

BOARD OF TRUSTEES MEETING

The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session on Wednesday, January 26, 2005 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
Matthew M. Calabria
Philip G. Carson
Russell M. Carter
John G. B. Ellison, Jr.
Karol V. Mason
Roger L. Perry, Sr.
A. Donald Stallings
Robert W. Winston

The following member was absent:

Paul Fulton, Jr. (Excused Absence)

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Perry, chair of the Buildings and Grounds Committee, moved ratification by the Board of the following two Level 1 items, which were previously approved by the committee. Mr. Burnett seconded the motion and it carried.

- Designer selection of the following three firms in priority order as listed for the Davis Library HVAC Project, providing architectural and engineering services for HVAC repair, fire alarm and lighting modifications:

1. United Engineering Group, Inc. Raleigh, NC
2. Schenkel Shultz Architecture Raleigh, NC
3. John B. Hawkins, Architect Chapel Hill, NC

(ATTACHMENT A)

- Construction Manager selection of the following three firms in priority order as listed for the Arts Common Phase I Project, providing a new building for the Music Department, a partial renovation to the Mary Ann Smith Building and Swain Hall, a 300 car underground parking deck, and a utilities tunnel:

1. FN Thompson Company Charlotte, NC
2. Holder Construction Company Atlanta, GA
3. The Whiting-Turner Contracting Company Charlotte, NC

(ATTACHMENT B)

The following Level 3 design items were previously approved by the committee.

- Design approval for the revisions to the Phase II Residence Halls Project, cutting one floor from each of the three Craige buildings (thus addressing a previous Board concern about the height of the buildings) and converting Craige 2 from single room occupancy to double room occupancy. This option maintains a project scope of 917 beds.

(ATTACHMENT C)

Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, Anna Wu, Director of Facilities Planning, Chris Payne, Director, and Larry Hicks, Associate Director, Housing & Residential Education, presented information concerning this project.

Mr. Perry moved ratification by the Board of the above design. Mr. Schwab seconded the motion and it carried.

- Design approval for the North Carolina Cancer Hospital for the UNC Health Care System, incorporating space north of Manning Drive for clinical programs, and space south of Manning Drive for the physician's office component of the project. The project is 430,000 square feet and will be connected by a bridge that also links patient parking to the UNC Health Care System campus.

(ATTACHMENT D)

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Mr. Runberg and Mary Beck, Senior Vice President for Planning and Program Development, UNC Hospitals, presented further information concerning this project. A model of the project was also provided for review by the Board. Mr. Perry moved ratification by the Board of the above design. Mr. Schwab seconded the motion and it carried.

- Design approval for the Educational Foundation Office Building Project, providing a 34,000 square foot building to house offices for the Educational Foundation, Athletics Department, Ticket Office, and Memorabilia Room for Men's Basketball.
(ATTACHMENT E)

Ms. Wu presented further information concerning this project. Mr. Perry moved approval for ratification of the above design. Mr. Burnett seconded the motion and it carried.

- Design approval for the Facilities Services Chilled Water Plant Project, providing a 6,000 square foot chilled water plant on the Facilities Services site. Cooling towers enclosed with a screen wall will be located on the roof.
(ATTACHMENT F)

Ms. Wu presented further information concerning this project. Mr. Perry moved approval for ratification of the above design. Mr. Calabria seconded the motion and it carried.

- Design approval for a Memorial to the fallen UNC alumni who have lost their lives in military service to our country. The memorial is sited west of Memorial Hall on Cameron Avenue.
(ATTACHMENT G)

Ms. Wu presented further information concerning this project. A model of the project was also provided for review by the Board. Mr. Perry moved approval for ratification of the above design. Mr. Burnett seconded the motion and it carried.

Mr. Runberg presented information concerning the following Level 3 item.

- Acquisition by purchase of approximately 1.61 acres of land northeast of the intersection Old Lystra Road and U.S. Highway 15-501 from The University of North Carolina at Chapel Hill Foundation, Inc. for \$169,000 plus carrying costs incurred by the Foundation. Acquisition by purchase of the property will provide an expansion to the planned park and ride facility.
(ATTACHMENT H)

Mr. Perry moved approval for ratification of the above acquisition by purchase. Mr. Burnett seconded the motion and it carried.

- Acquisition by lease of office space not to exceed 2,900 square feet at 5701 Executive Center Drive, Suite 108, 110, 112 in Charlotte, North Carolina for the School of Medicine, Charlotte TEACCH Center. The lease term is a five-year period commencing March 1, 2005 or as soon thereafter as possible at an initial annual rent not to exceed \$41,112.50 or \$13.75 per square foot including utilities and janitorial services. There are 3% annual increases beginning in year two of the five-year lease. There are two three-year renewal options with 3% annual increases during the renewal period.
(ATTACHMENT I)

- Acquisition by lease of 23,532 square feet of office space at 521 South Greensboro Street, Carrboro, North Carolina, from Sheryl-Mar Company, LLC for the Frank Porter Graham Child Development Institute. The proposed lease term is a three-year period commencing January 1, 2005, or as soon thereafter as possible at an initial annual rent not to exceed \$411,810 or \$17.50 per square foot including janitorial services. Beginning January 1, 2006 of the lease, the annual rent will increase 3% per annum. There are two three-year options to renew with a 5% increase in year one and 3% in years two and three of each renewal.

Following discussion of the lease, Mr. Perry suggested approval of the initial annual rent not to exceed \$394,161 or \$16.75 per square foot plus utilities, with a 3% per annum increase in rent going forward.

(ATTACHMENT J)

- Acquisition by lease of approximately 2,890 square feet of expansion office space at 206 West Franklin Street, Chapel Hill, North Carolina, from West Franklin Preservation Limited Partnership for the Carolina Population Center. The lease term is four years and six months commencing January 1, 2005, or as soon thereafter as possible at an initial annual rent not to exceed \$47,685 or \$16.50 per square foot including utilities and janitorial services. Beginning January 1, 2006 of the lease, the annual rent will increase 2.5% per annum.

(ATTACHMENT K)

Mr. Perry moved approval for ratification of the above three lease acquisitions. Mr. Schwab seconded the motion and it carried.

The following Level 3 preliminary design review item was presented previously to the committee for information only (no formal action was requested at that time):

- Arts Common Master Plan Update, integrating the site for the Music Building on South Columbia Street into the full development of the Arts Common with careful attention to pedestrian circulation and open space development.

(ATTACHMENT L)

Ms. Wu presented further information concerning this preliminary design.

The following three Level 1 items were presented previously to the committee for information only (no formal action was requested at that time):

- Semi-Annual Status of Capital Improvement Projects Report

(ATTACHMENT M)

- Semi-Annual Lease Report

(ATTACHMENT N)

- Capital Program Update Presentation

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, January 27, 2005 at The Carolina Inn, Chancellor Ballroom East and West.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and all Board members were present.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Burnett, seconded by Mr. Schwab, the minutes of the regular meeting of November 17-18, 2004 were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Burnett, seconded by Mr. Schwab, the following mail ballot dated December 2, 2004 was approved as distributed:

- Contract with Head Football Coach John Bunting
(ATTACHMENT O)

On motion of Mr. Burnett, seconded by Mr. Schwab, the following mail ballot dated December 13, 2004 was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured personnel actions.

(ATTACHMENT P)

CHAIRMAN'S REMARKS

Chairman Williams began by acknowledging the good and long amount of time that was spent by students, administrators, and members of the Board of Trustees on tuition. He referenced the Tuition Task Force, which met a number of times, and was co-chaired by Mr. Calabria and Provost Shelton. Chairman Williams stated that he was very impressed with the process of everyone delving in and trying to determine what the significant needs are around the campus and trying to make certain that as a crafted proposal for tuition, that the proposed use of the funds clearly match what the needs are on campus. There have been some discussions by the Chair of the Board of Governors and other members of the Board of Governors about having a moratorium this year on tuition increases. That message was given, but in Chairman Williams' opinion, this was a very solid process again of studying and determining what the needs are and coming up with a proposal.

Chairman Williams stated that in his opinion what the Board of Trustees goes forward with will have a fair amount of consensus around campus with regard to needs versus how to meet those needs. Tuition is just one part of the puzzle for us. You can't run a university like UNC-Chapel Hill and you can't keep or make it great by simply relying upon tuition.

He referenced the Carolina First Campaign and the successes that Chairman Fulton and Matt Kupec and his staff have had in addressing a lot of the needs of the University, but we want to address all of the needs. The State of North Carolina continues to be extremely generous to this campus, as well as to the University System.

At the November Board meeting, Chairman Williams commented on an upcoming campus Habitat for Humanity project. He introduced the leaders of this project to give the Board an opportunity to feel the passion that our students have for public service.

Elizabeth Sessler and Rebecca Sowder, co-chairs of UNC Habitat for Humanity, presented information on the project called Blitz Build, which will occur on February 25, 26, and 27. University students, faculty, and staff will build a Habitat for Humanity home for University employee Linda Parson and her family.

An invitation was extended to the members of the Board of Trustees to participate in the Blitz Build Project, as well as an invitation to attend a lecture by Mr. Millard Fuller, the founder and president of Habitat for Humanity, a part of the Kenan-Flagler Business School's Dean's Speaker Series. The lecture will be held on February 8 at the Koury Auditorium at 6:30 p.m. with a reception prior to the lecture at 5:30 p.m. in the Kenan Center.

Chairman Williams concluded his remarks by reminding the members of the Board to return their nominations for the Board of Visitors to Mr. Kupec's office. The Board will consider potential new members at its March meeting.

CHANCELLOR'S REMARKS

Chancellor Moeser expressed his appreciation to the student leadership of the Habitat project. He stated that he and Mrs. Moeser have previously participated in the building of a Habitat house and it was a great experience for them. He stated that 1/5 of all Habitat homes in Orange County are being built by students, faculty, and staff of the University or UNC Health Care. 30 percent of the Habitat homeowners are employees at the University or UNC Health Care.

Chancellor Moeser recognized the following:

- Emil Kang, the University's first Executive Director for the Arts. Mr. Kang will manage three performing arts venues: Memorial and Gerrard Halls, as well as the historic Playmakers Theatre. He will guide the University in the development of a comprehensive performing arts program, working closely with all units with programs and roles. He was previously the President and Executive Director of the Detroit Symphony Orchestra, which he led through a successful \$125 million campaign to restore and expand Orchestra Hall in Detroit.
- Professor Fred Clark, Associate Dean of Academic Services, and Professor of Portuguese. Professor Clark is providing the University community with a great service as the Faculty Coordinator of a new mentorship program for Carolina Covenant students. The program will pair faculty and staff volunteers with small

groups of students for regular interactions. Private funds will enable the mentors to receive a small stipend and have some funds for activities.

- Harold Zhang, Associate Professor of Finance in the Kenan-Flagler Business School, one of three authors recently selected for the TIAA-GREF Paul A. Samuelson Award for Outstanding Scholarly Writing on Lifelong Financial Security. Professor Zhang's team's writing focused on two key investor issues with practical implications for individuals and their families: allocating investments between stocks and bonds and between tax-deferred and taxable accounts. Their article was published last June in *The Journal of Finance*. He teamed up with colleagues affiliated with Carnegie Mellon, MIT, the Harvard Society of Fellows, and the National Bureau of Economic Research. The Samuelson Award carried a \$10,000 cash prize, and was presented during the January annual meeting of the Allied Social Science Association in Philadelphia.
- Dr. Don Bailey, Director of the Frank Porter Graham Child Development Institute, was recently appointed to the Advisory Committee on Head Start Accountability and Educational Performance Measures by Secretary of Health and Human Services Tommy Thompson. He will serve on the committee through 2006. The charge of the committee includes helping assess progress in developing and launching a national reporting system for Head Start. This is a great honor for Dr. Bailey and further evidence of the leadership role the institute plays in the national education arena.
- Nancy Suttentfield, Vice Chancellor for Finance and Administration, was recently appointed as the University representative on the Chapel-Hill Carrboro Chamber of Commerce Board of Directors. She will be an invaluable connection between Carolina and local businesses. This is another aspect of connectivity between the University and business community in Chapel Hill.

Chancellor Moeser stated that Vice Chancellor Suttentfield and Trustee Roger Perry continue to make important contributions to the Downtown Economic Development Corporation.

Chancellor Moeser commented on the University's legislative priorities. The General Assembly went into session yesterday. This will be a very important session for the University. At the top of our agenda will undoubtedly be increases in salaries and benefits for State employees that will touch our faculty and staff. Coupled with what we're proposing for campus-based tuition, it will allow the University to stay competitive on the faculty side and for all employees it will provide much needed assistance. It is expected that this will be a very challenging budget year. We will work hard to maintain a very positive relationship with the Governor and the Legislature.

Chancellor Moeser commented on the Renaissance Computing Institute (RENCI), which is a three-university consortium with Duke and North Carolina State University, and led by Dan Reed. Operational support will be sought from the State for this program. It will ultimately be necessary to seek a place to house the institute.

Chancellor Moeser concluded his remarks by commenting on a two-day symposium that the University hosted earlier this week—the Forum on Information Technology and Research Universities. The sponsor of the symposium was The National Academies of Science and Engineering. James Duderstadt, President Emeritus of Michigan, organized the conference and brought representatives of The National Academies to Chapel Hill.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Calabria commented on the following:

- Music File Sharing Program, which is now in effect for students at the University.
- Association of Student Government's relationship to the 16 campuses of the University System. Students from all campuses will be in attendance at the General Assembly sessions.
- Carolina Athletic Association Reform
- Creation of the Senior Speaker, which is a speaker chosen by the students who speaks to the students on the evening prior to the May Commencement Ceremony.

FACULTY RECRUITMENT AND RETENTION: PERSPECTIVE OF THE FACULTY CHAIR

Faculty Chair Judith Wegner presented this report to the Board. She reported on key issues and responses related to faculty retention and summarized various key findings from a faculty study.

(ATTACHMENT Q)

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs 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).

- Faculty Chair Remarks by Professor Judith Wegner
 - Faculty Retention Survey to be presented to the Full Board on January 27.
 - Issue of increasing the athletic fee in order that 100% of the trademark revenue goes for need and merit scholarships, and the need of the Athletic Department for scholarships and other improvements would be met instead of being met through athletic fees.
 - Urged the Board to consider a "fairness index", which would calibrate a proportion of tuition increases assigned to in-state and out-of-state students.

There was discussion concerning the need for merit scholarships, an increase in student fees, and tuition increases.

- Reorganization of the Office of the Vice Chancellor for Student Affairs presented by Margaret Jablonski, Vice Chancellor for Student Affairs.

Vice Chancellor Jablonski distributed an organization chart effective January 2005 for the Division of Student Affairs.

Mr. Carter asked that an overview of the Counseling & Psychological Service Office be presented by John Edgerly at the March committee meeting.

- Provost Remarks by Steve Allred in the absence of Provost Shelton.
 - The Dean searches are going well.
 - There will be a tenure and promotion process change this summer eliminating intermediate level review and codifying the current practices. The processes have the support of the faculty.
 - Enrollment projections are being developed—modest growth.
 - Concerning the budget process, we have to plan for a 3% reduction—hopefully we won't need to do this, and we have to ask for critical requests.
 - The NCAA plan has been submitted and we expect a site visit in May.
- Athletics Update. Dick Baddour, Director of Athletics, introduced John Haus, Men's Lacrosse Head Coach, and Karen Shelton, Women's Field Hockey Head Coach.

Each coach presented information concerning the challenges of admissions for their respective coaching field and indicated that more slots for admissions would be helpful to them. Communication between admissions and athletics is good. The issue for admissions is having only 650 spaces for out-of-state students.

- Technical Computing Update presented by Dan Reed, Chancellor's Eminent Professor, Director of the Renaissance Computer Institute, and Vice Chancellor for Information Technology and CIO.

Dr. Reed gave a presentation on the use of computational science, a rapidly growing multidisciplinary field that uses advanced computing capabilities to understand and solve complex problems, such as coastal population growth and economics and health care issues.

A copy of the presentation is located at: www.unc.edu/depts/trustees

Chancellor Moeser stated that he would like to have Dr. Reed give a presentation to the Full Board at the March 24 meeting.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Mr. Schwab, chair of the Audit and Finance Committee, presented the committee's report on the following item, which was previously presented for approval by the committee.

- Tuition and Fee Recommendations
(ATTACHMENT R)

The committee heard reports from Vice Chancellor Nancy Suttentfield, Finance and Administration, Robert Shelton, Executive Vice Chancellor and Provost, and Jerry Lucido, Vice Provost for Admissions and Enrollment Management.

The committee reviewed the work of the Tuition Advisory Task Force and the Chancellor's Committee on Student Fees.

The committee also heard a report from Steve Jones, Dean of the Business School, concerning school-based tuition.

Mr. Schwab reported that the Tuition Advisory Task Force held five meetings in the fall, first identifying needs—primarily set in the form of priorities such as TA salaries, funding for faculty positions, and merit-based faculty salary increases as a way to further enhance the quality of education at the University. Needs were identified in the amount of about \$5.5 million. Then came the task of identifying sources to meet those needs.

The committee recommended three alternatives that were ranges of combinations of in-state and out-of-state tuition increases that would generate a gross \$9.5 million with about half that amount to go to these specific priorities. Provost Shelton presented that in summary form, but covered all of the topics very adequately.

Two student speakers representing the out-of-state perspective conveyed to the committee the feeling represented on campus that there is a disparity growing between in-state and out-of-state students, and their concerns that as this disparity grows there's a feeling of not being valued, or used, versus appreciated. They made their case quite well that they are more than an economic resource, but a great source of leadership, diversity, and service to the University.

Mr. Calabria made several points along the same line as the student speakers. Jerry Lucido amplified those with a handout indicating price sensitivities that the committee members had seen at the November meeting. The Art and Science Group's report clarified some of those issues.

An overview of the student fees was presented and a report from the Chancellor's Committee on Student Fees. Its recommendation was a 5.2% increase in General Fees for both undergraduate and graduate students. The increases in General Fees include Educational & Technology, Athletic, Health Service, and Student Activities fees and would provide for expansion and inflationary costs in programs that respond to specific student demands and needs.

Mr. Schwab reported that the Audit and Finance Committee approved tuition and fees as follows:

- Student Fees: 5.2% increase in General Fees for both undergraduate and graduate students.
- School-Based Tuition: To be approved as submitted for the Schools of Business, Law, Medicine, and Public Health.
- Campus-Based Tuition: To modify the recommendation of the Tuition Advisory Task Force slightly to increase in-state tuition by \$250 and out-of-state tuition by \$1,000.

Mr. Carter, Chairman of the University Affairs Committee, referred to a proposed plan submitted by Faculty Chair Judith Wegner concerning an increase in athletic fees of \$50 per student for 2005-06 and an increase of \$100 in 2006-07 in order to secure funds for a merit scholarship program to recruit talented undergraduates, as well as to put the Olympic (non-revenue) sports program on more solid footing. He stated that he could not support a tuition increase unless the Board also dealt with merit. It was his feeling that Faculty Chair Wegner's plan deserved action by the Board.

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Following extensive discussion of the proposed plan for athletic fees, Mr. Carter moved to approve a \$50 increase in the athletic fee for 2005-06 and a \$100 increase in the athletic fee for 2006-07. Mr. Fulton seconded the motion.

Chairman Williams summarized as follows: “The faculty chair brought a very, very interesting proposal, principally focused on protecting dollars for merit scholarships. She wanted to solidify the use of license fees toward ordinary scholarships and came up with a very interesting way of funding merit scholarships, but also would involve taking money that now goes to the Athletic Department and committing those dollars to the merit scholarships. There was discussion on campus with several committees during the week. I asked the question whether their concern was the process or the amount, and I think the answer was there was concern on both fronts, but at the same time, I think I heard you say there was an interest in really getting behind this, but they were interested in the process and were asking for some delay.”

Chancellor Moeser stated that the Office of the President had asked the campus to have in their office no later than January 31 its recommendations on tuition and fees. In the event the Board of Trustees does not reach a conclusion, we have been asked to submit our best judgment as to what will be forthcoming with an asterisk indicating pending Board approval. Therefore, we have to send something at the end of the month either as the Board’s approved action or what we anticipate the action will be based on today’s conversation.

Chancellor Moeser expressed agreement with Mr. Carter’s point that this is an urgent issue which needs to be addressed, and stated that he felt the best way to do that was for the Board to do the following:

1. Adopt in concept the idea of the complete transfer of the logo money to be replaced by a \$150 fee over two years.
2. Implement the \$50 fee.

The Chancellor stated that his recommendation to the Board would be to amend the tuition proposal on resident tuition to minus that amount so that the resident tuition increase would be \$200, rather than \$250, and the non-resident tuition would be \$950, rather than \$1,000. Therefore, accommodation has been made in a sense of doing both and moving forward. It’s very important that the sense of the decision carry with it the full implementation of the plan next year as Mr. Carter proposed.

Mr. Carter stated that he wished to withdraw his previous motion and replace it with a motion to accept the Chancellor’s recommendation as stated above. Mr. Schwab seconded the motion.

Chairman Williams summarized as follows: “The motion on the floor is to accept the Audit and Finance Committee’s recommendation of a 5.2% increase in student fees and add to that a \$50 fee increase specifically targeted to the Athletic Department to use a proportionate amount of the dollars that were raised going to the Athletic Department from the licensing fees would then go to start the foundation of a pool of dollars for merit scholarships; and a \$100 fee increase next year.”

Eleven Board members approved the motion for a fee increase. Mr. Calabria and Mr. Ellison did not approve the motion.

On behalf of the Audit and Finance Committee, Mr. Schwab made an amended motion to raise resident tuition by \$200 and non-resident tuition by \$950. Also included were the school-based tuition increases.

Mr. Calabria introduced Matt Compton, an in-state student, and Erika Barrera, an out-of-state student, who each spoke in opposition to the out-of-state tuition increase.

Chairman Williams asked for a second to Mr. Schwab’s motion. Ms. Mason requested that a caveat be added that Jerry Lucido and Shirley Ort would develop a process to address the impact of this tuition increase on minorities and middle-income students, and also that we communicate to the out-of-state students that they are important to us and we hope that they will not measure their importance and contributions to the University by the increase in tuition that we have recommended.

Twelve Board members approved the in-state tuition increase. Mr. Carson did not approve the motion.

All Board members approved the out-of-state tuition increase.

All Board members approved the school-based tuition increases.

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

- Review of First Half FY 04-05 Budget Status presented by Vice Chancellor Suttentfield and John Adams, Director of Financial Planning and Budgets.
(ATTACHMENT S)
- Comprehensive Annual Financial Report for FY 2003-04 presented by Dennis Press, University Controller. [A copy of the Report is filed in the Office of the Assistant Secretary.]

A copy of the presentation is located at: www.unc.edu/depts/trustees

The Comprehensive Annual Financial Report for FY 2003-04 is located at:
www.unc.edu/finance/controller/confinst.htm

- Update on Capital Improvement Plan presented by Dwayne Pinkney, Assistant Vice Chancellor, Finance and Administration.
- Effective and Efficient Business Practices. Due to time constraints, this was not presented and was moved to the March committee meeting.
- Internal Audit Report presented by Phyllis Petree, Director of Internal Audit.
(ATTACHMENT T)

A copy of the presentation is located at: www.unc.edu/depts/trustees

- Remarks from Employee Forum Chair Tommy Griffin concerning the condition of health benefits for University employees.
- Carolina First Campaign Update by Paul Fulton. Mr. Fulton reported that the Campaign total stands at \$1,406,219,127. There have been \$57.5 million in new commitments since the November Board meeting. This includes \$29 million in December and \$25 million in January, the best consecutive month success in more than two years. There are 188 pending proposals totaling \$405,034,732. [A copy of the report is filed in the Office of the Assistant Secretary.]

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, and seconded by Ms. Mason, 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 AUDIT & FINANCE COMMITTEE

Mr. Schwab, chair of the Audit & Finance Committee, presented the committee's report on the following item which was previously approved by the committee.

- Report of the Naming Committee by Matt Kupec, Vice Chancellor for University Advancement. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Mr. Schwab moved approval for ratification by the Board of the naming recommendations. The motion carried.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented the personnel and salary approvals dated January 18 and 20, 2005 for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS U-V-W-X)

LEGAL ADVICE

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

DEEP EXECUTIVE CLOSED SESSION

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

RECONVENE MEETING IN OPEN SESSION

Chairman Williams reconvened the Board in open session.

OPEN SESSION

UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, moved approval by the Board of the following personnel actions dated January 18, 2005 and January 20, 2005, which were discussed earlier in closed session. Mr. Calabria seconded the motion and it carried.

- Personnel changes and salary increases in Academic Affairs.
(ATTACHMENT U)
- Personnel changes in Health Affairs
(ATTACHMENT V)
- Appointment of a Dean of the School of Dentistry, and Appointment of a Dean of the School of Public Health
(ATTACHMENT W)
- The personnel changes for information 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.

COMPENSATION COMMITTEE

Chairman Williams reported that the Compensation Committee met on January 26 with Chancellor Moeser to review the performance and compensation recommendations for senior administrators. There was no action required by the Compensation Committee at this meeting.

ADJOURNMENT

There being no further business to come before the Board, Chairman Williams adjourned the meeting at 2:15 p.m.

Assistant Secretary