

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
November 16, 2017

The Board of Trustees met in regular session on Thursday, November 16, 2017 at The Carolina Inn, Chancellor's Ballroom. Chair Cochrane convened the meeting at 8:04 a.m.

ROLL CALL

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

Haywood D. Cochrane, Chair	Allie Ray McCullen
Charles G. Duckett, Vice Chair	W. Edwin McMahan
William A. Keyes IV, Secretary	Hari H. Nath
W. Lowry Caudill, Past Chair	Dwight D. Stone
Jefferson W. Brown	Richard Y. Stevens
Julia Sprunt Grumbles	Elizabeth M. Adkins
Kelly Matthews Hopkins	

STATE GOVERNMENT ETHICS ACT

Chair Cochrane 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 Trustee Grumbles and a second by Trustee Secretary Keyes, the minutes of the meeting of September 28, 2017 were approved as distributed; as was the ratification of the following mail ballots dated:

- November 1 – Contract for Bubba Cunningham
- November 9 – personnel actions, actions conferring tenure, and compensation actions (ATTACHMENTS A-B)

CHAIR'S REMARKS

- Chair Cochrane thanked those in the audience for attending. He also thanked the chairs for their continued work.
 - Chair Cochrane continued to say that he is pleased with the changes to committee meetings.
- The Chair shared that the board would hear a presentation on emerging technologies in media and education.
- Chair Cochrane focused on two recent events:
 - UNC System BOT Workshop that included almost 200 trustees from all 17 institutions.
 - The event was hosted here in Chapel Hill.
 - UNC System Veterans Summit
- The Chair then shared remarks about the William Richardson Davie Dinner that was held on Tuesday night. The board honored the following recipients:
 - Alston Gardner, of Chapel Hill, who made his name in the tech business industry and has been involved with Carolina in so many ways, including through service as vice chair and a two-term member of this Board of Trustees. He also has been a member of the Chancellor's Innovation Circle, the Kenan-Flagler Business School Board of Visitors, and chaired the University's Global Advisory Board that helped lead the effort to build the FedEx Global Education Center.
 - Sheldon Peck, of Boston, retired professor of developmental biology at Harvard University's School of Dental Medicine who joined his wife, Leena, to support the Ackland Art Museum with its largest ever gift of \$25 million, including 134 original Dutch and Flemish drawings among which were seven Rembrandts.
 - Sallie Shuping-Russell, of Chapel Hill, senior advisor with BlackRock's Private Equity Partners group, whose devotion to Carolina has included serving as secretary and a two-term member of the Board of Trustees. She now chairs the board guiding the Carolina Research Ventures Fund, which drives investments that commercialize or develop technology and inventions of our faculty and staff.
 - John Townsend, of Greenwich, Connecticut, now retired as senior adviser with Tiger Management Corp. after 30-plus years in investment management and banking. His leadership roles at Carolina have included serving on this Board of

Trustees and now co-chairing the “For All Kind: the Campaign for Carolina,” to which he and his wife, Maree, committed \$50 million to benefit multiple campus causes.

- Chair Cochran thanked Trustees Caudill, Duckett, Grumbles, and Stone for their help presenting the awards.
- The Chair then shared information about the recent Campaign launch in Chapel Hill.
 - Congratulated Chancellor Folt, her leadership team, and Vice Chancellor David Routh and his staff on a remarkable weekend.
- Chair Cochran then recapped the open forum session from Wednesday morning regarding Silent Sam.
- Chair Cochran concluded his remarks and introduced Trustee Elizabeth Adkins to provide remarks.

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

STUDENT BODY PRESIDENT’S REMARKS

- Trustee Adkins began by thanking the board for their continued support.
- Introduced members of her cabinet and the Graduate and Professional Student Federation (GPSF).
- Trustee Adkins shared updates on recent events and initiatives:
 - Municipal election “get out the vote”
 - Textbook pledges for professors
 - Campus free speech policy
 - Closing out Red Zone
 - Chiron Lecture
 - Joint statements on DACA
 - New student constitution
- Trustee Adkins then shared remarks on behalf of GPSF President Madelyn Percy.
 - Graduate and professional students across the campus are mobilizing to urge Congress to protect higher education by removing the repeal of Section 117d in the House version of the Tax Cuts and Jobs Act, and by removing the excise tax on private endowments in the Senate version of the bill.
 - The GPSF presented on the split from the Undergraduate Student Government to the Graduate Education Advisory Board.
 - Graduate students from across the University are working on a document that collects University policies from across the campus so that graduate and professional students better understand what their obligations are to the University, and in turn, what protections are offered by the University.

[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 Cochran and acknowledging the passing of Trustee Stone’s mother.
- The Chancellor then thanked Trustee Elizabeth Adkins for her remarks and for her inclusion of the graduate student perspective.
- Chancellor Folt thanked the entire board for their listening session yesterday about the Confederate Monument.
- The Chancellor shared that she recently visited an undergraduate seminar history class taught by Jim Leloudis. This class is focusing on slavery and the university.
- Chancellor Folt discussed the recent misinformation and the role of the campus police in regards to community safety.
- Chancellor Folt then welcomed Amy Hertel as her new Chief of Staff.
- The Chancellor thanked SACSCOC President Wheelan for her clarifying remarks in regards to recent media stories.
- Chancellor Folt shared information on the recent campaign launches in Chapel Hill and New York. The goal for the campaign is \$4.25 billion.
- Chancellor Folt shared how the university is also participating in larger conversations:
 - APLU Presidents work on F&A costs
 - The Chancellor recently presented on financial aid to the Board of Governors
 - A recent trip to DC to meet with the Office of Management and Budget staff
- The Chancellor remarked on University Day and the announcement of the Bridge Builders scholarships namings.
- Chancellor Folt discussed other recent events on campus and around the community:
 - Passport Drive
 - Phi Beta Kappa induction
 - Tar Heel Tribute for veterans
 - Arts Everywhere exhibits
 - Three Zeros Day

- Launch of a \$100M gene therapy facility in Sanford, NC
- Chancellor Folt acknowledged Dean of the School of Education Fouad Abd-El-Khalick on being named to Governor Cooper's Commission on Access to Sound, Basic Education.
 - Also acknowledged that Vice Chancellor for Research Terry Magnuson was elected 2018 VP and 2019 President of the Genetics Society of America.
- 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.]

LEVERAGING EMERGING TECHNOLOGIES FOR MEDIA AND EDUCATION

Chancellor Folt introduced Susan King, Dean of the School of Media and Journalism, to introduce the presenter. Dean King introduced Steven King, Assistant Professor of Interactive and Multimedia. Professor King combines computer science concepts, human-centered design and storytelling to create new ways to present information through emerging technologies such as Virtual Reality, Augmented reality and interactive data-driven graphics.

Professor King brought two students to share their experiences with the board, Madison Walls and Alexis Barnes. To end their presentation, they 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

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

- Public Affairs update given by Clayton Somers, Vice Chancellor for Public Affairs and Secretary of the University
- Development report given by David Routh, Vice Chancellor for University Development
- Communications update given by Joel Curran, Vice Chancellor for Communications
- Habitat for Humanity of Orange County presentation given by Jennifer Player, Associate Executive Director and Sarah Renfro, Co-Director UNC Habitat for Humanity.

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

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

Designer Approvals

1. **McColl Building Addition and Renovation**

This project will provide the programming, site analysis and concept design for an addition and renovations to the McColl Building for Kenan-Flagler School of Business. The addition and partial renovation will support undergraduate enrollment growth, update existing classrooms and consolidate staff currently located off site in leased space. Programming/Feasibility budget is \$500,000 and will be funded by State appropriations.

The project was advertised on August 31, 2017. Eleven (11) proposals were received. Four (4) firms were interviewed on October 18, 2017. One member of the Board of Trustees participated in the interviews. The committee recommended the selection of the three firms in the following priority order:

- | | | |
|----|---------------------------------|-------------|
| 1. | LS3P with LMN | Raleigh, NC |
| 2. | ArchitectsPerkins + Will | Durham, NC |
| 3. | BHDP with Lake/Flato Architects | Raleigh, NC |

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

(ATTACHMENT C)

2. **Glaxo Research Cryo-Electron Microscopy**

This project will renovate an existing 800 square foot research laboratory located at the lower level of the Glaxo Research Building to integrate a new 200kV cyro-electron microscope into the space and establish the UNC Cryo-Electron Microscopy Facility. The renovation project will provide the needed infrastructure support for installation and operation of the equipment. The scope of the renovation project includes architectural, structural, HVAC, electrical and plumbing modifications with final connections and

installation to be performed by the equipment vendor. The project budget is \$850,000 and will be funded by School of Medicine facilities and administrative (F&A) funds.

The project was advertised on September 25, 2017. Five (5) proposals were received. Three (3) firms were interviewed on November 1, 2017. The committee recommended the selection of the three firms in the following priority order:

1. Lord Aeck Sargent Chapel Hill, NC
2. Clark Nexsen Raleigh, NC
3. PNP Design Group Greensboro, NC

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

(ATTACHMENT D)

3. Kenan Stadium Seating Enhancement Project

This project will replace bleacher seating with over 34,000 22-inch wide individual seats to significantly enhance the comfort and leg room for patrons. The project budget is \$7,000,000 and will be funded by a University of North Carolina at Chapel Hill Finance & Administration capital project internal loan.

The project was advertised on September 22, 2017. The Selection Committee received seven (7) proposals. Four (4) firms were interviewed on October 30, 2017. The Selection Committee consisted of members from the UNC-CH Athletics Department and Facilities Planning & Design. The committee recommended the selection of the three firms in the following priority order:

1. CRA Chapel Hill, NC
2. RND Architects Durham, NC
3. Integrated Design Raleigh, NC

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

(ATTACHMENT E)

Property Acquisition by Lease

1. Gillings School of Global Public Health

This request is to acquire approximately 6,000 additional square feet of rentable office space from Cousins Properties/Northwood Ravin, Inc. on the 5th floor of the new Carolina Square development located at 123 West Franklin St. in Chapel Hill. CSCC has recently been awarded several new grants that will require additional staff and office space. This new space will be used in collaboration with the CSCC tenants on the 4th floor at Carolina Square. It is important for these two CSCC workspaces to be proximate to guarantee that faculty, research staff, computer programmers and students can continue their collaboration on a daily basis. The gross lease term will be for 10 years at an annual rate of \$192,000.00, inclusive of utilities and janitorial costs. Occupancy is expected early 2018.

(ATTACHMENT F)

2. University Development

This request is to acquire approximately 10,824 rentable square feet of office space from West Franklin Preservation Limited Partnership on the second floor of the Pavilion I building located at 206 West Franklin Street in Chapel Hill. This space is being vacated by the Carolina Population Center with its move to Carolina Square and will be used by the UDO to consolidate staff from other leased spaces under one roof and to provide room for staff expansion associated with the University's ongoing capital campaign. This space is directly adjacent to the main UDO building, located at 208 West Franklin Street, allowing for convenient collaboration among staff. The lease term will be 10 years at an average annual rate of \$245,066.18 (\$22.64/SF), inclusive of utilities and janitorial costs. Occupancy is expected spring 2018.

(ATTACHMENT G)

Demolition Approval

1. 115 University Lake Road – Barn at University Lake

This request is for approval to demolish a collapsing wooden shed on a residential rental property adjacent to University Lake, located at 115 University Lake Road in Carrboro. The shed has deteriorated over the years and is on the verge of collapsing, presenting a health and safety risk and potential liability. The underlying +/- 1.2-acre property is part of the University Lake buffer area.

(ATTACHMENT H)

2. Koury Natatorium Office Addition

This request is for approval to demolish the office addition of the Koury Natatorium to make way for construction of the new ACC Network Media & Communications Studio. This project will provide a broadcast center addition of approximately 12,000 square feet (2-story, 6,000 SF footprint) to the existing Koury Natatorium. The purpose of this new facility is to produce a significant number of events on the ACC Network through broadcasts across all production levels: linear television, digital online, extra, and video boards. The facility will include three control rooms and two studios. The broadcast center will also provide a robust production service (live production, studio services) to campus entities and will provide opportunities for academic partnerships and real-world experience in growing fields for students.

(ATTACHMENT I)

ANNUAL ENDOWMENT FUND REPORT

The annual report of the Endowment Fund was presented to the committee for approval. Highlights included:

- UNC Investment Fund recorded a significant increase in its market value.
- \$82.1 million was distributed from the Endowment fund for spending in 2017 (5.5% of the fund's beginning market value).
- For FY 2018, a 2.1% increase in the annual distribution rate has been authorized by The Chapel Hill Foundation Investment Fund Board. This increase is consistent with the spending policy target threshold of increasing the rate by CPI each year.

(ATTACHMENT J)

A motion came from committee to approve all actions. Trustee Hopkins seconded, and it passed.

Horace Williams Airport Recommendation

Below is a resolution recommending the University proceed with the closure of the Horace Williams Airport without any condition precedent relating to the development of the Carolina North property.

Trustee Stone read the resolution:

Proposed Board of Trustees Resolution concerning Horace Williams Airport

WHEREAS, Chancellor James Moeser announced in 2002 that the University of North Carolina at Chapel Hill (University) had “carefully considered a variety of scenarios regarding the future of the Horace Williams Airport and determined that the closure is in the best interests of both the university and the community;” and

WHEREAS, the Board of Trustees of the University, through a resolution dated May 26, 2005, recommended the closure of the University's Horace Williams Airport, and further recommended that the airport remain open until construction of the University's Carolina North property was ready to begin; and

WHEREAS, the continued operation of the airport is resulting in significant annual financial operating losses for the University, and

WHEREAS, for the airport to remain open, the University expects to invest in excess of \$1 million in the near future for runway repairs; and

WHEREAS, the University has operated the airport with no formal relationship to any University operations since 2011 when the Medical Air Operations of the University's Area Health Education Centers (AHEC) relocated to Raleigh-Durham International Airport; and

WHEREAS, the Board of Trustees wishes to reaffirm the portion of the 2005 resolution concerning the recommendation to close the airport, but wishes to modify the recommended timing of the closure.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees recommends that the University proceed with the closure of the Horace Williams Airport without any condition precedent relating to development of the Carolina North property.

(ATTACHMENT K)

A motion came from committee to approve the resolution. Trustee Grumbles seconded and it passed.

Trustee Stone continued and shared the items for information only:

- Big Data and Predictive Analytics in Athletics given by Scott Jackson, Director of Business Intelligence & Rick Steinbacher, Senior Associate Athletic Director
- Development report given by David Routh, Vice Chancellor for University Development
- FY17 UNC Investment Fund Performance Update given by Jonathan King, CEO of UNC Management Company
- UNC Health Care Surgical Tower update given by Anna Wu, Associate Vice Chancellor for Facilities Services (ATTACHMENT L)

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

REPORT FROM THE STRATEGIC FRAMEWORK COMMITTEE

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

- Blueprint for Next update given by Bob Blouin, Executive Vice Chancellor and Provost

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

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

Tuition and Fees Recommendations

Dwayne Pinkney, Senior Associate Vice Chancellor for Finance and Administration, presented the tuition and fees recommendations for academic year 2018-19. These proposals require BOT and BOG approval. The proposed campus based tuition increases are as follows:

	\$ Increase	Est. Revenue
New Undergraduate (UG) nonresidents	\$600	\$487K
Returning UG nonresidents	\$300	\$717K
All graduate students	\$300	\$2.76M
TOTAL		\$3.958M

The proposed uses for these increases include: academic programs, faculty recruitment and retention efforts, faculty support, and graduate student support.

Additionally, 10 schools submitted individual school based tuition increases:

- Kenan-Flagler Business School
- School of Government
- School of Information and Library Science
- School of Media and Journalism
- School of Social Work
- School of Dentistry
- School of Medicine
- School of Nursing
- Eshelman School of Pharmacy
- Gillings School of Global Public Health

A motion came from committee to approve the recommendations. Secretary Keyes seconded and it passed.

(ATTACHMENT M)

The following items were presented to the committee for information:

- Provost update given by Bob Blouin, Executive Vice Chancellor and Provost
- Admissions update given by Steve Farmer, Vice Provost for Enrollment and Undergraduate Admissions
- History Task Force update given by Jim Leloudis, Associate Dean for Honors Carolina and Professor of History

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

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Keyes, and seconded by Trustee Grumbles, 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

Trustee Grumbles made a motion to return to open session; Secretary Keyes seconded and it passed.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Vice Chair Duckett referred the members to the personnel matters submitted for review. Vice Chair Duckett made a motion from committee to approve, Trustee Grumbles seconded and it passed. Chair Cochrane stated that the personnel and salary actions voted on in open session had been distributed.

(ATTACHMENT N)

ADJOURNMENT

There being no further business to come before the Board, Chair Cochrane called for a motion to adjourn. Trustee Stone made the motion; Secretary Keyes seconded and it passed. Chair Cochrane adjourned the meeting at 12:47 pm.



Clayton Somers, Assistant Secretary