

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

The Board of Trustees met in regular session at The Carolina Inn, Hill North/Central Ballroom on July 25, 2002 at 8:30 a.m. Chairman Burnett presided.

The Audit, Business and Finance Committee, the Buildings and Grounds Committee, the Student Affairs Committee, the Academic Affairs and Personnel Committee, and the Development Committee met as a Committee of the Whole.

ROLL CALL

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

Timothy B. Burnett, Chairman
Richard T. Williams, Vice Chairman
Jean Almand Kitchin, Secretary
Russell M. Carter
Jennifer A. Daum
Paul Fulton, Jr.
James E. S. Hynes
Karol V. Mason
David E. Pardue, Jr.
Nelson Schwab III
A. Donald Stallings
Richard Y. Stevens

ELECTION OF OFFICERS

Mr. Stevens, chairman of the Nominating Committee, presented the following slate of officers to the Board for re-election:

Timothy B. Burnett - Chairman
Richard T. Williams – Vice Chairman
Jean Almand Kitchin – Secretary
Brenda W. Kirby – Assistant Secretary

On motion of Mr. Stevens, seconded by Mr. Carter and Mr. Stallings, the Board approved the slate of officers for the term from July 2002 to July 2003.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Schwab, seconded by Ms. Kitchin, the minutes of the regular meeting of May 23, 2002 were approved as distributed.

Approval of Personnel Items

On motion of Mr. Schwab, seconded by Ms. Kitchin, the following personnel items were approved as distributed:

- Personnel Items for Information
(ATTACHMENT A)
- Personnel Items in Academic Affairs
(ATTACHMENT B)
- Personnel Items in Health Affairs
(ATTACHMENT C)

Ratification of Mail Ballot

On motion of Mr. Schwab, seconded by Ms. Kitchin, the mail ballot dated June 19, 2002 (Personnel items for information, Personnel items for action in Academic Affairs, Personnel items for action in Health Affairs, and Personnel items for consultation) was approved as distributed:

(ATTACHMENT D)

CHAIRMAN'S REMARKS

Chairman Burnett began his remarks by thanking the Board for re-electing him as Chairman for another term. He stated that the Board has entered a period where the issues brought before it are becoming more complicated, and the Board has worked hard and stayed on task—setting aside personal agendas and working for the good of the University. He thanked the Trustees for their hard work and dedication.

Chairman Burnett commented on the Board's workshop that was held the day before and commended the Trustees for their participation in the workshop. An outcome of the workshop will be a change in the way the Board does its business, as well as changes in items that the Board considers on a regular basis, which is the true work of the Board. This change will involve a return to accomplishing more of the routine work in a committee structure on Wednesday afternoon. In the Thursday morning session, the Board can address issues that heretofore it has not had time to do.

Chairman Burnett stated that Mr. Hugh McColl has resigned from the Board of Trustees due to other commitments that prevent him from attending the Board meetings on a regular basis.

CHANCELLOR'S REMARKS

Chancellor Moeser began by acknowledging Chairman Burnett's re-election as Chairman of the Board of Trustees.

Chancellor Moeser stated that Marian Moore, vice chancellor for Information Technology, would be giving her last report to the Board. He recognized Steve Jarrell as incoming interim vice chancellor for Information Technology effective July 26. The Chancellor also recognized Dean Bresciani as interim vice chancellor for Student Affairs. He expressed his appreciation to both of them for their willingness to serve the University in these interim capacities.

The Chancellor stated that he would be appointing a search committee very shortly for the Information Technology Vice Chancellor position.

He stated that prior to appointing a search committee for the Student Affairs Vice Chancellor position he and the Provost would like to conduct a review of the Division of Student Affairs and its relationship to Academic Affairs to see if there are any realignments that should be made in order to know exactly what and whom to seek and the types of responsibilities that would be involved for the position. The review, which will include students, faculty, and staff, will occur during the fall semester. It is hoped that a search will be ready to commence by the end of the fall semester.

Chancellor Moeser commented on the following:

- The Budget Process. He quoted a recent Wall Street Journal story: "State colleges and universities, long a terrific bargain, are planning tuition increases as high as 25 percent this coming school year—and they may have to cut enrollment, faculty positions and course offerings as well. With more than 40 states grappling with budget shortfalls...legislators are targeting higher education for big cuts. At the same time, universities are struggling to cover rising costs in such areas as energy and health care."
- Recognition of the School of Public Health, which was selected by the U.S. Centers for Disease Control and Prevention as the site of one of the nation's three university centers of excellence for genomics and public health. The other two centers were the University of Washington and the University of Michigan. He congratulated Dean Roper and the faculty in the School of Public Health for this honor.

- Recognition of Joe DeSimone, Kenan Professor of Chemistry, who will be receiving the John Scott Medal Award from the Board of Directors of City Trusts for the City of Philadelphia. Past recipients of the Award include Thomas Edison, the Wright Brothers, Jonas Salk, and Madam Curie. He congratulated Professor DeSimone on being a recipient of the John Scott Medal Award.
- WUNC-FM now leads the nation in listening in a ranking of U.S. public radio stations. He congratulated General Manager Joan Siefert Rose and her staff.
- The School of Law's new Center for Civil Rights will bring together distinguished national experts in civil rights and education policy for a conference called "The Resegregation of Southern Schools? A Crucial Moment in the History (and the Future) of Public Schooling in America". UNC-Chapel Hill is co-sponsoring this event with the Civil Rights Project at Harvard University, the North Carolina Law Review, and the Thurgood Marshall School of Law at Texas Southern University. Julius Chambers, director of the new center, and Dean Nichol are getting off to a great start.
- Approximately 3,500 freshmen will arrive on campus in August.
- The Summer Reading Program and the book selection, *Approaching the Qur'an: The Early Revelations*. First-year students who read the book will write a short essay and participate in small group discussions that will be held on August 19. The Chancellor will be among the trained volunteer faculty and staff who will lead the discussion groups.
- The official reopening of the Robert B. House Undergraduate Library on August 19. This will be a 21st Century facility, and is the first major building renovation on the main campus to be completed as part of the Higher Education Bond Referendum.

The Chancellor concluded his remarks by inviting the members of the Board to his State of the University Speech, which will be held on September 4, at 3:00 p.m. in the Great Hall of the Student Union.

Following the Chancellor's remarks, Chairman Burnett commented as follows:

- The Summer Reading Program issue has changed the whole introduction of students to the campus. He stated that he would rather be talking about a book that raises the level of the dialogue and the amount of the dialogue, as opposed to a ho-hum book that gets very little attention. This is in keeping with the character and history of the University. He affirmed the Board's total support to the Chancellor, the faculty, and the people who selected the book for the Summer Reading Program.
- Concerning the issue of overhead receipts, as the Legislature continues to struggle with the budget, the block of money referred to as overhead receipts takes on added attraction. Everyone at the University has various opportunities to speak to people about the importance of those overhead receipts being left alone. Chairman Burnett stated that he views overhead receipts as the "seed corn" of this enterprise; and, when you start eating the seed corn, the ramifications of that and the price that it costs you goes on for years and years.

STUDENT BODY PRESIDENT'S REMARKS

"The University of North Carolina at Chapel Hill is the University of the People. Since long before any of us were alive, this institution thrived on our mission—to take the best and brightest from North Carolina and the rest of the nation and turn them into North Carolina's leaders of tomorrow. Currently, a Curriculum Review committee is looking at what it means to be an educated person. When a student graduates with an undergraduate degree from Carolina, we know they have completed a liberal arts education that prepares them for what is often referred to as "the real world."

Included in the list of attributes the committee feels an “educated person” should possess is the ability to “...be prepared to act morally as individuals and as members of local, national, and global communities...Specifically, graduates should: Be aware of differing moral perspectives and be able to assess conflicting moral judgments and defend their own...” Upon graduation, the committee believes that graduates should “...be able to analyze the impact of major social institutions such as the family, media and religion on individual and group behavior.”

This summer, UNC’s Summer Reading Program Committee’s selection of, *Approaching the Qur’án: The Early Revelations*, Introduced and Translated by Michael Sells, has come under question because it may introduce concepts to students that they will find to be offensive. The Family Policy Network said in a press release, “Forcing students to read and discuss the Koran is wrong.”

I disagree entirely. What is a University if it is not a place where students can read about a largely foreign topic and engage in dialogue? For students who think they find the Qur’an offensive, I challenge you—read the book and make up your own mind. This is a scholarly text that allows you to read passages and then read analyses of these passages. Here you have the opportunity to learn about numerous religions. Come to The University of North Carolina—or any major public institution—and I guarantee you will learn about ideas that are opposed to your current views. I certainly have in my three years. But I have also learned to defend my beliefs and to engage in debate with my peers. If you can read the book, engage in dialogue, and can agree to disagree with your peers, you are well on your way to an excellent education in the Carolina tradition. And that is what makes an educated person.

The events of 9/11 taught a largely Judeo-Christian public how a major social institution impacted a few individuals. But to divide the world into black and white is to ignore billions of Muslims who live moral lives by a book we obviously do not understand. Our challenge now is to try and figure out how this major religion impacts those who do not turn to destruction and violence, but to love and understanding. I cannot think of a better way to introduce new students to this University—where we pride ourselves on stretching the minds of tomorrow’s leaders—than to ask them to read, respond, and engage in a thoughtful discussion about a scholarly book such as *Approaching the Qur’án*.”

AUDIT, BUSINESS AND FINANCE COMMITTEE

Mr. Hynes, chair of the Audit, Business and Finance Committee, introduced Vice Chancellor Sutenfield, who presented the following items to the Board.

Transfer to the University of the Endowment’s Distribution from the Investment Fund

Vice Chancellor Sutenfield distributed a chart of the approval process for the endowment payout process at the University.

(ATTACHMENT E)

Chairman Hynes moved approval of the transfer from the Endowment to the University of the amounts shown on the attached table for University expenditure during the 2002-2003 fiscal year. Mr. Fulton seconded the motion and it carried.

(ATTACHMENT F)

Update on Capital Program Management

Vice Chancellor Suttenfield presented an overview of capital program management. This item was presented for information only. No formal action was required to be taken by the Board.

Budget Update for the Period July 1, 2001 – June 30, 2002

Vice Chancellor Suttenfield presented this item for information only. No formal action was required to be taken by the Board.

(ATTACHMENT G)

BUILDINGS AND GROUNDS COMMITTEE

Mr. Pardue, chair of the Buildings and Grounds Committee, introduced Mr. Bruce Runberg to present the following items to the Board.

Design Approval of the Science Complex – Phase I

Mr. Schwab moved approval of the design of the Science Complex I – Phase 1. Mr. Stevens and Mr. Williams seconded the motion and it carried.

(ATTACHMENT H)

Construction Manager Selection for the Renovations to Burnett Womack Clinical Sciences Building

Mr. Pardue moved approval of the selection of the slate of firms listed in the following priority order as the Construction Manager for the renovations to Burnett Womack Clinical Sciences Building.

1. Gilbane Building Company – Durham, North Carolina
2. Bovis Lend Lease, Inc. – Raleigh, North Carolina
3. Turner Construction Company – Arlington, Virginia

Mr. Stallings seconded the motion and it carried.

(ATTACHMENT I)

Site Approval for the New Building/Kenan-Flagler Business School

Mr. Pardue moved approval of the site for the Kenan-Flagler Business School new building. The site is east and southeast of the Kenan Center.

Mr. Stallings seconded the motion and it carried.

(ATTACHMENT J)

Site Approval for Student Family Housing

Mr. Schwab moved approval of the site for Student Family Housing. The site is along Mason Farm Road and the Baity Hill Property, and is included in the southern perimeter transition area of the campus.

Mr. Pardue seconded the motion and it carried.

(ATTACHMENT K)

Designer Selection for Residence Halls – Phase II

Mr. Pardue moved approval of the selection of the slate of firms listed in the following priority order for design of the Residence Halls – Phase II.

1. Clark Nexsen – Charlotte, North Carolina
(In association with Sasaki – Watertown, Massachusetts)
2. VOA – Chicago, Illinois
3. Little and Associates – Research Triangle Park, North Carolina

Mr. Schwab seconded the motion and it carried.

(ATTACHMENT L)

Designer Selection for the Northeast Chiller Plant

Mr. Pardue moved approval of the selection of the slate of firms listed in the following priority order for design of the Northeast Chiller Plant.

1. Affiliated Engineers East – Chapel Hill, North Carolina
(In association with Walter Robbs Callahan & Pierce – Winston-Salem, North Carolina)
2. Carter & Burgess, Inc. – Raleigh, North Carolina
(In association with Ayers Saint Gross – Baltimore, Maryland)
3. Vanderweil Engineers – Boston, Massachusetts
(In association with NBBJ Architects – Raleigh, North Carolina)

Ms. Kitchin seconded the motion and it carried.

(ATTACHMENT M)

Preliminary Design Review of the Campus YMCA

This item was presented for information only. No formal action was required to be taken by the Board at this time.

(ATTACHMENT N)

Semi-Annual Report on Capital Improvement Projects

This item was presented for information only. No formal action was required to be taken by the Board.

(ATTACHMENT O)

Semi-Annual Lease Report

This item was presented for information only. No formal action was required to be taken by the Board.

(ATTACHMENT P)

STUDENT AFFAIRS COMMITTEE

Ms. Kitchin, chair of the Student Affairs Committee, introduced Dean Bresciani, interim vice chancellor for Student Affairs. Mr. Bresciani presented a report, "Enhancing the South Campus Community: The Master Plan Comes to Life". [A copy of the report is filed in the Office of the Assistant Secretary.]

The report covered the establishment of the campus in 1792 and its progression to the present. Mr. Bresciani concluded his report with an invitation to the Board to attend the New Residence Halls Celebration scheduled on September 26 at 4:00 p.m.

ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Mr. Stevens, chair of the Academic Affairs and Personnel Committee, introduced Vice Chancellor for Information Technology Marian Moore for an update on information technology.

Vice Chancellor Moore reported on the progression of information technology at the University since her arrival on campus in July 1997 to the present time. [A copy of the report is filed in the Office of the Assistant Secretary.]

The Board applauded Vice Chancellor Moore's outstanding contribution to the University during the past five years and wished her well in her new position at Boston College.

Mr. Stevens requested Secretary Kitchin read the following resolution.

RESOLUTION OF APPRECIATION FOR MARIAN MOORE

WHEREAS, Marian Moore joined the University at a critical time for information technology and led the highly successful implementation of the Carolina Computing Initiative, which other universities have since adopted as a model;

WHEREAS, Marian Moore has driven new applications of information technology on Carolina's academic and administrative sides in the form of wireless computing, information technology purchasing, and multimedia publishing; and whereas she has, at the same time, strengthened the day-to-day support for users that underpins any and all productive use of campus networks and computing;

WHEREAS, Marian Moore has empowered her staff of highly competent and specialized information technology professionals to do their jobs well, to the University's ultimate benefit;

WHEREAS, Marian Moore as Carolina's first vice chancellor for information technology has set an extraordinary standard of effectiveness for her successors to aim at, and whereas, through her leadership, Carolina now is among the nation's most sophisticated universities in using information technology for teaching, learning, business and administration;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill congratulates Marian Moore on a job superbly accomplished and expresses its deepest appreciation for her outstanding work on behalf of the University.

Ms. Kitchin moved approval of the Resolution of Appreciation for Marian Moore.
Mr. Stevens seconded the motion and it carried.

DEVELOPMENT COMMITTEE

Development Update

Mr. Fulton, chair of the Development Committee, presented a report regarding the level of activity and current contributions in the Office of University Advancement.

**ELECTION OF MEMBER OF THE BOARD OF TRUSTEES OF THE
ENDOWMENT FUND**

Mr. Hynes moved, seconded by Mr. Stallings, to elect Mr. Mike Overlock to the Board of Trustees of the Endowment Fund of The University of North Carolina at Chapel Hill. The term for Mr. Overlock will end on June 30, 2005. The motion carried.

**ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL FOUNDATION, INC.**

Mr. Hynes moved, seconded by Mr. Stallings, to elect Mr. Nelson Schwab to fill the vacancy created by the resignation of Mr. Hugh McColl, and Mr. Allen Morgan and Mr. John Townsend to the Board of Directors of The University of North Carolina at Chapel Hill Foundation, Inc. Mr. Schwab's term will end on June 30, 2005. Mr. Morgan's term will end on June 30, 2003, and Mr. Townsend's term will end on June 30, 2004. The motion carried.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, seconded by Mr. Stevens, 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

CONSENT AGENDA/PERSONNEL ITEMS FOR CONSULTATION

Mr. Williams moved approval to authorize the Chancellor to forward to the President and the Board of Governors the personnel report and recommendation presented for consultation. Ms. Mason seconded the motion and it carried.

(ATTACHMENT Q)

DEVELOPMENT COMMITTEE

Report of the Naming Committee

Mr. Kupec and Mr. Fulton presented the Report of the Naming Committee. Mr. Fulton moved approval of the naming recommendations. Mr. Schwab seconded the motion and it carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

LEGAL ADVICE

Ms. Ehringhaus advised the Board regarding several legal matters.

EXECUTIVE CLOSED SESSION

Chairman Burnett convened the Board in executive closed session to discuss a personnel matter.

OPEN SESSION

Chairman Burnett reconvened the meeting in open session.

RESOLUTION

Chairman Burnett requested Secretary Kitchin read the following resolution.

RESOLUTION OF SUPPORT

Be it resolved that the Board of Trustees hereby expresses its commitment to the continued effective and successful operation of AHEC in service to the people of the State of North Carolina.

Be it further resolved that the Board of Trustees hereby supports and affirms the closure of Horace Williams Airport as soon as MedAir can be satisfactorily relocated to another facility and no later than December 31, 2002.

Ms. Schwab moved approval of the Resolution of Support. Ms. Mason seconded the motion and it carried.

ADJOURNMENT

There being no further business to come before the Board, Ms. Mason moved that the meeting be adjourned at 1:30 p.m. Mr. Stevens seconded the motion and it carried.

Assistant Secretary