Conflicts of Interest and Legal Affairs Committee, Vice Chair of the Student Affairs Committee, and as a member of the University Affairs and the Budget, Finance and Audit Committees; and,

**WHEREAS**, Ms. Washington brought her legal expertise and interest in diversity to Board deliberations, serving as a voice for minority alumni and as an advocate for Carolina's commitment to access and affordability; and,

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**WHEREAS**, Ms. Washington further served the University through her involvement in efforts to engage minority alumni with the campus, advising Development and Diversity and Multicultural Affairs staff on outreach and promotion; and,

**WHEREAS**, Ms. Washington enthusiastically assumed additional responsibility when the University called upon her to serve as vice chair of the search committee that selected Carol Folt as the University's 11th chancellor; and,

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees of The University of North Carolina at Chapel Hill salutes Felicia A. Washington for her devotion to her alma mater and thanks her for her service.

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

**RESOLUTION  
BOARD OF TRUSTEES  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
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**WHEREAS**, Wade H. Hargrove, Barbara R. Hyde, H. Kel Landis III, and Felicia A. Washington 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. Hargrove, Ms. Hyde, Mr. Landis, and Ms. Washington 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. Hargrove, Ms. Hyde, Mr. Landis, and Ms. Washington 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.

On motion of Mr. Grauer, and duly seconded, the Board approved adoption of the resolution and applauded the departing trustees.

**RESOLUTION OF APPRECIATION  
CHANCELLOR H. HOLDEN THORP  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
May 23, 2013**

**WHEREAS**, Holden Thorp has served as the 10th chancellor of the University of North Carolina at Chapel Hill, the oldest public university campus in the nation and his alma mater; capping three decades of involvement with the University; and,

**WHEREAS**, under his leadership, Carolina has enhanced its standing as one of the most influential research universities in the United States and around the world, fulfilling its mission of education, research, and service for North Carolina; and,

**WHEREAS**, Chancellor Thorp has presided over the University's rise to the top 10 research universities in federal research funds; an unprecedented 43 percent increase in admissions

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applications; a position of national leadership in critical discussions about college costs, retention and attainment, and the role of research universities in economic growth; and,

**WHEREAS**, Chancellor Thorp has endeavored to make innovation and entrepreneurship part of the fabric of University life, inspiring collaborations, projects and new ideas to translate knowledge beyond the campus to improve peoples' lives and solve the world's greatest problems; and,

**WHEREAS**, Chancellor Thorp was committed to an improved working climate for employees; a stronger relationship with the local community; and above all, a secure living and learning environment for students; and,

**WHEREAS**, in response to the great recession, Chancellor Thorp initiated a review of the University's structure and operations to help make the University more efficient, and through the efforts of hundreds of employees developed a series of initiatives that saved millions of dollars in annual operations and made the University a leader in the quest for administrative excellence; and,

**WHEREAS**, Chancellor Thorp with his wife Patti Worden Thorp, who has contributed to the University and the community through her support for the arts, North Carolina Children's Hospital, community improvements, and more; have made a lasting difference in the life of the University;

**WHEREAS**, he steps down on June 30, 2013, to become provost at Washington University in St. Louis;

**NOW, THEREFORE BE IT RESOLVED THAT** the Board of Trustees offers its highest praise and commendation to Holden Thorp for his exemplary leadership of and deep love for the University of North Carolina at Chapel Hill, and expresses its deepest gratitude for his devoted service.

On motion of Ms. Shuping-Russell, and seconded by Mr. Lambden, the Board approved adoption of the resolution and applauded Chancellor Thorp.

**RESOLUTION OF APPRECIATION  
EXECUTIVE VICE CHANCELLOR AND PROVOST BRUCE W. CARNEY  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
May 23, 2013**

**WHEREAS**, Bruce Carney, Executive Vice Chancellor and Provost, and Samuel Baron distinguished professor of physics and astronomy, has served as the University's chief academic officer for the last four years with vision, enthusiasm and authority; and,

**WHEREAS**, Provost Carney launched the development and implementation of the 2012 Academic Plan; supported and helped recruit a stellar group of University Deans; led the implementation of new promotion and tenure guidelines, the effort to retain excellent faculty and to recruit diverse new faculty members; and,

**WHEREAS**, Provost Carney further contributed to enhancing the University's excellence through his support for the arts, especially Carolina Performing Arts and the Rite of Spring at 100 Celebration; through his efforts to make globalization an enduring campus priority; and his expansion of the distance education enterprise; and,

**WHEREAS**, Provost Carney deployed budget cuts in ways that preserved the classroom experience for students; and was a steady, kind and fair hand during turbulent times, welcoming faculty and students who had ideas and concerns and earning their unfailing respect and admiration; and,

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**WHEREAS**, Provost Carney helped the Trustees to understand critical issues related to the management of the University including tuition, faculty retention, academic priorities; and,  
**WHEREAS**, Provost Carney has performed his job with uncommon grace, never-failing courtesy, and dogged determination; and now returns to the relative serenity of classroom and lab;

**NOW THEREFORE BE IT RESOLVED** that members of the Board of Trustees of the University of North Carolina at Chapel Hill express their genuine and profound thanks to Bruce W. Carney for his service as Provost and 30 years of dedication to the University and wishes him the very best in future endeavors.

On motion of Ms. Hyde, and seconded by Ms. Shuping-Russell, the Board approved adoption of the resolution and applauded Provost Carney.

**RESOLUTION OF APPRECIATION  
ASSOCIATE VICE CHANCELLOR CAROLYN W. ELFLAND  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
May 23, 2013**

**WHEREAS**, Carolyn W. Elfland has served the University of North Carolina at Chapel Hill for forty-four years, most recently as associate vice chancellor for campus services, and now departs for a well-deserved retirement; and,

**WHEREAS**, Associate Vice Chancellor Elfland oversaw critical decades of growth and expansion for the University, managing University service and auxiliary units, including Energy Services; Facilities Services; Environment, Health and Safety; Public Safety; Student Stores; the Carolina Inn; Horace Williams Airport; and Trademark Licensing; and,

**WHEREAS**, Associate Vice Chancellor Elfland contributed to the University's sustainability efforts through her guidance of the University's Landfill Gas Project, a collaboration with Orange County; and her championship of the reclaimed water project with Orange Water and Sewer Authority; both of which have reduced the University's environmental impact and improved our community; and,

**WHEREAS**, Associate Vice Chancellor Elfland helped the University position itself for the future by identifying and implementing cost-saving steps in campus operations aligned with the Carolina Counts initiative; authoring a wind-to-energy study requested by the State Legislature, and an \$800 million composite study of deferred maintenance for all facilities at Carolina; and,

**WHEREAS**, Associate Vice Chancellor Elfland represented the University on important matters with the Town of Chapel Hill and surrounding communities, such as serving on the Chapel Hill Public Transit Partner's Committee;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of North Carolina at Chapel Hill thanks Carolyn Elfland for her effective counsel, extraordinary contributions and tireless service and wishes her the very best in her retirement.

On motion of Dr. Lerner, and duly seconded, the Board approved adoption of the resolution and applauded Ms. Elfland.

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

**REPORT OF THE NOMINATING COMMITTEE**

Chair Hargrove called on Trustee Hyde to present the following proposed slate of officers for the term July 2013 to July 2014.

W. Lowry Caudill, Chair  
J. Alston Gardner, Vice Chair  
Sallie Shuping-Russell, Secretary

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

**CHANCELLOR'S REMARKS**

- **Special Thanks.** To the departing trustees, Provost Carney, and Carolyn Elfland, thank you for your service and your tireless efforts to make Carolina great.
- **21<sup>st</sup> Century Visioning.** Last fall, we launched a visioning process on three important topics: college access and completion, undergraduate education models and how research can help solve the world's problems. This week we'll receive the committees' interim reports, and we'll share them with Chancellor-Elect Folt. She'll provide direction on where the committees go from here.
- **Employee Survey Results.** Earlier this semester we distributed a survey to employees to find out how we're doing with setting goals, leadership, communications and decision-making. We had a great response rate from our employees — we heard from 3,000 or 28% of our 11,000 permanent faculty and staff. These findings surpass the results of the previous employee survey conducted three years ago as part of Carolina Counts. Here are some other takeaways:
  - Three-fourths believe the University has both a compelling vision and the talent needed for future success.
  - 79 percent would recommend Carolina as a place to work.
  - 66 percent believe this is a highly effective organization.Employees also noted some things we can improve on, including how to make the decision-making process faster and smoother. I agree with that. We've shared a full copy of the results with the board, and we will also get them to Chancellor-Elect Folt.
- **Child-care facility expansion.** This month we held the ribbon-cutting for the expansion of the University Child Care Center. I had fun playing the guitar and singing with the preschoolers. On behalf of our University and UNC Health Care employees and their families, thank you for supporting the center and its growth. Your approval a year ago of the project's design allows 40 additional children to receive the highest quality of education and care at the five-star facility. We're really proud of the work we do there.
- **Chancellor's Science Scholars.** We are launching a new scholarship program for incoming students called the Chancellor's Science Scholars. The inaugural class of 25 students will be on campus this summer to get a jump start on academics. The students are aspiring scientists, researchers and doctors selected from the top 10% of the 15,000 early action applications we received. One of the goals of the program, led by our Undergraduate Admissions office, is to increase the number of minorities in science. The idea is modeled after the nationally recognized Meyerhoff Scholars Program at the University of Maryland-Baltimore County.
- **Loren Shealy.** She is a member of our field hockey team and was named the Sports Illustrated female college athlete player of the year. She is a Robertson Scholar. She was one of five female college athletes throughout the country to be recognized. Congratulations to her coach, Karen Shelton. Her interview can be viewed at: <http://sportsillustrated.cnn.com/college-athlete-of-the-year/news/20130522/loren-shealy-college-athlete-of-the-year/>

Chancellor Thorp called on Secretary Clay to read the following resolution:

**RESOLUTION OF APPRECIATION  
JACKIE OVERTON  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
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**WHEREAS**, Jackie Overton has served with distinction as Chair of the Employee Forum since 2010, revitalizing the organization and bringing a new era of civility and professionalism to Forum operations; and,

**WHEREAS**, Ms. Overton brought the employee's perspective to Board deliberations, advising the Budget, Finance and Audit Committee and building a strong bridge of communication and interaction between Trustees, Administrators and employees; and,

**WHEREAS**, Ms. Overton has served as a staff representative on multiple University search committees, including the Housekeeping Director Search Committee which selected Darius Dixon, and the Chancellor's Search Committee which selected Carol Folt as the University's next leader; and,

**WHEREAS**, Ms. Overton organized a celebration of the Employee Forum's 20th anniversary, bringing four chancellors together including Forum founder Chancellor Emeritus Paul Hardin, along with senior administrators, decades of Forum Delegates and other Forum friends; and,

**WHEREAS**, Ms. Overton represented staff employees with honor through her addresses at University Day in 2011 and 2012, thrilling those who heard her; and,

**WHEREAS**, Ms. Overton, a Carolina alumna and employee of the Department of Public Safety, who has been part of our community for more than 35 years, has worked tirelessly on behalf of all of the University's employees, emphasizing openness, respect, community and true Tar Heel spirit;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees extends to Jackie Overton its deep appreciation for her service and leadership, and congratulates her on a job well done.

On motion of Ms. Shuping-Russell, and duly seconded, the Board approved adoption of the resolution and applauded Ms. Overton.

**STUDENT BODY PRESIDENT'S REMARKS**

Mr. Lambden began by saying that he was honored to have the privilege and the opportunity to address the Board. Mr. Lambden spoke about why he came to Carolina and then highlighted his platform goals: affordability, academics, and safety. [A copy of Mr. Lambden's remarks is located in the Office of the Assistant Secretary.]

**REPORT OF THE EXTERNAL RELATIONS & ADVANCEMENT COMMITTEE**

Mr. Curtis, 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).

• **Development Update.** Interim Vice Chancellor for University Advancement, Julia Grumbles gave the following report:

<b>FY 2013 Progress Report</b>	<b>5/13/13</b>	<b>5/13/12</b>	<b>% change</b>
○ New Commitments	\$233,217,702	\$252,858,920	-12%
○ Gifts Received	\$207,881,912	\$208,899,654	0%
○ Pipeline	\$353,049,949	proposals in the pipeline	

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She also mentioned the upcoming campaign.

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.

- **Update on Performing Arts at Carolina.** Emil Kang, Executive Director for the Arts, gave the report and spoke about the successful year they have had.

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 BUDGET, FINANCE, & AUDIT COMMITTEE**

Ms. Shuping-Russell, Committee Chair, moved ratification by the Board of the following 3 items which were brought forth as a motion formerly approved by the committee. Mr. Lambden seconded the motion and each item carried.

- **Ordinance Governing Traffic & Parking.** Carolyn Elfland, Associate Vice Chancellor for Campus Services, proposed revisions to the Ordinance Regulating Traffic and Parking to be effective August 15, 2013. The only substantive change from the current ordinance is the addition of provisions governing electric vehicles.

(ATTACHMENT B)

- **Withdrawal from Quasi-Endowment.** Karol Gray, Vice Chancellor for Finance and Administration, reported that the Division of Rheumatology, Allergy, and Immunology is requesting approval to withdraw \$70,000 for use in training and research in arthritis. The funds will be used for salary support for research fellows. The Board of Trustees of the Endowment Fund approved this withdrawal by mail ballot on May 15, 2013.

(ATTACHMENT C)

- **Board of Visitors Elections.** Julia Grumbles, Interim Vice Chancellor for University Advancement, presented the Board of Visitors election list for the Class of 2017. Dr. Michael Zollicoffer of Baltimore, Maryland will serve as chair and Richard Margerison of Dallas, Texas will serve as vice chair.

Nancy Robertson Abbey	Robert Earl James, Jr.
Ibrez Rafiq Bandukwala	Thane Edmund Kerner
Jill Becker	Zee Buchanan Lamb
Kerry Dean Bird	John Dailey Lyon, Jr.
Adele Currin Bonnie	Denise Morris Martin
Mary L. Boone	Robert Cabeen H. Mathews III
Charles Palmer Brown	Bettie Kay Raybon McKaig
Robert Preston Bryan III	Margaret Leighton McNairy
Cassandra Quin Butts	Charles Henry Mercer, Jr.
Mary Louise Snell Cohen	David McDaniel Moore II
Paul William F. Coughlin	William Merrette Moore, Jr.
Lisa Loudermilk deGolian	Tom Murry
Samuel Bobbitt Dixon	James Edward Nance
Daryl Wayne Evans	Caroline Cockrell Orr
Lisa Langley Fey	Wanda Simms Page

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Roy DeVonne Flood, Jr.	P. Tilghman Pope
Margaret B. McKinnon Gardner	David Gwyn Roberts
Harold Edward Glass	A. Douglas Rothwell
Leigh Jenkins Goodwyn	J.M. Bryan Taylor
Jennifer Lloyd Halsey	Claude Edward Teague III
John Robert Hand	Malcolm Kwame Turner
Roderick Neil Hargrove	Roland Harris Vaughan Jr.
Edward Albert Heidt, Jr.	Edgar Garcia Villanueva
Patty Maynard Hill	Robert Ambrose Wicker

(ATTACHMENT D)

Ms. Shuping-Russell, Committee Chair, moved ratification by the Board of the following item which was brought forth as a motion formerly approved by the committee. Mr. Grauer seconded the motion and the item carried.

• **Revised Policy on Non-Salary and Deferred Compensation for EPA Employees.** Matt Brody, Associate Vice Chancellor for Human Resources, reported that by UNC System policy 300.2.14, each campus is required to have a policy on non-salary and deferred compensation. Non-salary compensation covers items of monetary value provided to employees beyond base salary and salary supplements for additional duties. Deferred compensation refers to items of monetary value provided at some future date. Our proposed policy does not authorize any deferred compensation except that which would be specifically authorized by BOG. The proposed policy was developed by the Office of Human Resources in consultation with Office of University Counsel, the Office of the University Controller, and University Procurement Services. We used a similar policy at NC State University as a basis for our revisions and then made adjustments to reflect UNC-CH-specific needs and organizational differences. The proposed policy has been reviewed by UNC General Administration and approved for presentation to BOT. The revised policy, if approved by BOT, will be effective on June 1st.

(ATTACHMENT E)

Ms. Shuping-Russell, Committee Chair, moved ratification by the Board of the following item which was brought forth as a motion formerly approved by the committee. Mr. Grauer seconded the motion and the item carried.

• **Proposed Schedules of Incentive Pay for Department of Athletic Coaches and Staff.**

Bubba Cunningham, Athletic Director, recommended the following:

- Proposals for incentive compensation plan
- Proposals are part of the implementation of the “Carolina Leads” strategic plan for athletics
- Strategic plan goals are very aggressive both academically and athletically
  - All teams - Top 3 in the ACC in team APR
  - All teams - Top 10 nationally in team APR
  - All teams – top 3 in the ACC in athletic competition
  - All teams – top 3 nationally in athletic competition
  - Win Championships
  - Administration – relentlessly pursue resources to achieve top 3/top 10
- Goal is to provide mechanism for performance-based incentive compensation for EPA “at-will” senior level administrators and head coaches based on specific metrics
- Proposals are not intended to be guaranteed compensation
- Compensation approval would be at the discretion of the Director of Athletics

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- Consistent with other university systems at the BCS level  
(ATTACHMENT F)

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, Employee Forum Chair, provided updates on Forum presentations, retirements, community garden and upcoming events. After three and a half years, she will be stepping down as employee forum chair.

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.

• **Board of Visitors Update.** Bill Hobbs, Chair of the Board of Visitors, highlighted student recruitment, state relations, and career services.

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.

• **Financial Update.** Karol Gray, Vice Chancellor for Finance and Administration, provided a financial update:

**State Outlook**

- General Fund revenue through three quarters was 8% above projection at \$110 Million. However, the Medicaid shortfall has risen from \$135 Million to \$248 Million which will be offset by the higher than expected tax revenue.

**Financial Update**

- A three year comparison of both actual revenues and actual expenditures for July through March.
- 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%.
- An analysis of the FY2012-13 year to date budget compare to actuals for both revenue and expenditures. For the first nine months of this fiscal year, all trending patterns are on target at approximately 76% for both revenues and expenditures.
- Impact of a 2% to 5% budget cut on the University. A 5% cut of general fund state appropriations equates to a \$25.5 Million budget reduction.

**R&R Update**

- An update of the status of the \$9 Million in R&R allocation the University received for FY2012-13. The funding was assigned to 12 projects in a variety of categories. Three of those projects have been completed and remaining projects are on target from completion by fiscal year end.

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 17, 2012 and March 24, 2013. Two unplanned audits were added to the audit schedule, additional work needed to support Internal Audit IT systems, and the follow-up of previously issued audit findings has

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taken longer than projected due to the age of some findings and changes in previously audit areas. As a result, two routine audits and two annual projects will be deferred to fiscal year 2013/14. The audit of Advancement expenses completed during this time frame identified significant control weaknesses issues which have been corrected. These issues were previously reported to the Board. Other projects have identified less significant control issues  
(ATTACHMENT G)

• **Development Update-** Julia Grumbles provided an update on Development. The highlights are as follows:

<b>FY 2013 Progress Report</b>	<b>5/13/13</b>	<b>5/13/12</b>	<b>% change</b>
○ New Commitments	\$233,217,702	\$252,858,920	-12%
○ Gifts Received	\$207,881,912	\$208,899,654	0%
○ Pipeline	\$353,049,949 proposals in the pipeline		

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 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.** Jan Boxill highlighted the following:
  - **Honor System Reform Suite-** Andy Perrin, Associate Professor of Sociology, gave the summary. He highlighted the reform effort, survey findings, recommendations, proposed implementation, and possible future changes.
  - **Drop/Add policy-** In an effort to standardize the “Course Adjustment Periods” [i.e. Drop/Add period] across the system, to “foster undergraduate student success,” the General Administration has proposed that both the drop and add periods must be concluded by the census date. The census date is the official university enrollment reporting date, and resource allocations are based on this figure. For us, that would mean reducing the no-penalty drop period from the current 8 weeks to only 2 weeks. While it may be reasonable to standardize some policies across the 17 campuses, this one is not. To now ask us to adopt a “one-size fits all” policy is bad decision making, especially if the objective of the GA is to foster student success. We also have the highest 4-6 year graduation rate of the system. The policy is set to go into effect Fall 2014, and greatly concerns us here at UNC-Chapel Hill. This policy decision is made to promote student success and for cost/benefit, but as I hope you can see it does neither, and more importantly, it is not based on empirical data or rigorous research; UNC-Chapel Hill’s policy is.

Chair Hargrove, along with other trustees, recommended that we invite General Administration to explain the decision and present their findings on why this is appropriate.

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.

- **Graduate School Update: International Students and Student Achievement.** Steve Matson, Dean of the Graduate School reported that enrollment of international students at UNC-CH is about a third of the national average; lack of tuition support impedes international

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enrollment; and the global visiting students program for graduate students is designed to increase international graduate student population.

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.

- **Graduate Education: A Student Perspective.** Michael Bertucci and Kiran Bhardwaj, outgoing and incoming president of the Graduate & Professional Student Federation (GPSF) respectively, spoke about what today's graduate student looks like. They are research assistants, teaching assistants, mentors, community members, spouses/parents, and ultimately students. They reported that there are currently 10,755 graduate and professional students, or 37% of the student population.

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- COMMITTEE OF THE WHOLE**

Dr. Clay, Committee Chair, called on Anna Wu, Assistant Vice Chancellor for Facilities Operations, Planning and Construction, to present the following action items to the committee:

- **Designer Selection- Howell Hall Renovation.** The project will renovate portion of Howell Hall for the Department of Psychology. The project budget is \$5.3M and will be funded by University Funds. The committee recommended the selection of three firms in the following priority order:

1. Hoke/New Visions Architects                      Durham, NC
2. HH Architecture                                      Raleigh, NC
3. Ratio Architects                                      Raleigh, NC

They were selected for the past performance on similar projects, extensive knowledge of applicable building codes, and their team structure.

(ATTACHMENT H)

- **Designer Selection- Burnett Womack Ground Floor Renovation.** This project will renovate portion of the Ground Floor for the Clinical and Translational Research Center (CTRC). The project budget is \$1.0M and will be funded by University Funds. The committee recommended the selection of three firms in the following priority order:

1. Wagner Architecture                              New Hill, NC
2. Flad Architects                                      Raleigh, NC
3. Perkins + Will                                      Charlotte, NC

The firms were selected for their strong team, their understanding of the project and their experience, in depth knowledge of clinical operation of CTRC, and their team structure

(ATTACHMENT I)

- **Designer Selection- Aycock Family Medicine Renovation.** This project will renovate the Aycock Family Medicine Center clinical areas to improve patient care, add clinical capacity and provide extensive after-hour care. The project budget is \$1.5M and will be funded by University Funds. The committee recommended the selection of three firms in the following priority order:

1. EYP/ BJAC    Raleigh, NC
2. HH Architecture                                      Raleigh, NC
3. Peterson Associates                              Charlotte, NC

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

(ATTACHMENT J)

• **Designer Selection (Advanced Planning)- Wilson Hall annex Dedicated Makeup Air System.** This project will determine the feasibility of installing a dedicated makeup air system for Wilson Hall Annex Building to improve indoor air quality. The Advance Planning budget is \$100,000 and will be funded by University Funds. The committee recommended the selection of three firms in the following priority order:

1. Sigma Engineering Solutions, PC Morrisville, NC
2. Engineered Designs, Inc. Cary, NC
3. Stanford White, Inc. Raleigh, NC

The firms were selected for the past performance on similar projects, in depth knowledge of building systems, proposed design approach, and their team structure.

(ATTACHMENT K)

• **Designer Selection- North Chiller Plant Capacity Upgrade.** UNC-CH Energy Services identified the need to increase by 4,500 tons the chilled water production capacity of the North Chiller Plant. New work will include the installation of two new chillers and associated variable speed drives, disconnects controls, piping, and building utilities. The project must be completed by March 2015. The total project budget is \$4,500,000 funded from Utility Receipts. The committee recommended the selection of three firms in the following priority order:

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

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

(ATTACHMENT L)

Jeff Kidd, Director of the UNC Property Office, presented the following items for action:

• **Acquisition by Lease of Office Space for UNC-CH, Carolina Population Center, Measure Evaluation Project.** Request for approval to lease approximately 15,000 square feet of office space at a location to be determined for the UNC-CH, Carolina Population Center, Measure Evaluation Project. The expected lease term will be three-years, with an option to renew, commencing September 1, 2013 or as soon as possession is taken. The initial annual rent cost is not expected to exceed \$400,000, not including utilities or janitorial service. Typical rent escalation is 2% - 3% per annum.

(ATTACHMENT M)

• **Acquisition by Lease of Office Space for UNC-CH, Carolina Population Center.** Request for approval to lease to lease approximately 25,000 square feet of office space at a location to be determined for the UNC-CH, Carolina Population Center. The expected lease term will be three-years, with an option to renew, commencing October 1, 2013 or as soon as possession is taken. The initial annual rent cost is not expected to exceed \$650,000, not including utilities or janitorial service. Typical rent escalation is 2% - 3% per annum.

(ATTACHMENT N)

Mr. Grauer moved approval of all seven items. The motion was duly seconded and each item carried.

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Trustee Curtis asked for more information on the Buildings & Grounds process and what channels these items go through before coming to the trustees. It will be discussed at a later time.

**MOTION TO CONVENE IN CLOSED SESSION**

On motion of Secretary Clay, and seconded by Mr. Townsend, 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**

**William Richardson Davie Award Nominations**

Sallie Shuping-Russell, Committee Chair, presented the names that were discussed at the Budget, Finance & Audit Committee concerning the Davie Award. The Board then selected and approved five candidates for the William Richardson Davie Award which will be presented on November 13, 2013. [A copy of the Davie Award information is filed in the Office of the Assistant Secretary.]

**Report of the Naming Committee**

Sallie Shuping-Russell 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.]

**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Gardner, Committee Chair, presented the personnel and salary approvals dated May 13, 2013, for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS O-P-Q-R)

**LEGAL ADVICE**

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

**EXECUTIVE CLOSED SESSION**

Chair Hargrove convened the Board in 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 May 13, 2013, which were discussed earlier in closed session. Mr. Lambden seconded the motion and it carried.

- Personnel Actions and Actions Conferring Tenure.

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(ATTACHMENT O)

- Compensation Actions.

(ATTACHMENT P)

- For information items.

(ATTACHMENT Q)

- Walk-on Item.

(ATTACHMENT R)

- **Naming of the Provost.** Mr. Landis moved approval of naming Jim Dean as Provost. The motion was duly seconded and it carried.

(ATTACHMENT S)

- **Naming of the Vice Chancellor for Information Technology.** Ms. Shuping-Russell moved approval of Chris Kielt as vice chancellor. The motion was duly seconded and it carried.

(ATTACHMENT T)

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 12:41 p.m.

  
Assistant Secretary