

BOARD OF TRUSTEES MEETING

The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session in the John Sprunt Hill Central Ballroom at The Carolina Inn on July 25, 1997. Chairman Armfield called the meeting to order at 8:30 a.m.

ADMINISTRATION OF OATH OF OFFICE

Chief District Court Judge Joseph Buckner administered the oath of office to the following re-elected Board members: William J. Armfield, IV, Anne Cates, Walter R. Davis, William R. Jordan, and Charles A. Sanders.

Re-elected Board Member Cressie Thigpen was not present. His oath will be administered at a later date.

ROLL CALL

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

William J. Armfield, IV, Chairman	David E. Pardue, Jr.
William R. Jordan, Vice Chairman	Charles A. Sanders
Anne W. Cates, Secretary	Richard Y. Stevens
Angela R. Bryant	Cressie H. Thigpen, Jr.
Walter R. Davis	(arrived at 8:45 a.m.)
James E. S. Hynes	David J. Whichard, II
Mohan Nathan	Annette F. Wood

MINUTES

On motion of Mrs. Cates, seconded by Mr. Nathan, the minutes of the regular meeting of May 23, 1997 were approved as distributed.

CHAIRMAN'S REMARKS

Chairman Armfield began his remarks by referring to the recent death of Charles Kuralt. Mr. Kuralt was one of the University's most distinguished graduates who received national recognition in his field of endeavor, and always brought great credit to the University. Mr. Armfield commented that he considered Mr. Kuralt to be one of our "priceless gems" and felt that everyone was touched that he wanted to be buried in Chapel Hill.

Chairman Armfield thanked the Board for allowing him to serve as chairman for the past two years. He thanked the Chancellor, his staff and administration for their assistance to him. In commenting upon his terms as chairman, he said that in his opinion the biggest challenge facing the Board is to balance political correctness with the pursuit of excellence. He stated that the major focus of the Trustees' energy, beyond upholding the code, the responsibility to the Board of Governors, and the integrity of the institution, is to support the Chancellor. That is the most tangible way in which the Board can expend its energy. The Board is very fortunate to have a Chancellor who has the vision, intellect, and energy to achieve his and the Board's self-stated goal of becoming the number one public university. He urged all members of the Board to lend the Chancellor that support and reiterated his enjoyment at having served as chairman during the first two year's of the Chancellor's term at the University.

ELECTION OF OFFICERS

Ms. Wood, chairman of the Nominating Committee, presented the following proposed slate of officers:

Chairman - Richard Y. Stevens
Vice Chairman - Anne W. Cates
Secretary - Angela R. Bryant
Assistant Secretary - Brenda Kirby

Mr. Hynes moved approval of the election of these officers. Dr. Jordan seconded the motion and it carried.

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Chairman Armfield passed the gavel to incoming Chairman Stevens. Chairman Stevens acknowledged that Mr. Armfield would be "a hard act to follow". He remarked that Mr. Armfield had been a strong and diligent chairman and had served the University long and well for many years, as he will continue to do.

RESOLUTIONS

On behalf of the Board, Ms. Bryant read and moved approval of the following three resolutions.

RESOLUTION OF APPRECIATION FOR WILLIAM J. ARMFIELD, IV

WHEREAS, William J. Armfield, IV is stepping down after serving as two-term chairman of The University of North Carolina at Chapel Hill Board of Trustees;

WHEREAS, Mr. Armfield has energetically embraced his duties as chairman, devoting countless hours to the important task of tackling the often daunting job of charting the course for the First State University;

WHEREAS, he has exhibited strong leadership of the Board, taking particular interest in the University's business and investment matters to assure that state-of-the-art and attentive consideration is given to the stewardship of all public and private funds;

WHEREAS, Mr. Armfield was a strong and vocal advocate in the University's effort to win approval of a tuition increase that has benefited academics and has helped keep Carolina competitive with its peer institutions;

WHEREAS, he was the first Board chairman to work with then new Chancellor Michael Hooker, offering him advice and guidance, showing him the ropes from total quality management to bone fishing, to NASCAR racing, and helping him to hit the ground running;

WHEREAS, before serving as chairman, Mr. Armfield masterfully led the Bicentennial Campaign for Carolina to a landmark \$440 million and, with his wife Janie, has continued his stalwart benefaction on behalf of the University while serving as chair, giving to endeavors across the campus;

WHEREAS, Mr. Armfield, affectionately known as "Sid" to many of his colleagues on the Board, admitted when elected that he "may not always be right, but is Seldom in Doubt";

NOW, THEREFORE, BE IT RESOLVED that The University of North Carolina at Chapel Hill Board of Trustees thanks Chairman Armfield for two

productive and fruitful years of leadership that have left the University in healthy standing academically and financially and wishes him the best as he continues to serve the Board and the University in many other capacities.

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The motion was seconded by Mrs. Wood and carried.

RESOLUTION OF APPRECIATION FOR C. D. SPANGLER, JR.

WHEREAS, C. D. Spangler, Jr. retired July 18 after serving The University of North Carolina, its students, and the people of North Carolina as president of the University system for eleven years;

WHEREAS, President Spangler's unwavering commitment to extending educational benefits to all North Carolinians has immeasurably preserved and strengthened the University's mission;

WHEREAS, his love of students and deep devotion of their well-being has been much more than symbolic, characterized by countless hours spent with students in classrooms, in meetings, and over legendary lunches at Lenoir Dining Hall;

WHEREAS, President Spangler and his family have been more than public servants, generously providing resources to the University over the years--from the donation of his own salary each year to the creation of numerous endowed professorships on all sixteen campuses;

WHEREAS, President Spangler has served as a staunch advocate for the University's needs and aspirations before the General Assembly;

WHEREAS, he has championed the causes of women and minorities, promoting many outstanding candidates to leadership roles in the University system;

WHEREAS, Dick and Meredith Spangler have been wonderful caretakers and stewards of the president's home on Franklin Street and active members of the Chapel Hill community, contributing invaluable time and resources to the humanities and education;

WHEREAS, President Spangler's eloquence about his own alma mater, The University of North Carolina at Chapel Hill, has graced many occasions in Chapel Hill; in his own words, "The first among many is now surely the finest of all."

NOW, THEREFORE, BE IT RESOLVED that The University of North Carolina at Chapel Hill Board of Trustees thanks President Spangler for eleven years of exemplary service to our University and state and wishes him the best as he continues to contribute to North Carolina and the state of higher education during his retirement.

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The motion was seconded by Dr. Sanders and carried.

RESOLUTION OF APPRECIATION FOR FREDERIC W. SCHROEDER, JR.

WHEREAS, Frederic W. Schroeder, Jr. will retire July 31 after dedicating the last 33 years of his life to serving students at The University of North Carolina at Chapel Hill;

WHEREAS, in all of his posts at Carolina--from Assistant Vice Chancellor and Dean of Students to Director of the Department of Student Life and Student Activities to Dean of Men--Fred Schroeder has been one of the strongest advocates and allies of students in the history of this University, going beyond the administrative parameters of his job to focus on each individual student he has worked with;

WHEREAS, Dean Schroeder has served as a surrogate father for literally thousands of Carolina students, offering an ever-open door, wise advice, loving encouragement, and even a shoulder to cry on, when necessary;

WHEREAS, he has demonstrated an unparalleled belief that the college experience extends far beyond the classroom and that students learn best by doing, a philosophy he practiced regularly by seeking opportunities for them to do just that--whether through his work over the years with a multitude of student groups or by chairing the Francis Phillips Travel Scholarship Committee;

WHEREAS, Dean Schroeder has spent a quarter-century faithfully serving on the University's Residence Status Committee, always giving 110 percent as he listened tirelessly to each case and made difficult decisions that affected the future of countless students;

WHEREAS, Dean Schroeder has selflessly served in one of the most emotionally draining jobs on campus, making himself available 24 hours a day to our more than 24,000 students to help them deal with crises--large and small--and tackling each new episode with unwavering patience, immutable sensitivity, and with little regard to his own welfare during many late-night calls to campus and confrontations with distraught students, who, on more than one occasion, caused him bodily harm;

WHEREAS, his bottomless well of compassion has flowed freely as he has dealt with thousands of families of our students in times of tragedy, gently informing them of an accident involving their young loved one, spending countless hours with them waiting in the halls of UNC Hospitals, or breaking news personally to them about an untimely death;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill recognizes the charity, generosity, benevolence, and strength of character embodied in Dean of Students Frederic Schroeder and salutes him for being there whenever, wherever, and however necessary for generations of Carolina students.

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The motion was seconded by Mr. Nathan and carried.

CHANCELLOR'S REPORT

Chancellor Hooker introduced Dr. Jeffrey Houpt, dean, School of Medicine, and vice chancellor for Medical Affairs, Mr. Dick Baddour, Athletic Director, and Ms. Marian Moore, chief information officer, to the members of the Board. Dr. Houpt and Mr. Baddour presented their future objectives and goals to the Board.

Chancellor Hooker reported that Dr. William Roper has been hired as dean of the School of Public Health. Dr. Roper was unable to attend the Board meeting. He also reported that Dr. Risa Palm has been hired as dean in the College of Arts and Sciences and will assume her duties on August 1, 1997.

The Chancellor reported on the status of the following positions at the University: dean of the School of Education, dean at the School of Business, director of Undergraduate Admissions, and vice chancellor for Administration.

Chancellor Hooker also reported on the following: completion of his 100-county tour of the state; his appointment by Governor Hunt to the 1998 Commission on the Future of the South; the proposed funding to purchase 14 small buses to expand service to areas in and around the campus; and the increase in admissions applications.

Chancellor Hooker concluded his report by thanking Mr. Armfield for his earlier comments and the hours of counsel as he settled in to his new job.

STUDENT BODY PRESIDENT'S REPORT

Mr. Nathan reported on the student housing situation and undergraduate advising reform. He distributed a copy of his report to the Board. [A copy of the report is filed in the Office of the Assistant Secretary.]

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Chancellor Hooker recognized Mr. Tom Ingram, president of the Association of Governing Boards, who will assist in an assessment process of the Board.

Chairman Stevens recognized Mr. Doug Dibbert, president of the General Alumni Association, who was recently selected to be the chair of the Council for the Advancement and Support of Education (CASE).

ELECTION OF A MEMBER TO THE BOARD OF TRUSTEES OF THE ENDOWMENT FUND OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

Mr. Pardue moved to re-elect Mr. Earl N. Phillips, Jr. for a three-year term ending in the year 2000. Ms. Wood and Mr. Whichard seconded the motion and it carried.

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

Chairman Stevens moved to elect Mr. David Pardue to fill the vacancy created by the expiration of the term of Dr. William Jordan. Mr. Pardue's term will be concurrent with his tenure on the Board of Trustees. Chairman Stevens also moved to recommend the appointments of Dr. William Jordan and Mr. Cressie Thigpen to fill the vacancies created by the expiration of the terms of Ann L. Spencer (2000) and Charles D. Waddell (2001), and the re-appointments of Mr. Walter Davis (2000) and Mr. Allen Morgan (2001). Each of these terms will be for four years. Chairman Stevens also moved to recommend the appointment of Dr. Charles Sanders for a two year term, completing the term of Mr. Van L. Weatherspoon (1999). Mrs. Cates seconded each of these motions and they carried.

REPORT OF THE FINANCE AND BUSINESS COMMITTEE

Ms. Wood, chair of the Finance and Business Committee, presented the committee's report on the following items which were previously recommended by the committee.

1. Selection of Barbara H. Mulkey Engineering, Inc. to provide engineering services for paving repairs for 1998.
(Attachment A)
2. Approval to demolish the Victory Village Day Care Center Building.
(Attachment B)
3. Approval to demolish the Institute of Government Annex.
(Attachment C)
4. Approval to purchase the ZBT Fraternity House for One Hundred Thousand Dollars (\$100,000).
(Attachment D)
5. Approval to acquire by lease approximately 12,000 square feet of office space for the University Development Office for a term not to exceed five years commencing March 1, 1998, or as soon thereafter as space is available for occupancy, at an initial annual rent not to exceed the amount approved by the State Property Office and the Council of State after public competitive bid.
(Attachment E)
6. Approval to acquire by lease approximately 3,400 square feet of office space for the School of Medicine, Department of Anesthesiology for a term not to exceed five years commencing September 1, 1997, or as soon thereafter as space is available for occupancy, at an initial annual rent not to exceed the amount approved by the State Property Office and the Council of State after public competitive bid.
(Attachment F)
7. Approval to acquire by lease approximately 22,985 square feet of office space at the Sheryl-Mar Building, 521 South Greensboro Street, from James L. Hodgin for the Frank Porter Graham Child Development Center for a term of five years at an initial annual cost not to exceed \$312,596.00 including janitorial services, with an annual cost beginning in the fourth year not to exceed \$321,973.88 including janitorial services, with an annual cost beginning in the fifth year not to exceed \$331,633.10 including janitorial services, with a one-year renewal option at an annual cost not to exceed \$348,214.76 including janitorial services and with a second one-year renewal option at an annual cost not to exceed \$365,625.50 including janitorial services.
(Attachment G)
8. Approval to acquire by lease approximately 3,200 square feet of office space at 800 Eastowne Drive, Suite 100, from Philip D. Pearsall for the School of Public Health, Department of Nutrition, for a term of three years at an initial annual cost not to exceed \$49,600.00 including utilities and janitorial services, with an annual cost beginning in the second year not to exceed \$51,584.00 including utilities and janitorial services, with an annual cost beginning in the third year not to exceed \$53,647.36 including utilities and janitorial services, with a one-year renewal option at an annual cost not to exceed \$55,793.26 including utilities and

janitorial services and with a second one-year renewal option at an annual cost not to exceed \$58,024.99 including utilities and janitorial services.

(Attachment H)

9. Approval to acquire by lease approximately 5,000 square feet of office space for the Division of Health Affairs, Center for Health Promotion and Disease Prevention for a term not to exceed five years at an initial annual rent not to exceed the amount approved by the State Property Office and the Council of State after public competitive bid.

(Attachment I)

10. Approval to enlarge an existing BellSouth easement by adding an additional area measuring 15 feet by 30 feet at the entrance to the Friday Center for telephone equipment serving the University.

(Attachment J)

11. Approval of an easement from the DuBose property (adjoining the Friday Center) to Friday Center Drive.

(Attachment K)

12. Approval of a site on the south side of Airport Drive opposite the Giles F. Horney Building as a site for a new office building to be constructed by The University of North Carolina at Chapel Hill Foundation, Inc.

(Attachment L)

Ms. Wood moved approval. Mr. Thigpen seconded the motion and it carried.

The following items were presented for information only (no formal action was required)

1. Update on proposed road changes in the area of the Smith Center

(Attachment M)

2. Semi-annual report on capital improvement projects

(Attachment N)

3. Preliminary design review of the addition to the Security Services Building

(Attachment O)

4. Preliminary design review of the Field Hockey Building

(Attachment P)

5. Preliminary design review of the replacement of the Indoor Track Building

(Attachment Q)

6. Preliminary design review of an office building

(Attachment R)

Ms. Wood noted that Dr. Jordan expressed strong opposition to the building's lack of aesthetic qualities. Amendments will be made to the design of this building.

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Chairman Stevens remarked to Chancellor Hooker that hopefully by September the budget of the state will have been adopted and the Governor will

have given the allocations and suggested that someone from the Chancellor's staff would be able to give the Board an update on the budget as it stands at the time of the September Board meeting. In addition, Chairman Stevens requested that the Chancellor give the Board his preliminary thoughts on what the Board can do to assist him in his preparation for the short session and the ongoing budget process.

REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Ms. Bryant, chair of the Academic Affairs and Personnel Committee, presented the committee's report.

Distance Learning

Executive Vice Chancellor Elson Floyd updated the Board on distance learning. Among the points of importance were the academic preparation for distance learning and the technological transfer of information beyond the campus. This involves making certain that the faculty is prepared for that, as well as looking at the infrastructure to both receive and deliver the necessary information to do that.

Chief Information Officer Marian Moore will assist Dr. Floyd and Chancellor Hooker in the leadership of this area.

Several suggestions were made by the committee:

- (1) Updates at every meeting, or every other meeting, on where we are in preparing for the challenge of distance learning.
- (2) A committee may be appointed to help support and keep the Board informed on this issue in the future.
- (3) Orienting the legislators about the issue so they can be supportive, from an information-based standpoint, of the needs.

Chancellor Hooker reiterated the importance of looking at the budget and the ability to dedicate budget funds to this issue. Currently, about two percent is dedicated and more than six percent is needed to merely keep up in this area.

Tuition Remission

Dr. Tom Meyer, vice provost, Graduate Studies and Research, reported on tuition remission and the need to better support graduate students. Tuition remission is available for about 1200 students out of 2000 who actually work at the University and need support in order for UNC to stay competitive with other comparable universities.

Strategic steps are needed toward the ultimate goal of having free tuition for graduate students who are working at the University. That would have to be done in conjunction with the other graduate schools in our system. Dr. Meyer is encouraged about this undertaking.

Merit and Need Based Aid Update

Ms. Eleanor Morris, director of the Office of Scholarships and Student Aid, and Mr. Matt Kupec, vice chancellor of University Advancement, presented the

merit and need based aid update. A goal of 250 need based scholarships per year has been set. Money for approximately 100 of these needs to be raised in addition to the Morehead and the Johnston Scholarships which are already funded.

Mr. Kupec presented a proposal wherein the donors are advised that it takes \$150,000 to endow one scholarship of \$5,000-\$6,000 per student. The plan is in place and is working well.

We have most of the funds for need based aid if it is applied for on time. This is primarily funded by trademark revenues and the Development Office, as well as state and federal dollars. The maximum that most students borrow is about \$10,000. Graduate students borrow most of their aid and this is a significant loan burden to have after four years. At the present time, there is no major emphasis on increasing need based aid; however, it seems that this is something which will need to be looked at more closely in the future depending on what happens with federal funding, and whether or not there are additional increases in tuition. This is an area that will have to be monitored in addition to the emphasis on merit based scholarships.

DEVELOPMENT

Development Update

Mr. Kupec presented a report regarding the level of activity and current contributions in the Development Office. [A copy of the report is filed in the Office of the Assistant Secretary.]

Chairman Stevens requested that Mr. Doug Dibbert, chair of the Council for the Advancement and Support of Education (CASE), present the CASE Circle of Excellence Award to Mr. Kupec. The University is the first university in the country to receive the award for four consecutive years.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Bryant, seconded by Mr. Whichard, the Board voted to convene in closed session pursuant to North Carolina General Statutes Section 143-318.11 (a) (1) (2) (3) and (6).

CLOSED SESSION

REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

PERSONNEL ACTIONS

Ms. Bryant, chair of the Academic Affairs and Personnel Committee, presented the following personnel actions.

Personnel Changes for Information

These changes did not require action by the Board.

(Attachment S)

Personnel Changes for Consultation

Dr. Sanders moved approval to authorize the Chancellor to forward to the President and the Board of Governors the personnel report and recommendations presented for consultation. Mr. Whichard seconded the motion and it carried.

(Attachment T)

Personnel Changes for Action in Academic Affairs

Ms. Bryant presented the following personnel changes for action in Academic Affairs: Department Transfer Effective July 1, 1997, and a Change in Effective Date of Appointment.

(Attachment U)

Personnel Changes for Action in Health Affairs

Ms. Bryant presented the following personnel changes for action in Health Affairs: Appointments, Reappointments at Same Rank, and a Promotion.

(Attachment V)

Recommendations for Exceptions to Employment Policies Annual Leave Provisions

Ms. Bryant presented the recommendations for exceptions to employment policies annual leave provisions.

(Attachment W)

Contract

Ms. Bryant moved approval of the proposed amendment to the contract with Coach Sylvia Hatchell. Mr. Hynes and Ms. Wood seconded the motion and it carried.

(Attachment X)

DEVELOPMENT

Report of the Naming Committee

Mr. Kupec presented the Report of the Naming Committee. [A copy of the report is filed in the Office of the Assistant Secretary.]

Mr. Whichard moved approval of the first recommendation as presented. Mr. Armfield seconded the motion and it carried.

Mrs. Cates moved approval of the second recommendation as presented. Mr. Thigpen seconded the motion and it carried.

Mr. Armfield moved approval of the third recommendation as presented. Mrs. Cates seconded the motion and it carried.

Selection of 1997 William Richardson Davie Awardees

Mr. Kupec presented the nominations for this award.

Mr. Armfield moved that a posthumous award be presented. Dr. Sanders and Ms. Wood seconded the motion and it carried.

Chairman Stevens moved approval of three other nominees. The Board unanimously seconded the motion.

A copy of the 1997 William Richardson Davie Award information is filed in the Office of the Assistant Secretary.

There was discussion concerning amending the William Richardson Davie Award guidelines, Item 5., from "The number of awards presented in a year (July 1 - June 30) is not specified, but normally that number will not exceed seven....." to: The number of awards presented in a year (July 1 - June 30) is not specified, but normally that number will not exceed four.

LEGAL ADVICE

Ms. Ehringhaus advised the Board on several legal matters.

MOTION TO RECONVENE IN OPEN SESSION

Mr. Thigpen moved that the Board reconvene in open session. Mr. Armfield seconded the motion and it carried.

REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Ms. Bryant, chair of the Academic Affairs and Personnel Committee, moved approval of the following:

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|---|----------------|
| Personnel Changes in Academic Affairs | (Attachment U) |
| Personnel Changes in Health Affairs | (Attachment V) |
| Recommendations for Exceptions to Employment Policies Annual Leave Provisions | (Attachment W) |
| Ratification of Mail Ballot Dated June 20, 1997 | (Attachment Y) |
| Ratification of Mail Ballot Dated June 25, 1997 | (Attachment Z) |

Dr. Sanders seconded the motion and it carried.

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Chairman Stevens recommended that the September meeting be held at another location on campus. He suggested that the meeting be held in the Student Union and that concentration be placed on students and student issues. At subsequent meetings, concentration will be placed on faculty issues, staff issues, as well as other areas.

ADJOURNMENT

There being no other business, the meeting was adjourned at 10:45 a.m.

Assistant Secretary