

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
January 26, 2017

The Board of Trustees met in regular session on Thursday, January 26, 2017 at The Carolina Inn, Chancellor's Ballroom. Chair Stone convened the meeting at 8:00 a.m.

ROLL CALL

Secretary Duckett called the roll and the following members were present:

Dwight D. Stone, Chair	Kelly Matthews Hopkins
Haywood D. Cochrane, Vice Chair	William A. Keyes IV
Charles G. Duckett, Secretary	Allie Ray McCullen
Jefferson W. Brown	William E. McMahan
W. Lowry Caudill, Past Chair	Hari H. Nath
Donald Williams Curtis	Bradley C. Opere
Julia Sprunt Grumbles	

ELECTION OF ASSISTANT SECRETARY

Chair Stone called for a motion to approve Clayton Somers as Assistant Secretary to the Board. Vice Chair Cochrane made the motion; it was seconded by Trustee Grumbles and passed.

STATE GOVERNMENT ETHICS ACT

Chair Stone read the following statement:

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 Vice Chair Cochrane and a second by Trustee Keyes, the minutes of the meeting of November 17, 2016 were approved as distributed; as was the ratification of the following mail ballots dated:

- December 19th – Personnel actions, actions conferring tenure, and compensation actions
- December 22nd – Appointment of Clayton Somers as Vice Chancellor for Public Affairs and Secretary of the University

(ATTACHMENTS A-B)

CHAIR'S REMARKS

- Chair Stone began his remarks by thanking those in the audience for attending and referencing today's presentation coming up later in the meeting.
- The Chair officially welcomed Clayton Somers to his first meeting as Vice Chancellor for Public Affairs and Secretary of the University.
 - Chair Stone elaborated on how important Clayton's role will be going forward with public policy discussions taking place.
- Chair Stone then recognized Dwayne Pinkney, Senior Associate Vice Chancellor for Finance and Administration for all the work he has done to support the Board of Trustees as the previous part-time Secretary of the University.
- The Chair reiterated the importance of the board's relationships with the Board of Governors and state government as President Spellings and her team begins the work of presenting the UNC System's budget priorities to the NC General Assembly and the governor.
- The Chair shared remarks on the significance of Coach Roy Williams' 800th career win last week at the men's basketball game with Syracuse.
- The Chair reiterated the goals for the year:
 - Support Chancellor Folt and her senior leaders, as they formulate and implement a new strategic framework for the University.
 - Tell our story. Carolina improves the lives of people across North Carolina, our nation, and our world.
 - Accelerate, measure, and communicate the growth and economic impact of our innovation and entrepreneurship initiatives.
 - Help Carolina become more efficient and effective in key operational areas, particularly Finance, Administration, Teaching and Research.

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

Chair Stone called upon Student Body President Bradley Opere to provide remarks.

STUDENT BODY PRESIDENT'S REMARKS

- Student Body President Bradley Opere shared recent news from student government.
 - Trustee Opere welcomed everyone back to campus for the start of the Spring semester
 - Trustee Opere commended everyone involved in the move in process
 - Trustee Opere reiterated his and his leadership's dedication to student governance. He will continue working with Vice Chancellor Winston Crisp and GPSF to reach a resolution
 - Trustee Opere mentioned the new deans, directors and vice chancellor that recently started work
 - Trustee Opere ended by sharing his excitement for the Chancellor's strategic framework

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

CHANCELLOR'S REMARKS

- Chancellor Folt began her remarks by thanking Chair Stone and the Board for their continued guidance, as well as Trustee Opere for his comments.
- The Chancellor echoed Chair Stone's welcome of Clayton Somers as well as thanking Dwayne Pinkney.
- Chancellor Folt shared remarks about the opportunity to present the University's strategic framework during the University Affairs Committee meeting
- The Chancellor remarked on the momentous \$25M gift received by the Ackland Art Museum yesterday. She acknowledged Drs. Sheldon and Leena Peck for their gift.
- Chancellor Folt then introduced some new leadership:
 - Nilda Peragallo Montano, Dean of the School of Nursing
 - Scott De Rossi, Dean of the School of Dentistry
 - Gary Bowen, Dean of the School of Social Work
- Chancellor Folt then acknowledged the passing of Dr. Oliver Smithies, UNC's first Nobel laureate.
- The Chancellor shared that Benjamin Kompa ('17) was named a Churchill Scholar today. Benjamin is a double major in math and computational science with a biology minor. He makes this Carolina's third consecutive recipient since 2014.
- Chancellor Folt shared information on December Commencement. There were 907 undergraduates, 886 masters, 49 professional, and 324 doctoral students.
 - She discussed Dr. Raj Panjabi ('02, '07) who received the 2017 TED Prize. Dr. Panjabi is CEO of Last Mile Health
- Chancellor Folt announced that Brooke Baldwin ('01) will be the Spring Commencement speaker. Brooke is an anchor on CNN.
- The Chancellor also announced that for the 12th consecutive year the university received a record number of applications. Over 40,000 were received for Fall 2017.
- Chancellor Folt shared some highlights from around campus:
 - The Gillings School of Global Public Health received a \$19M contract to continue 30-year work on hardening of arteries research
 - The DOT gave the Highway Safety Center \$15M over 5 years to build on over 50 years of safety work
 - UNC Marine Sciences is working on predictions of harmful algal blooms
 - The Arts Everywhere initiative continues including *Playmakers' Mobile Shakespeare* program
 - UNC became a founding member of the American Talent Initiative (ATI) that is building access and affordability in higher education
- Chancellor Folt ended her remarks by introducing the presentation.

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

CHANCELLOR SCIENCE SCHOLARS

Chancellor Folt introduced Dr. Mike Crimmins, Executive Director of the Chancellor's Science Scholars (CSS) program and Mary Ann Smith Distinguished Professor of Chemistry. The CSS program began as a partnership in 2011 with UMBC's Meyerhoff Scholars program and the Howard Hughes Medical Institute. The purpose of these relationships are to diversify and provide access to jobs in the fields of STEM. The program also works to bring awareness to issues of diversity in STEM fields.

These students receive a \$10,000 per year merit scholarship. The program begins with a 5-6 week summer EXCEerator where students take classes, and receive advising, mentoring, and counseling. Dr. Crimmins shared some statistics on the program before introducing three students: Sierra Atwater (UNC '17), Kristen Gardner (UNC '19), and Carlos Perez-Heydrich

(UNC '19). The students shared their experiences with the program and entertained questions from the board.

This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.

REPORT FROM THE COMMERCIALIZATION & ECONOMIC DEVELOPMENT COMMITTEE

Trustee Grumbles presented a review of the Commercialization and Economic Development Committee meeting. There were no action items for this committee in open session. The following items were presented to the committee for information:

- Review of the 2010 Innovation Roadmap final progress report given by Judith Cone, Vice Chancellor for Innovation, Entrepreneurship, and Economic Development (ATTACHMENT C)
- Innovation Roadmap 2.0 given by Vice Chancellor Judith Cone
- NCGrowth given by Mark Little, Director

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

Trustee Hopkins presented a review of the External Relations Committee meeting. There were no action items for this committee in open session. Trustee Hopkins then shared the items presented for information:

- Development report given by David Routh, Vice Chancellor for University Development
- Communications update given by Joel Curran, Vice Chancellor for Communications
- Office of Public Affairs overview given by Clayton Somers, Vice Chancellor for Public Affairs and Secretary of the University

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

REPORT OF THE FINANCE, INFRASTRUCTURE & AUDIT COMMITTEE

Vice Chair Cochrane presented the report from the Finance, Infrastructure and Audit Committee. The following items were presented to the committee for action:

Site Approval – Field Hockey Stadium

This project will redevelop the existing Ehringhaus Field as a new facility and field for Women's Field Hockey and shared use by Campus Recreation. The project budget is \$14,186,500 and will be funded by the Educational Foundation. The Chancellor's Buildings and Grounds Committee approved the site at its January 5, 2017 meeting.

(ATTACHMENT D)

Demolition Approval

1. Frances E. Henry Stadium

The demolition of the existing Frances E. Henry Stadium is necessary to construct new outdoor fields included in the development of the new Fetzer Soccer/Lacrosse Facility and Indoor Practice facilities. The demolition project budget is \$230K and will be funded by The Educational Foundation.

(ATTACHMENT E)

Construction Manager at Risk Approval

1. Kenan Labs – Renovations to Labs, Fire Sprinkler, and HVAC System

This project will renovate approximately 23,000 square feet of laboratory and office space on the 7th and 8th floors. Additional infrastructure upgrades include new restroom facilities on floors 4-8, installation of three new rooftop air handling units to serve floors 5-9 and installation of a new fire sprinkler system for the basement and floors 3-9 to meet current fire protection requirements. The project budget is \$15,850,000.

This project was advertised on November 21, 2016. Six (6) proposals were received. Four (4) firms were interviewed on January 17, 2017. 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. | Bordeaux Construction | Raleigh, NC |
| 2. | LeChase Construction | Durham, NC |
| 3. | Barnhill Construction | Raleigh, NC |

The firms were selected for their past performance on similar projects, strength of their consultant team and experience with campus projects.

(ATTACHMENT F)

2. UNC Medical Education Building

This project will construct a new 135,000 square foot medical education building to support increased enrollment for the School of Medicine. The building will house flexible learning classrooms, clinical skills and simulation rooms, microbiology labs, an anatomy lab, and office space. The project budget is \$90,000,000 with funding from the Connect NC Bond (\$68,000,000) and the balance provided by School of Medicine gifts.

This project was advertised on November 1, 2016. Nine (9) proposals were received. Four (4) firms were interviewed on January 18, 2017. Two members of the Board of Trustees participated in the interviews. The committee recommended the selection of the three firms in the following priority order:

1. Brasfield & Gorrie / Metcon Raleigh, NC
2. Skanska /Holt Brothers Raleigh, NC
3. Dunn /Leeper /LeChase Raleigh, NC

The firms were selected for their past performance on similar projects, strength of their consultant team and experience with campus projects.

(ATTACHMENT G)

Property Disposition by Deed

1. Wastewater Research Building at OWASA Treatment Plant

This request is for approval to transfer by deed an existing wastewater research building and the underlying land to the Orange Water and Sewer Authority (OWASA). The property is located within the existing OWASA treatment plant on Old Mason Farm Road and is landlocked by the OWASA owned plant property. Currently it is accessible through an existing access easement. The property consists of a 0.52 acre parcel with a 6,293 SF brick and corrugated metal building in very poor condition. The building was constructed in 1969 and used for UNC-Chapel Hill research purposes until approximately 2004 at which time it was abandoned for research and used for legacy equipment storage. The current estimated deferred maintenance on the facility is approximately \$300,000. Due to the location and access restrictions to the property, it is not marketable and thus has virtually no fair market value. Once transferred, OWASA plans to demolish the building and use the site for treatment plant expansion.

(ATTACHMENT H)

A motion came from committee to approve the action items; Trustee Grumbles seconded and all passed.

Vice Chair Cochrane continued and shared the items for information only:

- UNC-CH/Town of Chapel Hill joint use project given by Gordon Merklein, Associate Vice Chancellor for University Real Estate Operations
- Internal Audit report given by Phyllis Petree, Chief Audit Officer (ATTACHMENT I)
- Development report given by David Routh, Vice Chancellor for University Development
- Year-end financial summary and review of CAFR given by Matt Fajack, Vice Chancellor for Finance and Administration
- Startup funding and the Carolina Angel Network given by Vice Chancellor Judith Cone and Randy Myer, Managing Director of the Carolina Angel Network

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Secretary Duckett presented the report from the University Affairs Committee. The following item was presented to the committee for action:

- Centers and Institutes update (ATTACHMENT J)

A motion came from committee to approve the centers and institute actions. Trustee Keyes seconded, and it passed.

Secretary Duckett continued and shared the items presented to the committee for information:

- Faculty recognition of Jodi Magness, Kenan Distinguished Professor for Teaching Excellence in Early Judaism
- Campus introductions of Rachele Feldman, Associate Provost for Scholarships and Student Aid, and Gloria Thomas, Director of the Carolina Women's Center
- Student Affairs update given by Winston Crisp, Vice Chancellor for Student Affairs
- Chancellor's update on the University strategic framework

A full review of the committee meeting are in the committee minutes in the Office of the Assistant Secretary.

Secretary Duckett then shared the following remarks on the Chancellor's strategic framework:

Many of you were in the room yesterday for a presentation to our committee by Chancellor Folt about "The Blueprint for Next," which is the draft strategic framework for our University. Developing a viable strategic framework is important for our University as we consider the critical need for thoughtful and thorough planning at the broad, campus-wide level. A strategic framework provides this board and the chancellor's senior leadership team with the opportunity to maximize the resources we have to achieve the best possible results for our students, the campus community, and the people of North Carolina.

Supporting Chancellor Folt and her strategy for moving our University forward already is one of this Board of Trustees' key goals for this year. What our committee heard yesterday will provide an excellent start to that process beyond the core commitments that are so important to Carolina.

The draft strategic framework identifies key goals and major priorities for the University. It articulates standards that we plan to use over the next several years to guide decisions about our academic programs and how to prudently invest the University's resources. We understand this framework does not immediately pinpoint a comprehensive list of future University priorities, yet does provide flexibility through which we can have those future conversations in a very intentional way.

Our committee is pleased that the chancellor's plan identified priority initiatives to launch immediately, as well as long-term plans to carefully consider over time as the University's needs and resources change. This inclusive process is indicative of the leadership we have seen throughout Chancellor Folt's tenure. She embraces tough assignments and finds effective ways to bring our campus together to create and present a vision for Carolina that reflects both our rich history and promising future as one of the world's truly great public research universities. The framework provides a very compelling path for Carolina's future that will help us make the best decisions and to create measurable objectives, including a disciplined evaluation process.

Thank you, Chancellor Folt, for guiding these discussions and involving key campus leaders, faculty, staff and students throughout this process. Lowry, we thank you for your vision to make this process take place. Dwight, our committee also commends you for your role in championing this board's strong interest in bold strategic planning and in working so productively with our chancellor.

Finally, the University Affairs Committee recommends the following action:

The UNC-Chapel Hill Board of Trustees fully and enthusiastically endorses "The Blueprint for Next: Draft University Strategic Framework" and have asked Chancellor Folt to provide regular updates at 2017 and 2018 Board of Trustees meetings. Chair Stone acknowledged the motion from Secretary Duckett. Trustee Brown seconded, and the motion unanimously passed.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Duckett, and seconded by Vice Chair Cochrane, 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).

RECONVENE MEETING IN OPEN SESSION

Chair Stone made a motion to reconvene the meeting in open session; it was seconded and passed.

OPEN SESSION

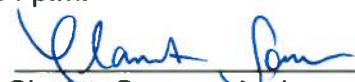
REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Secretary Duckett referred the members to the personnel matters submitted for review. A motion came from committee to approve; Vice Chair Cochrane seconded, and it passed. Chair Stone stated that the personnel and salary actions voted on in open session had been distributed.

(ATTACHMENT K)

ADJOURNMENT

There being no further business to come before the Board, Chair Stone called for a motion to adjourn. The motion was duly seconded and passed. Chair Stone adjourned the meeting at 12:54 p.m.



Clayton Somers, Assistant Secretary