The Board of Trustees of The University of North Carolina at Chapel Hill met in regular session in the Faculty Lounge of The Morehead Building on May 26, 1995. Chairman Whichard called the meeting to order at 8:45 a.m.

Administration of Oath of Office

The Honorable Joan Terry, Clerk of Court for Orange County, administered the Oath of Office to Student Body President James Calvin Cunningham, III.

Roll Call

Members Present: David J. Whichard, II, Chairman
William J. Armfield, IV, Vice Chairman
Anne W. Cates, Secretary
Angela R. Bryant
Thos. E. Capps
J. Calvin Cunningham, III
John W. Harris
William R. Jordan
Cressie H. Thigpen, Jr.
Charles A. Sanders
Annette Fairless Wood

Members Absent: Walter R. Davis
Robert L. Strickland

Minutes

Mr. Armfield moved approval of the minutes of the regular meeting of the Board on March 24, 1995 and the Special Meeting on April 28, 1995. Mr. Capps seconded the motion and it carried unanimously.

Chairman Whichard welcomed David Pardue and Richard Stevens, two new members of the Board who will be sworn in at the July meeting. He said that James Hynes from Charlotte will also be joining the Board in July.

Resolution for J. Carlyle Sitterson

WHEREAS, J. Carlyle Sitterson gave much of his life in service to The University of North Carolina at Chapel Hill as its fourth chancellor from 1966 to 1971;

WHEREAS, Chancellor Sitterson was a remarkably successful leader during a turbulent period in our nation's — and our University's — history, guiding Carolina through the Speaker Ban Law, the Vietnam War and student unrest;

WHEREAS, he presided over Carolina during a period of rapid expansion — sparking her ascension from a top regional university to one of our nation's most prestigious institutions of higher learning;
WHEREAS, Chancellor Sitterson's calming influence, quiet courage and evenhandedness won the respect of the entire University community, who praised him for his uncommon devotion to Carolina;

WHEREAS, his work was lauded on many occasions; he was acknowledged as an outstanding professor and was the first recipient of the University Award which recognizes teaching excellence at the undergraduate level by a full professor;

WHEREAS, Chancellor Sitterson inspired many as a friend, colleague, teacher and administrator during his years as a student and administrator at Carolina;

WHEREAS, The Board of Trustees wishes to acknowledge Chancellor Sitterson as a visionary leader with total dedication and unflinching loyalty to the University;

NOW, THEREFORE BE IT RESOLVED, that members of The Board of Trustees of The University of North Carolina at Chapel Hill express their unending gratitude to J. Carlyle Sitterson — a devoted son of Carolina — for his wisdom, leadership and unmatched allegiance to our state's premier university.

Resolution of Appreciation for Thos. E. Capps

WHEREAS, Thos. E. Capps completes his service to the Board of Trustees of The University of North Carolina at Chapel Hill, a post he has held since 1987;

WHEREAS, he has generously given his time and ability to the University, wielding his talents and expertise in all of the Board's endeavors at a crucial time for the University during her second century;

WHEREAS, Mr. Capps, with his undying concern for the University's architecture, tirelessly spurred the Board to bring all areas of the campus to surpass the standards the University was intended to meet;

WHEREAS, his earnestness and focused leadership skills have been crucial to the Board's outstanding performance;

WHEREAS, Mr. Capps, as president of Dominion Resources, Inc. and a retired lieutenant for the United States Coast Guard, combined his past experience with his tremendous abilities to act as a driving force for the Board;

WHEREAS, he chaired the Business and Finance Committee and served on the Board with unwavering devotion to his position and to his alma mater.

NOW, THEREFORE BE IT RESOLVED that members of The Board of Trustees of The University of North Carolina at Chapel Hill express their gratitude
Resolution of Appreciation for John W. Harris

WHEREAS, John W. Harris steps down from the Board of Trustees of the University of North Carolina at Chapel Hill, a position he has held since 1987;

WHEREAS, Mr. Harris has been a diligent advocate of The University, employing his energy, enthusiasm and devotion to the Board as it guided the University through a critical period in her 200-year history;

WHEREAS, the Charlotte businessman has provided singular leadership during his term as Chairman of the Board, laying a strong foundation on which the University can build its future;

WHEREAS, he has worked tirelessly to protect the architectural integrity and high quality of buildings and facilities on our campus, helping the University maintain its place as one of the nations most beautiful campuses;

WHEREAS, Mr. Harris, president of the Harris Group, has been a valuable patron of the University, serving as a member of the Steering Committee of the Bicentennial Campaign for Carolina, the Arts and Sciences Foundation and the Educational Foundation, Inc. — and guiding the Search Committee for our University's next Chancellor;

WHEREAS, The Board of Trustees of The University of North Carolina at Chapel Hill wishes to acknowledge the considerable contributions of Mr. Harris for bringing his unmatched skills and devotion to bear on the pressing needs of his alma mater;

NOW, THEREFORE BE IT RESOLVED that members of The Board of Trustees of The University of North Carolina at Chapel Hill express their sincere appreciation to John W. Harris for his dedicated, devoted and unrelenting service to the University.

Resolution of Appreciation for Robert L. Strickland

WHEREAS, Robert L. Strickland leaves The Board of Trustees of The University of North Carolina at Chapel Hill, a post he has held with distinction since 1987;
WHEREAS, Mr. Strickland has lent his myriad talents — particularly his poise, clear thinking and eloquence — to the Board as it piloted the University through the last decade;

WHEREAS, he has been a tireless advocate for the University, especially while serving as Chairman of the Board, applying his considerable business acumen and leadership prowess to securing the University's future and continued success;

WHEREAS, the Asheboro native has served on many important committees — such as the Bicentennial Campaign for Carolina's Steering Committee and a Chancellor's Search Committee — utilizing the skills and abilities which make him a well-respected businessman and former legislator to improve the University;

WHEREAS, the Board of Trustees wishes to thank Mr. Strickland, Chairman of the Board of Lowes Companies, Inc., and a true Renaissance man, for his deep devotion and dedication to our state's flagship University, his alma mater;

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 gratitude to Robert L. Strickland for his loyal, valuable and superior service to the University.

Resolution for Honorary Trustees

WHEREAS, Thos. E. Capps, John W. Harris and Robert L. Strickland have served the people of North Carolina and The University of North Carolina at Chapel Hill faithfully and wisely as Trustees of the University; and

WHEREAS, Mr. Capps, Mr. Harris and Mr. Strickland have ended their service as Trustees;

NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL that

1. Mr. Capps, Mr. Harris and Mr. Strickland are elected Honorary Trustees of The University of North Carolina at Chapel Hill.
2. Those elected to the position of Honorary Trustee of The University of North Carolina at Chapel Hill shall be invited to attend all regular meetings of the Board.
3. Those elected to the position of Honorary Trustee of The University of North Carolina at Chapel Hill shall also become members ex-officio of the Board of Visitors.
4. An Honorary Trustee shall cease to hold that position if he again becomes a Trustee.

Resolution of Appreciation for Chancellor's Search Committee

WHEREAS, The Chancellor's Search Committee has completed its service to the Board of Trustees of The University of North Carolina at Chapel Hill after more than a year;
WHEREAS, the Committee members lent their considerable talents and resources to recruit a strong leader to guide Carolina as she moves toward her third century;

WHEREAS, the Committee remained dedicated to its cause through an arduous process in which it competed with other top-tier institutions for the finest administrators in the land;

WHEREAS, the Committee devoted an exceptional amount of time and unparalleled effort to secure an outstanding candidate—Michael Hooker—and ensure the continuation of the University’s reputation as a premier institution of higher learning;

WHEREAS, the Committee, with its unyielding devotion to the University, has set her on a promising course toward the millennium, the Board of Trustees expresses its gratitude to this loyal group who generously gave of themselves to guarantee the University’s future.

Resolution of Appreciation for Chancellor Paul Hardin

WHEREAS, Paul Hardin leaves the Chancellorship of The University of North Carolina at Chapel Hill on June 30, 1995, after seven years of tireless and superb service;

WHEREAS, his sagacious, bold leadership has laid a rock solid foundation on which the University will continue to build throughout its third century, touching the lives of all North Carolinians through excellent teaching, cutting-edge research, and outstanding public service;

WHEREAS, Chancellor Hardin always will hold a cherished place in Carolina’s history for skillfully guiding the University through its Bicentennial season, inspiring countless alumni and friends to invest more than $413 million in academic enterprises and leading the largest celebration in the University’s history which attracted a dazzling array of leaders from around the country and placed the campus in the national spotlight;

WHEREAS, the Chancellor has earned high praise for his passionate advocacy of greater fiscal flexibility which has redounded to the benefit of the state’s entire system of higher education;

WHEREAS, he carefully nurtured an academic environment which has allowed students, faculty, and staff to excel while instilling in us all a stronger appreciation for community and the University as a unique, robust marketplace of ideas;
UNC-CH Board of Trustees' Meeting
May 26, 1995

NOW, THEREFORE BE IT RESOLVED that members of The Board of
Trustees of The University of North Carolina at Chapel Hill express their heartfelt
appreciation to Paul Hardin for his remarkable dedication to the University during
his tenure as its seventh Chancellor.

Chairman Whichard moved adoption of these resolutions. Dr. Jordan seconded
the motion and it carried unanimously.

Chairman's Report

Chairman Whichard reported that Mr. Armfield had been awarded the
Distinguished Service Medal by the General Alumni Association for his work for the
University and Mrs. Cates has been elected as Chairman of the General Alumni
Association.

Chairman Whichard announced that the Orientation for new Board members is
scheduled for July 13 and 14, 1995 and encouraged all members to attend.

Chairman Whichard stated that Dr. Michael K. Hooker has been named as
successor to Paul Hardin and will arrive on July 1. He said that he was impressed by the
work of the Search Committee. He commented on the amount of time that members of
the Board and the Committee had spent with Dr. Hooker. He said that Dr. Hooker is one
of the bright, dynamic young leaders in higher education in the nation and feels that he will
do an excellent job in leading the institution over the next several years.

Chairman Whichard stated that things were looking much better in the legislature
today than when the Board last met and he contributed these changes to conversations by
the Chancellor, friends of the University, Board members, and members of the Alumni
Association with leaders in the legislature. He expressed thanks to all for their help.

Report of the Nominating Committee

Dr. Sanders presented the following slate of officers for 1995-96:

William J. Armfield, IV, Chairman
William R. Jordan, Vice Chairman
Anne W. Cates, Secretary

The election of these officers will take place at the meeting on July 28, 1995.

Chancellor's Report

Chancellor Hardin began his remarks by thanking the Board for their courtesies to
him and Barbara and for seven years of stalwart support, wise counsel, and truly devoted
service to the University. He extended special words of thanks to Tom Capps, John
Harris, and Robert Strickland. He paid a special tribute to the former chancellors of the
University and said that they are great role models. He gave a special thanks to Brenda
UNC-CH Board of Trustees' Meeting
May 26, 1995

Kirby for her service as Assistant Secretary of the Board and for service to the Chancellor
of the highest possible quality.

Chancellor Hardin extended congratulations to Student Body President Calvin
Cunningham, and expressed appreciation to Chairman Whichard for his incredibly fine
service to the University over the past year.

He announced that the Office of State Construction has conferred upon Gordon
Rutherford the Eleventh Annual Frank B. Turner Award for outstanding contribution to
the built environment of the state, and that Professor Jim Peacock had recently been
elected to the American Academy of Arts and Sciences. He expressed congratulations to
both.

He reported that the Senate had taken action to restore the in-school interest
subsidy for student aid. He commented on the importance of financial aid for students
who are the future leaders of our country.

Chancellor Hardin expressed thanks to everyone for their work with the Governor
and the legislature regarding the budget.

Chancellor Hardin commented on the recent self-study and the visit by the SACS
Visiting Team. He stated that the report from SACS should be received soon. This
report will highlight the manifold strengths of the University. It will make
recommendations and suggestions that will be important to the University.

He concluded his report by stating how confident he feels about Chancellor-Elect
Michael Hooker. He said that after a dinner meeting with Michael Hooker, he feels that
this is an absolutely superb choice and he looks forward to becoming his chief cheerleader
and watching the University soar.

Nepotism Report

In accordance with the policy concerning the employment of related persons
adopted by the Board of Governors of The University of North Carolina on April 13,
1973, Chancellor Hardin presented a report where the terms of the policy were applied
during the year.

(Attachment A)

Student Body President's Report

Student Body President Calvin Cunningham said that he is honored to be a
member of the Board. He stated that the student body is excited about the new chancellor
and working with him. He expressed thanks from the student body to Mr. Harris for
allowing students to be heard during the search process, as were the faculty and staff. He
commented briefly on the transition in student government and said that he had pledged to
make the office of the student body president more politically active. He said that
meetings had been held with the governor and members of the legislature during the spring and his office would continue to be actively involved. He closed by offering his assistance to members of the Board regarding student issues.

Resolution Concerning the Chancellor’s Salary

Ms. Ehringhaus reviewed the recent amendments to the Board of Governors’ procedures concerning salaries for chancellors. She explained that the amendments allowed, on approval of the President and Board of Governors, each institution to provide a supplement, up to a maximum of one-third of the base salary of the chancellor, provided the funds came from institutional related foundations. The resolution recommends to the President and the Board of Governors that they approve the supplementation of Chancellor Hooker’s salary at the maximum level, which is one-third of the approved base amount, provided this Board can obtain the necessary funds from a related foundation. The resolution makes a formal request to The University of North Carolina at Chapel Hill Foundation, Inc. to provide those funds. The resolution will be effective as long as Michael Hooker is Chancellor of UNC-CH.

Ms. Bryant asked if there are policies or ethical rules or guidelines that apply or should be created to protect the independence of the Chancellor now that he or she would be paid with private funds.

Ms. Ehringhaus responded that this had been considered and the wording of the resolution addressed this concern. First, the request was to the only University-wide foundation rather than to a foundation representing one segment of the University. Second, the request is for the entire period of the Hooker Chancellorship, rather than one that is renewable annually. This would leave the Chancellor free of pressures to assure his salary on a year to year basis.

Mr. Harris moved approval of the resolution as presented. Mr. Armfield seconded the motion.

Mr. Harris commented that he is very supportive of the resolution but hopes that over a period of time this doesn’t become another means by which the State of North Carolina and General Administration avoid their responsibilities in education. He stated that it is important to have this at all institutions in the state, but at the same time it is somewhat of a dangerous precedent. It could suggest that these same funds be used for someone else in a different role or enhance a salary. The concern is that it not become a crutch used by the State Legislature and by General Administration.

Dr. Jordan agreed with the need for the resolution and reiterated Mr. Harris’ concern.
Mr. Armfield stated that this gets the University into the arena where it is competing for excellence. He stated that when the legislature will not allow the Board to compensate at the level necessary to continue the excellence of the University's leadership, then it is incumbent upon the Board to provide private funds. He said that this is a means by which the legislature through the Board of Governors and the General Administration is enabling the University campuses to compensate in a closer level of competitiveness, but the legislature is not providing the money.

Chairman Whichard called for the vote and carried unanimously.

(Attachment B)

**Finance and Business Report**

**Selection of a Designer for Video Walls in the Smith Center**

Dr. Sanders moved, seconded by Mr. Thigpen, the selection of Hakan/Corley & Associates as designers for the video walls to be installed in the Smith Center. The motion carried unanimously.

(Attachment C)

**Selection of an Engineer to Design Repairs to the Cogeneration Facility**

Chairman Wood moved, seconded by Dr. Sanders, the selection of Ross Murphy Finkelstein, Inc., as engineers to design repairs to the Cogeneration Facility. The motion carried unanimously.

(Attachment D)

**Acquisition by Lease of Office and Related Space for the School of Medicine, Wilmington TEACCH Center.**

Mr. Harris moved, seconded by Dr. Sanders, approval to lease approximately 2,600 square feet of office and related space from St. Andrews Presbyterian Church for the UNC-CH, School of Medicine, Division TEACCH, Wilmington TEACCH Center, for a term of three years at an annual cost of $26,000 or $10.00 per square foot, including utilities and janitorial services, with two one-year renewal options providing for a rate increase based on the CPI-U. The motion carried unanimously.

(Attachment E)

**Acquisition by Lease of Office and Related Space for the School of Medicine, Greenville TEACCH Center.**

Mr. Harris moved, seconded by Dr. Sanders, approval to lease approximately 2750 square feet of office and related space for the UNC-CH, School of Medicine, Division TEACCH, Greenville TEACCH Center, for a term of three years with two one-year renewal options at an annual cost not to exceed $35,200 or $12.75 per square foot, including utilities and janitorial services. The motion carried unanimously.
UNC-CH Board of Trustees' Meeting
May 26, 1995

(Attachment F)

Disposition by Lease of the House at 306 Country Club Road

Chairman Wood moved that the property located at 306 Country Club Road be sold carefully and advantageously as soon as is reasonably possible but with strict regard to receiving full value, working closely with the State Property Office. Mr. Capps and Dr. Sanders seconded the motion and it carried unanimously.

(Attachment G)

Update on Land Use Planning

Vice Chancellor Jones gave a brief update on the status of the land use planning. He reminded the Board that Johnson, Johnson and Roy had been hired to act as consultants with this process. He stated that a process had been established that gathers input from a broad sector of the University community and the towns of Chapel Hill and Carrboro. He explained the five phase project and said that phase 1 and 2 had been completed. These two phases have been fact-finding and brainstorming sessions. In phase 3, alternatives will be discussed. More specifics will be presented to the Board at its September meeting. The project is expected to last until January 1996.

(Attachment H)

Meadowmont

Mr. Jones reported that a committee was looking into the use of Meadowmont and additional members having expertise in this area would be invited to join the committee. He stated that there are no specifics to be reported at this time.

Mr. Harris commented that he hoped that as the campus continues to grow, the University does not lose the need to connect the entire University with a communication network.

(Attachment I)

Development

Vice Chancellor Arch Allen gave an update on the progress of the Bicentennial Campaign. He reported that the total now exceeds $425,000,000 with five weeks to go in the campaign. On behalf of the Development staff, he thanked Chancellor Hardin for his leadership in the Bicentennial Campaign.

Board of Visitors Elections

Dr. Sanders moved, seconded by Mrs. Cates, that the Board elect the following persons for the Board of Visitors, Class of 1999:

Edward Turner Baur
Mickey Bell
Laura Camnitz Brody
UNC-CH Board of Trustees' Meeting
May 26, 1995

Sally Brown
Alfred Scales Bryant
Roy Asbury Cooper, III
J. Dickson Fleming, Jr.
Virginia P. Foxx
David Gardner Frey
Mary Friday
Webb Cook Hayes, IV
Rodney Eugene Hood
Robert A. Ingram
Joseph McKendrie Jenkins
William Koman
Charles Bishop Kuralt
Karol Virginia McKenzie
Alan Murray
Chuck Neely
Robert Flynn Orr
Roger Lee Perry
Alan Pugh
Mercer Reynolds, III
Cecil Whitaker Sewell, Jr.
William N. Starling, Jr.
G. Kennedy Thompson
Craig Millard Wardlaw
B. Robert Williamson, Jr.
Jonathan Yardley

Academic Affairs and Personnel Committee

Admissions

Mr. Thigpen reported that his committee discussed the incoming freshmen class of 1995. He introduced Jim Walters, Director of Undergraduate Admissions, to make a presentation to the Board.

Mr. Walters commented on the problems and concerns about enrolling more than the 3300 target number and enrolling more than 18% of out-of-state students. He stated that the Board of Governors had set this 18% and will now penalize institutions that enroll more than 18%. He stated that his office is monitoring the numbers closely and that there would be no admits from the waitlist. He said that the number of out-of-state admits was under the 18% and that students will be contacted directly to ascertain if they would like to come to Carolina.

Mr. Walters reported that deposits for African-American students are down from last year. The quality of the class is up. The mean SAT for this entering class is expected to be 10 points higher than last year.

He said that it is projected that between now and the year 2000 there will be a steady increase in applications based on demographics. It is expected that around the year 2000 there will be approximately 20,000 applications for the same size class. This will drive quality up.
UNC-CH Board of Trustees' Meeting  
May 26, 1995  

On motion of Mrs. Cates, seconded by Dr. Sanders, the Board voted to convene in closed session.  

Closed Session  

Development  

Board of Visitors Officers  
The Board discussed nominations for officers of the Board of Visitors to be elected in Open Session.  

Report of the Naming Committee  
Vice Chancellor Allen presented the report of the Naming Committee regarding the School of Social Work. Mr. Armfield moved, seconded by Mrs. Cates, approval of the report as presented. A copy of the report is on file in the Office of the Assistant Secretary.  

Report on the Committee on Honorary Degrees  
Professor Beverly Long presented the report for nominations for the honorary degrees to be presented at the 1996 Commencement. Ms. Bryant moved, seconded by Mr. Thigpen, approval of the report as presented. A copy of the report is on file in the Office of the Assistant Secretary.  

Academic and Personnel Committee  

Personnel Matters for Consultation  
Mr. Thigpen reported on personnel matters for information not requiring action by the Board.  

(Attachment J)  

Personnel Matters for Consultation  
Mr. Thigpen moved approval, seconded by Mr. Armfield, to authorize the Chancellor to forward to the President and the Board of Governors, the personnel report and recommendations presented for consultation.  

(Attachment K)  

Personnel Matters for Action (Academic Affairs)  
Mr. Thigpen presented the following personnel changes in Academic Affairs for discussion: Named Professorships, Appointments, Reappointments, and Promotions. Mr. Capps seconded the motion and it carried unanimously.  

(Attachment L)  

Personnel Matters for Action (Health Affairs)
UNC-CH Board of Trustees' Meeting
May 26, 1995

Mr. Thigpen presented the following personnel changes in Health Affairs for discussion: Appointments, Reappointments, Promotions, and Salary Approvals. Mr. Armfield seconded the motion and it carried unanimously.

(Attachment M)

Recommendations for Exceptions to Employment Policies Annual Leave Provisions

Mr. Thigpen moved to grant exceptions from the EPA Non-Faculty Leave Provisions. Mrs. Cates seconded the motion and it carried unanimously.

(Attachment N)

Director of Athletics

Ms. Ehringhaus advised the Board on personnel matters involving the Multimedia Contract in the Department of Athletics. The Board recommended that all these contracts be negotiated by the appropriate coach, the director of athletics, and the chancellor, and after the outlines of the contract are identified, the contract be reviewed with the committee on which there is a Trustee representative, and this is to take place before the press is notified.

Investigation

Ms. Ehringhaus gave the Board a brief update on personnel matters currently under investigation by the University.

Student Appeals

Ms. Ehringhaus referred to a previous concern of the Board regarding two student appeals and the number of levels of appeals that are built into the current process. She suggested that the concerns of the two appeals be studied and perhaps a resolution (which will need to be reviewed by several faculty committees) might be proposed that would change the process to cut down the number of reviews. This will come back to the Board after the fall semester begins.

Mr. Harris moved, seconded by Capps, to reconvene in open session. The motion carried unanimously.

Open Session

Election of Officers for the Board of Visitors

Mrs. Cates moved the election of Richard (Stick) Williams as Chairman, and Minor Nichols-Shaw as Vice Chairman of the Board of Visitors.

Academic Affairs and Personnel Committee
Mr. Thigpen moved, seconded by Dr. Sanders, to approve the Report of the Academic and Personnel Committee considered in closed session. The motion carried unanimously.

(Attachments L and M)

Ratification of the Mail Ballot

Mr. Thigpen moved to ratify the mail ballot of April 18, 1995. Dr. Sanders seconded the motion and it carried unanimously.

(Attachment O)

There being no further business to come before the Board, Chairman Whichard asked for a motion to adjourn. Mr. Capps moved, seconded by Mr. Thigpen. The meeting adjourned at 11:35 a.m.

[Signature]
Assistant Secretary