

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
July 19, 2018

The Board of Trustees met in regular session on Thursday, July 19, 2018 at The Carolina Inn, Chancellor's Ballroom. Chair Cochran convened the meeting at 8:00 a.m.

ROLL CALL

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

Haywood D. Cochran, Chair	Allie Ray McCullen
Charles G. Duckett, Vice Chair	Hari H. Nath
William A. Keyes IV, Secretary	Dwight D. Stone
W. Lowry Caudill, Past Chair	Richard Y. Stevens
Jefferson W. Brown	Savannah Putnam
Kelly Matthews Hopkins (telephone)	

Trustee Grumbles was absent during the roll call (but joined later in the meeting via telephone).

ELECTION OF OFFICERS

Chair Cochran called on Trustee Caudill to present the slate of officers from 2018-19. Trustee Caudill shared the following:

Haywood Cochran, Chair
Chuck Duckett, Vice Chair
Julia Grumbles, Secretary
Clayton Somers, Assistant Secretary

A motion came from the nominating committee to approve the slate. Trustee Stone seconded and it passed.

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 Chair Cochran and a second by Trustee Stone, the minutes of the meeting of May 31, 2018 were approved as distributed; as was the ratification of the following mail ballots dated:

- June 12 – nominating committee slate for 2018-2019
- July 13 - personnel actions, actions conferring tenure, and compensation actions
(ATTACHMENTS A-B)

ACC GOVERNING BOARD CERTIFICATION

Chair Cochran read the certification for 2018-19. He and the Chancellor signed the certification.

(ATTACHMENT C)

CHAIR'S REMARKS

- Chair Cochran thanked those in the audience for attending, and thanked the trustees for voting him chair for a second term.
- The Chair shared the goals for 2018-19:

As individual trustees, as Board Committees and as a full Board we will:

1. Continue to support and engage with Chancellor Carol Folt and her team as they:
 - a. Implement the University's strategic framework, identify metrics, and set goals for completion of educational and other specific aims;
 - b. Align with the UNC System's strategic goals and provide annual benchmarks;
 - c. Advance the University comprehensive capital campaign;
 - d. Innovate, translate and support research and economic development across the state and nation;
 - e. Develop citizen-leaders by encouraging informed public discussions, promoting diversity of thought, fostering civility in sharing opposing views and supporting freedom of speech;

- f. Ensure accountability and effectiveness, and develop a new budget model and other operational initiatives critical to our sustainability and future.
- 2. Continue to engage with external constituencies, and conduct all matters assigned to the Board of Trustees by the laws and policies governing the University.
 - Chair Cochrane acknowledged committee assignments for 2018-19.
 - The Chair shared that he was looking forward to a productive year with newly elected BOG Chair Harry Smith.
 - Chair Cochrane also acknowledged and thanked the NC General Assembly for their support of Carolina during their recent short session.
 - The Chair expressed his appreciation for Chancellor Folt who started her fifth year earlier in the month.
 - Chair Cochrane called on Vice Chair Duckett to read the resolution of appreciation for Dwayne Pinkney.

**RESOLUTION OF APPRECIATION
DR. DWAYNE PINKNEY
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
BOARD OF TRUSTEES
July 19, 2018**

WHEREAS, Dr. Dwayne Pinkney has faithfully served the University in progressively higher-level management positions since 2004; and

WHEREAS, Dwayne is a native of Winston-Salem, North Carolina, received his bachelor's degree in English and Journalism from North Carolina A&T State University, his master's degree in Public Administration from the University of Pittsburgh and his doctoral degree in Political Science from our University; and

WHEREAS, Dwayne has served the University as Assistant Vice Chancellor for Finance and Administration, Vice Provost for Finance and Academic Planning, Secretary of the University, Chief Financial Officer and Senior Associate Vice Chancellor for Finance and Operations; and

WHEREAS, Dwayne's work touched many facets of the University's operations from leading the University's tuition and fee planning process to consolidating and leading the Finance and Operations administrative and business services to helping develop a new budget model that became an integral part of the Blueprint for Next strategic framework; and

WHEREAS, although there are few accomplishments in the areas of Finance and Operations during his tenure that do not possess his fingerprints, Dwayne will always be remembered for his steadfast leadership of the University's financial, budget and accounting operations during prosperous and challenging times alike; and

WHEREAS, Dwayne worked tirelessly to make his University and everyone around him better with his intellect, his wit, and his strong moral character; and

WHEREAS, Dwayne's personal commitment to his University, colleagues, friends and neighbors was always evident through his contagious smile and kindhearted personality.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Trustees of the University of North Carolina at Chapel Hill thanks and congratulates Dr. Dwayne Pinkney for his exemplary service to the University, and wishes him all the best as he leaves our campus but in his heart remains a Tar Heel for life.

A motion was made by Vice Chair Duckett to adopt the resolution. Trustee Stevens seconded and it passed.

- The Chair then concluded his remarks by calling upon Trustee Putnam.

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

STUDENT BODY PRESIDENT'S REMARKS

- Trustee Putnam shared highlights from the undergraduate exec branch:
 - RedZone sexual assault campaign
 - Mental Health Task Force
 - The committee for Multicultural and Diversity outreach has been working on the Coalition of Awareness Resistance and Solidarity group
- Trustee Putnam then shared updates from the graduate and professional student federation:
 - Graduate students continue to discuss efforts on how to best support grad students with administration and faculty

- Ongoing conversations around diversity and inclusion strategies to identify missing resources
- GPSF is leading the conversation around dental insurance
- Upcoming midterm election voter events
- Continuing to advocate federally on various issues affecting graduate 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 the board for their continued support. Also, thanked the board for the resolution honoring Dwayne Pinkney.
- The Chancellor welcomed Savannah to her first meeting.
- Chancellor Folt recognized new Chancellor's Fellows Emily Summers, Sarah Leck, and Tanner Glenn.
- Chancellor Folt continued and shared updates and accomplishments that have occurred since the May meeting.
- Chancellor Folt ended her remarks by introducing the presentations.

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

AUTOTRANSPLANTATION

Chancellor Folt introduced Scott De Rossi, Dean of the School of Dentistry. Dean De Rossi introduced Dr. Jessica Lee, Chair of the Department of Pediatric Dentistry, to share a presentation on dental autotransplantation in children. Dr. Lee also brought along Dr. Jennifer Crisp and fourth year Madison Kernick to share their experiences at the UNC School of Dentistry. To conclude 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.

NCGENES 2

Chancellor Folt introduced Dr. Jonathan Berg, Associate Professor in the Department of Genetics. Dr. Berg shared a presentation on NCGENES 2 (North Carolina Clinical Genomic Evaluation by Next-generation Exome Sequencing 2). NCGENES 2 will look at how genomic sequencing can be used in a clinical setting as a diagnostic tool. The study will also examine communication between patients and physicians and between physicians and laboratories, as well as the challenges of integrating clinical data and genomic information across a state-wide network of sites. The initial NCGENES effort at UNC was first established in 2011 with a \$6.4 million grant from the National Human Genome Research Institute.

Dr. Berg brought along Dr. Lonna Mollison, postdoctoral fellow, and Sarah Brnich, MD-PhD candidate in genetics and molecular biology. Each of them shared insights into their research and interests. To conclude 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.

Secretary Grumbles joined the meeting via telephone prior to committee reports.

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

Trustee Stevens 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:

- Coastal Resilience Center by Rick Luettich, Director
- Public Affairs update given by Amy Auth, Director of State Affairs
- Communications update given by Joel Curran, Vice Chancellor for Communications

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:

Transfer of the University of the Endowment's Distribution from the Investment Fund

Jonathan Pruitt, Vice Chancellor for Finance and Operations, presented for approval the transfer to the University of the Endowment's Distribution. The Board of Governors requires that the Trustees approve transfer of Endowment principal or income to the useful possession of the institution. The Board of Trustees of the Endowment Fund has already approved, by mail ballot, the proposed transfer for University expenditure during the 2018-2019 fiscal year.

(ATTACHMENT D)

Annual Audit Certification Letter

This letter satisfies a UNC Board of Governors requirement for the Finance, Infrastructure, & Audit Committee to certify in writing that the Committee:

- Met at least four times a year and received at least four reports relative to internal audit matters from the Director of Internal Audit (presentations made in July and September 2017 and January and May 2018);
- Reviewed results from audits and reviews performed by the North Carolina Office of the State Auditor with representatives of that office; discussed corrective action plans; and reviewed the Internal Audit report regarding completion of corrective action;
- Reviewed audits and management letters for University Associated Entities; and
- Formally approved the annual internal audit plan and received a report comparing the audit plan and audits performed (done in September 2017)

(ATTACHMENT E)

2018-19 Internal Audit Plan

Ms. Petree continued and presented the results of the 2018/19 risk assessment process and, for approval, the 2018/19 internal audit plan. The audit plan is based on relative risk identified and evaluated through:

- Research of current issues that affect higher education;
- Review of initiatives in Blueprint for Next;
- Discussions with senior management and the Chairman of the Finance, Infrastructure and Audit Committee; and
- Consideration of other factors such:
 - Significance of operations;
 - Impact of a service delay or failure;
 - Sensitivity of information managed;
 - Public or political sensitivity;
 - Extent of regulation; and
 - Changes in management or the operating environment.

(ATTACHMENT F)

Site Approval

1. **Kenan-Flagler Business School**

The project is for the addition to and renovation of the McColl and Kenan Center buildings for Kenan Flagler School of Business. The addition and partial renovation is required to support undergraduate enrollment growth, update existing classrooms, enhance student support spaces and to consolidate staff currently located off site in lease space.

The project will add roughly 140,000 gross square feet to the McColl building and will be sited north of McColl and west of the Business School Parking Deck. The new building addition will include an expansion of the parking deck by approximately 180 spaces. Roughly 200,000 square feet of the existing McColl and Kenan Center buildings will be renovated.

The project is anticipated to start construction in 2020. Anticipated project budget is \$140 million. The State of North Carolina has appropriated \$1 million for advance planning.

(ATTACHMENT G)

Property Acquisition by Lease

This request is to acquire approximately 33,000 square feet of rentable incubation space from Cousins Properties/Northwood Ravin, Inc. on the 6th floor of the new Carolina Square development located at 123 West Franklin St. in Chapel Hill. This space will be built-out and operated in strategic alignment with a third-party life-sciences operating company for the development of a wet lab accelerator for faculty-led early stage life science startup companies. This new accelerator facility will be the first of its kind in Chapel Hill and will provide the critical infrastructure necessary to ensure the University's ability to continue to successfully launch commercially-viable life-science startups. The gross lease term will be for 10 years at an annual rate of \$1,155,000, inclusive of utilities and janitorial costs. Occupancy is expected early 2019.

(ATTACHMENT H)

A motion came from committee to approve all actions presented by Trustee Stone. Trustee McMahan seconded, and they passed.

Trustee Stone continued and shared the items for information only:

- Semi-annual lease report given by Gordon Merklein, Associate Vice Chancellor for University Real Estate Operations (ATTACHMENT I)
- Semi-annual capital report given by Anna Wu, Associate Vice Chancellor for Facilities Services (ATTACHMENT J)
- Campus Safety and Risk Management update given by Derek Kemp, Associate Vice Chancellor for Campus Safety and Risk Management

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

REPORT FROM THE STRATEGIC FRAMEWORK COMMITTEE

Trustee Brown presented a review of the Strategic Framework Committee meeting. There were no action items for this committee in either open session. The following items were presented to the committee for information:

- APLU IEP Designation and Innovation Impact Dashboard given by Judith Cone, Vice Chancellor for Innovation, Entrepreneurship, and Economic Development
- Chancellor's Faculty Entrepreneurship Boot camp given by Dr. Jessica Williams (Nursing), Dr. David Ansong (Social Work), and Dr. Ronit Freeman (Applied Physical Sciences)

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. There were no action items for this committee in open session. The following items were presented to the committee for information:

- GPSF update given by Manny Hernandez, President
- Carolina College Advising Corps given by Steve Farmer, Vice Provost for Enrollment and Undergraduate Admissions
- University Career Services given by Gary Allen Miller, Director

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 Vice Chair Duckett, and seconded by Trustee McMahan, 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

Vice Chair Duckett made a motion to return to open session. Trustee Stone seconded, and it passed.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Chair Cochrane referred the members to the personnel matters submitted for review. Vice Chair Duckett made a motion from committee to approve, Trustee Stevens seconded and it passed.

Chair Cochrane stated that the personnel and salary actions voted on in open session had been distributed.

(ATTACHMENTS K-L)

ADJOURNMENT

There being no further business to come before the Board, Chair Cochrane called for a motion to adjourn. Trustee Caudill made the motion; Trustee Stone seconded and it passed. Chair Cochrane adjourned the meeting at 12:45 pm.



Clayton Somers, Assistant Secretary