

BOARD OF TRUSTEES MEETING

The University of North Carolina at Chapel Hill

January 24, 1997

The Board of Trustees met in regular session in the John Sprunt Hill Central Ballroom at The Carolina Inn at 8:30 a.m. Chairman Armfield presided.

ROLL CALL

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

William J. Armfield, IV, Chairman	David E. Pardue, Jr.
Anne W. Cates, Secretary	Charles A. Sanders
Angela R. Bryant	Richard Y. Stevens
James E. S. Hynes	Cressie H. Thigpen, Jr.
Aaron M. Nelson	

The following members were absent:

William R. Jordan, Vice Chairman	David J. Whichard, II
Walter R. Davis	Annette Fairless Wood

CHAIRMAN'S REPORT

Chairman Armfield asked Mrs. Cates to present the following resolution.

RESOLUTION FOR THE 1997 GATOR BOWL CHAMPIONS

WHEREAS, Coach Mack Brown's football Tar Heels have brought great credit to the Athletic programs of the University by their victory over West Virginia in the Gator Bowl on New Year's Day;

WHEREAS, the Tar Heels, not having placed in the pre-season ratings of the nation's 25 best teams, wound up the post-season in the top ten in both national rankings--for the first time since 1981;

WHEREAS, Mack Brown, coaching his team from the basement to the penthouse during the regular season, was named Atlantic Coast Conference Coach of the Year, and led the Tar Heels to the sixth ten-victory season in 106 years of Carolina football, and to the Tar Heels fifth consecutive bowl game;

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill extends its warm congratulations to Coach Brown and his staff, to the entire 1996 Carolina Football Squad, to Director of Athletics John Swofford, and to all in the University who aid and support the football program; and the Board of Trustees commends players, coaches, and the Department of Athletics for the Gator Bowl victory, the excellent regular season that preceded it, the determination to go forward to an even better season next year, and, above all, for the tradition of Carolina sportsmanship they have all fought to preserve by showing once again that what matters most "is how you played the game".

Mrs. Cates moved adoption of the resolution. The motion was duly seconded by all members present.

Chairman Armfield referred to the "Comprehensive Annual Financial Report." He remarked that our University is the first UNC System campus to earn the Certificate of Achievement for Excellence in Financial Reporting, the highest financial reporting honor given by the Government Finance Officers Association of the United States and Canada. This award recognizes that the report met high standards and demonstrated a constructive spirit of full disclosure to communicate our financial story to the audit process. As a public university accountable to the taxpayers of our state, Mr. Armfield said he could think of no better benchmark for these efforts.

Mr. Armfield presented the certificate of excellence to Treasurer Wayne Jones and the Division of Business and Finance in recognition of the exceptional work that he and his colleagues had done.

Mr. Armfield stated that he was at the meeting of the state auditor on Wednesday, January 22. They gave Mr. Jones and his staff highest marks for the cooperation, efficiency, and accuracy with which the process was conducted.

Mr. Jones accepted the award on behalf of everyone and commented that the work which went into the report was a community effort involving the academic units, as well as other support units, and he appreciated the input from everyone.

(A copy of the report is filed in the Office of the Assistant Secretary.)

Chairman Armfield read a letter and a Resolution of Appreciation, adopted unanimously by the Chapel Hill Town Council on January 21, 1997 regarding the land use plan received from Mayor Rosemary I. Waldorf of the Town of Chapel Hill addressed to Chancellor Hooker, Mr. Armfield, and the members of the UNC-CH Board of Trustees.

On behalf of the Board of Trustees, Chairman Armfield commended Chancellor Hooker and his colleagues for a job well done.

(A copy of the letter, the Resolution of Appreciation, and attachments are filed in the Office of the Assistant Secretary.)

CHANCELLOR'S REPORT

Chancellor Hooker praised everybody involved with the financial audit. He remarked that this was his sixteenth audit exit interview and it was a joy to have the auditor sit there and say that he really had nothing to say. It was a unique experience for him as he has had a lot of audit exit interviews which were very painful in previous posts. He said that he would like to take credit for it at this University, but he couldn't because it happened before he arrived here. Therefore, he was especially appreciative to Mr. Jones and everybody associated with the audit functions at the University.

The Chancellor expressed pleasure with the resolution passed by the Chapel Hill Town Council. He said that the University is in a difficult situation. It has a responsibility to the state to use resources, including land, in the best interests of the total state. On the other hand, it has a special moral obligation to the people of Chapel Hill because it directly affects the quality of their lives. We are mindful that any time we have in mind something to do in the interests of the state that may adversely affect the quality of life of the people here or may simply result in a change of some of their

daily activities because of changed traffic patterns, or whatever, we have an obligation to involve the people of Chapel Hill at the earliest possible stages of our own thinking about these projects. He said that he thinks you see a manifestation in the land use planning effort of our intention always to involve people in Chapel Hill in anything we may do that will affect the character or quality of their daily lives.

Chancellor Hooker reported on the current status of the search committees on campus. He stated recommendations had been received from the School of Medicine and the School of Public Health Deans' Search Committees and both contained excellent candidates. He will meet the candidates and offers should be made in the spring. The Dean Search Committee for Arts and Sciences will be sending its recommendations soon. The School of Education search has been suspended until financial structure and internal changes have been implemented to attract the best candidates.

Chancellor Hooker expressed sorrow that Dean Paul Fulton is leaving the Kenan-Flagler Business School. He stated that under Dean Fulton's leadership, the School is on a sound financial basis and plans for a major executive conference center are in place. This presents a strong base which will make this position very attractive to prospective candidates.

Chancellor Hooker said that the search for a Vice Chancellor for Administration is continuing. The inability to pay competitive market salaries has caused a real problem for this position.

Chancellor Hooker stated that this is the time when we begin to look at the budget and at our prospects in the legislature. We begin to hear wildly differing estimates of what the budget for the state is going to look like this year. Some will say that revenues are running behind schedule and that we gave away so much in tax cuts during the election year last year that there will be virtually nothing to distribute. Others will say that the economy continues to be robust and healthy and there should be a good deal of money to distribute. He said it's too early to sort out the speculation and the rumors, but he is heartened by one thing and that is that Governor Hunt, in his campaign and in his inaugural remarks, focused very closely on the importance of education to the future of the state. The

governor's focus was primarily K-12. That is arguably the more important priority for the state at this point in time. We are the only state in the union that funds higher education better than any other. We are near the last in the country in funding K-12. The Chancellor has said time and again that there's something wrong with this picture and he is pleased that Governor Hunt is beginning to address this issue.

He expressed pleasure that Governor Hunt began his inaugural activities by meeting with the chancellors at The Carolina Inn and telling them how important he regarded the state's universities to the future of the state and to his education agenda. Those indications of support on his part were very welcomed and the Chancellor is looking forward to a good year for that reason.

MINUTES

Mr. Hynes moved approval of the minutes of the regular meeting of the Board on November 22, 1996. Dr. Sanders and Mr. Thigpen seconded the motion and it carried unanimously.

STUDENT BODY PRESIDENT'S REPORT

Mr. Nelson began his report by extending a thank you to Roger Patterson, associate vice chancellor for finance; Kate McGaughey, assistant provost for finance; and Julie Gasperini, student body treasurer, in their work on student fees. The student fee process was very difficult to understand.

Mr. Nelson reported on the Task Force on Greek Affairs, the Substance Abuse Task Force, and the Chancellor's Task Force on Intellectual Climate that students are participating in.

He reported that Student Government is currently working on two proposals which will be forwarded on to the appropriate committee. The first proposal is the Pass/D/Fail Program, which they have been working on since he became student body president. They have some recommendations on how to improve the program by extending the deadline to allow more students to try classes which they weren't sure they could be successful in. The second proposal is the Freshman Experience Program. Students have been requested to give their advice on what they would like to see in this program.

He reported on a human relations summit on campus where students from different groups will come together to try to build community. This has been one of the focuses of his administration this past year. A very successful summit was held the previous semester.

Mr. Nelson remarked that the focus for the rest of this semester would be to work with the state legislature. There will be meetings with undergraduate and graduate students to set priorities to be taken to the legislature. These priorities should be in line with those of the Board and the Chancellor. The students look forward to working together with both faculty and staff in getting those things done.

He referred to the Chancellor's earlier comment that Governor Hunt had begun his inauguration by meeting with the education community. After meeting with the chancellors, Governor Hunt met with student body presidents from both private and community colleges and those in the state university system. They had a very good meeting and brought to his attention specifically graduate student stipends. The governor was aware of our low remissions, but was not aware that this University has the lowest stipends in the nation or in our competitive group. Also discussed were technology fees and the feeling that it is the state's duty to support technology, rather than being funded by student fees. Governor Hunt requested the student body presidents follow up on that item.

Mr. Nelson remarked that national legislation will be extremely important to students with the reauthorization of the Higher Education Act as it comes up for final completion in 1998. He said that we were lucky to have John Dervin, a UNC-CH student, testify at some of the reauthorization hearings in Washington, DC.

Mr. Nelson reported that students had approved to put on the ballot an opportunity for students to decrease their fees by 50 cents by eliminating the *Carolina Course Review*. If this passes, the *Carolina Course Review* would be put on the World Wide Web.

He reported that the United States Student Association referendum, wherein each student would be asked to pay a 25 cent fee per semester to join as a referendum school, did not pass. This association currently represents 3.5 million students across the country.

Mr. Nelson reported that on January 28 there will be a lighting tour with the Town of Chapel Hill. The tours are conducted on campus to identify areas that are unsafe to students. There has been great support from campus and the police department. This particular tour will include the mayor of Chapel Hill, the town manager, the fire chief, the police chief, and a group of students. They will take a walk around some areas on campus, such as Rosemary Street, Cameron Avenue, parts of Highway 54 that are high student traffic areas and are very unsafe. He looks forward to the installation of lamp posts at these locations to increase safety of those areas.

He reported that the Student Fire Safety Committee is in place. Ronald Campbell is beginning to work with training students on campus on how to train themselves in fire safety and return to their fraternities or sororities and discuss those issues, as well as going into the residence halls.

REPORT OF THE FINANCE AND BUSINESS COMMITTEE

In the absence of Chairman Wood, Mr. Pardue reported on each of the following items.

Approval of Student Fee Request

Mr. Stevens and Mr. Thigpen moved to approve the proposed student fees for the 1997-98 Academic Year. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT A)

Approval of Design of the Soccer Center

Mr. Stevens and Mr. Thigpen moved to approve the design of the Soccer Center. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT B)

Approval of Final Plans and Specifications for the Soccer Center

Mr. Stevens and Mr. Thigpen moved to approve the final plans and specifications for the Soccer Center. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT C)

Approval of Final Plans and Specifications for the Renovation of Aycock and Graham Residence Halls

Mr. Stevens and Mr. Thigpen moved to approve the final plans and specifications for renovations and an addition to Graham and Aycock Residence Halls. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT D)

Selection of an Architect for Design of the Renovation of Murphey Hall

Mr. Stevens and Mr. Thigpen moved to approve selection of Michael Hining Architects as designers for the renovation of Murphey Hall. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT E)

Selection of a Site for Field Hockey Dressing Rooms and Spectator Stands

Mr. Stevens and Mr. Thigpen moved to approve the siting of the proposed field hockey dressing rooms and spectator stands. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT F)

Acceptance of Final Plans for the University's Outlying Properties

Mr. Stevens and Mr. Thigpen moved to approve acceptance of the long range plans for the Horace Williams and Mason Farm Properties. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT G)

Acquisition by Lease of Space for the Center for Developmental Science

Mr. Stevens and Mr. Thigpen moved to approve the acquisition by lease of approximately 11,000 square feet of office and related space for the UNC-CH Center for Developmental Science for a term of five years at an initial annual cost not to exceed \$170,500.00 or

\$15.50 per square foot, including utilities and janitorial services and with annual rent increases not to exceed 4% per year, and also to allow the substitution of the Frank Porter Graham Child Development Center (or another University group) in place of the Center for Developmental Science as the tenant for this lease if logistics or timing make it difficult to relocate the Center for Developmental Science into the space to be acquired by this lease. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT H)

Ratification of Mail Ballot/Selection of an Architect for Design of Renovation of Lecture Facilities

Mr. Stevens and Mr. Thigpen moved to approve the selection of DTW Architects & Planners Ltd., Durham, NC, as architects for the project to renovate a number of lecture halls and classrooms on the campus. Ms. Bryant seconded the motion and it carried unanimously.

(ATTACHMENT I)

Semi-annual Report on Capital Improvement Projects

This item was presented for information only and no action was requested at this time.

(ATTACHMENT J)

Preliminary Design Review of an Addition to Hill Hall

This item was presented for information only and no action was requested at this time.

There was controversy concerning the design as presented and the committee requested Gordon Rutherford, director of Facilities Planning & Design, readdress the needs and the design. There will be further input on this item at a later meeting.

(ATTACHMENT K)

Summary of Operating and Capital Biennial Budget Requests

This item was presented for information only and no action was requested at this time.

(ATTACHMENT L)

Mr. Pardue requested that an appropriate letter or resolution be sent to the Town of Chapel Hill thanking them for their cooperation and help on land use planning. Chancellor Hooker replied that this would be done.

REPORT OF THE HONORARY DEGREE SELECTION COMMITTEE

Mr. Pardue reported that since July, 1996, the committee had been studying possible changes in the process and procedure of nominee selection in an effort to get better communication between the Trustees and the faculty committee on advanced degrees--particularly the honorary doctorate degree. He reported that he had met with five faculty committee members and suggested that the procedure be changed slightly. They agreed that the Board of Trustees would have one person, more if desired, who would serve as a liaison between the Trustees and the faculty committee. This person would agree to attend the meetings of the faculty committee and to give positive, or negative, input on the candidates submitted for consideration. The idea of this would be to give the Trustees' input early, rather than later in the process after a tremendous amount of work had been done on the candidacy. He reported that the faculty committee was very receptive to this idea and welcomed any input along those lines that the Trustees would like to contribute. Chairman Armfield had earlier asked Mr. Pardue to act in this capacity for this year. Mr. Pardue agreed to do so, and also going into next year if appropriate.

Mr. Pardue reported that it was the suggestion of the committee that the 1972 Trustee Resolution be amended to permit someone who is a Trustee of a school within the 16-campus system to become eligible to receive an honorary doctorate degree.

Mr. Pardue said there had been discussion regarding the size, or the number of people receiving honorary degrees. It is his recommendation that we slightly cut down on what we have been doing, but have as a general policy that if we can find five exceptional candidates to ask, we extend an invitation to five. In order to receive a honorary doctorate, the person has to be present at commencement. In the past, we have asked five or six people and

we have averaged getting about four. He suggested we limit the asking to five. Some years we may ask less if we have fewer good applicants, but limit it to five.

Mr. Pardue commented that he had gone back and personally looked at every single doctorate since 1789. He paid particular attention to the honorary doctorates given during the last twenty years, and, in his opinion, it represents a good balance of the needs of the University. There was a good balance between high academic achievers, a fair balance between people who have been major contributors to the University in financial and other terms, and he was personally pleased by the actual results which had been achieved. He also found that, without exception, the faculty committee who have worked on this during the past two years have been very hard workers, have been very thoughtful, and have spent a huge amount of time in doing what they thought was the best. Thus, it is his opinion that an effort of the Trustees in giving early input would serve the process in the best possible manner.

Mr. Pardue moved that the Trustees amend the procedure where Trustees of other institutions in the University of North Carolina System would become eligible to receive an honorary doctorate. Ms. Bryant seconded the motion and it carried unanimously.

After further discussion, Chairman Armfield suggested that the matter be considered further and resolved at the Board's March meeting. The current process has already begun and he suggested leaving the number of candidates at five for this year and, if a revision is to be made, it can be done for the next year.

Mr. Stevens asked who is now excluded from the process. Mr. Pardue responded that this Board was excluded until two years after their service as a Trustee, the members of the Board of Governors, and the members of General Administration. This exclusion applies also until two years after service as a member of the Board of Governors and a member of General Administration.

After further discussion on the matter, Mr. Pardue withdrew his earlier motion to amend the procedure.

DEVELOPMENT

Mr. Matt Kupec, vice chancellor for University Advancement, gave a slide presentation of recent Development activities. He reported on the Chancellor's visits to the 100 North Carolina counties. To date, 42 counties have been visited. Mr. Kupec distributed a packet of information concerning UNC-CH Facts in the Charlotte Area. (A copy of this packet is filed in the Office of the Assistant Secretary.)

He also showed slides of Chancellor Hooker's visit to an elementary school in Charlotte, as well as slides of media coverage of the Chancellor's visits in Guilford County and in Charlotte.

Mr. Kupec recognized Mike McFarland, director of News Services; Nancy Davis, community relations director, University Advancement; Margie Crowell, director of development; and Paul Baldasare, assistant to the vice chancellor, legal counsel, University Advancement, for their fine efforts in coordinating all of these outreach visits. The Chancellor has done an outstanding job and there has been an overwhelming response. They are looking forward to the last 58 county visits.

MOTION TO GO INTO CLOSED SESSION

Mrs. Cates moved that the Board go into closed session to (1) prevent the disclosure of privileged information under Section 126.22 and following of the North Carolina General Statutes or regulations; (2) consult with our attorney to protect the attorney-client privilege; (3) establish or instruct the staff or agent concerning the negotiation of the amount of compensation or other terms of an employment contract; and (4) consider the qualifications, competence, performance, conditions of appointment of a public officer or employee or prospective public officer or employee. The following persons were instructed to remain for the closed session: Members of the Board, Chancellor Hooker, Elson Floyd, Susan Ehringhaus, Dick Richardson, Brenda Kirby, and Marsha Ferrin. Dr. Sanders seconded the motion and it carried unanimously.

CLOSED SESSION

**REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL
COMMITTEE**

Personnel Matters for Information

Ms. Bryant presented personnel matters for information not requiring action by the Board.

(ATTACHMENT M)

Personnel Matters for Consultation

Ms. Bryant moved approval to authorize the Chancellor to forward to the President and the Board of Governors the personnel report and recommendations presented for consultation. The motion was seconded by Mr. Thigpen and it carried unanimously.

(ATTACHMENT N)

Personnel Matters for Action in Academic Affairs

Ms. Bryant presented the following personnel changes in Academic Affairs: Appointment, Reappointments at Same Rank, Promotions, and Salary Increase.

(ATTACHMENT O)

Personnel Matters for Action in Health Affairs

Ms. Bryant presented the following personnel changes in Health Affairs: Appointments, Promotion, and Salary Increase.

(ATTACHMENT P)

**Recommendations for Exceptions to Employment Policies
Annual Leave Provisions**

Ms. Bryant presented the exceptions from the EPA Non Faculty Annual Leave Provisions.

(ATTACHMENT Q)

MOTION TO RECONVENE IN OPEN SESSION

Mrs. Cates moved to reconvene in open session. Dr. Sanders seconded the motion and it carried unanimously.

OPEN SESSION

**REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL
COMMITTEE**

Ms. Bryant apologized to the Board for being unable to attend the committee meeting yesterday due to an emergency.

Mr. Thigpen moved approval of the personnel changes in Academic Affairs. Dr. Sanders seconded the motion and it carried unanimously.

(ATTACHMENT O)

Mr. Thigpen moved approval of the personnel changes in Health Affairs. Dr. Sanders seconded the motion and it carried unanimously.

(ATTACHMENT P)

Mr. Thigpen moved approval of recommendations for exceptions to employment policies annual leave provisions. Dr. Sanders seconded the motion and it carried unanimously.

(ATTACHMENT Q)

RATIFICATION OF MAIL BALLOT

Mr. Thigpen moved to ratify the mail ballot dated December 12, 1996. Dr. Sanders seconded the motion and it carried unanimously.

(ATTACHMENT R)

NOTICE OF CHANGE IN MARCH MEETING DATE

Chairman Armfield advised the Trustees that the March meeting will be on March 21 due to Good Friday holiday on March 28.

ADJOURNMENT

There being no further business to come before the Board, Chairman Armfield adjourned the meeting at 10:05 a.m.

Assistant Secretary