

**BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
July 23, 2015**

The Board of Trustees met in regular session on Thursday, July 23, 2015 at Carolina Inn, Hill Ballroom. Chair Caudill convened the meeting at 8:00 a.m.

OATH OF OFFICE

Willis Whichard, Former Associate Justice of the North Carolina Supreme Court, administered the oath of office for our newly appointed and reappointed Trustees:

W. Lowry Caudill
Julia Sprunt Grumbles
William A. Keyes IV
Allie Ray McCullen
William E. McMahan
Hari H. Nath

ROLL CALL

Assistant Secretary Dwayne Pinkney called the roll and the following members were present:

Dwight D. Stone	Julia Sprunt Grumbles
Haywood D. Cochrane	Kelly Matthews Hopkins
Charles G. Duckett	William A. Keyes IV
Jefferson W. Brown	Allie Ray McCullen
W. Lowry Caudill	William E. McMahan
Donald Williams Curtis	Hari H. Nath
	Houston L. Summers

ELECTION OF OFFICERS

At the May 2015 meeting the following slate of officers were presented to the Board for action at the July meeting:

Dwight D. Stone, Chair
Haywood D. Cochrane, Vice Chair
Charles G. Duckett, Secretary
Dwayne L. Pinkney, Assistant Secretary

A motion was made by Trustee Brown to approve these officers; it was seconded by Trustee Curtis, and passed. Following the vote, the gavel was passed from Trustee Caudill to newly appointed Chair Stone.

Chair Stone called upon Secretary Duckett to read a resolution of appreciation for Trustee Caudill.

**RESOLUTION OF APPRECIATION
W. LOWRY CAUDILL
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
July 23, 2015**

WHEREAS, Lowry Caudill has served as Chair of the Board of Trustees from July 1, 2013 through June 30, 2015, providing strong leadership, focused management, and exceptional counsel to all during that period; and,

WHEREAS, Lowry Caudill led the University's transition from Chancellor Holden Thorp to Chancellor Carol Folt, and helped the University and Board navigate a period of complex institutional challenges; and,

WHEREAS, Lowry Caudill articulated clear goals for the Board at the outset of his tenure and successfully accomplished them; these objectives were to strengthen the University's relationships with external constituencies, guide a sustainable approach to Enterprise Risk Management, build on and communicate innovation and entrepreneurship activities, and above all, ensure a smooth and effective transition for Chancellor Folt and the new members of her senior leadership team; and,

WHEREAS, Lowry Caudill, through his interest in innovation and research support helped lay the foundation for Carolina's reaching the highest echelons of research institutions nationwide, which occurred during his tenure as Chair; and

WHEREAS, Lowry Caudill determined that this Board of Trustees would take on the complex, controversial topic of race and place at Carolina, guiding the Board to seek a comprehensive approach; and,

WHEREAS, Lowry Caudill accomplished these efforts with humility, steadfastness, and teamwork;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill deeply thanks Chair Lowry Caudill and expresses its great appreciation for his vision, leadership and devoted service to this Board, the University, and the state of North Carolina.

A motion was made by Chair Stone to adopt the resolution; it was duly seconded and passed.

Chair Stone 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 Chair Stone and duly seconded, the minutes of the meeting of May 28, 2015 were approved as distributed; as were the ratifications of the following mail ballots dated:

- June 5th - Approval to appoint Martin Brinkley as Dean of the UNC School of Law
- June 9th - Employment agreements for Coaches Jenny Levy, Brian Kalbas, and Harlis Meaders and a further amendment to the agreement with Coach Roy Williams
- June 23rd - Personnel actions, actions conferring tenure, and compensation actions.

(ATTACHMENT A)

CHAIR'S REMARKS

- Chair Stone began his remarks by welcoming the new trustees: Houston Summers, Ed McMahan, Bill Keyes, Julia Sprunt Grumbles, Hari Nath and Allie Ray McCullen.
- Welcomed Ann Maxwell who will be the new Board of Governors liaison.
- Remarked that he is honored and humbled to be elected as Chair of the Board. He believes that we have the best faculty, staff, students and leaders here at Carolina who will help move the University forward.
- Thanked Trustee Caudill for his service as Chair for the past two years. He led the University through challenging times with skill and dignity. Chair Stone read a quote from Abraham Lincoln, "The best leaders never stop learning. They possess a special capacity to be taught by those they come in contact with. In essence this ongoing accumulation of knowledge helps to prepare the organization for change". He believes Trustee Caudill did this every day in leading our past Board.
- Chair Stone presented the four goals for the year:
 - Support Chancellor Folt and her senior leaders as they formulate and implement a new strategic plan for UNC
 - 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
- Stated that this will be a working Board. This Board will build relationships, foster and nurture them, and work to make them grow. That work will be implemented with all whom this Board comes in contact with, especially the citizens of the State of North Carolina.
- Chair Stone continued saying that the Board will work with all to make the University better, more efficient, and more productive. They will also work with the BOG and the Legislature to realize that they are key constituency groups with whom the University needs clear communication about our mission.
- Chair Stone said that he expects this Board to be adaptable to the challenges affecting Universities and academic institutions across the country.
- In closing, Chair Stone challenged the Board to deal with all issues before them with strong conviction and integrity.

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

STUDENT BODY PRESIDENT'S REMARKS

- Student Body President Houston Summers began his remarks by saying how thankful he is to serve UNC as Student Body President.

- Thanked the Trustees for their hard work over the last several months, and welcomed the new Trustees to the Board.
- Discussed some things already being planned for the school year including:
 - Alcohol awareness events
 - Philanthropic opportunities
 - And other important discussions regarding race and place
- Trustee Summers closed by saying he looks forward to students returning to campus and the work they will accomplish this year. He will provide a more detailed update at the September meeting.

[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 welcoming the new members of the Board, and expressing excitement to work with them in the coming years.
- Chancellor Folt stated how important the summer is for those working at the University. This is a time for administrators to plan and prepare new ideas for the coming year.
- Thanked Trustee Caudill for his steadfast leadership over the last two years as chair. She also indicated that she is excited to work with Chair Stone.
- Remarked on a strategic planning announcement to take place on University Day, October 12, 2015.
- Yesterday, the Board heard from two important groups – the Ethics and Integrity and Policy and Procedure Audit Working Groups. These two groups reinforce the University's commitment to transparency, efficiency, and integrity.
- Chancellor Folt then introduced the new Dean of the UNC School of Law Martin Brinkley.
- Acknowledged the passing of former Chancellor William Aycock.
- Chancellor Folt then spoke on the Charleston shootings and how these tragedies bring communities together. She also spoke on the families of Deah, Yusor and Rasan.
- Remarked there will be discussions all year around race and place at UNC, as well as on education curation.
- Mentioned some other accomplishments that have taken place this summer:
 - UNC-Chapel Hill launched a new Coastal Resilience Center of Excellence (CRC) that was made possible through a 5-year, \$20M grant from the Department of Homeland Security (DHS) Science and Technology Directorate.
 - This initiative will include collaboration with more than a dozen partner universities.
 - Received results Lineberger five-year NCI review.
 - They received the descriptor of "Exceptional to Outstanding".
 - Yesterday, we heard that this year was the best in University history for fundraising. There will be more to come with that in the near future.
 - This year was the 10th consecutive record year for applications at just under 32,000 received.
 - Chancellor Folt stated that she looks forward to working with Student Body President Houston Summers' cabinet.
 - There were 4,082 student enrolled from 97 counties in North Carolina, 45 states, and 20 countries.
 - Chancellor Folt thanked Steve Farmer and Shirley Ort for their outstanding work in Admissions and Scholarships and Student Aid, respectively.
- Chancellor Folt announced that she will be attending a rare and historic physics conference, coordinated by UNC Professor Laura Mersini-Houghton, next month.
- During this conference, she will be introducing Stephen Hawking who will be giving a public lecture on black holes.
- Mentioned that we are on track to meet the NCAA's deadline for the Notice of Allegations on August 18th.
- Recently, Chancellor Folt and Provost Dean visited with Belle Wheelan to discuss the SACSCOC letter and to reiterate our full cooperation in providing any information the commission needs during its review. She then emphasized the commitment to doing whatever it takes to get this right.
- Chancellor Folt ended by introducing the presenters.

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

NC TRACS INSTITUTE

Chancellor Carol Folt introduced John Buse, Director and Co-Principal Investigator of the North Carolina Translational and Clinical Sciences Institute (NC TraCS). NC TraCS was formed to house the UNC Clinical and Translational Science Award (CTSA) funded by the NIH in 2008 and renewed in 2013. The NIH's current five-year award is nearly \$55M; matched 1:1 by

institutional resources. There are approximately 300 faculty and staff who are in some way supported by NC TraCS. In 2013, NC TraCS became partners with RTI International and NC A&T University. NC TraCS also has strong collaborations with Duke University, NC State University, the State of North Carolina and the CTSA Consortium. Dr. Buse then introduced Angela B. Smith, MD, MS who is a KL2 Scholar through NC TraCS to speak on how NC TraCS has helped to advance her career. Dr. Smith's research focuses on patient-centered outcomes, risk stratification, and quality of care for invasive bladder cancer. Following their presentation, Dr. Buse and Dr. Smith entertained questions from the Board. This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.

CAROLINA HEALTH INFORMATICS PROGRAM

Chancellor Folt introduced Javed Mostafa, Director of the Carolina Health Informatics Program (CHIP). CHIP is an interdisciplinary research and training program that fulfills Carolina's commitment to improving human health through health informatics research, data sharing, development and education. There are currently eight academic units on campus collaborating to support and run CHIP including the Schools of Nursing, Dentistry, Medicine, Information and Library Science; the Eshelman School of Pharmacy; Gillings School of Global Public Health; the Health Sciences Library; and Department of Computer Science. Dr. Mostafa gave a timeline on the progress of CHIP since its inception in 2009. Since then they have begun offering graduate certificates in clinical, nursing, and public health informatics as well as a Masters in Professional Science (MPS) in Biomedical and Health Informatics that was launched in fall of 2014. Dr. Mostafa indicated that there are plans for a PhD in Health Informatics for launch in 2016. He then introduced Dr. Arlene Chung, Dr. Stacie Dusetzina, and Dr. Tim Carney who all discussed how CHIP has helped them to advance their research. The Board also heard from three students: Andrew Novokhatny, Vincent Carrasco, and Fei Yu who are currently enrolled in Carolina Health Informatics programs. Following the presentation, the presenters 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 OF THE EXTERNAL RELATIONS COMMITTEE

Trustee Hopkins presented a review of the External Relations Committee meeting. There was one action item for this Committee in open session. The committee approved Mr. Sandy Cockrell as Vice Chair of the Board of Visitors for the 2015-2016 year. A motion was made from committee to approve; it was seconded by Vice Chair Cochrane and passed.

The committee heard the annual Board of Visitors update given by Shelyane Sutton, Membership Involvement Committee Chair. A communications update was given by Joel Curran, Vice Chancellor for Communications and Public Affairs, and the development report was given by David Routh, Vice Chancellor for University Development (ATTACHMENT B). 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 FINANCE & INFRASTRUCTURE COMMITTEE

Vice Chair Cochrane presented the report from the Finance and Infrastructure Committee. The following items were approved as part of the consent agenda:

- Approval of Allocations from the Endowment's Distribution for the Investment Fund:
 - Annually the Chapel Hill Investment Fund authorizes a distribution to its participating investors, including the Endowment Fund. Attachment A is a table showing the proposed June 30, 2015 transfer of that distribution from the Endowment to the University, by category, for expenditure during the 2015-2016 fiscal year as well as a page of explanatory notes. Regulations adopted by the Board of Governors require that the Trustees approve any transfer of Endowment principal or income to the useful possession of the institution. The Board of Trustees of the Endowment Fund approved, by mail ballot, the proposed June 30, 2015 transfer for University expenditure during the 2015-2016 fiscal year.

(ATTACHMENT C)

- Annual Audit Certification Letter Process:
 - Phyllis Petree, Director of Internal Audit, presented the Annual Audit Certification Letter to the committee for approval and signature. The letter is required by General Administration to certify that the Committee met its responsibilities such as:
 - Reviewing audit reports issued by the Office of the State Auditor and corrective action plans for any findings in these reports;
 - At least quarterly, meeting and receiving a report from the Director of Internal Audit;
 - Reviewing and approving the annual internal audit plan and a comparison of planned to completed audits; and

- Reviewing all audits and management letters of University Associated Entities.

(ATTACHMENT D)

- Designer Selections:

- Joan H. Gillings Auditorium

This project will improve the overall quality of the space, add advanced technology and install fixed seats in an existing 270 seat auditorium in Rosenau Hall. The project budget is \$2,400,000 and will be funded by University funds.

This project was advertised on April 30, 2015. Fifteen letters of interest were received. Five firms were interviewed on June 16, 2015. 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. BHDP Architecture Raleigh, NC
2. Vines Architecture Raleigh, NC
3. Little Diversified Durham, NC

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

(ATTACHMENT E)

- Carolina Performing Arts at Carolina Square

This project will provide new performance and rehearsal space of approximately 8,400 square foot of leased space for the Carolina Performing Arts at the 123 West Franklin Street mixed use development. The project budget is \$4,000,000 and will be funded by University funds.

This project was advertised on May 27, 2015. Twelve letters of interest were received. Five firms were interviewed on July 10, 2015. 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. Lord Aeck Sargent Chapel Hill, NC
2. Flad Architects Raleigh, NC
3. RND Architects Durham, NC

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

(ATTACHMENT F)

- McGavran Greenberg DLAM Facility Improvements

This project will replace the existing bulk autoclave and install new isolation cubicles for the Division of Laboratory Animal Medicine in the McGavran-Greenberg Building. The project budget is \$1,949,968 and will be funded by a NIH grant and University funds.

This project was advertised on May 26, 2015. Three proposals were received. Three firms were interviewed on July 7, 2015. 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. Wagner Architecture New Hill, NC
2. BHDP Raleigh, NC
3. CRB Cary, NC

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

(ATTACHMENT G)

- Hooker Field Improvements

This project will replace the existing synthetic turf field and lights with new synthetic turf and high-efficiency lighting system. The field will be reconfigured to provide regulation-size playing fields and to provide improved playing area for the Campus Recreation program. The Project budget is \$1,991,000 with funding from UNC Campus Recreation through student fees.

This project was advertised on June 15, 2015. Seven proposals were received. Three firms were interviewed on July 15, 2015. 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. The John R. McAdams Co. Durham, NC
2. CHA Sports Raleigh, NC
3. ColeJenest & Stone, P.A. Raleigh, NC

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

A motion was made from committee to approve the consent agenda items, it was seconded by Trustee McMahan and passed unanimously.

Vice Chair Cochrane briefly reviewed the other items presented to committee for information only:

- Update on Facilities (Saunders Hall and Silent Sam) and Campus Monuments given by Bruce Runberg, Associate Vice Chancellor for Facilities Services
- Semi-Annual Capital Report given by Bruce Runberg (ATTACHMENT I)
- Semi-Annual Lease Report given by Gordon Merklein, Executive Director for Real Estate Development (ATTACHMENT J)
- Development Report given by David Routh, Vice Chancellor for University Development (see attachment B in the External Relations report)
- Financial Update given by Matt Fajack, Vice Chancellor for Finance and Administration (ATTACHMENT K)
- Century Bonds Presentation given by Brian Smith, Assistant Vice Chancellor for Finance and Accounting; and Matt Fajack, Vice Chancellor for Finance and Administration (ATTACHMENT L)

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 FROM THE COMMERCIALIZATION & ECONOMIC DEVELOPMENT COMMITTEE

Trustee Caudill presented the report from the first meeting of the Commercialization and Economic Development Committee. There were no action items for this committee in open session. Trustee Caudill shared that the committee noted that earlier in June, Carolina received the 2015 Entrepreneurial University Award for excellence in student engagement and curriculum innovation from the Deshpande Foundation in Boston. In addition, Judith Cone, Interim Vice Chancellor for Commercialization and Economic Development and Special Assistant to the Chancellor for Innovation and Entrepreneurship received the Outstanding Contributions to Entrepreneurship and Innovation in Higher Education Award. The committee then heard presentations from Ms. Cone on the state on Innovation and Entrepreneurship (ATTACHMENTS M-N), and Commercialization and Economic Development; and a report on the state of Research at Carolina given by Vice Chancellor for Research Barbara Entwisle.

Trustee Caudill went on to give the three goals adopted by the committee for the year:

1. Assist Judith Cone in the build out of the Commercialization and Economic Development unit
2. Assist with the design of the new roadmap for Innovation, Entrepreneurship, Commercialization and Economic Development
3. Tell our story and build linkages to key constituencies
(ATTACHMENTS O-Q)

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

Secretary Duckett presented the report from the University Affairs Committee. There were no action items for this committee in open session. Secretary Duckett continued to present the items provided for information:

- Faculty Update given by Bruce Cairns, Chair of the Faculty
- Admissions Update given by Steve Farmer, Vice Provost for Enrollment and Undergraduate Admissions
- Campus Update given by Winston Crisp, Vice Chancellor for Student Affairs
- Updates from the Ethics and Integrity and Policy and Procedure Audit Working Groups given by Jean Elia, Associate Provost for Strategy and Special Projects; Norma Houston, Coates Distinguished Term Professor at the UNC School of Government; and Todd Nicolet, Associate Dean for Operations at the UNC School of Government
- Recognition of Judith Cone on her recent award
- Overview of Academics at Carolina given by Jim Dean, Executive Vice Chancellor and Provost

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.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Duckett, 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).

RECONVENE MEETING IN OPEN SESSION

Chair Stone reconvened the meeting in open session.

OPEN SESSION

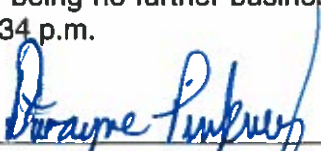
REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

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

(ATTACHMENT R)

ADJOURNMENT

There being no further business to come before the Board, Chair Stone adjourned the meeting at 12:34 p.m.



Dwayne Pinkney, Assistant Secretary