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 July 28, 1995. Chairman Whichard called the meeting to order at 8:40 a.m.

**Administration of Oath of Office**

The Honorable Kenneth Broun, Mayor of Chapel Hill, administered the Oath of Office to the following new members: James E. S. Hynes, David E. Pardue, Richard Y. Stevens, and the following re-elected members: Angela R. Bryant, David J. Whichard, II, Annette Fairless Wood.

**Roll Call**

Members Present:  
David J. Whichard, II, Chairman  
William J. Armfield, IV, Vice Chairman  
Anne W. Cates, Secretary  
Angela R. Bryant  
J. Calvin Cunningham, III  
Walter R. Davis  
James E. S. Hynes  
William R. Jordan  
David E. Pardue  
Cressie H. Thigpen, Jr.  
Charles A. Sanders  
Richard Y. Stevens  
Annette Fairless Wood

**Minutes**

Dr. Jordan moved approval of the minutes of the regular meeting of the Board on May 26, 1995 and the minutes of the Special Meeting on June 30, 1995. Dr. Sanders seconded the motion and it carried unanimously.

**Chairman’s Report**

Chairman Whichard stated that today’s meeting is a time of a new beginning. He welcomed the new members and said that the Board looked forward to their contribution to the operation of University and to the Trustees. He stated that new leadership for the Board would take place today which is another evidence of a new beginning.

Chairman Whichard welcomed Chancellor Hooker and stated that the University is now under the leadership of a new and vibrant leader, a man who has come full course from his days as a student on this campus to becoming the chief executive officer of the First State University. He pledged Chancellor Hooker the Board’s best council, advice, and support and said that his greatest challenges lie ahead.

Chairman Whichard expressed welcome to Carmen Hooker who was unable to attend. He stated that the Board is delighted that she is a part of the University.
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He said that she has just retired from the University of Massachusetts Legislature after twelve years of service in an important leadership role.

Chairman Whichard stated that this has been a very important year for the University; a year of significant achievement. He commented on the conclusion of the great Bicentennial Campaign, a successful search for a new chancellor, and the end of a legislative session where the University's appropriations are looking somewhat better than several weeks ago.

Chairman Whichard expressed appreciation to the Board for their constant attention to the affairs of the University, to their diligent work, and for seeing that the University has continued to move forward. On behalf of the Board, he expressed appreciation to the Chancellor's Administrative Council, the faculty, and staff, for their work in making the University work. He stated his appreciation to the students and the leadership they provide in the University family.

Chairman Whichard concluded his remarks by stating that the University is entering a new and different time, and those responsible for the operation face new challenges to see that it remains strong and fulfills its mission of teaching, research, and public service to the people of the state and nation.

Resolution of Appreciation for Richard M. McCormick

WHEREAS, Richard M. McCormick has been a stalwart champion of undergraduate education, campus diversity and consensus building.

WHEREAS, Dr. McCormick has lent his considerable skills as an administrator to strengthening our University's academic reputation, proving himself an impressive academic leader and scholar of American political history, and commanding the respect of faculty and students,

WHEREAS, he has employed his immense capacity as an innovative thinker and articulate spokesman to help the Carolina community identify and address critical issues of the day in a time of transformation;

WHEREAS, Dr. McCormick has concluded three years of service as provost of The University of North Carolina at Chapel Hill;

WHEREAS, he is leaving the University to become the 28th president of The University of Washington in Seattle;
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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 Richard McCormick for his dedicated and peerless service to the University, and best wishes in his new endeavor.

Mrs. Cates moved approval of the resolution. The motion was duly seconded and it carried unanimously.

Chancellor's Remarks

Chancellor Hooker opened his remarks by apologizing for the premature implementation of the pay raises. He stated that this was done on his watch but without his knowledge and he will bear responsibility. He stated that unfortunately this incident reinforces the image that this University plays by different rules from the rest of the state agencies.

Chancellor Hooker stated that it is an absolute delight to return to his alma mater. He expressed thanks to those responsible for bringing him back and especially to those who have so thoughtfully prepared a place for him and Carmen to live. He issued a word of caution. He said that a transition in leadership is a little like a change of captains of a vessel. The crew always believes that the new captain is going to right all the wrongs of the old captain, and there are always expectations and fears that are far out of proportion to reality. He said that if he could do anything to soften the expectations and to moderate the fears, he would; unfortunately, there is not a lot he can do but pledge that he will do everything that he can to realize the appropriate expectations and to refrain from realizing the inappropriate fears. He said that this is really a great time to be coming to Chapel Hill because there are two elements in place for which he gives full credit to Paul Hardin. Both of these will make his life immeasurably easier. The capital campaign which has been completed over target and on schedule puts the ship in good fiscal shape as he stepped on board. He pledged that to the extent that he is able, he will sustain and enhance the momentum of the campaign. He said that there is no reason that by the turn of the century, the University should have upped the aggregate level of giving up to a billion dollars. The Self-Study is the other element which he considers a blessing for him. He stated that he had seen many self studies and had never seen one that begins to compare with the University's in quality and character. This provides a blueprint for the new chancellor and his administration to work with in the years ahead. This blueprint has already been certified by the faculty and leadership of the campus.
He said that he is very much impressed by the can do, positive attitude and work ethic of the faculty and staff. He said that there are not many campuses in the United States that have the quality of attitude and optimism that he finds on this campus.

Chancellor Hooker concluded with the following remarks:

"If there is one theme, and there is, that will characterize my years at Chapel Hill, it is a return to a theme of Frank Porter Graham who talked about the hope of the people in connecting the University in its capacities to deliver with the hopes of the people of the state. Dr. Frank came to Chapel Hill at a very different time in the state's history, but in many respects there are similarities in the state's condition at present and those that were obtained when Dr. Frank came on board. That was a time of transformation or radical transition for the south and for North Carolina which took leadership in the south. This is a time of economic transformation in the world and North Carolina is in the leadership. We need to connect the University with that aspect of the state, but we need also to connect the University with the hopes of the people that are still the residue of the aggregate hopes of the people in the time of Frank Porter Graham. That will be theme of my administration.

There is one reason, and one reason only, to have a public university that is taxpayer supported and that is to serve the public. The touchstone of everything we do should be whether it is in the public interest, and whether we are fulfilling the public trust by doing what we do. Primarily a public university serves the public by educating the next generation of sons and daughters of the state to take positions of economic, political, social and cultural leadership. Chapel Hill has always done a superb job. I would argue that North Carolina is where it is today in large measure as a result of the extent to which Chapel Hill has fulfilled that part of its mission.

We also serve the state through our out-reach programs and they are multifarious on this campus and always have been. I think we are to be faulted somewhat for failing fully to tell the story to the state, to report back to the state on how well we do in out-reach. We will continue and accelerate that.

The area of research in public universities historically has drifted away from a close focus on service to the state. It is important to have curiosity driven research, to have faculty pursuing whatever it is that they are interested in but in the public university, it is also important to find ways to tie that back into the benefit of the state. That is something we will do through technology transfer, through partnerships with the state's industries, through partnerships with other institutions in the state, and I am enormously heartened by the understanding that Vice
Chancellor Meyer and his staff have of that aspect of our mission and I promise you that you are going to see some marvelous results in the years ahead.

Finally, if the theme of my administration is connecting our capacities with the hopes of the people in delivering on those hopes to the extent that we are able to do so, it is important to us to explain to the state what we are doing, why we are doing it, and how well we are doing it. Accountability will be a sub-theme of my administration. Constantly holding ourselves accountable to the citizens of the state, to the taxpayers of the state, for how wisely and how well we spend their money and for what they get out of it in return.

Mr. Chairman, I very much look forward to working under the leadership of this Board and with this Board, and again I say, how pleased I am to be here."

**Student Body President's Report**

Mr. Cunningham provided the Board with a written report regarding a recent US Supreme Court decision regarding student fees and the NC Senate proposal to allow the Board to raise tuition. A copy of this report is on file in the Office of the Assistant Secretary.

He commented on the Supreme Court decision regarding student fees and briefed the Board on a the Student Code which has a clause including political partisan groups which now would not stand up. The Student Congress recognized this issue and will make necessary changes.

He commented on the NC Senate's proposal on tuition increases and said that the students had looked at this with great interest and with no opposition. He said that students had been advocating a similar funding scheme for about six years which earmarks tuition increase in a similar way. He said that in 1991 the students drafted a Student Higher Education Bill of Rights which called for this plan. He said that support for the tuition increase had strong support among students, faculty and others.

Ms. Bryant asked if staff salaries would be addressed in the tuition increase.

Mr. Cunningham responded that there are no provisions addressed in this plan for staff salaries. He stated the support for these funds being used for faculty salary increases is because of the competitive pressures that the faculty face and the relative decline in rankings over the past fifteen years.

Mr. Davis stated that it is his hope that the Board and Chancellor would agree that 5% of these funds be set aside for the libraries because of the decline they have had in the past years and asked for the expression of the Board at this time.
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Chancellor Hooker stated that approval of a revised budget based on the revenues derived from the implementation of this program will be brought back to the Board. He said the administration would be guided by Mr. Davis' expression of interest and would reflect at least 5% for the libraries.

Ms. Bryant encouraged the Board to be sensitive to the staff's needs regarding salaries also.

Development

Bicentennial Campaign Update

Associate Vice Chancellor Matt Kupec reported on the success of the Bicentennial Campaign. He reported that the final total was $440.2 million. He expressed thanks and appreciation to the Steering Committee and the development team that made the campaign a success.

He presented a slide presentation giving an overview of the sources of contributions, the needs that were not met, and the areas that contributions were still needed to reach those goals.

Post Campaign Planning Report

Vice Chancellor Arch Allen stated that the post campaign development was proceeding. A committee has met and it is expected that the formal report to the chancellor and the Board should be completed soon.

He stated that the consultant complimented the University and said that UNC-CH was the only University that she was aware of that has began planning for the post campaign development phase before the major campaign has been completed.

Report of the Finance and Business Committee

Review of Design of the Center for Dramatic Art

Mrs. Wood moved approval of the design of the Center for Dramatic Art with the caveat that the Chancellor's concerns regarding separate space for teaching set design and actual set work areas be addressed. Mr. Thigpen seconded the motion and it carried unanimously.

(Attachment A)

Central Campus Open Space Presentation Policy

Mrs. Wood identified the following three points regarding the policy: (1) Open spaces will be determined by an official open space map which will be updated from time to time; (2) Requests for constructions of new buildings, roads, and parking areas that would affect this normally will not be approved, but exceptions could be made if extraordinary need is presented justifying such, (2) the
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wording on the first page, item 2, Construction Review and Mitigation Procedure for Designated Open Space, will be changed to read: Request for variance from this policy should include provision for replacement of designated open space lost to construction.

Mrs. Wood moved approval of the Central Campus Open Space Policy with word changes as described. Dr. Sanders seconded the motion and it carried unanimously.

(Attachment B)

Disposition of an Easement to Public Service Company on NC., Inc.

Dr. Sanders moved approval of a 10 foot easement to Public Service Company of North Carolina, Inc., across the University Finley Golf Course property for the purpose of installing a 2" gas line to the UNC-CH Wastewater Research Center and adjacent OWASA Wastewater Treatment Facility. Mrs. Wood seconded the motion and it carried unanimously.

(Attachment C)

Spending Levels for Endowment Fund

Mrs. Cates moved approval of the spending levels for fiscal year 1995-96. Mr. Cunningham seconded the motion and it carried unanimously.

Mrs. Wood reported that Mr. Cunningham requested that every effort be made to increase disbursements for scholarships and fellowships.

(Attachment D)

Request for Change in Use of the Julian Price Professorship

Ms. Bryant moved adoption of the resolution. Mr. Stevens seconded the motion and it carried unanimously.

(Attachment E)

Request for Withdrawal of Principal from Endowment Fund

Mrs. Cates moved approval of the transfer of $100,000 of the Mary Whiting Ewing Estate fund from the Endowment Fund to The University of North Carolina at Chapel Hill School of Law for use in connection with its multi-media classroom. Dr. Sanders seconded the motion and it carried unanimously.

(Attachment F)

Resolution Concerning the Opening of Bank Accounts

Mrs. Wood moved adoption of the resolution. Dr. Sanders seconded the motion and it carried unanimously.

(Attachment G)
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Mrs. Wood summarized the following items for information requiring no action of the Board:

- Semi-annual report on capital improvements
- Semi-annual report of leases to the University from Third parties
- Semi-annual report of leases from the University to Third parties

There was much discussion regarding the status of the Campus Fiber Optic Network and its capabilities. Mrs. Wood stated that comments expressed by members of the Board showed that they realized the urgency for this project and expressed strong support for this project.

Mrs. Wood commented that the Board had asked for information regarding dollar amounts of short and long-term leases contracted by the University with the University acting as lessee along with a comparison of actual building costs required to meet the same space needs.

Mr. Rutherford stated that this report would be brought to the Board at the September meeting.

(Attachments H, I, J)

Report of the Academics Affairs and Personnel Committee

Mr. Thigpen reported on the presentation by Professor Steve Zeisel, Chair of the Department of Nutrition in the Schools of Public Health and Medicine. This department was established to serve both schools and is the first Department of Nutrition in the country. In 1995, Bristol Meyers chose this department as the best in the country and it received a one half million dollar grant

Election of Officers

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
Brenda Kirby, Assistant Secretary

Mrs. Wood moved approval, seconded by Mr. Hynes. The motion carried unanimously.

Resolution of Appreciation for David J. Whichard, II

WHEREAS, David J. Whichard, II has completed his term as chairman of the Board of Trustees of the University of North Carolina;

WHEREAS, he has become a driving force for the University, bringing to bear his extensive experience and tremendous skill in all endeavors;
WHEREAS, he has generously invested his energy and time in University affairs, frequently commuting from is home in Greenville to attend events of all kinds;

WHEREAS, Mr. Whichard, a Phi Beta Kappa graduate of the University, has demonstrated great interest in students, often attending meetings of the Student Affairs Committee although he is not a member;

WHEREAS, he has been a devoted servant of the University system and this campus, having served on the Board of Governors for 16 years and the Board of Trustees for four years;

WHEREAS, the Board of Trustees wishes to honor Mr. Whichard as a devoted and loyal alumnus of the University, who has exhibited an exemplary service ethic during his tenure;

NOW, THEREFORE BE IT RESOLVED that members of the Board of Trustees of The University of North Carolina at Chapel Hill express their deep gratitude to David J. Whichard, II for his dedication and tireless service to our state's premier University.

Dr. Sanders moved approval of the resolution. Mr. Thigpen seconded the motion and it carried unanimously.

Election of Members of the Board of Trustees of the Endowment Fund

Dr. Sanders moved to re-elect Robert C. Eubanks for a three-year term ending on June 30, 1998; and the election of Walter R. Davis, to fulfill the vacancy created by the resignation and expiration of the term of George H. Johnson, for a three-year term ending on June 30, 1998. Mr. Whichard seconded the motion and it carried unanimously.

Election of the Board of Directors of The University of North Carolina at Chapel Hill Foundation, Inc.

Dr. Sanders moved the election of William R. Jordan and David J. Whichard, II for terms concurrent with Board tenure, and the re-election of Robert C. Eubanks for a three-year term ending on June 30, 1998. Mrs. Cates seconded the motion and it carried unanimously.

On motion of Mrs. Cates, seconded by Mr. Whichard, the Board voted to convene in closed session.
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Closed Session

Development

William Richardson Davie Awards

Vice Chancellor Allen presented the nominations for the 1995 William Richardson Davie Awards. Mr. Thigpen moved approval, seconded by Dr. Sanders. The motion carried unanimously.

Honorary Degrees and Special Awards

The Board discussed candidates for Honorary Degrees and Special Awards. It was the recommendation of the Board that policies pertaining to the selection of candidates be reviewed.

Board of Visitors Nomination

Vice Chancellor Arch Allen presented a nomination for a member of the Board of Visitors for the Class of 1999.

Report of the Academic Affairs and Personnel Committee

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

(Attachment L)

Personnel Matters for Consultation

Mr. Thigpen moved, seconded by Ms. Bryant, to authorize the Chancellor to forward to the Board of Governors the personnel report and recommendations presented for consultation.

(Attachment M)

Personnel Matters for Action (Academic Affairs)

Mr. Thigpen presented the following changes in Academic Affairs for discussion:
Appointments.

(Attachment N)

Personnel Matters for Action (Health Affairs)

Mr. Thigpen presented the following changes in Health Affairs for discussion:
Appointments, Reappointments, and Promotions.

(Attachment O)

Legal Advice

Ms. Ehrenhaus briefed the Board on a legal matter with no action being taken.

At this time, Chairman Armfield excused everyone except members of the Board, Chancellor Hooker, and Ms. Kirby from the meeting. There was much discussion regarding personnel matters with no action being taken.
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Dr. Jordan moved, seconded by Mr. Whichard, to reconvene in open session. The motion carried unanimously.

Open Session

Academic Affairs and Personnel Committee

Chairman Armfield moved, seconded by Dr. Jordan, to approve the Report of the Committee considered in closed session. The motion carried unanimously.

(Attachments N and O)

Ratification of the Mail Ballot

Mr. Thigpen moved to ratify the mail ballot of June 20, 1995. Ms. Wood seconded the motion and it carried unanimously.

(Attachment P)

William Richardson Davie Award

Ms. Bryant moved that the William Richardson Davie Award Guidelines be amended in Paragraph 4 to state ‘that employees of The University of North Carolina at Chapel Hill are not eligible for receipt of the Davie Award for services rendered to the University while still employed by the University’. Mr. Thigpen seconded the motion and it carried unanimously.

Board of Visitors Election

Mr. Whichard moved the election of Glenn Orr to the Class of 1999. Mrs. Cates seconded the motion and it carried unanimously.

Adjournment

There being no further business to come before the Board, Chairman Armfield asked for a motion to adjourn. Mrs. Wood moved, seconded by Dr. Sanders. The meeting adjourned at 11:30 a.m.

[Signature]
Assistant Secretary