

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

The Board of Trustees met in regular session on Wednesday, September 24, 2003 at The Carolina Inn, Chancellor Ballroom East, at 5:05 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
Philip G. Carson
Russell M. Carter
John G. B. Ellison, Jr.
Paul Fulton, Jr.
Karol V. Mason
Roger L. Perry, Sr.
A. Donald Stallings
Matthew S. Tepper
Robert W. Winston

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Burnett, chair of the Buildings and Grounds Committee, presented the committee's report on the following items, which were previously approved by the committee.

Level 1 Items

- Designer selection of the following three firms in priority order as listed for renovations to the Ambulatory Care Center:
 1. Stanley Beaman & Sears – Atlanta, Georgia
 2. BJAC, P.A. – Raleigh, North Carolina
 3. Perkins Eastman Architects – Charlotte, North Carolina
(ATTACHMENT A)

- Construction manager selection of the following three firms in priority order as listed for the Residence Halls Phase II Project:
 1. Barnhill Contracting Company – Raleigh, North Carolina
 2. Clancy & Theys – Raleigh, North Carolina
 3. Skanska – Raleigh, North Carolina
(ATTACHMENT B)

Mr. Burnett moved ratification by the Board of the designer selection for renovations to the Ambulatory Care Center and the construction manager selection for the Residence Halls Phase II Project. Mr. Schwab seconded the motion and it carried.

Level 3 Item

- Design approval of the Global Education Center
(ATTACHMENT C)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, and Ms. Anna Wu, Director of Facilities Planning, presented information concerning the design of the Global Education Center to the members of the Board.

There was extensive discussion of the building design, with each member of the Board expressing their opinion on the design.

Ms. Andrea Leers, architect, Leers Weinzapfel Associates, Boston, Massachusetts, addressed the concerns expressed by some Board members of the design of the building. The concerns related to the modern design of the building, the ability to maintain cleanliness of the windows and offices on the north end of the building, and some of the material that will be used in the construction of the building.

Mr. Carson moved ratification by the Board of the design of the Global Education Center. Mr. Tepper seconded the motion and it carried.

Level 2 Items

- Design approval of the renovation/addition to Cobb Hall
(ATTACHMENT D)

Mr. Runberg and Ms. Wu presented information concerning the design of the renovation/addition to Cobb Hall to the members of the Board.

Mr. Schwab moved ratification by the Board of the design of the renovation/addition to Cobb Hall. Mr. Tepper seconded the motion and it carried.

- Design approval of The FARM (Faculty-Staff Recreation Association)
(ATTACHMENT E)

Mr. Perry moved ratification by the Board of the design of The FARM (Faculty-Staff Recreation Association). Mr. Tepper seconded the motion and it carried.

Level 1 Item

- Approval to purchase property located at 1307 Mason Farm Road
(ATTACHMENT F)

Mr. Carter moved ratification by the Board of the purchase of property located at 1307 Mason Farm Road. Mr. Stallings seconded the motion and it carried.

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

- Preliminary design review of the Genetic Medicine Building
(ATTACHMENT G)

Mr. Runberg and Ms. Wu presented information concerning the Genetic Medicine Building preliminary design review to the members of the Board.

- Preliminary design review of the Information Technology Services Building
(ATTACHMENT H)

Mr. Burnett stated that the preliminary design review for the Information Technology Services Building was not going to be presented to the Board at this meeting due to the committee's decision to await further information concerning the design for the future cancer center, which is to be located at the site on the other side of Emergency Drive.

Chairman Williams and Chancellor Moeser expressed their appreciation to the members of the Buildings and Grounds Committee, as well as the University staff, for their efforts related to items that are brought before the Board.

Chancellor Moeser referred specifically to the Global Education Center. He commented that the approval of the Global Education Center makes a powerful statement about the importance of global education and the commitment to be an international university.

RECESS

Chairman Williams recessed the Board meeting at 6:00 p.m.

RECONVENE

Chairman Williams reconvened the Board meeting at 8:05 a.m. on Thursday, September 25, 2003 at The Carolina Inn Chancellor Ballroom West and East.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and all Board members were present with the exception of Mr. Winston, who arrived following the roll call.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Schwab, seconded by Ms. Kitchin, the minutes of the regular meeting of July 23-24, 2003 were approved as distributed.

Ratification of Mail Ballots

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

- Mail ballot dated July 25, 2003 (ACC Expansion Resolution)
(ATTACHMENT I)
- Mail ballot dated August 18, 2003 (Election of two members of the Board of Trustees of the Endowment Fund: Election of Mr. Max Chapman and re-election of Mr. Allen B. Morgan, each for a three-year term ending 2006)
(ATTACHMENT J)
- Mail ballot dated August 20, 2003 (Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured appointments and promotions)
(ATTACHMENT K)
- Mail ballot dated August 22, 2003 (Election of two members of the Board of Directors of The University of North Carolina at Chapel Hill Foundation, Inc.: Election of Karol V. Mason from the Trustee membership, and the re-election of Allen B. Morgan from the Endowment membership. Ms. Mason's term ending in 2005, and Mr. Morgan's term ending in 2006.)
(ATTACHMENT L)

CHAIRMAN'S REMARKS

Chairman Williams began by commenting on the HonorCarolina Initiative, a yearlong, university-wide initiative to focus attention on honor, ethics and integrity. The initiative flowed out of the work last year of the Committee on Student Conduct to revise the University's Honor Code. The HonorCarolina Initiative started this month. Trustees Burnett, Carter, and Kitchin participated on a panel yesterday "What Wall Street Doesn't Teach You: Ethics in the Business World". Chairman Williams recognized Faculty Chair Judith Wegner for her leadership on this effort.

Chairman Williams also commented on the Conference on Trusteeship, which will be held October 8-9 in Boone in conjunction with the Board of Governors. Along with Chairman Williams, Trustees Fulton and Schwab will be participating in the conference. Mr. Fulton will participate in a discussion about facilities and construction. Mr. Schwab will introduce Jim Johnson, William Rand Kenan Distinguished Professor at Kenan-

Flagler Business School, who will talk about the impact of changing demographics in North Carolina. Chairman Williams will be on a panel discussing management flexibility to appoint and fix compensation. Chancellor Moeser will be a panel member discussing diversity after the Michigan cases. Chairman Williams encouraged all Trustees to attend the conference.

Chairman Williams commented on Town/Gown matters. He praised Mayor Kevin Foy for his leadership related to the recent development plan modification discussions. He thanked Mr. Perry for his work on this effort and Vice Chancellor Sutfenfield on the joint town/university committee, as well as the outstanding work of the University staff on the development plan modification. Chairman Williams stated that he's pleased that University staff is already focusing on working with the Town with regard to revitalizing downtown.

Chairman Williams commented on faculty retention stating that this issue will be brought to the attention of the Board of Visitors during their meeting next week. He stated that he plans to ask the Board of Visitors (on behalf of the Trustees) to take the time to look at the faculty retention issue and come back to the Board of Trustees with some creative solutions.

Chairman Williams commented on the Chancellor's Task Force on a Better Workplace. He commended Chancellor Moeser and Tommy Griffin, chair of the Employee Forum, co-chairs of the Task Force, for their willingness to take action on issues facing the University's staff.

Chairman Williams commented on the Chancellor's State of the University Address, which will be held at 3:00 p.m. on Wednesday, October 1, in the Hill Hall Auditorium. He encouraged everyone to attend the event.

Chairman Williams concluded his remarks by stating that Chancellor Moeser would open his remarks by recognizing outstanding achievements on the part of members of the faculty and staff.

CHANCELLOR'S REMARKS

Chancellor Moeser introduced the Chancellor's Award winners. The Chancellor's Award recognizes meritorious or distinguished achievement in the categories of devotion to duty, innovations, public service, safety/heroism, human relations, or other achievements. The winners receive \$1,000 and a special leave award of 24 hours.

The following winners were present at the meeting:

- Jo Bass, School of Journalism and Mass Communication
- Dr. Richard Clifford, Frank Porter Graham Child Development Center and School of Education
- William Hubbard, Grounds Department
- Margaret Vimmerstedt, Student Health Service

The following winner was not present at the meeting:

- Robert Gotwals, Morehead Planetarium and Science Center

Chancellor Moeser introduced the Hettleman Award winners. The Hettleman Award includes a \$5,000 stipend and was established in 1986 by the late Phillip Hettleman to recognize the achievements of junior tenure-track faculty or recently tenured faculty.

The following recipients were present at the meeting:

- Dr. Robert Duronio, Department of Biology, Director of the Curriculum in Genetics and Molecular Biology
- Dr. Edward Norton, School of Public Health's Department of Health Policy and Administration

The following recipients were not present at the meeting:

- Dr. Kathryn Burns, College of Arts & Sciences
- Dr. Dmitri Khveshchenko, Department of Physics and Astronomy

Chancellor Moeser introduced Chief Derek Poarch and members of the Department of Public Safety, which has received the 2003 Community Policing Award. Accompanying Chief Poarch to the meeting were the following members of the Department of Public Safety:

- Major Jeff McCracken
- Lt. Martin Hicks
- Patrol Officer Audrey Lucas

The Chancellor also recognized Robert McMahan, a faculty member in the Department of Physics and Astronomy, who has been named Science Advisor for the North Carolina Department of Commerce. He will advise the Governor and the Secretary of Commerce on science and technology trends, economic development opportunities and policy matters. Professor McMahan was not present at the meeting.

Chancellor Moeser also commented on the following:

- Bond Oversight Committee, established to monitor the progress of the implementation of the bond program, co-chaired by Trustee Fulton. The committee met on campus last week.
- University Day on Sunday, October 12, 2:00 p.m., at Hill Hall Auditorium. The speaker will be Dr. Mary Sue Coleman, president of the University of Michigan, and a former vice chancellor for Graduate Studies and Research at Carolina.
- Election of Shirley Ort, associate provost and director of Scholarships & Student Aid, as chair-elect of the College Board's College Scholarship Service Assembly. Her term as chair-elect will begin in 2004, with her two-year term as chair beginning in 2006.
- The University's commitment to public service as evidenced by the assistance in response to Hurricane Isabel. The Carolina Center for Public Service is coordinating campus volunteer efforts. The School of Public Health, at the request of the North Carolina Department of Health, is responding through the North Carolina Public Health Institute with rapid assessment and medical surveillance teams. Carolina sent electricians to Elizabeth City State University, as well as grounds staff, along with dump trucks and a tree chipper, in addition to other equipment needed for the cleanup.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Tepper commented on voter registration on campus, Honor and Integrity Week, and student involvement in campus activities.

2003-2004 ACC GOVERNING BOARD CERTIFICATION FORM

Mr. Burnett moved approval of the 2003-2004 ACC Governing Board Certification Form. Mr. Stallings seconded the motion and it carried. In signing the form, Chairman Williams attests the following:

- “1) Responsibility for the administration of the athletics program has been delegated to the Chief Executive Officer of the Institution.
- 2) The Chief Executive Officer has the mandate and support of the board to operate a program of integrity in full compliance with NCAA, ACC and all other relevant rules and regulations.
- 3) The Chief Executive Officer, in consultation with the Faculty Representative and the Director of Athletics, determines how the institutional vote shall be cast on issues of athletic policy presently to the NCAA and the ACC.”
(ATTACHMENT M)

REPORT OF THE FINANCE COMMITTEE

Mr. Schwab, chair of the Finance Committee, 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).

- Trademark Licensing Report for the fiscal year ending June 20, 2003, by Rut Tufts, Deputy Director, Auxiliary Services
(ATTACHMENT N)
- Internal Audit Report by Phyllis Petree, Director of Internal Audit
(ATTACHMENT O)
- Update on Commercial Paper Program by Dennis Press, University Controller. The Commercial Paper Program was established jointly with North Carolina State University in 2002 to provide increased flexibility and efficiency in borrowing funds for capital projects.
(ATTACHMENT P)
- Program Impacts of Budget Reductions by Robert Shelton, Executive Vice Chancellor and Provost
(ATTACHMENT Q)
- Review of University Fringe Benefit Programs by Laurie Charest, Associate Vice Chancellor for Human Resources
(ATTACHMENT R)
- Remarks from Employee Forum Chair Tommy Griffin
- Follow Up to July Capital Improvement Program Presentation by Nancy Suttentfield, Vice Chancellor for Finance and Administration
- Carolina First Campaign Update by Mr. Fulton and other Development Business by Vice Chancellor for University Advancement Matt Kupec. [A copy of the Development Report is filed in the Office of the Assistant Secretary.]

Mr. Fulton updated the Board on the Carolina First Campaign. Mr. Fulton stated that with 53% of the campaign over, 60% of the goal has been raised. The target for campaign commitments is \$16.3 million per month, and the actual commitment rate for this fiscal year is \$19.2 million per month. The campaign remains focused on “raising the right money”—faculty support, student support, building support and funds for programs. A high rate of major gift proposals is being generated by the campaign.

Several members of the Board commented on the status of campaign efforts in their residential areas.

The Board acknowledged Mr. Fulton’s campaign efforts with a round of applause.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, introduced Leslie Strohm, General Counsel, to report on the following item, which was previously approved by the committee.

- Revision of EPA Non-Faculty Policies
(ATTACHMENT S)

Mr. Carter moved ratification by the Board of the revision of EPA Non-Faculty Policies. Mr. Carson seconded the motion and it carried.

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

- Faculty Chair's Remarks by Professor Judith Wegner
 - Honor and Integrity Week
 - Faculty issues: Finance and Morale

Professor Wegner presented a portion of a video developed by Professor Todd Taylor's English 29 class, which documents what student leaders have to say about the concept of Honor at Carolina.

- Provost's Remarks by Robert Shelton
 - Hiring of Dr. Peter Coclanis, professor and chair of the History Department, as Associate Provost for International Affairs effective December 1. This was made possible by an anonymous \$1 million private gift to the Carolina First Campaign. Margie Crowell will serve as his Assistant Provost effective October 1.
- Athletics – Status of Funding at Carolina by Dick Baddour, Director of Athletics
(ATTACHMENT T)

Mr. Carter moved that the Board authorize Mr. Baddour to appoint a task force to consider, consult, and recommend an advertising policy for the Department of Athletics. Mr. Stallings seconded the motion and it carried.

- Fall Opening Report by Dean Bresciani, Interim Vice Chancellor for Student Affairs
- Information Technology by Steve Jarrell, Interim Vice Chancellor for Information Technology
- Research by Tony Waldrop, Vice Chancellor for Research and Economic Development

Chairman Williams commented that one of the benefits of Mr. Burnett's initiative a couple of years ago was to reorganize the work of the Full Board and the committees, and crafting time during the Full Board meeting to discuss critical issues facing the University. The "Faculty Retention at Carolina: Concerns and Solutions" and "Annual Update on Undergraduate Admissions and Scholarships and Student Aid" items are indicative of this initiative.

Chairman Williams also commented that the critical issue to be discussed at the November 20 Full Board meeting will be Measures of Excellence. He recommended that ten or twelve detailed essential measures of a great public university be presented to the Board for review. Some less significant measures could also be presented for consideration. He suggested that the information could be the making of a tremendous

report card on behalf of the University to State officials. Chairman Williams stated that the members of the Board would be willing to assist in any way with regard to this endeavor.

FACULTY RETENTION AT CAROLINA: CONCERNS AND SOLUTIONS

Executive Vice Chancellor and Provost Robert Shelton presented this report to the Board.

(ATTACHMENT U)

The Board discussed the possibility of creating a faculty retention fund to assist academic deans match competing salary offers. The money would come from the Carolina First Campaign.

Mr. Fulton commented that it would be helpful to know the needs of each department and which departments are most affected by a loss of faculty.

Chairman Williams concluded the discussion by stating to Provost Shelton that the Board understands the concerns related to faculty retention and wants to help in this regard; and that the Board is prepared to work with Provost Shelton in tackling this issue.

ANNUAL UPDATE ON UNDERGRADUATE ADMISSIONS AND SCHOLARSHIPS AND STUDENT AID

Mr. Jerry Lucido, Vice Provost for Enrollment Management and Director of Admissions, and Ms. Shirley Ort, Associate Provost and Director of Scholarships and Student Aid, presented this annual update to the Board. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, 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

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

- Report of the Naming Committee by Vice Chancellor for University Advancement Matt Kupec

Mr. Schwab moved approval for ratification by the Board of the Report of the Naming Committee. Ms. Mason 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 the committee's report on the following items, previously approved by the committee and subject to final ratification by the Board in open session:

- Personnel and Salary Actions dated September 15, 2003 and September 18, 2003

(ATTACHMENTS V, W, X)

LEGAL ADVICE

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

DEEP EXECUTIVE CLOSED SESSION

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

MOTION TO RECONVENE IN OPEN SESSION

Chairman Williams reconvened the Board in open session.

OPEN SESSION

UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following items, which were previously approved by the committee and discussed earlier in closed session:

- Personnel changes in Health Affairs dated September 15, 2003 and September 18, 2003
(ATTACHMENT V)
- Personnel tenure-conferring actions, promotion conferring tenure, and designation to a distinguished professorship dated September 15, 2003
(ATTACHMENT W)

Mr. Carter moved approval for ratification by the Board of the personnel actions. Ms. Kitchin seconded the motion and it carried.

- The personnel changes for information dated September 15, 2003 did not require action by the Board.
(ATTACHMENT X)

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. Burnett moved to adjourn the meeting at 12:50 p.m. Mr. Tepper seconded the motion and it carried.

Assistant Secretary