

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

The Board of Trustees met in regular session on Thursday, March 27, 2003 at The Carolina Inn, John Sprunt Hill Ballroom, at 8 a.m. Chairman Burnett presided.

OATH OF OFFICE

The Honorable James Stanford, Orange County Clerk of Superior Court, administered the Oath of Office to Mr. Roger L. Perry, Sr., who will complete the term of Mr. Richard Y. Stevens. The term expires on June 30, 2003.

On behalf of the Board, Chairman Burnett thanked Mr. Stanford for administering the oath to Mr. Perry.

ROLL CALL

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

Timothy B. Burnett, Chairman
Richard T. Williams, Vice Chairman
Jean Almand Kitchin, Secretary
Philip G. Carson
Russell M. Carter
Jennifer A. Daum
Paul Fulton, Jr.
Karol V. Mason
David E. Pardue, Jr.
Roger L. Perry, Sr.
Nelson Schwab III
A. Donald Stallings

The following member was absent: James E. S. Hynes

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Stallings, seconded by Ms. Kitchin, the minutes of the regular meeting of January 22-23, 2003 were approved as distributed.

Ratification of Mail Ballot

On motion of Mr. Stallings, seconded by Ms. Kitchin, the following mail ballot was approved as distributed:

- Mail ballot dated February 20, 2003 (Personnel items for information, Personnel items for action in Academic Affairs, Personnel items for action in Health Affairs, and Personnel items for action concerning tenured appointments and promotions)

(ATTACHMENT A)

CHAIRMAN'S REMARKS

Chairman Burnett welcomed Mr. Perry as a member of the Board of Trustees.

Chairman Burnett announced his appointment of the Nominating Committee to select a slate of officers for the 2003-2004 Year. Mr. Hynes will chair the Nominating Committee. The other members of the committee are Ms. Kitchin and Mr. Schwab. The Nominating Committee will present the proposed slate of nominees at the Board's May meeting, and the officers will be elected at the Board's July meeting.

The Chairman expressed his appreciation to Chancellor Moeser and other University administrators on "the very workable solution" concerning the Elkin Hills/Carolina North property issue.

Chairman Burnett commented on the Board's luncheon on Wednesday, March 26, with members of the Chapel Hill Town Council and other town officials, as well as University administrators.

Chairman Burnett thanked Ms. Daum for her service, attitude, and maturity in her position as Student Body President and Trustee and wished her well in her future endeavors.

Chairman Burnett requested Secretary Kitchin read the following resolution.

**RESOLUTION OF APPRECIATION
FOR
JENNIFER ANN DAUM**

WHEREAS, Jen Daum, as Student Body President, skillfully led her fellow students through a wide range of internal and external challenges—among others, campaign reform for student body elections, the plan for the Ramshead Project, a good-neighbor initiative for students living in town, and the concerted effort to limit University budget cuts in the North Carolina General Assembly;

WHEREAS, Jen Daum was instrumental in shaping student support and contingency plans in the summer of 2002 when the University was taken to court by those seeking to stop its summer reading assignment; and, whereas, at the climax of media attention, she stood shoulder to shoulder with the Chancellor and clearly and forcefully articulated our students' position on academic freedom;

WHEREAS, Jen Daum successfully co-chaired the Tuition Advisory Task Force, which came to almost unanimous agreement on a complicated, yet essential, matter;

WHEREAS, Jen Daum is widely regarded as being among the most effective and politically astute student body presidents to have served as a Trustee in recent memory; and, whereas, she has set a new standard for Board service for student body presidents who will follow her;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill congratulates Jen Daum on a job superbly done and expresses its deepest gratitude for her exemplary service and leadership.

The Board unanimously approved the Resolution of Appreciation for Ms. Daum. A round of applause followed the approval of the resolution.

Chairman Burnett introduced Mr. Matthew Tepper, student body president-elect, who will be sworn in as a Board member ex-officio on Thursday, May 22.

Chairman Burnett commented on the upcoming Board Orientation, which will take place on Tuesday, July 22, beginning at noon with lunch, and concluding after lunch on Wednesday, July 23; at which time the regularly scheduled Board committee meetings and the Full Board will meet during the afternoon, followed on Thursday, July 24, with the Full Board meeting reconvening at 8:00 a.m.

CHANCELLOR'S REMARKS

Chancellor Moeser began by extending his personal greeting and welcome to Roger Perry. He also expressed his appreciation to Ms. Daum.

Chancellor Moeser commented on the following:

- Outreach Update
 - Visit to a School of Public Health and Lineberger Cancer Center breast cancer screening project in Bertie County.
 - Lunch in Williamston (Martin County) with forty economic development officials. Trustee Kitchin also attended the luncheon.
 - Visit to two tobacco farms in Franklin County.
 - Visit to Harding University High School in Charlotte and East Rowan High School in Salisbury.

- Lunch in Charlotte with area high school counselors. Trustee Williams, Jerry Lucido and other staff members from the University's Undergraduate Admissions Office also attended the luncheon. The counselors praised the University's Admissions Office as one of the best to deal with in the country.
- Tar Heel Bus Tour. The tour was cancelled last year due to the economic situation, but it will be taken this year and will be supported through private funds. The tour will begin on Monday, May 19. It will encourage meaningful engagement between faculty and the people of the State of North Carolina.
- New dean of School of Pharmacy. The Chancellor acknowledged the Board's approval of Dr. Robert Blouin, a long-time faculty member and administrator with the University of Kentucky's College of Pharmacy, as the new dean of the School of Pharmacy. Dean Bill Campbell announced last year that he wanted to return to teaching and research after two five-year terms as the School's dean. Chancellor Moeser expressed his appreciation for Dean Campbell's leadership.
- The war in Iraq. Chancellor Moeser expressed his pride in how the students have responded to the war through civil discussions and debates organized by the Campus Y.
- Robertson Scholarship Program between the University and Duke University.
- Distinguished scholarships awarded to University students:
 - David Lyndon Angeles – Truman Scholarship
 - Carl Erik Fisher – Luce Scholarship
 - Bennett Rodgers – Churchill Scholarship
 - Nathaniel Calloway – Goldwater Scholarship
 - Joshua Carter – Goldwater Scholarship
 - Michael Minder – Goldwater Scholarship
 - Karine Dube – Rhodes Scholarship

Chancellor Moeser concluded his remarks by commenting on the recent Employee Forum meeting where Bus Hubbard was honored as the University's first 50-year employee. It was also announced that the new grounds building would be named the William J. Hubbard Grounds Facility.

STUDENT BODY PRESIDENT'S REMARKS

Ms. Daum commented as follows:

"I woke up this morning and realized that as of today, there are four weeks left in my Carolina undergraduate career and only four days left to my presidency; and while I've been asked to stick around for the May meeting of the Board, I'm well aware that these remarks will be the last I'll give as a Trustee.

Had you asked me even a month ago what my last week in office would be like, I would have told you that I expect our business to gradually wind down. Every day I'd have less and less meetings to attend, my officers would start playing hooky, and my administration would gradually just fade away. That would have been nice. The fact of the matter is that these cardinal weeks have been among our busiest, and when we hand things off to Matt, it will be sprinting at full speed.

When I first arrived at Carolina four years ago, my CCI laptop hot off the assembly line, I could not email from the Pit, I had few classes that integrated computer use, and I rarely (if ever) moved my laptop from my room on South Campus. Today, we're able to stroll across the campus at any hour of the day and see students taking advantage of the wireless network, bringing their computers to class to take notes and analyze data, and tapping into the wealth of information that is to be found on our campus network. It is, in my opinion, an excellent place to begin.

Earlier this year, the Chancellor's Committee on Student Fees convened to discuss the package that came to the Board for approval in January. We found ourselves contemplating the future of computer labs and technology services on our campus. The Carolina Computing Initiative, for the most part, has been a great success. But, the time has come to determine where we will go from here. We have an obligation to direct our resources to foster effective and operational technology development at Carolina. The time has come to ask, does a student actually benefit from a laptop sitting between her and her professor? Do our technology requirements actually meet the educational needs of every student in every school and

department across the board? Are students coming to computer labs now that students are required to have a laptop of our very own? There are those who applaud the accomplishments of the CCI, including ourselves, and those who still see its flaws. Just this past Tuesday, Student Congress reported the findings of a committee they established to “investigate the effectiveness of the CCI” and questioned whether or not the initiative ought to continue. The efforts of this committee have been substantial and there are problems in the way the CCI operates today. Accessibility to technology for all students is still an issue. Students are required to buy laptops that have rigid specifications that no one will enforce. There is no CCI police—contrary to popular opinion. I’ve enjoyed the four-year warranty, but I know that there are some students who would prefer to have more options about where they can choose their computer. I completely disagree with anyone who says we should disband the CCI. In my time here, I learned about technology from two people—Tommy Mann, my Information and Technology Chair, and Marian Moore, former CIO. So, whenever I’m faced with these questions and whenever I’m asked my opinion on a technology-related issue, I take a deep breath and think to myself, what would Marian do? Marian Moore had a vision for the development of the technology horizon at Carolina—a vision for which I believe all students have benefited, to which we ought to remain true. Let us commit to putting the technology in the hands of our students and our faculty, continuing to provide them with the best tools for education—inside and outside the classroom—and let us listen to them as they tell us the difference between substance and flash. It would be nice to boast that UNC has the fastest, biggest computers in the country; but let’s make sure that these are the ones that actually help us work.

Computing is but one of the dozens of issues on which Graduate and Professional Student Federation President Branson Page and I have collaborated over the course of the year. Thanks to the unwavering efforts of Branson and his staff, I genuinely believe that the GPSF is about to complete its most successful year in recent history. In a few days, Branson passes the torch to Dan Herman, a longtime regular of the Student Government Office, a veteran of Student Congress, and a very class act. Dan has some very big shoes to fill, but he’s uniquely equal to the task.

With resources only made possible by the generosity of the Office of the Provost, Branson and I worked with the Center for Teaching and Learning to conduct the first-ever inter-departmental paid training session for teaching fellows. It was the kind of program that simply made sense. In a single stroke, we invested in a new generation of faculty, gave graduate students the skills they needed to manage a classroom, and improved the teaching experience for graduate students and the undergraduates who take their classes alike. The pilot program was such an overwhelming success that I’m happy to announce that funding has been secured from the Office of the Provost and the Graduate School to expand the program for a second summer. This is just an example of the collaborative efforts that Branson and I were able to engage in this year that benefit both undergraduate and graduate students. This being the 100th anniversary of the Graduate School, it is fitting that a number of issues related to graduate studies have emerged recently. At the last Board of Trustees meeting, the group planned to increase the average TA stipend over the course of the next four years to the top quarter of our peers. This will send a clear message that we appreciate the benefits the graduate students provide to educate other students at the University and will allow us to attract the very best and brightest to Carolina. Additionally, the research that graduate students conduct at Carolina was recently highlighted at the kickoff of the Graduate School’s Centennial Celebration. The event emphasized research that provides benefits directly to the State of North Carolina. The Graduate School plans to showcase this work to the General Assembly in order to better inform our legislators how vitally important graduate studies is at UNC.

Finally, there has been a lot of discussion this year about developing a graduate student center on campus. A number of the most prestigious universities in the country have freestanding buildings that cater to graduate studies. A center such as this would promote interdisciplinary cooperation and discussion and would be a focal point for students and graduate departments that are spread all over campus. It too would help Carolina attract some of the best students in the country and in the world.

With that, I thank all of you for teaching me so much about our University. It’s with great pleasure that I move on, knowing that you will keep the University going well; and now I have to go on and get a real job so I can donate to the Carolina First Campaign. Thank you for allowing me to serve.”

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Pardue, chair of the Buildings and Grounds Committee, presented the committee's report on the following items, which were previously approved by the committee.

- Designer Selection of the following three firms in priority order as listed for renovation to New West:
 1. Hager Smith Design, P.A. – Raleigh, North Carolina
 2. Glave & Holmes – Richmond, Virginia
 3. Smith Sinnett Associates – Raleigh, North Carolina
(ATTACHMENT B)
- Designer Selection of the following three firms in priority order as listed for Cogeneration Facility Turbine Generator Upgrades and Improvements:
 1. Carter & Burgess, Inc. – Raleigh, North Carolina
 2. Vanderweil Engineers – Boston, Massachusetts
 3. Power Engineers, Inc. – Norcross, Georgia
(ATTACHMENT C)
- Designer Selection of the following three firms in priority order as listed for Electrical System Improvements at Cameron and South Substations:
 1. Carter & Burgess, Inc. – Raleigh, North Carolina
 2. Booth & Associates, Inc. – Raleigh, North Carolina
 3. Energy Delivery Systems (Duke Energy) – Charlotte, North Carolina
(ATTACHMENT D)
- Construction Manager Selection of the following three firms in priority order as listed for the Global Education Center:
 1. Barnhill Contracting Company – Raleigh, North Carolina
 2. Rentenbach/Wilson – Greensboro, North Carolina
 3. Rodgers Hardin – Charlotte, North Carolina
(ATTACHMENT E)
- Construction Manager Selection of the following three firms in priority order as listed for the Information Technology Services Building:
 1. Rodgers Hardin – Charlotte, North Carolina
 2. Centex Construction Company – Charlotte, North Carolina
 3. Whiting-Turner Contracting Company – Charlotte, North Carolina
(ATTACHMENT F)
- Construction Manager Selection of the following three firms in priority order as listed for the Addition to Kenan-Flagler Business School:
 1. Shelco, Inc. – Raleigh, North Carolina
 2. Rentenbach/Wilson – Greensboro, North Carolina
 3. Rodgers Hardin – Charlotte, North Carolina
(ATTACHMENT G)
- Site Selection located west of Paul Green Theater and south of Cobb Residence Hall for the North East Chiller Plant and Parking Deck.
(ATTACHMENT H)
- Site Selection located south of Manning Drive and east of the existing Dogwood Deck for the Jackson Place Parking Deck.
(ATTACHMENT I)
- Site Selection located within twenty feet of existing buildings off of Jones Ferry Road for the Addition to the Francis Owen Research Laboratory.
(ATTACHMENT J)
- Design approval of the Chilled Water Thermal Storage Facility.
(ATTACHMENT K)
- Demolition approval of eight buildings in Odum Village: 101 and 103 Bernard Street; 601, 603, 605, 607, 704 and 706 Hibbard Street.
(ATTACHMENT L)
- Lease of office space for the Department of Geography in an amount not exceeding 6,895 square feet at 200 South Elliott Road, Chapel Hill, North Carolina. The lease term is not to exceed two years beginning May 1, 2003, or as soon thereafter as possible, at an initial annual rent not to exceed \$116,181 or \$16.85 per square foot including utilities. In the beginning of year two, rental cost will increase 2%. There are no renewal options.
(ATTACHMENT M)

- Sublease from The University of North Carolina at Chapel Hill Foundation, Inc. of office space not to exceed 3,714 square feet for the Kenan-Flagler Business School's Kenan Institute of Private Enterprise at Suite 370, 1300 Pennsylvania Avenue NW, Washington, DC, for a term of one five-year period commencing March 19, 2003 at an annual rent not to exceed \$148,560 in the initial year, including utilities and janitorial services. Beginning in the second year of the initial sublease, the annual rent will not exceed 2.5% increase per annum.

(ATTACHMENT N)

Mr. Pardue moved ratification by the Board of the above items. Mr. Fulton seconded the motion and it carried.

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

- Preliminary design review of new Student Family Housing to be located along Mason Farm Road and Baity Hill on south campus.

(ATTACHMENT O)

- Preliminary design review of the Manning Steam Plant to be located at the southeast corner of Manning Drive and Hibbard Drive.

(ATTACHMENT P)

- Preliminary design review of Site Plan for the Addition to the Ackland Art Museum located directly east of the Ackland Art Museum.

(ATTACHMENT Q)

REPORT OF THE FINANCE COMMITTEE

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

- Ordinance Regulating Traffic and Parking Effective August 15, 2003

(ATTACHMENT R)

Mr. Schwab moved ratification by the Board of the above item. Ms. Mason seconded the motion and it carried.

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

- Long-Term Tuition Strategy by Jerry Lucido, director of Admissions and vice provost for Enrollment Management, and Shirley Ort, associate provost and director of Scholarships and Student Aid. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

- First Draft Five-Year Financial Plan by Nancy Suttentfield, vice chancellor for Finance and Administration, and Bob Knight, assistant vice chancellor, Finance and Administration. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

Chairman Schwab stated that the Five-Year Financial Plan is a Level 3 matter and will be considered jointly with the Finance Committee and the University Affairs Committee.

Vice Chancellor Suttentfield stated that a final draft of the plan is expected to be completed this summer. It will then be brought to the Board for approval.

Mr. Carson asked if it would be possible to obtain a maintenance report on buildings and grounds. Chairman Burnett requested that the report be provided at the May Board meeting.

- Draft Ethics Statement for Financial Personnel by Vice Chancellor Suttentfield

(ATTACHMENT S)

- Campaign Update and Other Development Business

Mr. Fulton reported to the Board on the progress of the Carolina First Campaign, which is currently at \$965M in campaign commitments.

Mike Overlock has joined Mr. Fulton and Charles M. Shaffer, Jr. as a co-chair of the Campaign.

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 Sue Estroff commented on the concern of the faculty over the potential decline of health care benefits as part of the benefit package to the faculty with deductibles and co-pays tending to decline
- Academic Plan Progress Report by Robert Shelton, executive vice chancellor and provost. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

Chairman Carter stated that a final Academic Plan will be presented to the Board for approval at the May meeting.

- Report of the Tuition Remission Task Force dated February 10, 2003 by Linda Dykstra, dean, Graduate School, and task force chair. [A copy of the report is filed in the Office of the Assistant Secretary.]
- Salary Equity Study Status Report by Bernadette Gray-Little, executive associate provost, Office of Provost, Academic Affairs

Dr. Gray-Little stated that a final Salary Equity Study Report will be presented to the Board in May or July.

- Athletics Department Report by Athletic Director Dick Baddour. Mr. Baddour reported to the Board that the following former UNC athletes had received an NCAA award:
 - Shalane Flanagan, Erin Donohue, Anissa Gainey, and Alice Schmidt—distance event
 - Laura Gerraughty—shot-put event
 - 6 students were selected for ACC and NCAA post graduate school scholarships

- Fraternity Rush Recommendations by Dean Bresciani, interim vice chancellor for Student Affairs

(ATTACHMENT T)

- Committee on Student Conduct (COSC)/Student Judicial Process by Professor Judith Wegner, School of Law, and Chair of the Committee on Student Conduct; and Jonathan Slain, Student Attorney General (2003-2004), and a member of the Committee on Student Conduct. [A copy of the presentation material is filed in the Office of the Assistant Secretary.]

Further information concerning the Board's endorsement of the student judicial process will be presented to the Board at the May meeting.

- Carolina North Planning Process by Mark Crowell, associate vice chancellor and director, Office of Technology Development. This item was carried over to the May meeting.

Chairman Carter requested Dr. Robert Shelton present the following report to the Board for approval.

- UNC Campus Scholarships Program

Mr. Carter moved approval of the priorities recommended by the Task Force for the distribution of scholarships:

- The Office of Scholarships and Student Aid will rely primarily on “exceptional financial need” as the criterion for making awards.
- Compliance section 9.4(e) SB 1115, permits the Student Aid Office to consider other factors as enumerated in section 2 of Faculty Council Resolution 98-6 that contribute to diversity.

Mr. Stallings seconded the motion and it carried.
(ATTACHMENT U)

**THE COLLEGE OF ARTS AND SCIENCES: THE CORE OF CAROLINA'S
EDUCATIONAL MISSION**

Dean Risa Palm presented this information to the Board.
(ATTACHMENT V)

THE UNIVERSITY AND ECONOMIC DEVELOPMENT

Tony G. Waldrop, vice chancellor for Research and Graduate Studies, presented this information to the Board. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, seconded by Mr. Schwab, 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), (6), and (7).

CLOSED SESSION

FINANCE COMMITTEE

Report of the Honorary Degrees and Special Awards Committee

Secretary of the Faculty Joe Ferrell presented five nominees for honorary degrees to be presented at Commencement 2004. This information was previously presented to the Finance Committee and approved by the committee.

Chairman Nelson moved approval of the ratification of the five nominees. Mr. Fulton seconded the motion and it carried. [A copy of the Report of the Honorary Degrees and Special Awards Committee is filed in the Office of the Assistant Secretary.]

Internal Audit Update

Phyllis Petree, director of Internal Audit, presented this update to the Board.

BOARD OF VISITORS NOMINATIONS

Mr. Kupec presented the slate and information concerning nominations for the Class of 2007.

UNIVERSITY AFFAIRS COMMITTEE

Chairman Carter moved approval for ratification of the personnel and salary actions previously approved by the committee, subject to final action in open session. Mr. Schwab seconded the motion and it carried.

DEEP EXECUTIVE CLOSED SESSION

Chairman Burnett convened the Board in deep executive closed session.

RESUMPTION OF OPEN SESSION

Chairman Burnett reconvened the meeting in open session.

OPEN SESSION

UNIVERSITY AFFAIRS COMMITTEE

Chairman Carter moved approval for ratification of the following personnel and salary actions previously approved by the committee.

- Personnel changes in Academic Affairs and EPA Non-Faculty Salary Increases
(ATTACHMENT W)
- Personnel changes in Health Affairs
(ATTACHMENT X)
- Personnel tenure-conferring actions
(ATTACHMENT Y)

Mr. Pardue seconded the motion and it carried.

The personnel changes for information did not require action by the Board.
(ATTACHMENT Z)

It was noted that the personnel and salary actions voted on in open session had been distributed to the press.

ADJOURNMENT

There being no further business to come before the Board, Chairman Burnett adjourned the meeting at 2:00 p.m.

Assistant Secretary