

**BOARD OF TRUSTEES MEETING**  
**The University of North Carolina at Chapel Hill**  
**September 22, 2016**

The Board of Trustees met in regular session on Thursday, September 22, 2016 at The George Watts Hill Alumni Center, Alumni Hall. Chair Stone convened the meeting at 8:00 a.m.

**ROLL CALL**

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

Dwight D. Stone, Chair	Julia Sprunt Grumbles
Haywood D. Cochrane, Vice Chair	Kelly Matthews Hopkins
Charles G. Duckett, Secretary	William A. Keyes IV
Jefferson W. Brown	Allie Ray McCullen
W. Lowry Caudill, Past Chair	William E. McMahan
Donald Williams Curtis	Hari H. Nath
	Bradley C. Opere

**STATE GOVERNMENT ETHICS ACT**

Chair Stone 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 Vice Chair Cochrane and a second by Trustee Keyes, the minutes of the meeting of July 21, 2016 were approved as distributed; as was the ratification of the following mail ballots dated:

- August 4<sup>th</sup> – Approval of appointment of Dr. Gary Bowen as Dean of the School of Social Work
- August 25<sup>th</sup> - Personnel actions, actions conferring tenure, and compensation actions  
(ATTACHMENTS A-B)

**CHAIR'S REMARKS**

- Chair Stone began his remarks by thanking those in the audience for attending and referencing the three presentations coming up later in the meeting.
- The Chair reiterated the goals for the upcoming year:
  - Support Chancellor Folt and her senior leaders, as they formulate and implement a new strategic plan for the University.
  - Tell our story. Carolina improves the lives of people across North Carolina, our nation, and our world.
  - Accelerate, measure, and communicate the growth and economic impact of our innovation and entrepreneurship initiatives.
  - Help Carolina become more efficient and effective in key operational areas, particularly Finance, Administration, Teaching and Research.
- The Chair shared info about last week's former trustee luncheon. In all, there were more than 50 current and former trustees who attended.
  - The trustees heard remarks from Chancellor Folt, Vice Provost Steve Farmer, Former Trustee Sallie Shuping-Russell, and Vice Chancellor Curran.
  - Chair Stone believed the event was a success and it that it will help ensure this valuable group of alumni and advocates remain engaged with Carolina in the future.
- Chair Stone shared info on recently attended events including:
  - The Carolina Black Caucus
  - UNC Real Estate Holdings Board meeting with Vice Chair Cochrane
  - Collaborative meetings with UNC-CH Office of University Development
- The Chair welcomed students, faculty, and staff back to campus for the new school year.
- Chair Stone highlighted a few of Carolina's most recent rankings released by U.S. News and World Report "Best Colleges":
  - #5 among national public universities for the 16<sup>th</sup> year in a row
  - 30<sup>th</sup> overall with both private and publics
  - 1<sup>st</sup> among publics in the "Great Schools, Great Prices" category for the 12<sup>th</sup> consecutive year
- Chair Stone shared that while rankings are not perfect, this is one of the many that prospective students and their parents keep an eye on. He stated that Carolina's top 5

public status is a measure of academic quality and reputation which everyone can be proud of.

- The Chair then shared information on next month's University Day ceremony.
- Chair Stone ended by commending Chancellor Folt on her continued leadership.
  - The Chair remarked on her impressive and strong leadership team
  - Reiterated the board's support of Chancellor Folt.

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

Chair Stone called upon Student Body Vice President Sam Green to provide an update on behalf of Trustee Opere.

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

- Student Body Vice President Sam Green shared recent news from student government.
  - Mr. Green began by explaining that Trustee Opere is in New York where he is the keynote speaker at a fundraising event for the African Leadership Academy, his high school.
  - Shared information on the Student Government Retreat that occurred two weeks ago. Some of the ideas that resulted are as follows:
    - New data analytics team to assist in increasing institutional knowledge, better outreach to different silos of students, and better time management skills
  - Mr. Green remarked that the Executive Branch has compiled an events calendar that includes student events around campus. Trustee Opere hopes to share some of these with the Board when they are in town.
  - Student Government also created a "pit talk" series that will air every two weeks. They will use this platform to break down larger issues and ways they plan to solve them.
  - Mr. Green addressed the recent sexual assault issue on campus and how Student Government handled the situation.
  - Student Government with the help of Interim Chief Diversity Officer Rumay Alexander, Aaron Bachenheimer from the Office of Fraternity and Sorority Life, and Kate Kryder from the Office of Student Life and Leadership have initiated an equity training program for new members of the greek community.
  - Mr. Green ended by sharing information about get out the vote efforts on campus

[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 Stone and the Board for their continued guidance.
- Chancellor Folt highlighted the first-year class. This is the largest, and most accomplished class in UNC's history.
- The Chancellor shared an overview of what is going on already this semester:
  - Campus message on sexual assault
  - Carolina Conversations on inclusive classrooms facilitated Dr. Kelly Hogan and Dr. Viji Sathy
  - Student Government-led panel on public safety and policing
  - THINKposium with a focus on implicit bias
  - Carolina's Human Heart: Living the Arts and Humanities
    - Chancellor's Lecture in Ethics given by Professor Kwame Anthony Appiah
    - Nina Totenburg of NPR to speak on the Supreme Court and the Presidency
  - Student Stores privatization – 10-year, \$30M contract. \$1M signing bonus
  - Record-breaking fundraising year - \$495M in FY16
- Chancellor Folt highlighted some recent accomplishments:
  - U.S. News and World Report – 5<sup>th</sup> among national publics, 16<sup>th</sup> year in a row
  - Lineberger Comprehensive Cancer Center was ranked #1 in North Carolina
  - The Princeton Review ranked Kenan-Flagler online MBA program #1
  - Two UNC start-ups were showcased to Congress:
    - Renovion – pharmaceutical company development therapy for lung transplant patients
    - EpiCypher – bioscience based company that develops recombinant nucleosomes to test medicines while still in development phase
  - The Carolina Research Venture Fund that was started last year
- The Chancellor recognized David Parker who retired on September 1, 2016.
- Chancellor Folt welcomed Mark Merritt, Vice Chancellor and General Counsel.
- Chancellor Folt shared that University Day will be on October 11. Vice Provost Steve Farmer will be the keynote speaker.
- Chancellor Folt ended her remarks by introducing the three presentations.

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

#### **MOREHEAD-CAIN FOUNDATION**

Chancellor Folt introduced Chuck Lovelace, Executive Director of the Morehead-Cain Foundation. Mr. Lovelace shared some background information on the foundation. The Foundation was started in 1945 and is UNC-CH's largest all-time donor (\$347M). Morehead-Cain students serve many leadership positions on campus, have helped to create many prominent student organizations, and many return to serve Carolina as staff or on various boards. In total, there are 227 scholars on campus: 124 from North Carolina, 73 out-of-state, and 30 international. Mr. Lovelace introduced two students to share their experiences from the program: Morgan Howell, '17 and Allie Polk, '17.

Following their presentation, Mr. Lovelace and the students entertained questions from the Board. This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.

#### **ROBERTSON SCHOLARS LEADERSHIP PROGRAM**

Chancellor Folt introduced Allen Chan, Executive Director of the Robertson Scholars Leadership Program. The Robertson Scholars Program is a four-year scholarship focusing on leadership development. Students are dually enrolled at Duke University and UNC-Chapel Hill. There are currently 134 scholars, 102 domestic and 32 international. Mr. Chan shared information on the recruitment process and the academic programming that students experience. Mr. Chan then introduced three scholars to share their experiences with the program: Shafali Jalota (UNC '17), Sumeet Patwardhan (UNC '17), and Michelle Moffa (Duke '18).

Following their presentation, Mr. Chan and the students entertained questions from the Board. This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.

#### **KENAN-FLAGLER GLOBE PROGRAM**

Chancellor Folt introduced Angela Bond, Senior Associate Director for Undergraduate Business Global Programs. Ms. Bond shared that the GLOBE program started just over ten years ago, and brings together three of the world's best business schools to provide undergraduate students a premier business education that spans the globe. UNC partners with the Chinese University of Hong Kong (CUHK) and the Copenhagen Business School (CBS). The program spans 18 months including a semester at each institution. Ms. Bond then introduced three students: Mariann Lysholm (CBS), Austin Smith (UNC), and Nicholas Lam (CUHK) to talk about their experiences over the last year with the program.

Following their presentation, Ms. Bond and the students entertained questions from the Board. 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. Trustee Grumbles then shared the items presented for information:

- An update on the Innovation Roadmap was given by Judith Cone, Vice Chancellor for Innovation, Entrepreneurship, and Economic Development
- Presentations on UNC-CH startups aligned to the pan-university theme: Food for All
  - University support for socially-oriented student/faculty ventures given by Richard Harrill, Director of the Campus Y, and Laura Fieselman, UNC Social Innovation Initiative Coordinator
  - Campus Y Co-presidents Lauren Eaves (UNC '17) and Reagan Buchanan (UNC '17)
  - Seal the Seasons given by Patrick Mateer, CEO and Co-founder (UNC '15)
  - Meantime Café given by Scott Diekema (UNC '18) and Keegan McBride (UNC '17)

A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary.

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

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

- Campus Introductions of the following new leaders in the arts:

- Emil Kang, Special Assistant to the Chancellor for the Arts
- Vivienne Benesch, Producing Artistic Director, Playmakers Repertory Company
- Katie Ziglar, Director of the Ackland Art Museum
- Development Report given by David Routh, Vice Chancellor for University Development
- Communications Update given by Joel Curran, Vice Chancellor for Communications and Public Affairs

A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary.

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

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

**Site Approval**

1. Fetzer Soccer/Lacrosse Facility and Indoor Practice Facility  
 This project will add a new soccer and lacrosse facility, associated grandstands, press box and team facilities. The indoor football practice facility will provide a turf field and associated support facilities for the Department of Athletics and will be shared by Campus Recreation. The project budget is \$55 million and will be funded by the Educational Foundation. The Chancellor’s Buildings and Grounds Committee approved the site on September 1, 2016.

(ATTACHMENT C)

2. Chase Hall Addition  
 This project will add approximately 5,000 SF to the existing Chase Hall dining facility at Rams Head and provide an additional 150-200 seats and food venue. The project budget is \$3.8 million and will be funded by the Student Dining receipts. The Chancellor’s Buildings and Grounds Committee approved the site on September 1, 2016.

(ATTACHMENT D)

**Demolition Approval**

1. Fetzer Field, Belk Track, & McCaskill Soccer Center  
 The demolition of the existing Fetzer Field, McCaskill Soccer Center and Belk Track is necessary for construction of the new Fetzer Soccer/Lacrosse Facility and the new Indoor Practice Facility. The demolition project budget is \$1.2M and will be funded by The Educational Foundation.

(ATTACHMENT E)

**Designer Selections**

- Medical Education Building  
 This project will construct a 124,000 SF facility to provide a new building designed to meet the needs of modern medical education curriculum and enable the UNC Chapel Hill School of Medicine to increase enrollment by 30%, increasing class size from 180 to 230 students. The project budget is estimated at \$90 million and will be funded by the Carolina Connect bond and gifts.

The project was advertised on June 9, 2016. Fifteen (15) proposals were received. Five (5) firms were interviewed on August 25, 2016. Members of the Board of Trustees did participate in the interviews. The committee recommended the selection of the three firms in the following priority order:

1. Flad Architects/ SLAM                      Raleigh, NC
2. BBH + HOK                                      Raleigh, NC
3. Lord Aeck Sargent                              Chapel Hill, NC

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

(ATTACHMENT F)

- UNC Mountain Area Health Education Center (MAHEC)  
 This project will construct approximately 36,000 square feet at the MAHEC campus in Asheville, NC. The building will house a surgical simulation lab, clinical space for the MAHEC Psychiatry Residency and classroom and office space for the School of Medicine, Center for Health Professions Education and School of Public Health Programs. The project budget is \$8,000,000 and will be funded by the State of North Carolina through the UNC School of Medicine.

This project was advertised on August 1, 2016. Five (5) proposals were received. Three (3) firms were interviewed on August 26, 2016. 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. | LS3P                      | Charlotte, NC |
| 2. | Clark Nexsen              | Asheville, NC |
| 3. | Masters Gentry Architects | Asheville, NC |

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

(ATTACHMENT G)

### **Final Design Approval**

#### **1. SECU Family House Expansion**

This project will expand the current SECU Family House by adding 36 guest rooms which will provide the facility with 75 total guest rooms. In addition, the expanded site will provide walking and exercise areas, a meditation garden and a common outdoor area easily accessible to the Family House for the guests. The ground lease for approximately 3.6 acres of additional area was approved by the Board of Trustees at their May 2016 meeting. The construction budget is \$8.0M and will be funded by the SECU Family House. The Chancellor's Buildings and Grounds Committee approved the site on September 1, 2016.

(ATTACHMENT H)

### **2016-17 Audit Plan for Approval**

Phyllis Petree, Director of Internal Audit presented the presented the annual risk assessment process and audit plan to the Committee for approval. This year's audit plan includes – among others - a governance-related audit, a type of audit now required by Internal Audit Standards, and a post-implementation review of access revocation in ConnectCarolina. An internal quality assessment review, also required by Internal Audit Standards is also scheduled.

(ATTACHMENT I)

A motion was made by committee to approve all of the above items; they were seconded by Trustee Grumbles and passed.

Vice Chair Cochrane briefly reviewed the other items presented to committee for information only:

- Internal Audit Report by Phyllis Petree, Director of Internal Audit (ATTACHMENT J)
- Development report given by David Routh, Vice Chancellor for University Development
- Debt and liquidity update given by Brian Smith, Assistant Vice Chancellor for Finance & Accounting

A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary.

### **REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

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

#### **Resolution to Delegate Expanded Authority to the Chancellor for Certain Salary Actions for Employees Exempt from the State Human Resources Act**

A motion was made from committee to approve the resolution. It was seconded by Trustee McMahan and passed unanimously.

(ATTACHMENT K)

Secretary Duckett continued and presented the items for information:

- Faculty Recognition of Dr. Renee Alexander Craft by Kevin Guskiewicz, Dean of the College of Arts and Sciences
- Coaches Recognition of Sam Paul (Men's Tennis), Jenny Levy (Women's Lacrosse), and Joe Breschi (Men's Lacrosse) by Bubba Cunningham, Director of Athletics
- Centers and Institutes Update by Jim Dean, Executive Vice Chancellor and Provost (ATTACHMENT L)
- Graduate and Professional Student Federation Update by Dylan Russell, President
- Faculty Update given by Bruce Cairns, Chair and Vin Steponaitis, Secretary of the Faculty
- Campus Update given by Winston Crisp, Vice Chancellor for Student Affairs
- Graduate Education given by Steve Matson, Dean of the Graduate School

A full review of the committee meeting may be found in the committee minutes in the Office of

the Assistant Secretary.

**MOTION TO CONVENE IN CLOSED SESSION**

On motion of Secretary Duckett, and duly seconded, 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 Stone made a motion to reconvene the meeting in open session; it was seconded and passed.

**OPEN SESSION**

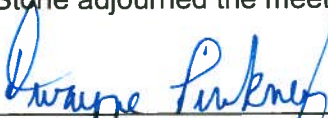
**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

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

(ATTACHMENTS M-N)

**ADJOURNMENT**

There being no further business to come before the Board, Chair Stone called for a motion to adjourn. The motion was made by Trustee Curtis, seconded by Trustee Keyes and passed. Chair Stone adjourned the meeting at 1:00 p.m.

  
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Dwayne Pinkney, Assistant Secretary