

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

The Board of Trustees met in regular session on Wednesday, July 21, 2004 at The Carolina Inn, Hill Ballroom Central, at 5:00 p.m. Chairman Williams presided.

ROLL CALL

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

Richard T. Williams, Chairman
Nelson Schwab III, Vice Chairman
Jean Almand Kitchin, Secretary
Timothy B. Burnett
Matthew M. Calabria
Philip G. Carson
Russell M. Carter
John G. B. Ellison, Jr.
Paul Fulton, Jr.
Karol V. Mason
Roger L. Perry, Sr.

The following members were absent from the meeting:

A. Donald Stallings
Robert W. Winston

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Perry, chair of the Buildings and Grounds Committee, requested a motion for ratification by the Board of the following Level 1 items, which were previously approved by the committee. Mr. Burnett made the motion. Mr. Schwab seconded the motion and it carried.

- Designer selection of the following three firms in priority order as listed for the Morehead Planetarium and Science Center rehabilitation of the existing building and a 10,000 square foot addition for a new entrance and visitor support areas:
 1. Hartman-Cox Architects Washington, D.C.
 2. Jenkins Peer Architects Charlotte, North Carolina
 3. E. Verner Johnson & Associates Boston, Massachusetts(ATTACHMENT A)

- Designer selection of the following three firms in priority order as listed for 200 Finley Golf Course Road possible renovation or replacement of the existing structure for swing space:
 1. Wash Hatem Nelson Architects Charlotte, North Carolina
 2. John Hawkins Architect Chapel Hill, North Carolina
 3. Peirson & Whitman Architects Raleigh, North Carolina(ATTACHMENT B)

- Designer selection of the following three firms in priority order as listed for renovations to Hanes Hall, including roof and window replacement, asbestos abatement, new interior finishes, new fire sprinklers, completion of HVAC replacement, renovation of five general purpose classrooms and foundation waterproofing, as well as addressing accessibility and egress issues:
 1. Pierce Brinkley Cease & Lee Raleigh, North Carolina
 2. Davis Kane Architects Raleigh, North Carolina
 3. Small Kane Architects Raleigh, North Carolina(ATTACHMENT C)

- Designer selection of the following three firms in priority order as listed for window replacements in Alumni, Bynum, and Howell Halls:
 1. John B. Hawkins Architect Chapel Hill, North Carolina
 2. Brown & Jones Architects Raleigh, North Carolina
 3. Lord Aeck Sargent Chapel Hill, North Carolina(ATTACHMENT D)

- Designer selection of the following three firms in priority order as listed for roof replacements on Phillips Hall and Phillips Annex:
 1. Rooftop Systems Engineers PC Raleigh, North Carolina
 2. Roof Engineering Raleigh, North Carolina
 3. Stafford Consulting Engineers Raleigh, North Carolina(ATTACHMENT E)

- Designer selection of the following three firms in priority order as listed for replacement of the existing HVAC system and windows in part of the Medical School Wings and the Old Clinic, including asbestos and lead-based paint abatement:
 1. Polytech, Inc. Durham, North Carolina
 2. Clark Richardson & Biskup Cary, North Carolina
 3. Engineered Designs, Inc. Raleigh, North Carolina(ATTACHMENT F)

- Designer selection of the following three firms in priority order as listed for replacement of the existing HVAC and fire alarm systems in Brinkhous Bullitt:
 1. Clark Richardson & Biskup Cary, North Carolina
 2. Stanford White Associates Raleigh, North Carolina
 3. Sigma Engineered Solutions, PC Morrisville, North Carolina(ATTACHMENT G)

- Designer selection of the following three firms in priority order as listed for roof replacements on Bynum and Caldwell Halls:
 1. Stafford Consulting Engineers Raleigh, North Carolina
 2. L. S. Agnew, Jr. Raleigh, North Carolina
 3. Roof Engineering, Inc. Raleigh, North Carolina(ATTACHMENT H)

- Lease of approximately 2,568 square feet of office space and 400 square feet of lower level finished work/storage space at 207 Wilson Street, Orange County, Chapel Hill, North Carolina, from Madison Partners, LLC for the Institute for Science Learning and Policy. The lease term is three-year period commencing September 1, 2004, or as soon thereafter as possible at an initial annual rent not to exceed \$48,940 the initial year, or \$17.50 per square foot for office space and \$10 per square foot for lower level space including utilities services. There is a 2% annual increase in year two and year three.
(ATTACHMENT I)

- Lease of approximately 11,524 square feet of office space at 137 East Franklin Street, Orange County, North Carolina, from Franklin Street Plaza, Ltd. for the School of Public Health, Department of Epidemiology. The lease term is three-year period commencing July 1, 2004, or as soon thereafter as possible at an initial annual rent not to exceed \$222,017.50 the initial year including utilities and janitorial services. There is a 3% annual increase in year two and year three. There are two one-year renewal options with a 3% annual increase.
(ATTACHMENT J)

Mr. Perry presented the following Level 3 items, which were previously approved by the committee:

- Design approval for renovation and construction of an addition to 410 East Franklin Street (James Love House) for the Center for the Study of the American South.

The committee approved the design with the addition of shutters on two windows on the south elevation.

(ATTACHMENT K)

Ms. Anna Wu, Director of Facilities Planning, presented further information concerning this design.

The Board unanimously approved ratification of the above Level 3 design approval.

- Design approval for the Memorial Garden, which allows members of the University community and UNC Health Care System employees to hold ceremonies and scatter ashes of the deceased. The Memorial Garden will be located adjacent to the existing Chapel Hill Cemetery at the corner of Country Club Drive and South Road.

(ATTACHMENT L)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, presented further information concerning this design.

The Board unanimously approved ratification of the above Level 3 design approval.

- Design approval for renovation to Daniels Student Store providing upgrades to the building's mechanical, electrical and plumbing systems as well as improvements to meet accessibility, fire/life safety and health requirements; also providing a new public entrance on South Road and expanding and upgrading the retail areas.

(ATTACHMENT M)

Ms. Anna Wu, Director of Facilities Planning, presented further information concerning this design.

The Board unanimously approved ratification of the above Level 3 design approval.

- Acquisition by purchase of approximately 13.96 acres of land northeast of the intersection of Old Lystra Road and U.S. Highway 15-501 North, Chapel Hill, Chatham County, North Carolina, for a purchase price of not more than \$1,300,000, but reimbursement to include carry costs to The University of North Carolina at Chapel Hill Foundation, Inc. for having served as interim financier, such costs may include but not be limited to certain closing and financing costs incurred by the Foundation, and the removal of any improvements located on the property. The property is located along the University's primary southern access corridor and will provide a desirable location for a park and ride lot, serving faculty, staff, students, and visitors using a southern access route to the University.

(ATTACHMENT N)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, presented further information concerning this property acquisition.

The Board unanimously approved ratification of the above Level 3 purchase acquisition.

The following Level 3 preliminary design review items were presented previously to the committee for information only (no formal action was requested at that time):

- The North Carolina Cancer Hospital, organized to maximize patient services, provide support for clinical research, and enhance the education of health professionals in the care and treatment of cancer patients. It includes proximate space for physician offices to support the clinical program. The project incorporates the space north of Manning Drive for clinical programs and the space south of Manning Drive for the physician office component. The components will be connected by the bridge that also links the parking decks to the UNC Hospitals campus and will provide important access for coordinated care of patients.

(ATTACHMENT O)

Ms. Mary Beck, Senior Vice President for Planning, UNC Health Care System, presented further information concerning this preliminary design. A model of the facility was also provided.

- Gerrard Hall and Smith Hall/Old Playmakers Theatre Rehabilitation, involving the installation of new mechanical/electrical systems, improvements to the accessibility of both buildings, and the complete restoration of the historic finishes and architectural features of the two buildings. Gerrard Hall will continue to be used as an assembly building. Once rehabilitated, Old Playmakers Theatre will continue to function as a performing arts theatre for the Dramatic Arts Department, the Music Department, and the Communications Department.
(ATTACHMENT P)

Ms. Wu presented further information concerning this preliminary design.

- Cogeneration Facility/Turbine Generator Modifications, comprised of multiple projects proposed for the Cameron Avenue Cogeneration Facility to support the University's growth and need for reliable power. The projects include an addition to the Cogeneration Facility for a 20 MW steam powered turbine generator; the replacement of the existing cooling tower with a larger, quieter unit; and the addition of a building adjacent to the Duke Power Substation to house electrical equipment necessary to support the turbine generator.
(ATTACHMENT Q)

Ms. Wu presented further information concerning this preliminary design.

The following Level 1 items were presented previously to the committee for information only (no formal action was requested at that time):

- Status of Capital Improvement Projects
(ATTACHMENT R)

Mr. Kevin MacNaughton, Special Assistant for Capital Projects, and Mr. Fulton, Chairman of the Bond Oversight Committee, presented further information on this item.

Mr. Perry and Mr. Runberg commented on a draft of a template for Construction Cost Metrics that was distributed to the members of the Board to review and provide input. The form would then be completed for future Board meetings for discussion concerning new projects being brought to the Board.

- Lease Report
(ATTACHMENT S)

RECESS

Chairman Williams recessed the Board meeting at 6:30 p.m.

RECONVENE

Chairman Williams reconvened the Board meeting at 8:05 a.m. on Thursday, July 22, 2004 at The Carolina Inn, Chancellor Ballroom East and Ballroom West.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and attendance was the same as on Wednesday, July 21.

ELECTION OF OFFICERS

Mr. Carson moved approval of the following slate of officers for the term July 2004 to July 2005. Ms. Mason seconded the motion and it carried.

Richard T. Williams – Chairman
Nelson Schwab III – Vice Chairman
Jean Almand Kitchin – Secretary
Brenda W. Kirby – Assistant Secretary

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Ellison, seconded by Mr. Burnett, the minutes of the regular meeting of May 26-27, 2004 were approved as distributed.

Ratification of Mail Ballot

On motion of Mr. Ellison, seconded by Mr. Burnett, the following mail ballot dated June 16, 2004 was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured appointments and promotions.

(ATTACHMENT T)

CHAIRMAN'S REMARKS

Chairman Williams began by thanking the members of the Board, particularly the Nominating Committee, for the confidence placed in him by re-electing him as Chairman of the Board for another term. He commented on the challenging issues the Board had faced and dealt with in the past year.

Chairman Williams also commented on the following:

- The Board's Retreat held on July 20-21.
- The upcoming comprehensive evaluation by the Board of Chancellor Moeser as directed by the Office of the President.

CHANCELLOR'S REMARKS

Chancellor Moeser began by recognizing the following:

- Vice Chancellor for Student Affairs Margaret (Peggy) Jablonski, who will officially start work on August 19.
- Head Track Coach Dennis Craddock. During the recent U.S. Olympic trials competition, Carolina alumni and current students have dominated the trials. Five different women won individual events:

1. Tisha Waller (high jump)
2. Marion Jones (long jump)
3. LaTasha Colander (100 meters)
4. Monique Hennagan (400 meters)
5. Laura Gerraughty (shotput)

Two more qualified for the Olympic team:

1. Shalane Flanagan finished third in the 5000 meters.
2. Crystal Cox was fourth in the 400 and should have a place on the 4x400 relay.

Former Olympic gold medalist Allen Johnson also qualified for his third consecutive Olympics by placing third in the 110 hurdles.

Chancellor Moeser praised the impact Coach Craddock and his colleagues have had on our student-athletes and the way in which they have represented the University.

Chancellor Moeser also commented on the following:

- Legislative Update. The Chancellor stated that there is a good feeling about how the University fared during the most recent short session.

1. Besides the budget, the most important priority was securing approval for the new cancer hospital, which the Buildings and Grounds Committee, and then the full Board, saw yesterday in its model form. The facility will make a tremendous impact on this campus for health care all across North Carolina and it will have significant economic impact across the state as it links our research and essential care with job creation.

Patient load has risen 35% in the last six years, and the number of North Carolina cancer patients is expected to double over the next thirty years. We need a center that can provide the highest quality care for North Carolinians. Benefits include the capacity to conduct more clinical trials for patients from all 100 counties.

Chancellor Moeser thanked the leadership in the General Assembly—Speakers Morgan and Black, Senators Basnight and Rand, and Governor Easley.

2. The Legislature was supportive of enrollment growth funding. We successfully protected full retention of overhead receipts generated by faculty research grants. This was the first session in recent memory where there was not a single recorded vote over overhead receipts.
 3. An important win in the budget was a substantial expansion in state matching funding for endowed professorships. A central component of the Carolina First Campaign has been securing endowed professorships as part of our retention for attracting and retaining great faculty. \$6 million of recurring and an additional \$2 million of non-recurring added to the \$2 million that are in the budget, will create \$10 million of available funds in the coming year. Carolina has a long cue of endowed chairs that have been created and are ready for the match and we'll be able to take advantage of a significant portion of this funding opportunity.
 4. Salary increases for SPA employees of \$1,000 or 2.5%, whichever is greater. Additional funds from the campus- and school-based tuition increases will be available for faculty and EPA non-faculty. All funds will be awarded on the basis of merit. The Board of Governors' current policy calls for faculty and EPA non-faculty increases to be given only to address merit, market and equity issues. In the area of faculty retention, all of our problems won't be solved with one year of increases, but it will make a good start.
 5. Chancellor Moeser acknowledged the work of many Carolina supporters who worked all through this session in a very positive manner: Trustees Fulton, Carter, Winston, Schwab, and Stallings; members of the Board of Visitors; alumni; and thousands of cancer survivors who worked so diligently for the great outcome that was achieved. Also, the staff support led by Kevin FitzGerald.
- Carolina Connects Update. Chancellor Moeser stated that a leading public university is an engaged university—a university that always puts its state first. That's what was in mind with "Carolina Connects". Our goal is to highlight the many ways in which the University serves the communities and people of North Carolina. It's being very well received in the local communities being visited. The Chancellor commented that he is learning a great deal about what the University already does to serve North Carolina and how we can do even more in the future. Since the May Board meeting, he has traveled to Fort Bragg, Burlington, Durham, New Bern, Morehead City, and Asheville. He will continue these travels across the state in the months ahead.

In Fort Bragg and in Asheville, the Chancellor met with families of National Guard and Army Reserve personnel who have been called up to active duty. He has been talking to them about a new program called the Citizen-Soldier Initiative, which will enhance support services for these families. The Department of Defense will fund this program. It has been approved by Congress. The University, along with other constituent institutions (East Carolina University, Fayetteville State University, North Carolina State University, UNC-Charlotte, and UNC-TV), as well as Virginia Tech, Bryn Mawr, and the Duke Divinity School, are all involved in this program.

In Morehead City, the Chancellor attended an Economic Development Council Luncheon. The role of marine research was spotlighted. The research being conducted at the Institute of Marine Sciences makes a critical contribution to Carteret County's economy.

In Asheville, the Chancellor had dinner with some Carolina Covenant incoming students from the Asheville area. Trustee Carson also attended the dinner.

The Chancellor will continue to update the Board on his Carolina Connects visits.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Calabria commented on the following:

- Launching of the VoteCarolina Campaign, which is an effort by student government to increase student voter registration and turnout in this fall's elections. Students will receive registration forms when checking in to residence halls, and incoming first-year students will receive forms in the Week of Welcome packets. The campaign will encourage early one-stop voting at the Morehead Planetarium, transport students to polling sites, make registration forms available and accessible to all students, and hold campus events to promote student voting on campus.
- Hosting a retreat for all system campus schools' student body presidents. The retreat will be held July 23-24 in Chapel Hill. The group will discuss how best to work with the Board of Governors, the individual school's Board of Trustees, and the General Assembly.
- Tuition Task Force. Provost Shelton and Mr. Calabria will soon be sending a letter to the Board of Trustees soliciting questions from the Board to enable better preparation by the Tuition Task Force for this year's tuition presentation.
- Carolina Entrepreneurial Initiative and Carolina Idea Competition. The competition is where teams of students will compete with various innovations to create business plans to propose their ideas in front of a panel of business leaders. Members of the Board may be invited to participate on the panel.
- Near Campus Lighting Tour. Students have voiced concerns about poorly lit areas off campus, particularly near the Greek houses, especially sorority houses.
- Research of controversial issues by Judith Wegner, Secretary of the Faculty. In particular, how controversial issues are dealt with in the classroom.

Chairman Williams commented that it would be appropriate to have Trustee participation on the Tuition Task Force.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following item, which was previously approved by the committee.

- Task Force on Signage in Athletic Facilities Report
(ATTACHMENT U)

Mr. Carter requested Ms. Kitchin read the following resolution which was presented to the Board of Trustees for its consideration and approval.

RESOLUTION

Whereas the task force reviewed a number of options relating to the addition of partner signage in Kenan Stadium and the Dean E. Smith Center;

Whereas the task force understands that the University's history and culture has been to limit and discourage the use of signage in those two venues;

Whereas the task force has identified a substantial need for the Department of Athletics to meet rising scholarship costs, facility demands and operating budget requirements for individual sports.

Therefore be it resolved, that the task force concludes those challenges make it necessary to add signage within the following guidelines; signage should only be introduced in a limited and tasteful way, with a small number of companies that have strong integrity and national impact; that signage makes a significant financial impact; and the signage protects insofar as possible the environment and tradition of the institution. Finally, the selection process should offer firms that meet the aforementioned standards the opportunity to make proposals, within guidelines established by the University.

Chairman Williams stated the following:

“This resolution suggests that the Chancellor establish a committee to review what would be most appropriate from the marketplace for this campus. When we did the original charge, there was a focus on signage, but there was also a very strong charge that we keep in mind that this is Carolina. We've had excellence in athletics, we definitely have excellence in academics, and we realize that that, in my opinion, provides us to be able to do things differently than others. In my opinion, not only in a more tasteful way but maybe just gives us more options. Signage certainly ought to be one of the options, but there are other revenue streams that I hope we might be able to develop that would mitigate any need for signage or additional signage. I'm not wanting to be specific about what that is because I don't know what's out there. I don't know that it has ever been done and I want us to go in with the mindset that being Carolina, considering the successes we've had over the years, that we look at the possibility of creating something different that brings in sufficient revenue. For all of us, we need to keep in mind that this is all about providing opportunities for student athletes. This is not about trying to be like everybody else. This Athletic Department and this University have what I consider to be an extraordinary history of providing a tremendous number of opportunities for students who participate in sports. I don't recall the numbers, but I think within our conference and around the nation, we probably have more sport teams than most—if not all. The way that we do that is to make certain that the Athletic Department is financially strong to be able to accomplish that. They've been able to get great support from the Educational Foundation in the past and I think they're gearing up to do even more. But, we've got to make certain that they're in a position to attract student athletes to provide the kind of leadership that is being developed and that we provide them the opportunity to be successful. So, we'll look at more than just signage, but other creative options.”

Mr. Burnett moved ratification by the Board of the above resolution. Ms. Kitchin seconded the motion and it carried.

Chairman Williams and Chancellor Moeser thanked Mr. Baddour, Athletics Director, for his leadership and the members of the task force for their work on the task force.

Chancellor Moeser thanked the Board for this decision, which he felt was the right decision, “because it’s consistent with the Board’s desire and the University’s desire to make sure that this 28-sport athletic program remains competitive on a national level; and that it’s done without draining resources away from the academic core mission of the University, something of which the University is enormously proud—to be able to support 28 sports, to do it independent of state funding, tuition support, and without any drain on the academic resources; and, most importantly of all, to do it on a foundation of integrity and character building, which is a source of great pride. And, at the same time, being nationally competitive—to be the leading program in the ACC in terms of again being rated number seven in the Directors Cup, consistently the most successful program in that regard. We also know that few of our national peers have either the record of success, of integrity, and certainly not the record of financial stability that we have treasured at this university. Many universities provide their athletics department with direct financial support right out of the core budget, and sometimes at substantial levels. That has never been our practice here and that’s what we hope most to avoid. The approach the task force has recommended, and that this Board has adopted now, is both fiscally responsible and I believe appropriately respectful of Carolina’s culture and tradition. That’s the other important aspect of this that I think all of us want to respect. It’s important to put this issue in a broader context as we consider the appropriate balance between the values and interests of both the University and the Athletics Department. Corporate partnerships, appropriately structured and carried out, provide significant benefits already to the University’s academic mission. We have seventeen chairs with corporate names on them, so there’s a long record of corporate support for the academic enterprise. We have corporate involvement in our research enterprise, and that’s not to say there are not problems or issues related to that. It’s something we must very carefully watch so that our research remains fully free, but I believe we are threading that needle. Our track record across the board in this regard is quite strong. With the corporate relationships that already exist, benefiting academics and other areas of campus life and work which are important in determining how well we educate students, nurture the ability of faculty to teach and to conduct research and to carry out public service that makes a difference. I think our challenge now is in exploring corporate signage in the Smith Center and the Kenan Stadium that will maintain our culture, our integrity, our character. If we can do that, I believe that there are important and significant relationships that we can develop with the business and corporate world that can help keep our athletic program on a secure and stable footing. Let me assure the Board that we intend for this to be the case with regard to any relationship with which we might enter into or propose, which of course will be brought back to this Board. I appreciate your work and pledge to you that we will do the work within the Board’s understanding.”

Mr. Carter 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 by Judith Wegner
 - ❖ Efforts under way to offer workshops to professors on teaching techniques to help them deal with controversial topics, issues of academic integrity, and expanding entrepreneurship on campus.
 - ❖ More information will be presented on the faculty retention survey at the September committee meeting.
- Academic Plan Update by Steve Allred, Executive Associate Provost. The update centered on how the University is performing on the six priorities that were laid out in the Academic Plan which was adopted by the Board a year ago. Growth and improvement were demonstrated in nearly all areas.

(ATTACHMENT V)

- Greek Affairs – Fall Rush Plans by Jay Anhorn, Director of Greek Affairs. [A copy of a publication that was distributed at the committee meeting on Greek Life is filed in the Office of the Assistant Secretary. The publication is mailed to all incoming first-year students and includes descriptions of each fraternity and sorority, as well as Greek Life policies and procedures.]

REPORT OF THE CAMPUS Y RENOVATION COMMITTEE

Steve Allred, Executive Associate Provost and Chair of the Campus Y Renovation Committee, presented this report to the Board. The committee met on June 14, 2004 and discussed the location of the Y, optimal uses of the building, and Non-Y functions and University funds.

The committee recommended that renovation of the Campus Y building proceed as quickly as possible, with construction to begin by April of 2005 and completion by May of 2006. The committee recommended a mix of four funding sources:

1. Private funds (constituting at least \$3 million of funding for the building, consistent with previous Board actions).
2. State funds (from the repair and renovation account, requiring approval from the Council of State).
3. Classroom support funds (from ATN for technology upgrades for the two general purpose classrooms and the general purpose conference/meeting room).
4. Central administration funds for the EDA office, classroom, and faculty lounge (from the University Budget Committee).

Approximate renovation cost for the EDA space is \$432,000. The faculty lounge needs \$468,000 (not including furniture), and the funding for the two general-purpose classrooms and the general-purpose conference rooms would total \$165,000.

Mr. Calabria moved approval of the committee's recommendation. Ms. Kitchin seconded the motion and it carried.

(ATTACHMENT W)

REPORT OF THE FINANCE COMMITTEE

Mr. Schwab, chair of the Finance Committee, presented the committee's report on the following items, which were previously approved by the committee.

- Transfer to the University of the Endowment's Distribution from the Investment Fund. Mr. Schwab moved ratification by the Board of this item. The motion was duly seconded and carried.

(ATTACHMENT X)

- Audit and Finance Committee Charter, an administrative supplement to the By-Laws of the Board of Trustees of The University of North Carolina at Chapel Hill, Article I Section 104 – Committees, which addresses audit matters at the University. Mr. Schwab moved ratification by the Board of this item. The motion was duly seconded and carried.

(ATTACHMENT Y)

The following items were presented previously to the committee for information only (no formal action was requested at that time).

- Provost's Responses to Various Committee Questions by Robert Shelton concerning the Campus Budget Process

(ATTACHMENT Z)

- Committee Discussion of Planning Environment by Nancy Suttentfield, Vice Chancellor for Finance and Administration
(ATTACHMENT A-1)
- Proposed Metrics for Self-Liquidating Projects by Dennis Press, University Controller
(ATTACHMENT B-1)
- Validation of Assumptions for Phase I, Student Housing by Chris Payne, Director, Department of Housing and Residential Education, and Larry Hicks, Associate Director, Department of Housing and Residential Education
(ATTACHMENT C-1)
- Final Review of FY 03-04 Budget Status at Year End by Nancy Suttentfield
- Remarks from Employee Forum Chair Tommy Griffin concerning the ongoing difficult recruiting and retention environment at the University. Of particular concern are benefits and the cost of health care.
- Carolina First Campaign Update by Paul Fulton. Mr. Fulton reported that the campaign continues to make significant progress with the total standing at \$1,272,871,315. There has been \$34.2 million in new commitments since the May Board meeting. \$190 million in gifts and private grants were received during fiscal year 2004—the largest amount received in a single year in the history of the University. [A copy of the report is filed in the Office of the Assistant Secretary.]

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, and seconded by Mr. Schwab, 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 FINANCE COMMITTEE

Report of the Naming Committee

Matt Kupec, Vice Chancellor for University Advancement, presented naming recommendations which were previously presented to the Finance Committee and approved by the committee.

Mr. Perry moved ratification by the Board of the naming recommendations. Mr. Burnett seconded the motion and it 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. Carter, chair of the University Affairs Committee, presented faculty appointments and salary approvals dated July 12, 2004 for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS D-1, E-1, F-1, G-1, H-1)

LEGAL ADVICE

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

DEEP EXECUTIVE CLOSED SESSION

Chairman Williams convened the Board in Deep Executive Closed Session to discuss a personnel matter.

RECONVENE MEETING IN OPEN SESSION

Chairman Williams reconvened the Board in open session.

OPEN SESSION

UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, moved approval by the Board of the following personnel actions dated May 17, 2004 and May 26, 2004 which were discussed earlier in closed session. The motion was duly seconded and carried.

- Personnel changes in Academic Affairs dated July 12, 2004
(ATTACHMENT D-1)
- Personnel changes in Health Affairs dated July 12, 2004
(ATTACHMENT E-1)
- Tenure Appointment and Promotions Conferring Tenure dated July 12, 2004
(ATTACHMENT F-1)
- The personnel changes for information dated July 12, 2004 did not require action by the Board.
(ATTACHMENT G-1)
- Senior Administrator Appointment Recommendation for University Librarian
(ATTACHMENT H-1)

Chairman Williams 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, Mr. Schwab moved to adjourn the meeting at 12:25 p.m. Ms. Kitchin seconded the motion and it carried.

Assistant Secretary