

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

The Board of Trustees met in regular session on Wednesday, July 21, 2010, at The Carolina Inn, Chancellor Ballroom West, at 5:04 p.m. Chair Winston presided.

ROLL CALL

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

Robert W. Winston, Chair	Roger L. Perry, Sr.
Barbara R. Hyde, Vice Chair	Sallie Shuping-Russell
Phillip L. Clay, Secretary	Edward C. Smith
Donald Williams Curtis	John L. Townsend III
John G. B. Ellison, Jr.	Felicia A. Washington
Wade H. Hargrove, Jr.	Hogan Medlin

J. Alston Gardner was absent.

Chair Winston opened the meeting by reading the following statement regarding the State Government Ethics Act:

“As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees’ meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.”

BUILDINGS AND GROUNDS COMMITTEE

Committee Chair, Phillip L. Clay moved ratification of the following items, which were previously approved by the committee. Ms. Shuping-Russell seconded the motion and each item carried.

• **Construction Manager at Risk Selection - Woollen Gymnasium Renovation Phase II.**

This project provides advance planning for code and program improvements to the existing basement for Campus Recreation, Exercise and Sports Science and Athletics. The project budget is \$7.1M with funding from Campus Recreation and Athletics. The committee recommended the selection of the three firms in the following priority order:

1. RJ Leeper/Clancy & Theys, JV Raleigh, NC
2. TA Loving Company/Room 4 Improvement Goldsboro, NC
3. Frank L. Blum Construction Co./Woodline Winston Salem, NC

The firm in the number one position, RJ Leeper/Clancy & Theys, JV was recommended because of its prior University/campus experience and its strong HUB participation and utilization.

(ATTACHMENT A)

• **Acquisition by Easement- Easements from Orange County and the Town of Chapel Hill as required for the University’s Landfill Gas Project.** This is a request to approve the of the acquisition of 10 foot wide permanent easements for a landfill gas pipeline and temporary construction easements from both Orange County and the Town of Chapel Hill on property located off of Eubanks Rd. and Weaver Dairy Rd. Extension in Chapel Hill in order to meet the needs of the University’s Landfill Gas Project-a project to capture landfill gas at the County landfill and transport it via a new pipeline to University property on Homestead

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Rd. (former Duke Energy Operations Center) for conversion to electricity for University use. The easements from the Town would also be at no cost to the University.

(ATTACHMENT B)

• **Acquisition by Purchase- Property Located at 6227 Maynard Farm Road, Chapel Hill, N.C.** This request is for approval to purchase a house and lot containing approximately 4.21 areas located on 6627 Maynard Farm Road, Chapel Hill, NC adjacent to the Bingham Facility located at 1907 Orange Chapel Clover Road, Chapel Hill (see attached map). This land will serve as buffer area between the Bingham Facility and the surrounding community. The property was appraised on June 1, 2010 at \$269,000. The proposed purchase price will not exceed \$275,000. The Provost's Office will provide funding for the purchase.

(ATTACHMENT C)

The following items were presented for information only (no formal action was requested at this time).

• **Semi-Annual Report on Capital Improvement Projects.** Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, updated the committee on the capital improvement projects.

(ATTACHMENT D)

• **Semi-Annual Report on Leases.** Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, updated the committee on leases.

(ATTACHMENT E)

• **Preliminary Design review- Ronald McDonald House Expansion.** This project provides an expansion to the existing Ronald McDonald House to add 10 guest rooms to the west wing of the existing facility and 20 long term stay suites. These suites, along with two staff offices, group gathering and dining space, would be located in a new building intended to house those pediatric patients and their families requiring stays of more than 30 days. The project budget is \$6M and is being developed by the Ronald McDonald House of Chapel Hill.

(ATTACHMENT F)

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

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

RECESS

Chair Winston recessed the Board meeting at 5:10 p.m.

RECONVENE

Chair Winston reconvened the Board meeting at 8:04 a.m. on Thursday, July 22, 2010, at The Carolina Inn, Chancellor Ballroom East and West.

ROLL CALL

Assistant Secretary, Brenda Kirby, called the roll. The roll was the same as on Wednesday, July 21.

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ELECTION OF OFFICERS

Trustee Ellison presented the slate of officers to the Board. Mr. Ellison moved approval of the following slate of officers for the term July 2010 to July 2011. The motion was duly seconded and it carried.

Robert W. Winston III- Chair
Barbara R. Hyde- Vice Chair
Phillip L. Clay- Secretary
Brenda W. Kirby- Assistant Secretary

CONSENT AGENDA

Approval of Minutes

On motion of Ms. Shuping-Russell, seconded by Ms. Hyde, the minutes of the regular meeting of May 26-27, 2010, were approved as distributed.

Ratification of Mail Ballot

On motion of Ms. Shuping-Russell, seconded by Ms. Hyde, the following mail ballot dated June 14, 2010, was approved as distributed:

- Personnel actions, actions conferring tenure, compensation actions, and items for information.

(ATTACHMENT G)

CHAIR WINSTON'S REMARKS

Chair Winston expressed his appreciation to the Board and to the confidence they have placed in the current slate of officers. Chair Winston commented on the dinner with the Chapel Hill Town Council. He is very pleased with the collaboration between the Trustees, the University staff, and the Town Council.

CHANCELLOR'S REMARKS

Chancellor Thorp mentioned the following:

- **Melissa Exum-** Dr. Exum has been a magnificent administrator for Carolina. She has brought great professionalism to the office of the Dean of Students for 12 years. She is also a proud Carolina alumna who came home to Chapel Hill to serve the University. Dr. Exum is leaving Carolina for a great opportunity at Purdue University to become Vice President for Student Affairs, effective August 1. We are sorry to see her go, but thrilled for her that she will take over in such an important role at a great institution.
- **Barbara Entwisle-** Barbara Entwisle is taking over as our Interim Vice Chancellor for Research and Economic Development as we search for Tony Waldrop's successor. Provost Carney and I are very excited about Barbara joining the team. This is going to be a very important year for us in the research area as we continue to monitor the changes in Washington, and in the research priorities of the United States in the university. Barbara is a very distinguished scholar and administrator who ran one of our most distinguished research centers: the Carolina Population Center. The population center attracts funding from the National Institutes of Health and other federal agencies and helps drive related social science and health research projects across campus. In fiscal year 2009-10, the population center brought in more than \$47 million in external support. Faculty and students affiliated with the center are working in 85 countries around the world. Now a Kenan Distinguished Professor of Sociology, she has been a critical part of research at Carolina for the last 25 years.

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- **Redesigned unc.edu-** If you've been online and visited our homepage recently, you've seen a major step forward for the University's web presence. Unc.edu attracts 3.2 million unique visitors every month. The homepage is modern in its architecture, but also newly suited to tell the story of the University, which is very important. We are very excited about unc.edu.
- **Budget-** Given the economic circumstances of the country and NC, we are really appreciative of the legislators and their continued commitment to higher education in NC. We recognized the hardship that the tuition increase and the lack of raises for our employees that those two things are causing, but the commitment to maintain the quality of UNC-Chapel Hill was the top priority and that was affirmed by the legislature. Provost Carney will have more to share later in our agenda about both the final budget and the related tuition increase. Dwayne Pinkney has been the university's legislative liaison working closely with General Administration. As many of you know, this is Dwayne's last stint in Raleigh for us. He is moving to the Provost's Office to become the new Associate Provost for Finance and Academic Planning, filling the position left open by Elmira Mangum's departure. We're excited about this change and know Dwayne will do a great job.

COMMITTEE CHAIR APPOINTMENTS

Chair Winston announced the following committee chair appointments for the 2010-2011 year. They remain unchanged from last year.

Sallie Shuping-Russell, Chair – Audit and Finance Committee
Phillip L. Clay, Chair – Buildings and Grounds Committee
Alston Gardner, Chair – University Affairs Committee

STUDENT BODY PRESIDENT'S REMARKS

Mr. Medlin commented on what student government has been doing this summer:

- Many members are in summer school or doing research
- C-TOPs and T-SOPs orientation sessions
- Working with parents and students to let them know about student government
- Developing outreach strategies for the year- creating a monthly newsletter to help students understand what Student Government does
- Arts Fund, Admissions Ambassador Abroad Program- broken ground on the Arts Fund.
- Budget & Tuition Process- Student Government was not a part of the discussions, which caused some initial concern amongst students. Given the time constraints and urgent nature of the tuition decision –making process, Student Government looks forward to working with the administration to discuss tuition this year. It is important to make sure students are adequately represented in the discussions and decision-making processes
- Outward bound excursions- 900 student leaders will go to parts of the Appalachian Trail to try to increase communication and cohesiveness of campus leaders.
- Planning for first-year student opportunities- Fall Fest, Summer Reading Program, and other events.

Chair Winston mentioned that Chancellor Thorp was appointed as an inaugural member of the National Advisory Council on Innovation and Entrepreneurship. The council was created by the U.S. Department of Commerce to help support President Obama's innovation strategy. It will advise Commerce Secretary Gary Locke and the administration on issues relating to innovation and entrepreneurship. The chancellor was among 26 entrepreneurs, university presidents, investors and non-profit leaders selected for the council.

UPDATE ON BUDGET AND TUITION

BUDGET- Executive Vice Chancellor and Provost, Bruce Carney, spoke about the 2010-2011 Budget process, the legislative mandate, and other budget challenges. He highlighted preservation of resident tuition rates for non-resident students holding academic scholarships, but not for athletic scholarships. He reported that not less than fifty percent of the two hundred dollar tuition increase, and not less than twenty percent of the special seven hundred fifty dollar tuition increase must be set aside for student financial aid. Some of the budget challenges include legacy structural deficits and legislatively unfunded continuation budget items in FY 2010-2011.

TUITION- Provost Carney reported on the 2010-2011 tuition rates, revenue generated by the tuition increase, tuition increases for residents and non-residents by institution, resident and non-resident tuition and fee rates for public peer institutions, and tuition and fees for private peer institutions.

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Ms. Shuping-Russell, Committee Chair, moved ratification of the following items, which were previously approved by the committee. The motion was duly seconded and each item carried.

• **Annual Audit Certification Letter Process.** Phyllis Petree, Director of Internal Audit, presented the Annual Audit Certification Letter to the committee. In fiscal year 2008, The UNC Board of Governors (BOG) instituted a new process which requires that the Audit and Finance Committee:

- Formally approve the annual internal audit plan (done in September 2008);
- Receive at least four reports relative to internal audit matters from the Director of Internal Audit and reports with corrective action plans from projects with significant reportable conditions;
- Review or discuss results from audits and reviews performed by the North Carolina Office of the State Auditor; and
- Review audits and management letters for University Associated Entities.

The BOG process also requires that campus Audit and Finance Committee issues a letter certifying that they have met these requirements.

(ATTACHMENT H)

• **Transfer to the University of the Endowment's Distribution.** Vice Chancellor Mann presented for approval the transfer to the University income from the Endowment's Distribution to support the institution.

(ATTACHMENT I)

Ms. Shuping-Russell 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).

- **Remarks from the Employee Forum Vice Chair.** Marc ter Horst spoke about the following:
 - Challenges filling delegate positions as job responsibilities have increased and staffing decreased.

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- o Work with HR on changes to the SPA Grievance policy and other issues regarding EPA-NF staff.
- o Carolina Campus Community Garden.

• A Financial Overview 200-2010 and Budget Picture 2010-2011.

2009-2010

- o Dick Mann presented the 2009-2010 year-end financial summary. Dick provided a handout which showed the 5% (\$28.6 million) recurring cut last fiscal year.
- o Carry Forwards of approximately \$17.5 million (includes Summer School) were approved.
- o Budget and cash management was challenging especially at year end due to state cash flow concerns. Fiscal year 2010-2011 appropriations were 1.7% less than the previous year.

2010-2011

- o The legislature authorized a tuition increase of \$750 for all students in addition to the Board of Governor's approved increases. This will help offset the instructional portion of the 5% (24.8 million) cut to the campus.
- o Enrollment growth was funded at \$7.3 million.
- o Financial Aid to students will be maintained.
- o Distinguished professorships funded at \$3.5 million.
- o Repair and Renovation funded at approximately \$12 million for the campus.
- o Authorization for a furlough if needed.
- o Overall, it is a good budget considering the state's fiscal issues. A 1% mid-year cut is possible if federal Medicaid reimbursement for the state is not forthcoming. The fiscal year 2011-2012 state budget is a concern due to revenue issues and large recurring deficits.

• Development Report. Elizabeth Dunn, Senior Associate Vice Chancellor of University Advancement, gave the report.

	<u>6/30/2010</u>	<u>6/30/2009</u>	<u>% change</u>
Gifts Received	\$268,000,000	\$271,000,000	-1%
New commitments (new cash & pledges)	\$291,000,000	\$290,000,000	0%

The committee asked the Chancellor to look at the technology and intellectual property assets of the university and report at the next meeting on how we might best manage those assets and what resources might be required to do so.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Ms. Hyde, Committee Vice 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 at that time).

• Provost Remarks- Bruce Carney reported on the following:

- o Personnel
 - Internal search for a new Associate Provost for UNC Global Initiatives- the search committee will be chaired by Dr. Jonathan Hartley
- o ConnectCarolina™
 - Several phases of the new student information system have been implemented successfully. These include: Undergraduate Admissions,

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Scholarships and Student Aid, Registration and Records, and Student Financials. On the horizon yet is: Graduate Admissions, Academic Advising, and automated grading.

- Tuition
- **Faculty Chair Remarks.** McKay Coble mentioned the following:
 - Faculty Executive Committee has forwarded a list of prospects for the Salary Equity Committee to Provost Carney
 - New Standing Committee Chairs
 - Committee on the Status of Women: Dr. Amy Herring, Chair
 - Fixed Term Faculty: Dr. Jean DeSaix
- **Greek Life- Recruitment.** Ms. Jenny Levering, from the Office of Fraternity and Sorority Life at Carolina, reported on Greek recruitment at other institutions. Under the leadership of trustee Alston Gardner, staff members are surveying twenty different institutions to ascertain their approaches and results. Some recruit in the fall, some on a rolling basis, some in spring (deferred recruitment) and some on a performance-based approach (also rolling recruitment). There will be a report back to the Board in the fall regarding the findings. Student Body President Hogan Medlin added that Student Government would also be surveying the students at these same institutions to better understand the issues from the students' perspectives.
- **Quality Enhancement Plan (QEP) Report.** Senior Associate Dean, Bobbie Owen, reviewed the QEP. She spoke on the following:
 - The University launched Maymester three years ago. It had a slow start, but now is considered to be a success, as measured by participation which grew by 25% this year.
 - Growing focus on a connected, interdisciplinary, curriculum
 - Increasing emphasis on internationalization and globalization
 - Increasing emphasis on undergraduate research. Research is becoming a key feature of the undergraduate experience at Carolina. Over 60% of our undergraduates are now doing mentored research.

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Clay, and duly seconded, 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

Ms. Hyde, Committee Vice Chair, presented the personnel and salary approvals dated July 12, 2010, for the Board's consideration. The actions will be voted on in open session.
(ATTACHMENTS J-K-L-M-N)

REPORT OF THE AUDIT & FINANCE COMMITTEE

Report of the Naming Committee

Ms. Shuping Russell, Committee Chair, presented naming recommendations which were previously presented to the Audit & Finance Committee and approved by the committee.

Ms. Shuping-Russell moved ratification by the Board of the naming recommendations. Mr. Smith seconded and the motion and it carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

LEGAL ADVICE

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

EXECUTIVE CLOSED SESSION

Chair Winston convened the Board in Executive Closed Session to discuss personnel and legal matters.

DEEP EXECUTIVE CLOSED SESSION

Chair Winston convened the Board in Deep Executive Closed Session to discuss further personnel and legal matters.

RECONVENE MEETING IN OPEN SESSION

Chair Winston reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Ms. Hyde, Committee Vice Chair, moved approval by the Board of the following personnel actions dated July 12, 2010, which were discussed earlier in closed session. The motion was duly seconded and it carried.

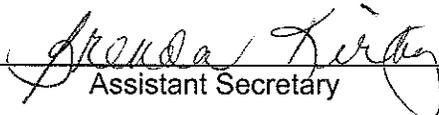
- Personnel actions. (ATTACHMENT J)
- Actions Conferring Tenure. (ATTACHMENT K)
- Compensation Actions. (ATTACHMENT L)
- For Information. (ATTACHMENT M)
- Walk-on Item. (ATTACHMENT N)

Chair Winston stated that the personnel and salary actions voted on in open session had been distributed to the press.

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ADJOURNMENT

There being no further business to come before the Board, Chair Winston adjourned the meeting at 11:00 a.m.


Assistant Secretary