

**BOARD OF TRUSTEES MEETING**  
**The University of North Carolina at Chapel Hill**  
**September 28, 2017**

The Board of Trustees met in regular session on Thursday, September 28, 2017 at The George Watts Hill Alumni Center, Alumni Hall. Chair Cochran convened the meeting at 8:05 a.m.

**ROLL CALL**

Secretary Keyes called the roll and the following members were present:

Haywood D. Cochran, Chair	Kelly Matthews Hopkins
Charles G. Duckett, Vice Chair	Allie Ray McCullen
William A. Keyes IV, Secretary	Hari H. Nath
W. Lowry Caudill, Past Chair	Dwight D. Stone
Jefferson W. Brown	Richard Y. Stevens
Julia Sprunt Grumbles	Elizabeth M. Adkins

**STATE GOVERNMENT ETHICS ACT**

Chair Cochran read the following statement:

As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

**CONSENT AGENDA**

**Approval of Minutes and Mail Ballots**

On motion of Trustee Grumbles and a second by Trustee Secretary Keyes, the minutes of the meeting of July 27, 2017 were approved as distributed; as was the ratification of the following mail ballots dated:

- August 18 – appointment of Bob Blouin as Executive Vice Chancellor and Provost
- August 31 – personnel actions, actions conferring tenure, and compensation actions
- September 12 – annual raise process for SAAO Tier 1 Vice Chancellors and Provost (ATTACHMENTS A-C)

**CHAIR'S REMARKS**

- Chair Cochran began his remarks by informing the audience of the passing of Judge Doug Parsons. Judge Parsons was a BOV member and friend of Trustee McCullen.
- Chair Cochran thanked those in the audience for attending. He also thanked the chairs for their continued work.
  - Chair Cochran continued to say that he is pleased with the changes to committee meetings.
- The Chair then shared that there are two presentations: Center for Banking and Finance in the School of Law and the NC Policy Collaboratory.
- Chair Cochran called on Secretary Keyes to read a resolution of appreciation for Provost Jim Dean.

**RESOLUTION OF APPRECIATION  
FOR  
JAMES W. DEAN JR.  
SEPTEMBER 28, 2017**

**WHEREAS**, James W. Dean Jr. has served as Executive Vice Chancellor and Provost of the University since 2013, providing exemplary academic leadership and exceptional budgetary and financial management; and

**WHEREAS**, Dr. Dean leveraged his deep experience in organizational behavior and strategic decision-making to skillfully lead the University through a period of growth and transition; and

**WHEREAS**, Dr. Dean set a high standard as Carolina's Chief Academic Officer, hiring seven deans, strengthening faculty retention efforts, and leading the review process for reaccreditation with the Southern Association of Colleges and Schools Commission on Colleges; and

**WHEREAS**, Dr. Dean deployed innovative and interdisciplinary approaches to drive continued excellence in teaching, research and service; and worked diligently to further Carolina's status as a premiere public institution that meets the needs of a diverse student body and the community at large; and

**WHEREAS**, Dr. Dean was integral in leading the student-athlete academic initiative working group and in creating the Carolina Metrics Project to evaluate and improve the University's work toward its mission and strategic priorities; and

**WHEREAS**, Dr. Dean is a man of great integrity and ethics who is guided by a strong moral compass, and is adept at understanding all levels of an organization, and treating everyone with value and respect;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of North Carolina at Chapel Hill profoundly thanks James W. Dean Jr. and expresses its deepest appreciation for his leadership, foresight and unwavering commitment to the University and his distinguished service as its Executive Vice Chancellor and Provost.

Chair Cochrane made a motion to adopt the resolution. Trustee Grumbles seconded and it passed unanimously.

- Chair Cochrane then acknowledged new Provost Bob Blouin.
- Chair Cochrane then restated the goals for the year:
  - 1) Continue to support our world-class Chancellor, Carol Folt, and her team as they guide our great public, research-driven institution to even greater accomplishments and impact.  
Also part of Goal #1: Support the implementation of the University's strategic framework, "The Blueprint for Next," and its alignment with the UNC System's strategic plan, "Higher Expectations."
  - 2) Continue to innovate, translate and support economic development, consistent with our mission to improve the lives of all citizens of our great state, nation and the world.
  - 3) Embrace and support our University's capital campaign and participate with its great organization as we approach the public launch next week.
  - 4) Support institutional efficiency and cost reductions through shared services and other operational initiatives critical to our sustainability and future.
- The Chair presented recent national rankings:
  - This week The Wall Street Journal & Times Higher Education published their second annual top 100 rankings of U.S. colleges and universities. Carolina ranked 3<sup>rd</sup> among all public universities, following UCLA and Michigan, and 33<sup>rd</sup> overall.
  - U.S. News & World Report's annual "Best Colleges" rankings named Carolina #5 among national public universities for the 17th year in a row along with Berkeley, UCLA, UVA, & Michigan.
  - UNC also ranked 1<sup>st</sup> among publics in the "Great Schools, Great Prices" category for the 13<sup>th</sup> consecutive year.
- Chair Cochrane expressed his strong support for the potentially transformative combination of the UNC Health Care and Carolinas Health Care systems to form one of the country's largest non-profit health-care systems.
- The Chair shared brief remarks on the history of campus as it relates to the contextualization currently in progress.
- Chair Cochrane then stated that at the Chancellor's suggestion there would be a public comment session at the November board meeting.
- The Chair also recognized the Chancellor's leadership and her recent decision to decline Richard Spencer and the National Policy Institute from speaking on campus due to safety risks.
- Chair Cochrane concluded his remarks and introduced Trustee Elizabeth Adkins to provide remarks.

[A copy of these remarks is located in the Office of the Assistant Secretary and at [bot.unc.edu](http://bot.unc.edu).]

#### **STUDENT BODY PRESIDENT'S REMARKS**

- Trustee Adkins began by introducing members of her team:
  - Alec Di Ruzza- Undergraduate VP
  - Cara Pugh- Senior Advisor
  - Brian Fields- Director of State and external affairs
  - Sean Kurz- Chief Exec Assistant to the President
  - Katharine Shriver- Speaker of Undergraduate Senate
  - Kenneth Eccheveria- Speaker pro-tempore of Undergraduate Senate
  - Luke Cullifer
  - Conor Applegate- Chief advisors to the Student Body President
  - Katie Stember- chief of external relation and advocacy
- Trustee Adkins shared updates on several events including Three Zeros Day, Red Zone, public service fair, and Hurricane Harvey relief.
- Trustee Adkins indicated that they will be holding voter registration drives and a

candidate's town hall for the upcoming municipal elections. Her and her administration will also be attending their fall retreat this coming weekend.

- Trustee Adkins provided graduate student updates on behalf of Madelyn Percy, President of the Graduate and Professional Student Federation
- Trustee Adkins ended by thanking Chancellor Folt and the Board for their listening to the concerns of the student body regarding Silent Sam and the safety of students.

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

#### **CHANCELLOR'S REMARKS**

- Chancellor Folt began her remarks by thanking Chair Cochrane and thanking the board for their resolution in honor of Jim Dean.
- The Chancellor remarked that she was appreciative of the support the board has given for The Blueprint for Next.
- Chancellor Folt then thanked the board for their leadership and support on important campus issues such as the Confederate monument and free speech.
- Chancellor Folt introduced new Executive Vice Chancellor and Provost Bob Blouin.
- The Chancellor welcomed new University Librarian Elaine Westbrooks.
- Chancellor Folt welcomed ULEAD to the meeting. They are attending the meeting to observe University leadership as part of their curriculum.
- The Chancellor remarked on recent events and honors:
  - Spelling Symposium "Higher Expectations, Higher Education"
  - Times Higher Ed World Academic Summit
  - The School of Government was honored with the NC Association of County Commissioners annual "distinctive service to local governments" award
  - Hurricane relief efforts by faculty researchers
  - Student Stores grand re-opening
  - Three Zeros Day
- Chancellor Folt then shared that today there are two events occurring.
  - Opening of the Carolina Veterans Resource Center
  - "Noteworthy Firsts" reception
- Chancellor Folt announced the \$12M gift from Joan Gillings to PlayMakers Repertory Company and the Department of Dramatic Art.
- Chancellor Folt ended her remarks by introducing the two presentations.

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

#### **CENTER FOR BANKING AND FINANCE**

Chancellor Folt introduced Martin Brinkley, Dean of the School of Law, to introduce the presenters. Dean Brinkley introduced Lissa Broome, Director of the Center for Banking and Finance and the Burton Craige Distinguished Professor. The mission of the Center for Banking and Finance is to play a leadership role in the continual evolution of the financial services industry by studying the legal and policy issues related to banking and finance, advancing the teaching of banking and finance (including the professional development of law students interested in careers in banking and finance), and sponsoring conferences for banking industry professionals. The center was established in July 2000 and it sponsors and supports the North Carolina Banking Institute continuing legal education program and the North Carolina Banking Institute Journal, both of which were founded in 1997.

Dr. Broome introduced four students to share their experiences with the center: Laura Gritz (2L), Jake Rifkin (2L), Monica Burks (3L), and Roy Dixon (3L). To end their presentation, they entertained questions from the board.

This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.

#### **NORTH CAROLINA POLICY COLLABORATORY**

Chancellor Folt introduced Brad Ives, Associate Vice Chancellor for Campus Enterprises and Executive Director of the NC Policy Collaboratory. Mr. Ives introduced his co-presenter Jeff Warren, Research Director. The Policy Collaboratory was established with funds from the NC General Assembly and was formed to facilitate the dissemination of the policy and research expertise of The University of North Carolina for practical use by state and local government. Over the first three years, the NCGA's \$8.15M commitment could leverage \$11.65M for UNC Research. Last year the collaboratory completed 10 projects, and they currently have 14 active projects.

This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.

### **REPORT FROM THE COMMERCIALIZATION & ECONOMIC DEVELOPMENT COMMITTEE**

Trustee Grumbles presented a review of the Commercialization and Economic Development Committee meeting. There were no action items for this committee in open session. The following items were presented to the committee for information:

- Blueprint for Next update given by Chancellor Folt
- Professional Science Masters Programs presentation given by Heidi Harkins, Executive Director

Trustee Grumbles also indicated that the committee would be changing its name to the Strategic Framework Committee and focusing on the implementation of the framework.

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

### **REPORT OF THE EXTERNAL RELATIONS COMMITTEE**

Secretary Keyes presented a review of the External Relations Committee meeting. There were no action items for this committee in open session. Secretary Keyes then shared the items presented for information:

- Performance by the UNC Gospel Choir
- Board of Visitors update given by Linda Douglas, Director of Volunteer Engagement
- Communications update given by Joel Curran, Vice Chancellor for Communications
- Public Affairs update given by Clayton Somers, Vice Chancellor for Public Affairs and Secretary of the University and Kelly Dockham, Senior Coordinator for Federal Affairs
- Development report given by David Routh, Vice Chancellor for University Development

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

### **REPORT OF THE FINANCE, INFRASTRUCTURE & AUDIT COMMITTEE**

Trustee Stone presented the report from the Finance, Infrastructure and Audit Committee. The following items were presented to the committee for action:

#### **Election of Members to the BOT of the Endowment Fund and UNCCH Foundation Inc.**

North Carolina General Statute 116-36 and Board of Governors' regulations require that the Board of Trustees elect the membership of the Endowment Board of Trustees. There are three (3) vacancies. Attached is a chart showing the names and terms of the current Endowment Trustees. The nominees for each vacancy are shown in bold on the chart.

The Bylaws of The University of North Carolina at Chapel Hill Foundation, Inc. ("Foundation") require that the Board of Trustees elect two (2) members from the Board of Trustees and three (3) members from the Endowment Board of Trustees to serve on the Board of Directors of the Foundation. There are two (2) vacancies. Attached is a chart showing the names and terms of the current Foundation board.

A motion is needed to elect Dwight Stone, David Carroll and John Ellison to the Board of Trustees of the Endowment Fund and Dwight Stone and Michael Kennedy to the Board of Directors of The University of North Carolina at Chapel Hill Foundation, Inc.

(ATTACHMENT D)

#### **2017-18 Audit Plan**

The annual risk assessment process and audit plan to the full board for approval. This year's audit requires a governance related audit and internal quality assessment review.

The 2017/18 audit schedule also includes integrated audits of an academic department and of Athletics Ticket Sales – audit procedures will assess IT general controls and security procedures as well as financial and operational issues.

(ATTACHMENT E)

#### **Site Approval**

##### **1. Science Complex Phase 3**

This project will provide advance planning for the redevelopment of the Naval Armory site and adjacent parking lot for a new 220,000 square foot building to house facilities for Applied Physical Sciences, Institute for Convergent Science and innovation space for faculty start-ups. The anticipated project budget is \$175 million.

(ATTACHMENT F)

2. Translational Research Building

This project will construct a new approximately 140,000 sf building that will consolidate existing vivarium facilities and allow for additional program growth. The relocation of the grounds facilities and subsequent demolition of the existing facilities will be part of this project. The anticipated project budget is \$133 million.

(ATTACHMENT G)

**Designer Selection Approvals**

1. Kenan Center 2<sup>nd</sup> Floor and McColl Building 4<sup>th</sup> Floor Renovations

This project will renovate selected areas of the Kenan Center and the Kenan Flagler Business School to convert under-utilized rooms and public spaces into open office areas for administrative personnel and faculty. The project budget is \$1,325,293 and will be funded by an institutional trust fund supported by Business School operations.

The project was advertised on August 3, 2017. The Selection Committee received seven (7) proposals. Three (3) firms were interviewed on September 5, 2017. The Selection Committee consisted of members from the Kenan Flagler Business School and Facilities Planning & Design. The committee recommended the selection of the three firms in the following priority order:

- |    |                              |                   |
|----|------------------------------|-------------------|
| 1. | CJMW Architecture            | Winston-Salem, NC |
| 2. | 310 Architecture + Interiors | Raleigh, NC       |
| 3. | Allison Blanks Architect     | Pittsboro, NC     |

The firms were selected for their past performance on similar projects, the strength of their project team members, and experience with campus projects.

(ATTACHMENT H)

2. Marsico Hall MEP Systems

This project will focus on improvements to the complex and highly integrated building mechanical, electrical, specialty lab and medical equipment, and control systems in Marsico Hall. This project will review adequacy of building system capacity, including required redundancy; power quality issues; and critical points of failure that have significant impact of the medical imaging function. Recommendations for mechanical, plumbing and electrical improvements will be reviewed with stakeholders and implemented as part of the project. The design team will provide a report summarizing findings of the investigative phase and recommendations. The project budget is \$600,000 and will be funded by State appropriations.

This project was advertised on July 14, 2017. Six (6) proposals were received. Three (3) firms were interviewed on August 22, 2017. Members of the Board of Trustees did not participate in the interviews. The committee recommended the selection of the three firms in the following priority order:

- |    |                |             |
|----|----------------|-------------|
| 1. | Newcomb & Boyd | Atlanta, GA |
| 2. | RMF            | Raleigh, NC |
| 3. | McKim & Creed  | Raleigh, NC |

The firms were selected for their past performance on similar projects, strength of their consultant team and experience with campus projects.

(ATTACHMENT I)

**Demolition of Homestead Road House**

This request is for approval to demolish the fire-damaged house as well as the ancillary structures (barn and shed) located at 2311 Homestead Road in Chapel Hill. The existing residential structure was destroyed by fire on April 19, 2017 and is damaged beyond repair. The 2311 Homestead Road property was originally acquired in 1992 for the purpose of providing additional frontage and access to Carolina North along Homestead Road.

(ATTACHMENT J)

**Self-Liquidating Debt Resolution**

Brian Smith, Senior Assistant Vice Chancellor and Treasurer recommended for approval the resolution authorizing the issuance of special obligation bonds for self-liquidating projects recently approved by the North Carolina General Assembly.

(ATTACHMENT K)

Trustee Stone brought forth a motion from committee to approve all actions. Trustee Adkins seconded and they all passed.

Trustee Stone continued and shared the items for information only:

- Debt and liquidity presentation given by Brian Smith, Senior Assistant Vice Chancellor and Treasurer

- Internal Audit Report FY16-17 given by Phyllis Petree, Director of Internal Audit (ATTACHMENT L)
- Development report given by David Routh, Vice Chancellor for University Development
- Horace Williams Airport update given by Brad Ives, Associate Vice Chancellor for Campus Enterprises

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Vice Chair Duckett presented the report from the University Affairs Committee. The following item was presented to the committee for action:

**Political Action Petition**

A recommendation was made to approve Richard Watkins to run for election to the United States Congress. Board of Governors Policy 300.5.1, entitled "Political Activities of Employees" establishes requirements for University employees who wish to campaign for public office. In general, the policy requires that, before an employee announces his or her candidacy for a public office that is full-time, Board of Trustees' approval is required.

A motion came from committee to approve the recommendation. Trustee Grumbles seconded and it passed.

(ATTACHMENT M)

The following items were presented to the committee for information:

- Provost update given by Bob Blouin, Executive Vice Chancellor and Provost
- Graduate and Profession Student Federation update given by Madelyn Percy, President
- History Task Force update given by Jim Leloudis, Associate Dean for Honors Carolina and Professor of History

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

**MOTION TO CONVENE IN CLOSED SESSION**

On motion of Secretary Keyes, and seconded by Trustee Adkins, 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).

**RECONVENE MEETING IN OPEN SESSION**

Chair Cochrane made a motion to reconvene the meeting in open session; it was seconded and passed.

**OPEN SESSION**

**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Vice Chair Duckett referred the members to the personnel matters submitted for review. A motion came from committee to approve; it was duly seconded, and it passed. Chair Cochrane stated that the personnel and salary actions voted on in open session had been distributed.

(ATTACHMENT N)

**ADJOURNMENT**

There being no further business to come before the Board, Chair Cochrane called for a motion to adjourn. The motion was duly seconded and passed. Chair Cochrane adjourned the meeting at 1:24 p.m.

  
 Clayton Somers, Assistant Secretary