

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

The Board of Trustees met in regular session on Wednesday, May 24, 2006 at The Carolina Inn, Chancellor's Ballroom West, at 5:05 p.m. Vice Chair Kitchin convened the meeting.

OATH OF OFFICE

The Honorable James Stanford, Orange County Clerk of Superior Court, administered the Oath of Office to Student Body President James Stephen Allred.

ROLL CALL

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

Jean Almand Kitchin, Vice Chair	Karol V. Mason
Russell M. Carter, Secretary	Roger L. Perry, Sr.
James S. Allred	A. Donald Stallings
Timothy B. Burnett	Richard T. Williams
John G. B. Ellison, Jr.	Robert W. Winston
Barbara R. Hyde	

Nelson Schwab III, Chair, arrived at 5:40 p.m. Paul Fulton, Jr. did not attend the meeting.

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Perry, Committee Chair, moved ratification by the Board of the following three Level 1 items, which were previously approved by the committee. Mr. Williams seconded the motion and it carried.

- Designer selection of the following three firms in priority order as listed for the Old East and Old West renovations. The project renovates the exterior envelope of the two residence halls and replaces all of the existing mechanical and electrical systems.
 1. Joseph K. Oppermann, Architect, PA Winston-Salem, NC
 2. Clark Nexsen Raleigh, NC
 3. Tise Kiester Architects Carrboro, NC(ATTACHMENT A)

- Designer selection of the following three firms in priority order as listed for the road and streetscape improvements to South Columbia Street from Manning Drive to South Road as required by the Development Plan approved by the Town of Chapel Hill in 2001.
 1. Ayers Saint Gross Baltimore, MD
 2. Lappas/Havener Durham, NC
 3. Earth Tech Raleigh, NC(ATTACHMENT B)

- Lease of land to the Educational Foundation, Inc. for the Boshamer Baseball Stadium Improvements Project, a capital improvements project designed to upgrade and expand the baseball stadium facility. The project consists of: additional seating, concessions and toilets, a new batting tunnel, field and landscape improvements, lighting improvements, circulation changes and a field maintenance building. Pedestrian improvements on Ridge Road between Boshamer and Henry Stadiums are also included in the project.
(ATTACHMENT C)

Ms. Anna Wu, Director of Facilities Planning and Construction, presented information on the following Level III item. Mr. Perry moved ratification by the Board, seconded by Mr. Ellison. The motion carried.

- Design approval for the construction of a 161,000 square foot building to house the Departments of Chemistry and Marine Sciences, Science Library, and classrooms.

The design of New Venable – Science Complex Phase II was approved by the Board of Trustees at its March 2006 meeting with the request for further study of the west entrance. The design of the west elevation has been revised and reviewed by the Design Review Committee.

(ATTACHMENT D)

Mr. Perry commented on a report from Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, concerning the status of the University's Capital Program.

Mr. Perry reported on the presentation by Tony Waldrop, Vice Chancellor for Research and Economic Development, and Mark Crowell, Associate Vice Chancellor for Research and Economic Development and Technology Transfer, concerning an update on Carolina North. They reported that the Leadership Advisory Committee, which was created by Chancellor Moeser, has met three of their eleven scheduled meetings. Mr. Perry and Mr. Winston are members of the Leadership Advisory Committee.

Members of the Board expressed their thoughts on the work to date of the Leadership Advisory Committee and the Carolina North project.

Mr. Burnett moved that Legal Counsel prepare a resolution directing the Administration to (a) report back to the Board of Trustees, no later than the Board's March 2007 meeting, on the work product that the Leadership Advisory Committee has accomplished, and (b) that the Board of Trustees directs the Administration to submit zoning and land development applications for Carolina North to the applicable local government jurisdictions by October 1, 2007. The Board of Trustees will formally approve the resolution at tomorrow's Board meeting. Mr. Stallings seconded the motion and it carried.

The Board and Chancellor Moeser recommended that a standing interim report be presented at each meeting of the Buildings and Grounds Committee.

RECESS

Chair Schwab recessed the Board meeting at 6:00 p.m. The Board will reconvene at 8:00 a.m. on Thursday, May 25.

RECONVENE

Chair Schwab reconvened the Board meeting at 8:05 a.m. on Thursday, May 25, 2006 at The Carolina Inn, Chancellor's Ballroom East and West.

ROLL CALL

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

Nelson Schwab III, Chair	Barbara R. Hyde
Jean Almand Kitchin, Vice Chair	Karol V. Mason
Russell M. Carter, Secretary	Roger L. Perry, Sr.
James S. Allred	A. Donald Stallings
Timothy B. Burnett	Richard T. Williams
John G. B. Ellison, Jr.	Robert W. Winston

Paul Fulton, Jr. arrived at 9:50 a.m.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Burnett, seconded by Ms. Mason, the minutes of the regular meeting of March 22-23, 2006 were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Burnett, seconded by Ms. Mason, the following mail ballot dated April 6, 2006 was approved as distributed:

- Contract with Sylvia Hatchell, Women's Head Basketball Coach
(ATTACHMENT E)

On motion of Mr. Burnett, seconded by Ms. Mason, the following mail ballot dated April 19, 2006 was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured personnel actions.
(ATTACHMENT F)

CHAIR'S REMARKS

Chair Schwab commented on the great Commencement Ceremony held on Sunday, May 14. He represented the Board of Trustees at the ceremony. Ms. Kitchin represented the General Alumni Association. The speaker, Wendy Kopp, founder of Teach for America, gave an excellent address emphasizing the University's commitment to public service to benefit the people of North Carolina and beyond. Carolina's participation rate in Teach for America ranks among the top three universities in the nation. This speaks well of the University's efforts to create a culture in which its students learn how to practice public service from the time they arrive until long after they leave Chapel Hill. One reason for this is our Public Service Scholars Program, run by the Carolina Center for Public Service, for students who log at least 300 hours of public service and complete training and courses with a public service component. A year ago, the University graduated the first class of 16 Public Service Scholars. Another 41 graduates earned this special recognition at the Commencement Ceremony. 740 participating students contributed 49,000 hours of service this past year—working in nursing homes, hospitals, public schools and non-profits.

Chair Schwab commented on a generous contribution recently made by Ms. Hyde and her husband, Pitt Hyde, to the Institute for the Arts and Humanities to endow the Ruel W. Tyson Academic Leadership Program. The program currently supports and encourages Carolina faculty who are engaged in leadership roles on campus.

Chair Schwab called on Secretary Carter to read the following resolutions.

RESOLUTION OF APPRECIATION FOR EXECUTIVE VICE CHANCELLOR AND PROVOST ROBERT N. SHELTON

WHEREAS, Robert N. Shelton, Executive Vice Chancellor and Provost and Professor of Physics, has served as the University's Chief Academic Officer with vision, enthusiasm and authority, using his analytical and intellectual skills to lead the Trustees in pursuit of the University's critical mission; and

WHEREAS, as the University's top academic officer, Provost Shelton has tackled challenging issues, including the development of the Academic Plan and accompanying priorities, retaining and allocating facilities-and-administrative funds, tuition planning, and enhancing faculty recruitment and retention efforts; and

WHEREAS, Provost Shelton helped to build form and structure around the University's goal to be the leading public university by guiding the discussion that resulted in the "Measures of Excellence," a standard for the Board of Trustees and the University Administration; and

WHEREAS, he also helped the Trustees to understand important concepts around setting tuition parameters, developed the language that expressed the Board's intent, and co-chaired the Tuition Advisory Task Force; and

WHEREAS, as the administrative liaison to the University Affairs Committee, Provost Shelton was always the most prepared and the most organized, exposing that committee of the Board to the far reaches of the University Community and the many unsung stars who make it "leading" every day; and

WHEREAS, Provost Shelton served during difficult budgetary times, applying his skill for serious-minded research and sense of fairness, helping the University to stay focused on its goals and priorities; and

WHEREAS, Provost Shelton earned the great trust and respect of the faculty and students by demonstrating his credibility, openness, and willingness to listen;

WHEREAS, under Provost Shelton's watch, the University has hired ten new deans, five center directors, a University librarian and a University registrar, and a highly effective provost's office staff; and

WHEREAS, with his wife Adrian, who made her own contributions to strengthening the University with her work in research, has made a great team; and

WHEREAS, Provost Shelton arrived in North Carolina having no experience with Southerners and has strived over the years for enlightenment, and through his love of Carolina achieving the status of honorary Southerner and Tar Heel, being as proud of Carolina as a Californian can ever hope to be; and

WHEREAS, he is leaving the University to become the 19th president of the University of Arizona;

NOW THEREFORE BE IT RESOLVED that members of the Board of Trustees of The University of North Carolina at Chapel Hill express their genuine and profound thanks to Robert N. Shelton for his dedicated and peerless service to the University, and very best wishes in his new endeavor.

A round of applause was given to Executive Vice Chancellor and Provost Shelton. Secretary Carter moved approval of the resolution. Ms. Mason seconded the motion and it carried.

**RESOLUTION OF APPRECIATION
FOR
VICE CHANCELLOR FOR FINANCE AND ADMINISTRATION
NANCY D. SUTTENFIELD**

WHEREAS, Nancy D. Suttentfield has served as the University's Vice Chancellor for Finance and Administration, bringing great experience and creative thinking to her role as principal finance and business officer of the University; and

WHEREAS, she helped the Trustees to be more effective through her clear explanation of critical issues, creative approaches to new challenges, and thoughtful advice; and

WHEREAS, Vice Chancellor Suttentfield instituted new financial planning, developing a five-year budget tied to the University's stated priorities, bringing new ideas to the financial management of a public university, thus making the institution more fiscally sound and entrepreneurial; and

WHEREAS, faced with managing one of the largest capital construction programs on a public university campus, Vice Chancellor Suttentfield helped the Trustees to develop a management plan for the capital funds from the 2000 Higher Education Bond Referendum, establishing ways to monitor progress and accountability that became a model for the UNC Board of Governors and the General Assembly; and

WHEREAS, through her interim oversight of the UNC Management Company, Vice Chancellor Suttentfield stabilized the organization and set a successful trajectory for the future; and

WHEREAS, Vice Chancellor Suttentfield championed the Chapel Hill Downtown Partnership to address the revitalization of the downtown business district, helped both Town and University in moving forward with planning for Carolina North, encouraged efforts to develop options for affordable employee housing, and in general brought enthusiasm and new ideas to furthering a strong town-gown relationship; and

WHEREAS, Vice Chancellor Suttentfield addressed critical infrastructure issues, especially associated with campus growth, including a comprehensive plan for assuring sufficient and sustainable energy plans, launching initiatives to inventory and protecting historic buildings and landscapes, and advancing ways to improve the dialogue between administration and employees; and

WHEREAS, Vice Chancellor Suttentfield helped the University make great strides in its commitment to sustainable practices, providing direction for the efforts of students, staff, faculty, and administrators, and implementing key programs such as fare free transit, reclaimed wastewater, a Commuter Alternatives Program, and achieving recognition for its efforts by winning several awards including the 2005 State Government Sustainability Award from NC Project Green; and

WHEREAS, she assembled an outstanding team in Finance and Administration that works well with the Trustees, and empowered them to pursue the best methods for carrying out goals;

NOW THEREFORE BE IT RESOLVED, that members of the Board of Trustees of The University of North Carolina at Chapel Hill express their great appreciation for Vice Chancellor Suttentfield's creative vision, and wish her the very best in her new endeavors at Wake Forest University.

A round of applause was given to Vice Chancellor Suttentfield. Secretary Carter moved approval of the resolution. Mr. Burnett seconded the motion and it carried.

REPORT OF THE NOMINATING COMMITTEE

Mr. Perry, Chair of the Nominating Committee, presented the following proposed slate of officers for re-election for the term July 2006 to July 2007.

Nelson Schwab III, Chair
Jean Almand Kitchin, Vice Chair
Russell M. Carter, Secretary

The Board will approve the nominations at the July Board meeting.

CHANCELLOR'S REMARKS

Chancellor Moeser introduced David Perry, the new Interim Vice Chancellor for Finance and Administration. Mr. Perry comes from the Medical School where he has long served as the principal business officer and administrator.

Chancellor Moeser stated that Dean Bill Roper has agreed to chair our national search for a new Vice Chancellor for Finance and Administration.

The Chancellor recognized the following individuals and their accomplishments:

- Christopher Browning, Frank Porter Graham Professor of History, and Ted Salmon, James Larkin and Iona Mae Ballou Distinguished Professor of Cell Biology, for their election as fellows of the American Academy of Arts and Sciences, the nation's oldest and most illustrious learned society, for preeminent contributions to their disciplines.
- Barbara Entwisle, Professor of Sociology, and Director of our world-renowned Carolina Population Center. Professor Entwisle is serving as President-Elect of the Population Association of America, which represents 3,000 professionals including demographers, sociologists, economists and public health professionals—promoting the improvement, advancement and progress of the human race through research.
- Mark Crowell, Associate Vice Chancellor for Research and Economic Development and Technology Transfer. Mr. Crowell completed a year-long term as President of the Association of University Technology Managers, which represents over 350 universities, research institutions, teaching hospitals, government agencies and companies that manage and license innovations from academic research.
- C. Knox Massey Distinguished Service Award Winners who are chosen based on nominations submitted by the campus community:
 - Fred Clark, Associate Dean of Academic Services and Professor of Romance Languages
 - Ray Hackney, Biological Safety Officer and Industrial Hygiene Manager
 - Esther Ko, Housekeeper
 - Don Luse, Director of the Carolina Union
 - Lynn Williford, Assistant Provost for Institutional Research and Assessment

Chancellor Moeser commented on the banquet he recently attended honoring employees who have given the University 20 years of service. Mr. Perry and previous Student Body President Seth Dearmin also attended the event. 130 people were inducted into the 20-Year Society. The Chancellor stated that there are 105 employees with 25 years of service, 43 with 30 years, 19 with 35 years, and six with anniversaries exceeding 40 years in 2006—one of those will mark 53 years service at the University.

The Chancellor also recognized Marsha Ferrin, Administrative Assistant, for her work serving the Board over the past decade out of the Chancellor's Office. Ms. Ferrin is retiring from the University.

Chancellor Moeser concluded his comments with the Tar Heel Bus Tour – 36 new faculty and administrators participated in this year's tour. A Field Guide for the tour was distributed to members of the Board. This was the ninth year for the tour and there have been 250+ participants since 1997. He acknowledged the excellent work of Linda Douglas, Director of Community Relations in University Relations, who is in her eighth year of planning and leading the tour.

Stops included the Institute of Marine Sciences in Beaufort, a Citizen-Soldier Support Program in Lexington, UNC-Charlotte, and an elementary school in Albertson.

The tour included a stop in Halifax at the home of the University's Founder, William R. Davie. It was one of several ways in which the University is commemorating the upcoming 250th birthday of Davie. The actual birthday is June 22 and public events are planned around that time in Landsford, South Carolina, where Davie retired to an estate he called Tivoli. Experts from the Research Laboratories of Archaeology plan to excavate the Tivoli site as part of a field school for students.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Allred commented on the summer activity on campus. He also commented on the global reach being taken by students when they travel away from the campus during the summer. Students travel all over the world in the summer and they're engaged in service during this travel. This is a great testament to many of the University's Study Abroad programs.

Mr. Allred reported that almost all appointments have been made to Student Government positions—nearly 100 positions around campus.

He also commented on the following:

- Student Government was instrumental in protecting our current tuition model. Mr. Allred worked with the previous Student Body President, Seth Dearmin, and other student body presidents from the UNC System to temper a proposal from General Administration that would move to a "tuition by credit hour" system.
- There are several major platform goals this year which include improvements for advising, student health, campus safety, energy conservation, printing, public art, tuition, buses, public service, and a student information system.

Mr. Allred concluded his remarks with a statement that he hoped the Board of Trustees will think of him not just as a "student trustee" but also as the "on campus trustee". As the trustee who sits in the classrooms, lives in the dorms, and eats in the dining halls. He hopes to bring the perspective of one who is in touch daily with the opportunities the University provides.

BOARD OF VISITORS UPDATE

Barb Lee, Chair of the Board of Visitors, presented an update on the activities of the Board of Visitors. Ms. Lee stated that she and Vice Chair Scott Maitland have initiated a change in the culture of the Board of Visitors. This was done following conversations with Chancellor Moeser, Chair Schwab, and the Board of Arts Advisory Group, wherein it was realized that the Board of Visitors was a place to begin fostering the next generation of donors.

The members were subdivided into four main categories of activities: the faculty retention group, which was already in place; and local, state, and federal groups.

Members also returned to campus—sitting in on classes, mostly to remember what that felt like and to be involved and to see how precious a commodity our faculty are. There was a very positive turnout by the Board of Visitors members.

A senior networking event was organized, working with Marcia Harris, Director of University Career Services. Members of the Board of Visitors were invited to a Senior

Career Connection Social in April where they interacted with UNC seniors who needed career networking.

A new member orientation was held to familiarize new members with the organization of the University. A member orientation group has been formed. Each new member will be paired with a current member who will escort and introduce the new member at the first event or cocktail party so the new member will feel a part of everything more quickly.

Ms. Lee commented that the federal group took on their own change. They were originally assigned to work in Washington, DC with Allison Rosenberg, Associate Vice Chancellor for Research, Federal Affairs. They reinvented themselves and gave themselves the task of becoming the National Best Practices Committee. The committee will go to various public and private universities and befriend and make colleagues with their counterparts there. This will be done at their own expense. They will report back at each Board of Visitors meeting on their findings and make the data available to each member of the Board of Visitors. The Board of Trustees will also receive this material. It will also be available on the Board of Visitors web site: <http://www.unc.edu/bov/>

TIME TO DEGREE: UNC-CHAPEL HILL AND PEER COMPARISONS

Bernadette Gray-Little, Dean, College of Arts and Sciences, presented this report to the Board.

Following extensive discussion of the report, Chancellor Moeser stated that the Board would hear from Leonard Sandridge, Executive Vice President and Chief Operating Officer, and Ed Ayers, Dean of Arts & Sciences, University of Virginia, at the Board's retreat in July concerning how the University of Virginia has built its culture of the expectation of a four-year degree.

Chair Schwab commented that he would like these discussions to continue until a decision can be reached on what the expectations should be as we look forward to whether 67% is acceptable, and if not, where it should be. In addition, he would like to discuss issues dealing with the culture of expectations from the students' standpoint which are engrained in the culture of going to school here.

(ATTACHMENT G)

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

A copy is also filed in the Office of the Assistant Secretary.

RESOLUTION IN SUPPORT OF CAROLINA NORTH

In response to the presentation and discussion concerning Carolina North at yesterday's Board meeting, Mr. Perry, Chair of the Buildings and Grounds Committee, moved approval and adoption of the following resolution. Mr. Burnett seconded the motion and it carried.

WHEREAS, Carolina North is The University of North Carolina at Chapel Hill's planned living and learning campus, designed to expand Carolina's multiple missions, boost innovation and redefine the University's engagement with the region and the state, and

WHEREAS, on May 26, 2005, the Board of Trustees expressed by resolution its support for Carolina North, and

WHEREAS, the Chancellor has established the Carolina North Leadership Advisory Committee to provide the University with a wide cross section of community thought on the principles that should guide the University in preparing for the development of Carolina North, and

WHEREAS, in addition to representatives from the three local governments and other community leaders, several representatives from our Board of Trustees (specifically Trustees Perry and Winston, with Trustee Burnett serving as an alternate) serve on the Carolina North Leadership Advisory Committee; and

WHEREAS, as previously identified by this Board, there is now an urgent need to develop Carolina North. Conditions have evolved from 17 years ago, when the University first identified the importance of developing this tract of land and commenced the

planning process for the property. Federal funding for research is declining and facilities for public-private partnerships are needed. In addition, there are very few new building sites still available on campus. And, many of our existing buildings do not lend themselves to the kinds of faculty interaction, interdisciplinary collaboration, and government and business engagement that are needed if the University is to use its resources most effectively and efficiently to address society's pressing needs and attract jobs and economic activity to the entire state.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees reaffirms its commitment to seek out and listen to community input regarding the principles that should guide the development of Carolina North;

BE IT FURTHER RESOLVED that the Board of Trustees welcomes the work of the Carolina North Leadership Advisory Committee and looks to that process to provide important input that will help guide the University's development efforts, and

BE IT FURTHER RESOLVED that the Board of Trustees directs the Chancellor to report to the Board of Trustees on the completed work product of the Carolina North Leadership Advisory Committee at the Board of Trustees' March 2007 meeting; and

BE IT FURTHER RESOLVED that the Board of Trustees directs the Chancellor to submit zoning and land development applications for Carolina North to the applicable local governmental jurisdictions no later than October 1, 2007.

Mr. Burnett stated that the Carolina North Resolution may be interpreted as a further commitment of the Board of Trustees to its obligation of service to the people of the State. Also embodied in the resolution is an invitation to people in the community to join the University in expanding efforts in a timely manner.

Chair Schwab expressed agreement with Mr. Burnett's statement, and added that it is too important an issue not to take action on as it relates to the future of the University for the next 50-75 years.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested).

Mr. Carter commented that the committee welcomed Professor Joe Templeton, who will succeed Judith Wegner as Chair of the Faculty.

- Report of the *Ad Hoc* Task Force to Study the Policy on Conflicts of Interest and Commitment by Margaret Dardess, Associate Provost.
(ATTACHMENT H)

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

A copy is also filed in the Office of the Assistant Secretary.

Mr. Carter distributed a copy of a publication titled *The POWER of 25*, which was handed out at the committee meeting. The publication was prepared by 25 students who participated in the 2005 Singapore Summer Immersion Program at the University. [A copy of the publication is filed in the Office of the Assistant Secretary.]

- Follow-up to Graduate Student Survey Results by Faculty Chair Judith Wegner.
(ATTACHMENT I)
- Graduate Students – Overview of Financial Support by Shirley Ort, Associate Provost and Director, Scholarships and Student Aid.

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

A copy is also filed in the Office of the Assistant Secretary.

- Undergraduate Advising – History and Future Plans by Bernadette Gray-Little, Dean, College of Arts and Sciences.

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

A copy is also filed in the Office of the Assistant Secretary.

The committee acknowledged the leadership of Robert Shelton, Executive Vice Chancellor and Provost, and wished him well as he assumes his Presidential position at the University of Arizona.

Mr. Carter stated that the committee requested a report on the new curriculum be presented at its July meeting.

Following Mr. Carter's report, Chancellor Moeser acknowledged and recognized the good work of Judith Wegner as Chair of the Faculty. He stated that he had never encountered a faculty member with as much passion and energy to an institution, in a very selfless kind of way, as Judith Wegner. She has impacted many areas of the University in a positive way. A round of applause was given to Professor Wegner.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Ms. Mason, Committee Chair, commented that the committee had recognized Nancy Sutfenfield, Vice Chancellor for Finance and Administration, who is leaving the University to assume a position at Wake Forest University. She will be the Senior Vice President and Chief Financial Officer at Wake Forest.

The committee welcomed David Perry, who will become the Interim Vice Chancellor for Finance and Administration.

Ms. Mason presented the committee's report on the following items, which were previously approved by the committee.

- Board of Visitors Elections. Ms. Mason moved ratification by the Board of the following 44 people to the Board of Visitors Class of 2010 and the approval of the chair and the vice chair of the Board of Visitors. The motion carried unanimously.

Lucy Allen	Margaret Rand Martin
H. Wallace Baird	Thomas Modzelewski
E. William Bates III	W. Kenneth Morgan
Bernard Bell	Lee Niegelsky
John Black	Robyn Owens
Manuel Campano	Jane Forbes Pope
Toure Claiborne	Sharon Hill Price
Nelson Cole	Steve Raper
William H. DuBose	Timothy Reynolds
William Fuller, Jr.	Rob Selden III
Barbara Gunn	James Sink
Kay Hagan	John Sloan
Tara Patterson Hammons	Bill Soles, Jr.
John Hatcher	Richard Sprott
Joel Hughey	Frank Palmer Stout
Clark Jenkins	Jenny Steinbrenner Swindal
Harry Jones	Jim Tatum Jr.
William A. Keyes IV	W. Kent Taylor
Johnny Krawcheck	Wendell Wilkie Wilkerson
Allen Drew Lassiter	Tonya Nicole Williams
Anthony Lathrop	Herman Wommack III
Stephen Lowder	Richard Zollinger II
Scott Maitland, Chair	Ed Fritsch, Vice Chair

- Naming Procedures. Ms. Mason moved ratification by the Board of the following items. The motion carried unanimously.
 - Policy on Standards and Procedures for Authorization, Procurement, and Installation of Memorial Hall Tablets
(ATTACHMENT J)

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- Policy on Standards and Procedures for Authorization and Placement of Permanent Outdoor Memorials and Markers on Campus
(ATTACHMENT K)
- The Charter of The Chancellor's Advisory Committee on Naming University Facilities and Units
(ATTACHMENT L)

Ms. Mason 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).

- Board of Visitors Recommendations on Faculty Recruitment and Retention by Mark Carpenter, a member of the Board of Visitors.

Ms. Mason stated that the Board of Visitors requested that the Board of Trustees consider adopting the following recommendations:

1. Raise the faculty salaries to the 75th percentile.
2. Do this without reducing State support.
3. Boldly raise tuition.
4. Focus on the great value vs. the great bargain that Carolina presents.

Ms. Mason invited the Trustees to share their thoughts on the proposal with any member of the Audit and Finance Committee before the July Board meeting. Ms. Mason stated that the Audit and Finance Committee would discuss the Board of Visitors recommendations in more detail at the July meeting.

(ATTACHMENT M)

- Five Year Financial Plan by Nancy Suttentfield.

The committee reviewed a draft of the Five Year Financial Plan. The priorities addressed in the plan are aligned to the Chancellor's February 7, 2006 letter to President Bowles.

Ms. Mason stated that the draft plan will be the subject of the Chancellor's Cabinet Retreat this summer—to look at the goals, prioritize them, and identify strategies to achieve them.

The Audit and Finance Committee requested the Chancellor to lay out priorities and what it will take to achieve them, and set out a plan to implement them.

(ATTACHMENT N)

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

A copy is also filed in the Office of the Assistant Secretary.

- Update on Capital Improvement Plan by Dwayne Pinkney, Assistant Vice Chancellor, Finance and Administration.

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

A copy is also filed in the Office of the Assistant Secretary.

- Integrated Tuition and Fee Process for 2006-2007 by John Adams, Director, Financial Planning and Budgets.

In response to the Board's request from the March meeting, Mr. Adams presented a proposal to integrate the tuition and fee process for 2006-2007, which would operate the Student Fee Review Process as a subcommittee of the Tuition and Fee Advisory Task Force. The co-chairs of the Student Fee Advisory Subcommittee would serve as liaisons to the Tuition and Fee Advisory Task Force.

(ATTACHMENT O)

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

A copy is also filed in the Office of the Assistant Secretary.

- Internal Audit Report by Phyllis Petree, Director, Internal Audit. Ms. Petree's report also included information about the new procedures required by General Administration and what that will mean.

(ATTACHMENT P)

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

A copy is also filed in the Office of the Assistant Secretary.

- Employee Forum Chair Remarks. Ms. Mason stated that Ernie Patterson and his team would like the Board of Trustees to help create a culture of learning throughout the University. Mr. Patterson reported that there are wonderful programs that encourage staff education and development opportunities at certain salary levels, but that he would like to see that same mindset permeate the entire University System and all levels of employees. Mr. Patterson informed the Audit and Finance Committee that it has been a challenge to get some supervisors to accept the importance of having a culture of learning. Ms. Mason stated that the key is to figure out how to take the message from the leadership and have it passed down throughout all staff levels at the University.
- Carolina First Campaign Update. Mr. Fulton reported that \$1,745,736,391 has been raised to date. \$57 million in new commitments have been raised since the March Board meeting. There have been \$20.7 million in new commitments per month in fiscal year 2006; \$13.15 million in new commitments per month are needed to reach the \$2 billion goal. There are 179 proposals pending, totaling \$234 million. \$205,648,010 cash gifts have been received to date in fiscal year 2006—a 31% increase and the first time in Carolina's history to pass the \$200 million mark. [A copy of the report is filed in the Office of the Assistant Secretary.]

Chancellor Moeser commented that members of the Board of Trustees were helpful in the last session in getting the distinguished professors matched funds increased. Mr. Carter led that effort. The Chancellor reported that out of this year's match, \$7.2 million currently allocated from the matching funds, \$6.3 million of that will come to Chapel Hill to match 21 professorships. There are 27 in all matched across the system—21 are at Carolina. We place tremendous emphasis on endowing chairs; building support for faculty is a part of this Campaign.

Mr. Burnett asked if there was any left in the queue at this time. The Chancellor responded that \$822,000 remains to be allocated. All of our fully funded professorships are being matched.

Ms. Mason concluded her report with a comment that in July the Audit and Finance Committee will again discuss the Board of Visitors recommendations.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Carter, and seconded by Mr. Williams, 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 UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the personnel and salary approvals dated May 15, 2006 for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS Q-R-S-T)

Mr. Carter presented the following item for information only (no formal action was required):

- Employment of Related Persons (Anti-Nepotism Policy). [A copy of the information is filed in the Office of the Assistant Secretary.]

REPORT OF THE AUDIT & FINANCE COMMITTEE

Ms. Mason, Committee Chair, presented the committee's report on the following two items which were previously approved by the committee. Ms. Mason moved ratification by the Board of the following items and the motion carried unanimously.

- Report of the Honorary Degrees and Special Awards Committee concerning five nominees for honorary degrees to be presented at Commencement 2007. [A copy of the Report of the Honorary Degrees and Special Awards Committee is filed in the Office of the Assistant Secretary.]
- Report of the Naming Committee. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]
- William Richardson Davie Award Nominations. Ms. Mason presented the names that were discussed at the Audit and Finance Committee concerning the Davie Award. The Board then selected and approved five candidates for the William Richardson Davie Award which will be presented on November 15, 2006. [A copy of the Davie Award information is filed in the Office of the Assistant Secretary.]

LEGAL ADVICE

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

DEEP EXECUTIVE CLOSED SESSION

Chair Schwab convened the Board in Deep Executive Closed Session to discuss a personnel matter and a property matter.

RECONVENE MEETING IN OPEN SESSION

Chair Schwab reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, moved approval by the Board of the following personnel actions dated May 15, 2006, which were discussed earlier in closed session. The motion was duly seconded and carried.

- Personnel changes in Academic Affairs.
(ATTACHMENT Q)
- Personnel changes in Health Affairs.
(ATTACHMENT R)
- Tenured Personnel Actions.
(ATTACHMENT S)
- The personnel changes for information did not require action by the Board.
(ATTACHMENT T)

Chair Schwab stated 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, Chair Schwab adjourned the meeting at 1:20 p.m.

Assistant Secretary