

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
March 27, 2014

The Board of Trustees met in regular session on Thursday, March 27, 2014 at The Carolina Inn, Hill Ballroom. Chair Caudill presided and convened the meeting at 8:00 a.m.

ROLL CALL

Secretary Sallie Shuping-Russell called the roll and the following members were present:

W. Lowry Caudill, Chair	Charles G. Duckett
J. Alston Gardner, Vice Chair	Peter T. Grauer
Sallie Shuping-Russell, Secretary	Kelly Matthews Hopkins
Jefferson W. Brown	Steven J. Lerner
Phillip L. Clay	Dwight D. Stone
Haywood D. Cochrane	Christopher David McCartney Lambden
Donald Williams Curtis	

Chair Caudill read 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.”

CONSENT AGENDA

Approval of Minutes and Mail Ballots

On motion of Trustee Cochrane and duly seconded by Trustee Lambden, the minutes of the meeting of January 2014 were approved as distributed; as was the ratification of mail ballots dated February 17, 2014 and February 26, 2014.

(ATTACHMENT A)

CHAIR’S REMARKS

Lowry Caudill, Chair presented the following remarks:

- Referenced Wednesday’s committee meetings and the board’s ongoing work to remain focused on the four goals of the year: successful Chancellor transition, stronger relationships with key external constituencies, sustainable model for enterprise risk management, and consolidate work on innovation and entrepreneurship.
- UNC-CH continues to receive national recognition for our graduate and professional schools. U.S. News & World Report ranked the School of Medicine #2 in Primary Care and it also tied for 22nd in research overall. Chair Caudill congratulated Dean Bill Roper and his team on this recognition. The College of Arts and Sciences ranked 15th for our Ph.D. program in chemistry, 2nd in analytical chemistry and 8th in inorganic chemistry. Other programs in the top 25 were statistics and computer science. The Kenan-Flagler

Business School ranked 19th for its MBA degree program. Also ranked were degree programs in the Gillings School of Global Public Health, School of Education and School of Law.

- Chair Caudill called on BOT Secretary Sallie Shuping-Russell to read the resolution for Student Body President Christopher Lambden.

**RESOLUTION OF APPRECIATION
FOR CHRISTOPHER DAVID MCCARTNEY LAMB DEN**

WHEREAS, Christopher Lambden served as President of the UNC student body in 2013-2014, and was an articulate and passionate voice for students as a member of the University's Board of Trustees; and,

WHEREAS, Christopher was an innovative and creative leader who ably managed a talented student government team that worked on a broad range of important issues for the Carolina community; and,

WHEREAS, Christopher, as a member of the Title IX Task Force worked with others to educate students about the critical issues surrounding interpersonal violence, convened a student panel to contribute ideas, and was an invaluable and thoughtful spokesperson on campus and elsewhere; and,

WHEREAS, Christopher tackled a number of divisive issues during his tenure, and proved to be a steady and constructive leader for students; and,

WHEREAS, Christopher, as a trustee, was a thoughtful voice in board deliberations, always keeping in mind the long term good of the University;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill congratulates Christopher Lambden for a job very well done, expresses its deepest appreciation for his outstanding work, and wishes him the very best in his future endeavors.

Trustee Clay presented the motion to approve this resolution, seconded by Trustee Curtis, and passed. The Board of Trustees and all others present applaud Mr. Lambden. After, Chair Caudill continued his remarks.

- Acknowledged Chancellor Folt's recent accomplishments including her visit to the White House to represent the University on sexual assault. This was the Chancellor's third visit to the White House in eight months.
- Last month, the Chancellor made a major policy presentation to the UNC Board of Governors about the commercial and financial value of intellectual property created by UNC faculty researchers.
- Chancellor Folt was also recognized as an active researcher by being a featured plenary session speaker at the National Institutes of Health and Environmental Sciences workshop on the health effects of arsenic, one of her longtime research interests. She also spoke as part of the institute's distinguished Spirit Lecture Series – an annual event highlighting women who have made significant contributions to the field, while maintaining a rich and meaningful personal life.

- The Chancellor has also spent time visiting with alumni and friends in California, Atlanta and London. These visits are playing well and are putting the University in an excellent position with important constituents.
- Chair Caudill introduced Felicia Washington, who is now the Vice Chancellor for Workforce Strategy, Equity and Engagement. This position will bring together critical functions under one office.

[A copy of these remarks is located in the Office of the Assistant Secretary.]

REMARKS FROM THE STUDENT BODY PRESIDENT

Christopher Lambden gave his final remarks as Student Body President:

- Introduced Andrew Powell, the 2014-2015 Student Body President from Nashville, TN. Andrew's platform focuses on educational reform and innovation.
- Reflected on his platform to make a Carolina more affordable, safe and academically prestigious environment, as well as the last year of accomplishments:
 - Wanted to foster stronger relationships between the student population and state legislature.
 - Conducted a full audit of all student fees.
 - Worked on petition for students to voice their opposition to the Board of Governors academic policies regarding drop-add periods.
 - Created a website to compile a list of all resources open to students.
 - Served on the Universities Task Force charged with drafting a new sexual assault and harassment policy.
- Addressed the divide between the Greek community and the rest of the campus.
- Thanked all on the board who have served with him in the last year and the administrators he has had the opportunity to work with.

[A copy of these remarks is on file in the Office of the Assistant Secretary]

CHANCELLOR'S REMARKS

Chancellor Folt spoke on the following:

- Thanked Student Body President Christy Lambden for his efforts over the last year.
- Since the last meeting, the Chancellor met with other university presidents at the University of Virginia to talk about sexual assault as well as participated in a listening session at the White House with President Obama's White House Task Force.
- Visited King's College in London. This was an opportunity to extend strategic partnership with King's College, leaders in teaching and research. She also visited California and Atlanta to meet with alumni.
- Sought out a new inquiry by an independent counsel with the help of President Tom Ross. Ken Wainstein will lead the inquiry. When he is done, the report will be made public.
- Addressed the role of faculty research during her Board of Governor's presentation. UNC faculty researchers create jobs, attract talent and industry, spins out business start-ups and builds North Carolina's economy.

- Later this afternoon will be the Marsico Hall dedication. This will tie success in biomedical research to state-of-the-art facilities. She highlighted Tom Marsico's contributions to UNC's healthcare program as well as the N.C. General Assembly for their investment of \$243 million in 2009.
- Recently, Chancellor Folt and Director of Athletics, Bubba Cunningham, met with ACC Commissioner John Swoffard. They outlined six core areas of focus: academic preparedness, education, health and wellness, time demands, resources, and representation at the Governance levels.
- Introduced the four presenters for the meeting: Dean Bill Roper; Chair of the Applied Physical Sciences Department, Peter Mucha; STAR Program students; and Athletic Director Bubba Cunningham and student-athletes.

[The Chancellor's remarks are on file in the Office of the Assistant Secretary.]

UNC SCHOOL OF MEDICINE UPDATE

Chancellor Folt introduced Dean of the UNC School of Medicine, Vice Chancellor for Medical Affairs and CEO of UNC Health Care, Bill Roper, to give an update on the School of Medicine.

Dean Roper presented the Association of Medical College's (AAMC) annual report for UNC-CH. There are six areas of focus, each given a percentage ranking. They are as follows:

- Graduate a workforce that will address the priority health needs of the nation
 - UNC ranked in the 86th percentile for practicing in underserved areas
- Prepare a diverse physician workforce
 - 94th percentile for graduates who are African-American
- Foster the advancement of medical discovery
 - 90th percentile for graduates receiving NIH awards
- Provide high quality medical education as judged by your recent graduates (as done by a survey to each graduating student)
 - 95th percentile for how satisfied graduates are with their medical education
- Prepare physicians to fulfill the needs of the community
 - 100th percentile for instruction in women's health
- Graduate a medical school class with manageable debt
 - 38th percentile for out-of-state cost of attendance (lower the score the better)
 - 14th percentile for in-state cost of attendance
 - 5th percentile in average debt

Overall, the School is in a great position with room for improvement according to the report and Dean Roper. He concluded his presentation by taking questions from the Board.

[A copy of this presentation is available at bot.unc.edu]

APPLIED PHYSICAL SCIENCES

Chancellor Folt introduced Chair of the Applied Physical Sciences Department, Dr. Peter Mucha. This department is UNC-CH's first new college science department in forty years. Applied Physical Sciences lives in a collaborative interdisciplinary space between science and engineering. It essentially combines cutting edge knowledge and discovery with an engineering mindset to address problems. This department aims to bridge the gap between discovery and innovation as well as better balance basic and applied research here at Carolina. New faculty hires will join a strong team of six researchers who have received over \$42 million in research awards in the last four years (fiscal years 2010-2013). Faculty affiliated with the founding of the

new department have worked on projects such as: targeted drug delivery to cancer cells, developing lab-on-a-chip applications, and making solar energy more accessible. To be better positioned for the future and to remain competitive, we must expand our team of faculty members and provide funding to grow. Dr. Mucha concluded his presentation by answering questions from the Board.

[A copy of this presentation is available at bot.unc.edu]

STAR PROGRAM

Doug Shackelford, Dean of the Kenan-Flagler Business School introduced the students in the STAR Program: Tyler Eshraghi, Lauren Braswell, Jeff Kagan, Abhinav Mehla and Olivia Frere. The team is advising the UNC School of the Arts (UNCSA) on the redesign of a sound stage in High Point to make the Triad and North Carolina more competitive for movie and television production projects. STAR has assembled for 2014 a list of clients that include: ESPN, NC Governor's Office, RENCI and Belk to name a few.

The STAR team showed that UNCSA aims to create a turn-key, state-of-the-art facility. This facility will include indoor/outdoor green screens, on-site post-production, an extensive digital library, a tank for underwater and above water filming, as well as access to UNCSA facilities. They explained each portion of the planning process and steps that must be taken for this project to come to fruition.

The students and Dr. Paul Friga, Director of the STAR Program, entertained a few questions from the trustees.

[A copy of this presentation is available at bot.unc.edu]

A DAY IN THE LIFE OF A STUDENT-ATHLETE

Bubba Cunningham, Director of Athletics, introduced six student-athletes: Tim Scott (football), Ryan Switzer (football), Kemmi Pettway (football), Michelle Ikoma (women's gymnastics), Lori Spingola (softball) and Marcus Paige (men's basketball).

Tim Scott served as moderator for the other student-athletes. Ryan Switzer began by showing his calendar for the year as a football player. He also showed a more in-depth view of a scheduled-week during football season. Kemmi Pettway spoke about MAP (My Academic Plan) and how it allows him to structure his schedule. Michelle discussed the Carolina CREED and the Baddour Carolina Leadership Academy. Lori showed her program, Carolina Outreach that she created in conjunction with the Arc of Orange County. Lastly, Marcus Paige talked about why he chose to attend Carolina.

Following their presentation, the student-athletes took questions from the Board.

[A copy of this presentation is available at bot.unc.edu]

REPORT OF THE FINANCE AND INFRASTRUCTURE COMMITTEE

Trustee Lerner presented the report from the Finance and Infrastructure Committee. The items requiring action by the board were reviewed as follows:

HAMILTON HALL ENVELOPE RESTORATION

This project will address the Hamilton Hall exterior façade deficiencies identified in an earlier assessment report.

The project budget is \$1,500,000 and will be funded by University funds.

This project was advertised on January 27, 2014. Ten (10) proposals were received. Five (5) firms were interviewed on February 27, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of the three firms in the following priority order:

1. SKA Consulting Engineers Greensboro, NC
2. Atlas Engineering Inc. Raleigh, NC
3. John B. Hawkins Architect/SGI Engineers Raleigh, NC

The firms were selected for their past performance on similar projects, their knowledge of exterior envelope repairs, the strength of their proposed staff and their understanding of the project.

CAMPUS RECREATION MASTER PLAN

This project will develop a comprehensive master plan to improve the Campus Recreation facilities. The master plan will evaluate the existing outdoor and indoor facilities and identify improvements to meet the needs of the program.

The project budget is \$200,000 covered by University funds.

Advertising began on January 7, 2014. Ten (10) proposals were received. Four (4) firms were interviewed on February 26, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of three firms in the following priority order:

1. 360 Architecture Kansas City, MO
2. RGD Planning+Design Des Moines, IA
3. CRA/Hastings+Chivetta/Brailsford & Dunlavey Chapel Hill & Charlotte
NC

The firms were selected for their past performance on similar projects, the strength of the proposed staff and their understanding of the project.

HVAC CONTROLS UPGRADE AT HANES, MITCHELL, SWAIN HALLS, AND STEELE BUILDING

This project will upgrade the existing pneumatic HVAC controls at Hanes, Mitchell, and Swain Halls and Steele Building.

The project budget is \$463,000 and will be funded by State appropriations.

This project was advertised on January 16, 2014. Six (6) proposals were received. Three (3) firms were interviewed on February 27, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of three firms in the following priority order:

1. Dewberry Engineers, Inc. Raleigh, NC
2. Stanford White, Inc. Raleigh, NC
3. McKim & Creed, Inc. Raleigh, NC

The firms were selected for their past performance on similar projects, the strength of the proposed staff and their understanding of the project.

RIDGE ROAD PEDESTRIAN SAFETY ZONES MASTER PLAN

This project will develop a comprehensive master plan to improve the pedestrian safety on Ridge Road from Manning Drive to Country Club Road. Advance Planning for improvements to the area between Boshamer Stadium and Country Club Road will be part of this project.

The project budget is \$200,000 and will be funded by University funds.

This project was advertised on January 24, 2014. Three (3) proposals were received. Three (3) firms were interviewed on March 4, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of the three firms in the following priority order:

1. Stewart Engineering Raleigh, NC
2. OBS Landscape Architects Raleigh, NC
3. Corley Redfoot Architects Chapel Hill, NC

The firms were selected for their past performance on similar projects, the strength of the proposed staff and their understanding of the project.

(ATTACHMENTS B-E)

DESIGN APPROVAL – MARY ELLEN JONES BUILDING RENOVATION

This project will renovate the upper 6 floors of Mary Ellen Jones Building as new research laboratory and office space. In addition, the project will address deferred maintenance items which include: HVAC, electrical, plumbing, life safety code, accessibility and exterior envelope

issues. A new elevated plaza is proposed to connect the 3rd floor of Mary Ellen Jones Building to the walkway at Thurston Bowles Building.

The project budget is \$77.4M and will be funded by University funds.

The Board of Trustees reviewed the project at its January 2014 meeting.

The design has been reviewed by the Design Review Committee.

The Chancellor's Buildings and Grounds Committee approved the project at its February 2014 meeting.

(ATTACHMENT F)

STUDENT FEES

The interim Vice Chancellor for Finance & Administration reviewed a slide presentation explaining the details of the student fees proposal. A copy of this presentation is available in the Office of the Assistant Secretary.

Winston Crisp, Vice Chancellor for Student Affairs was called upon to discuss student fees for the 2014-15 academic year. UNC has spent the last four to five years attempting to keep fees low with analysis provided by student government regarding recommendations to increase or decrease specific fees in order to best serve our student population. Overall, our current fees are the lowest in the University's 17-campus system at 81% of the system average. Although our athletic and student activity fees are lower, the educational technology and student health fees are well above the system average. The initial recommendation to the Board of Governors from campus, agreed to by student government, was to raise our student health fee by \$7. The Board of Governors asked the Trustees to reconsider the request, concerned that our Student Health Fee was among the highest in the system and covered items which perhaps should not be considered items of student health. If these services were not covered by the existing student health fee, the fee for 2014-15 would be \$20 less per student than the current fee.

After some discussion, the initial proposal regarding student health fees was revised to remove certain services from this fee. The result is a Student Health Fee reduction of \$20 per student for this year and supplementing the budget by finding other ways to support all the services currently offered through the current Student Health fee. The committee discussed its concerns about leaving the fee as is versus the \$20 reduction. Mr. Brown presented the motion to approve the \$20 reduction in the fee, Mr. Grauer seconded, and the motion passed. Mr. Lambden and Ms. Shuping Russell voted against the motion in committee. During the Full Board meeting, the motion passed with Mr. Lambden voting against the motion.

(ATTACHMENT G)

Chair Lerner briefly reviewed the items presented to committee for information only. These included the following items:

- Carolina Research Venture Fund Update
- Quality Assurance Review
- Development Report
- Campus Services Overview

A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary, and at bot.unc.edu.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

There were no Action Items for this Committee in open session. Trustee Gardner, committee chair, presented the report from the University Affairs Committee that included brief remarks from the Executive Vice Chancellor and Provost, the Executive Vice Provost and Chief International Officer, the Faculty Chair, the Employee Forum Chair, and the Graduate and Professional Student Federation President.

Personnel and compensation actions presented during the committee's closed session will be reviewed during today's closed session. A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary, and at bot.unc.edu.

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

There were no Action Items for this Committee in open session. Trustee Curtis presented a review of the External Relations Committee meeting. Presenters included Connie Walker, General Manager of WUNC Radio, Joel Curran, Vice Chancellor for Communications and Public Affairs, and Jennifer Willis, Director of State Government Relations. The fundraising report was presented by David Routh, Vice Chancellor for Development. A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary, and at bot.unc.edu.

The action items regarding Honorary Degrees and recommendations from the Chancellor's Advisory Committee on Naming will be reviewed during the board's closed session.

REPORT FROM THE COMMITTEE ON INNOVATION AND IMPACT

There were no Action Items for this Committee in open session. Trustee Clay presented a review of the Innovation and Impact Committee. The committee heard an update from Trustee Sallie Shuping-Russell on the Carolina Research Venture Fund. Following that update the committee heard from three presenters: Judith Cone, Special Assistant to the Chancellor for Innovation and Entrepreneurship, Jim Kitchen, Entrepreneur and Kenan-Flagler Business School Lecturer in Entrepreneurship, and lastly, Bob Geolas, President and CEO at the Research Triangle Foundation. A copy of the PowerPoint presentations made during this committee meeting is available at bot.unc.edu and are also filed in the Office of the Assistant Secretary.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Shuping-Russell, 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 EXTERNAL RELATIONS COMMITTEE

Recommendations from the Chancellor's Naming Committee

Trustee Curtis presented the naming recommendations which were previously presented to the External Relations Committee and approved by the committee. A copy of the report is filed in the Office of the Assistant Secretary.

Board of Visitors Class of 2018 Nominations

Linda Douglas, Director of Community Relations, presented a list of nominees for the next class of Board of Visitors, along with an alternate list. A motion was made by Trustee Stone and seconded by Trustee Gardner; and the Board of Trustees approved the 41 names on the nomination list, adding one name from the alternate list. The Board of Trustees will divide the nominee list and make formal calls to invite each person to become a member of the Board of Visitors. The final list of acceptances will be presented for final approval at the May 2014 Board of Trustees meeting.

REPORT OF THE FINANCE AND INFRASTRUCTURE COMMITTEE

Trustee Lerner presented the info by the Labor Licensing Committee regarding products manufactured in Bangladesh, given to the committee by Vice Chancellor Felicia Washington.

LEGAL ADVICE

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

DEEP CLOSED SESSION

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

RECONVENE MEETING IN OPEN SESSION

Chair Caudill reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Committee Chair Alston Gardner referred the members to the personnel matters submitted for review. A motion to approve the actions came from Trustee Lerner and was seconded by Trustee Lambden, and passed.

(ATTACHMENT H)

Chair Caudill stated that the personnel and salary actions voted on in open session have been distributed.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 2:30 p.m.

Sallie Shuping-Russell, Board of Trustees Secretary