

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

The Board of Trustees met in regular session in the Faculty Lounge of The Morehead Building on November 15, 2000 at 3:05 p.m. Chairman Cates presided.

The Finance and Business Committee met as a Committee of the Whole.

**ROLL CALL**

Assistant Secretary Brenda Kirby called the roll and the following members were present:

Anne W. Cates, Chairman  
David E. Pardue, Jr., Secretary  
William J. Armfield, IV  
Timothy B. Burnett  
Jean Almand Kitchin  
Robert B. Matthews  
Richard Y. Stevens  
Richard T. Williams

The following members were absent:

Dr. William R. Jordan, Vice Chairman  
Walter R. Davis (due to illness)  
James E. S. Hynes  
Dr. Charles A. Sanders

Mr. Cressie H. Thigpen, Jr. arrived at 3:40 p.m.

**CONSENT AGENDA**

**Approval of Minutes**

On motion of Mr. Pardue, seconded by Mrs. Kitchin, the minutes of the regular meeting of September 28, 2000 were approved as distributed.

**Approval of Personnel Items**

On motion of Mr. Pardue, seconded by Mrs. Kitchin, the following personnel items were approved as distributed:

- Personnel Changes for Information (ATTACHMENT A)
- Personnel Changes in Academic Affairs (ATTACHMENT B)
- Personnel Changes in Health Affairs (ATTACHMENT C)
- Recommendations for Exceptions to (ATTACHMENT D)  
Employment Policies Annual Leave Provisions

**Ratification of Mail Ballots**

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

- Mail Ballot Dated October 11, 2000 (ATTACHMENT E)
- Mail Ballot Dated October 18, 2000 (ATTACHMENT F)
- Mail Ballot Dated October 25, 2000 (ATTACHMENT G)

**FINANCE AND BUSINESS COMMITTEE**

**Professional Excellence**

Interim Provost Edwards and each of the deans of the professional schools (Business, Dentistry, Law, Medicine, and Pharmacy) presented information concerning this item. Mr. Stevens moved approval to transmit the proposed tuition increases for the Kenan-Flagler

Business School, School of Dentistry, School of Law, School of Medicine, and School of Pharmacy to The University of North Carolina Board of Governors. Mr. Williams seconded the motion and it carried.

(ATTACHMENT H)

**Renovation of MBR/Glaxo Building**

Mr. Pardue moved approval of the selection of LS3P Associates to provide design services for renovation of the MBR/Glaxo Building. Mr. Williams seconded the motion and it carried.

(ATTACHMENT I)

**Ramshead Project**

Mr. Armfield moved approval of the selection of Mr. Samuel A. "Pete" Anderson, III, FAIA, as the architect to provide design oversight services for the Ramshead Project. Mrs. Kitchin seconded the motion and it carried.

(ATTACHMENT J)

**Small Business and Technology Development Center**

Mr. Armfield moved approval of the acquisition by lease of approximately 5,051 square feet of office space at 5 West Hargett Street, Raleigh, Wake County, North Carolina from The Raleigh Building, LLC for the Small Business and Technology Development Center. The lease term is for a five-year period commencing February 1, 2001, or as soon thereafter as possible, at an initial annual rent not to exceed \$63,137.50, or \$12.50 per square foot, including utilities and janitorial services. There are two three-year renewal options. The rental rate increases 3% annually during the initial term and the renewal period. Mrs. Kitchin seconded the motion and it carried.

The Board requested a brief update on the Center at the January Board meeting.

(ATTACHMENT K)

**Special Obligation Bonds**

Mr. Stevens moved approval of the adoption of the Resolution of the Board of Trustees of The University of North Carolina at Chapel Hill Approving the Issuance of Special Obligation Bonds. Mr. Pardue seconded the motion and it carried. Mr. Thigpen recused himself from voting on this item.

(ATTACHMENT L)

**Preliminary Design Review - Renovation of the Health Sciences Library**

This item was postponed and will be presented at a future Board meeting.

(ATTACHMENT M)

**Preliminary Design Review - Memorial Hall**

This item was presented for information only and no formal action was required.

(ATTACHMENT N)

**Budget Update**

The budget status report covering the first quarter of fiscal year 2001 (period from July 1, 2000 through September 30, 2000) was presented for information only and no formal action was required.

(ATTACHMENT O)

**REPORT OF INVESTMENT FUNDS**

Mr. Mark Yusko, chief investment officer, presented The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. Report. [A copy of the report is filed in the Office of the Assistant Secretary.]

**ENDOWMENT FUND ANNUAL REPORT**

Mr. Yusko presented the Endowment Fund Annual Report for Year Ended June 30, 2000.

Mr. Burnett moved to approve the transmittal of the Annual Report of the Endowment Fund to The University of North Carolina Board of Governors. Mr. Thigpen seconded the motion and it carried.

(ATTACHMENT P)

**RECESS**

The Board meeting recessed at 5:10 p.m.

**RECONVENE**

The Board meeting reconvened at 8:00 a.m. on November 16, 2000 in the Morehead Design Studio for a briefing on the campus master plan.

Dr. Sanders joined the meeting at this time.

**RECESS AND BREAK**

The Board meeting recessed at 10:25 a.m.

**RECONVENE**

The Board meeting reconvened at 10:40 a.m. in the Faculty Lounge of The Morehead Building.

Dr. Jordan joined the meeting at this time.

The Academic Affairs Committee and the Development Committee met as a Committee of the Whole.

**CHAIRMAN'S REMARKS**

Chairman Cates commented on the Davie Award dinner that was held the previous evening at The Carolina Inn. The recipients of the Davie Award were Woody Durham, Dr. James Harrell, Sr., Benjamin Jones III, and Charles Loudermilk, Sr.

She commented on the partnership between the School of Public Health, the Kenan-Flagler Business School, and the Center for Creative Leadership. A \$2.5 million, five-year grant has been awarded to the partnership to organize and operate the National Public Health Leadership Institute.

Chairman Cates requested Secretary Pardue read the following resolutions.

**RESOLUTION OF APPRECIATION FOR JOHN P. EVANS,  
INTERIM VICE CHANCELLOR  
FOR FINANCE AND ADMINISTRATION**

**WHEREAS**, Jack Evans will step down as Interim Vice Chancellor for Finance and Administration November 20 after providing more than a year of superior leadership in the post;

**WHEREAS**, as Interim Vice Chancellor, he served as the University's principal finance and business officer, overseeing the management of campus areas including financial planning, budgeting and management, treasury, general accounting, contracts and grants administration, facilities planning, construction and operations, purchases and stores, health and safety, auxiliary enterprises, and human resources;

**WHEREAS**, Dr. Evans' experience as a Kenan-Flagler Business School Professor and former Dean was clearly evident in his insightful understanding of the business and operations aspects of the University, his

outstanding stewardship of Carolina's \$1.3 billion budget, and his critical role in preparing for the higher education improvement bond referendum and the University's use of its nearly \$500 million share of that package;

**WHEREAS**, Carolina will long feel the impact of his diligent work as a co-convenor of the Horace Williams Planning Committee and as a member of the Executive Steering Committee of the Campus Master Plan, two panels that will influence the physical growth and expansion of the University for decades to come;

**WHEREAS**, Interim Vice Chancellor Evans recently designed and implemented a new facilities planning process that, for the first time ever, coordinates the University's facilities plans with its academic and enrollment plans, providing a much-needed "big picture" perspective;

**WHEREAS**, Dr. Evans also came up with a comprehensive plan to assure that Carolina responsibly uses its new authority to issue campus-based debt, a plan that will be crucial as the University steps up construction;

**WHEREAS**, he used his communication and diplomacy skills time and again representing Carolina in talks with local governments and other groups, most recently negotiating campus connection fees with the Orange Water and Sewer Authority;

**WHEREAS**, if his schedule weren't full enough, Dr. Evans also ably serves as Carolina's representative to the Atlantic Coast Conference and the National Collegiate Athletics Association;

**WHEREAS**, his deep devotion and love of this great University is clearly evident in all that he does and Carolina is a much better place because of it;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees of The University of North Carolina at Chapel Hill salutes and commends Interim Vice Chancellor Jack Evans for his unselfish willingness to take on this vital job and his masterful management of these important areas of the University.

On motion of Mr. Burnett, seconded by Mr. Stevens, the Board approved adoption of the resolution and applauded Dr. Evans.

**RESOLUTION OF APPRECIATION  
FOR APPROVAL OF  
THE HIGHER EDUCATION  
IMPROVEMENT BOND REFERENDUM**

**WHEREAS**, the North Carolina General Assembly demonstrated keen foresight and vision by placing the Public Higher Education Improvement Bond Referendum before the state's electorate on the November 7 ballot, giving voters the chance to weigh in on \$3.1 billion in bonds for the state's public universities and community colleges;

**WHEREAS**, the legislation enabling the referendum was named for our late Chancellor Michael Hooker;

**WHEREAS**, many special friends and supporters of North Carolina higher education--particularly alumni and students of The University of North Carolina at Chapel Hill--worked diligently to educate the public about the physical challenges facing our state campuses and how bond dollars could help meet these needs;

**WHEREAS**, in a true show of unity, the public institutions of higher education labored side-by-side on behalf of the bonds for the greater good of the state's citizens;

**WHEREAS**, the state's business community, led by North Carolina Citizens for Business and Industry, relentlessly pushed for passage of the referendum, recognizing the vital role of our public universities and community colleges in educating the workforce, attracting business and industry to the state, bolstering the economy, and improving the welfare of citizens in countless ways;

**WHEREAS**, these efforts paid off as more than 70 percent of voters endorsed the referendum, demonstrating once again that the state known as the birthplace of public higher education remains strongly committed to this important ideal and values it as a worthwhile investment;

**WHEREAS**, the nearly \$500 million in bond money that will come to the Chapel Hill campus for renovations, repairs and new construction will create an improved environment for future generations of Tar Heels to learn, discover and serve;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees of The University of North Carolina at Chapel Hill offers its sincerest thanks to everyone who worked on behalf of the bond referendum and, most especially, to the North Carolina voters who made this critical victory for public higher education possible.

On motion of Mr. Matthews, seconded by Mr. Stevens, the Board approved adoption of the resolution.

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

Chancellor Moeser began by expressing his appreciation to Jack Evans for his invaluable services as interim vice chancellor for Finance and Administration.

Chancellor Moeser commented on his first Davie Award dinner and thanked the Board for a beautiful event and for the tradition that it represents.

The Chancellor expressed his appreciation for the passage of the bond issue. This was the largest bond issue for higher education ever passed by any state, at any point in time, in this country. He thanked the Trustees for their hard work and leadership, and also extended a special debt of gratitude to the students who worked so relentlessly to make sure their fellow classmates understood the implications of the bond referendum. The Chancellor thanked Mr. Matthews and his Chief of Staff Chris McClure for their tireless efforts to shine the spotlight on the bonds and Senior Jessica Triche, who led the effort for three years to make the experimental "no excuse" voting at the Morehead Building a reality.

The University will receive nearly \$500 million from the bond package to fund renovations and repairs, as well as new construction, all of which are central to the University's mission of teaching, research, and public service. The University can accept its fair share of the enrollment surge expected across the system in the next decade. The means will be available to modernize 120 lecture halls and classrooms so that 21<sup>st</sup> century students can learn in a 21<sup>st</sup> century environment. The faculty, whose research produces the new knowledge that will affect the lives of every North Carolinian and every American, will have the laboratory and scientific space they need to do their jobs better.

The Chancellor commented that the Facilities Planning staff is already prepared and that plans are in place to make sure that construction projects begin very shortly. Some time ago, the University identified the second phase of the Medical Biomolecular Research Building as the first bond-related project. This will begin some time after the first of the year.

The preparation includes an enormous amount of planning to assure that the campus community experiences the least amount of inconvenience possible.

Chancellor Moeser thanked Adam Gross and his associates at Ayers Saint Gross for their masterful planning effort on the Campus Master Plan. He said that he was tremendously impressed with the thoughtfulness, creativity, and detail that have gone into the planning effort. When the plan is finally approved, it will be a great resource for the University--especially as the increased construction projects in the pipelines take place--one that will really be visionary and will guide the University for its next century.

The Chancellor reiterated his enthusiasm about the recently created, joint town-gown committee that was created by Mayor Waldorf and the Chancellor. The Chancellor has asked Jonathan Howes, special assistant to the Chancellor for Local Relations; Susan Ehringhaus,

vice chancellor and general counsel; Trustee Stevens; and Trustee Williams to represent the University on the committee. The Chancellor commented that he envisions the panel discussing the campus master plan, a faster and less burdensome review process through the Town Council itself and the Town's own processes, the floor-area ratio on the campus which is governed currently by the Town, the transit system and, when recommendations are made, the planning effort for the Horace Williams area.

Chancellor Moeser commented on the recent newspaper accounts regarding the Horace Williams planning effort. He stated that, in his view, some have included serious distortions of facts regarding the planning committee and its work. He emphasized that this will be a large, very open committee. The committee's next meeting will be on November 30, 12 p.m. at The Carolina Club, at which time the first real draft will be presented by Ayers Saint Gross. The Chancellor encouraged anyone who is interested in the Horace Williams project attend that meeting. The process of consideration of where we go with Horace Williams will be just as open as the master planning process itself has been. The committee's original charge included coming up with development options for the Horace Williams tract, and that's what the committee is in the process of doing at the present time. The formal name of the committee is the Horace Williams Planning Advisory Committee.

The Chancellor assured the University and the community that the options will be presented to them prior to being presented to the Board of Trustees. He emphasized that there are no plans to take this matter to the Board of Trustees in January 2001, as previously reported. In his view, this is still months away.

Open meetings will continue to be held about the project and, at the appropriate time in the planning process, the committee will seek input from the many constituencies who have a stake in this issue.

Chancellor Moeser commented on the approval by the Board of the proposals to increase tuition at six of the University's professional degree programs. The tuition proposals will help to maintain the quality and strength in these programs in the most responsible way possible. Accessibility was an important concern considered in these increases. With the funds earmarked for financial aid from the respective increases, we assure that the programs will remain accessible to our state's sons and daughters--as well as competitive with public and private peers. The tuition increases will ultimately benefit the citizens of North Carolina and beyond by helping these programs continue to produce the professionals both the state and nation need.

Chancellor Moeser concluded his remarks by thanking everyone for making University Day and his Installation a very special event in his and Susan's lives. He also thanked the many people who helped behind the scenes, including the Grounds and Physical staffs.

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

Mr. Matthews commented on the passage of the bond referendum and acknowledged the following students for their participation, as well as several staff members of the University:

- Rudy Kleysteuber, Campus Y Co-President
- Liz Gardner, Senior Vice President for the Association of Student Governments for the State
- Tyra Moore, President of the Black Student Movement
- Robin Yamakawa, President of the Residence Hall Association
- Jessica Triche
- Chris McClure, Chief of Staff

He commented on other initiatives underway by his administration for the remainder of his term:

- Fair-free transit on the Chapel Hill Transit System----if not for everyone, for all students at the very least as a starting point
- On-line student body elections in the Spring

Mr. Matthews commented on the October Report, which is a comprehensive report of his administration's activities during the past six months.

Mr. Matthews concluded his remarks by extending an invitation to Board members to join him and his cabinet members any Sunday evening at 6:00 to go door-to-door asking students about their concerns on campus.

### **DEVELOPMENT COMMITTEE**

#### **Development Update**

In Chairman Hynes' absence, Mr. Armfield introduced Mr. Paul Fulton, chairman of the Carolina First Campaign. Mr. Fulton updated the Board on the \$1.5 billion fund-raising campaign, which is planned to be publicly kicked off during the October 12, 2001 University Day celebration. The campaign is scheduled to end on June 30, 2006.

### **ACADEMIC AFFAIRS COMMITTEE**

Dr. Sanders, chairman of the Academic Affairs Committee, introduced the agenda to the Board.

#### **Commercialization of the Carbon Dioxide Technology Platform: From the Manufacture of Teflon in Eastern North Carolina to the National Launch of Hangers Cleaners**

Joseph M. DeSimone, William R. Kenan Jr. Distinguished Professor of Chemistry and Chemical Engineering, and Director, NSF Science and Technology Center for Environmentally Responsible Solvents and Processes, presented this report to the Board.

Dr. DeSimone reported on Hangers Cleaners, which is reinventing dry cleaning with a new cleaning technology that uses liquid carbon dioxide (CO<sub>2</sub>) and eliminates solvents traditionally used in the industry, such as perchloroethylene or petroleum-based chemicals.

Dr. DeSimone also reported on Micell Technologies Inc., which is the company that produces the machines used at Hangers Cleaners.

Dr. DeSimone distributed a packet of information concerning his report, which is filed in the Office of the Assistant Secretary.

#### **"ALL KINDS OF MINDS" and Child Development Issues**

Dr. Melvin D. Levine, director, Clinical Center for the Study of Development and Learning, presented this report to the Board.

Dr. Levine reported on All Kinds of Minds, which is a Nonprofit Institute for the Understanding of Differences in Learning. All Kinds of Minds provides programs, tools and a common language for parents, educators, and clinicians to help children with differences in learning achieve success in the classroom and in life. Dr. Levine is the founder and co-chairman of All Kinds of Minds.

Dr. Levine distributed a packet of information concerning his report, which is filed in the Office of the Assistant Secretary.

**MOTION TO CONVENE IN CLOSED SESSION**

On motion of Mr. Pardue, seconded by Mr. Stevens, 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) (3), (5), and (6).

**CLOSED SESSION**

**CONSENT AGENDA/PERSONNEL CHANGES FOR CONSULTATION**

Dr. Sanders moved approval to authorize the Chancellor to forward to the President and the Board of Governors the personnel report and recommendations presented for consultation. Mr. Thigpen seconded the motion and it carried.

(ATTACHMENT Q)

**LEGAL ADVICE**

Ms. Ehringhaus advised the Board regarding a legal matter.

**MOTION TO RECONVENE IN OPEN SESSION**

Mr. Stevens moved, seconded by Mr. Pardue, that the Board reconvene in open session. The motion carried.

**OPEN SESSION**

**ADJOURNMENT**

There being no further business, Chairman Cates declared the meeting adjourned at 2:10 p.m.

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Assistant Secretary