

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
July 27, 2017

The Board of Trustees met in regular session on Thursday, July 27, 2017 at The George Watts Hill Alumni Center, Alumni Hall. Chair Stone convened the meeting at 8:00 a.m.

OATH OF OFFICE

Clayton Somers, Vice Chancellor for Public Affairs and Secretary of University introduced Chief Justice of the North Carolina Supreme Court Mark Martin to perform the oath of office for the reappointed and new trustees:

Haywood D. Cochrane, Jr.
Charles G. Duckett
Jefferson W. Brown
Kelly Matthews Hopkins
Dwight D. Stone
Richard Y. Stevens

ELECTION OF OFFICERS

At the May BOT meeting, the following slate of officers was presented to the full board for action at the July meeting:

Haywood D. Cochrane, Jr., Chair
Charles G. Duckett, Vice Chair
William A. Keyes IV, Secretary
Clayton D. Somers, Assistant Secretary

Trustee Brown made a motion to approve the slate. Trustee Grumbles seconded and the officers passed unanimously.

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 Vice Chair Duckett and a second by Trustee Grumbles, the minutes of the meeting of May 25, 2017 were approved as distributed; as was the ratification of the following mail ballots dated:

- June 21 – appointed of Lissa Broome as the Burton Craige Distinguished Professor
- June 25 – personnel actions, actions conferring tenure, and compensation actions
- July 6 – appointment of Elaine Westbrooks as University Librarian
- July 10 – political action petition for Rachel Schaevitz
(ATTACHMENTS A-D)

ACC GOVERNING BOARD CERTIFICATION

Chair Cochrane read the following for the 2017-18 ACC Governing Board Certification:

As Chairman of the Governing Board at *University of North Carolina*, I attest that:

- 1) Responsibility for the administration of the athletics program has been delegated to the Chief Executive Officer of the Institution.
- 2) The Chief Executive Officer has the mandate and support of the board to operate a program of integrity in full compliance with NCAA, Conference and all other relevant rules and regulations.

- 3) The Chief Executive Officer, in consultation with the Faculty Athletics Representative and the Athletics Director, determines how the institutional vote shall be cast on issues of athletics policy presented to the NCAA and the Conference.

(ATTACHMENT E)

CHAIR'S REMARKS

- Chair Cochran began his remarks by thanking those in the audience for attending.
 - Chair Cochran gave a special thanks to his son, Alex, and to Bill Cochran for attending today.
- The Chair acknowledged and thanked Trustee Stone for his service over the last two years as chair.
- Chair Cochran called on Secretary Keyes to read a resolution of appreciation for departing Trustee Dwight Stone.

RESOLUTION OF APPRECIATION FOR DWIGHT D. STONE JULY 27, 2017

WHEREAS, Dwight D. Stone has served as Chair of the Board of Trustees from July 1, 2015, through June 30, 2017, providing exemplary leadership, exceptional management, and excellent counsel to all during those years; and,

WHEREAS, Dwight D. Stone deftly led the University through a period of growth and transition, guiding work on the University strategic planning process and the Campus Master Plan, including enhancing physical facilities for both female and male student-athletes; and,

WHEREAS, Dwight D. Stone set clear goals for the Board on the cusp of his tenure and successfully met them; these objectives were to support Chancellor Folt and evolving strategic framework for the University; show how the University improves lives across the state, nation and world; accelerate, measure and communicate the growth and economic impact of Carolina's innovation and entrepreneurship initiatives; and help the University become more efficient and effective in finance, administration, teaching and research; and,

WHEREAS, Dwight D. Stone called upon the University community to maintain a high level of civil discourse on campus, and ensured fellow trustees engaged in earnest and honest conversations to enable all members of the Carolina family to understand each other better; and,

WHEREAS, Dwight D. Stone was integral in strengthening relations with the North Carolina General Assembly and University Board of Governors, as exemplified by his hard work to ensure the passage of the ConnectNC bond during his tenure; and,

WHEREAS, Dwight D. Stone achieved these endeavors through focused intention, deep thoughtfulness and true collaboration;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill profoundly thanks Chairman Dwight D. Stone and expresses its intense gratitude for his vision, leadership and devoted service to this Board, the University, and the state of North Carolina.

Trustee Grumbles made a motion to adopt the resolution. Trustee Stevens seconded and it passed unanimously.

- Chair Cochran then welcomed back to the board Trustee Richard Stevens.
- Thanked the UNC Board of Governors, House Speaker Tim Moore, and Senate President Pro Tem Phil Berger for their support in the continuity of leadership for the board.
- The Chair thanked the trustees for their confidence in the newly elected slate of officers, and shared his humble thanks for the opportunity to be chair.
- Chair Cochran then presented the goals for the year:
 - 1) Continue to support our world-class Chancellor, Carol Folt, and her team as they guide our great public, research-driven institution to even greater accomplishments and impact.
Also part of Goal #1: Support the implementation of the University's strategic framework, "The Blueprint for Next," and its alignment with the UNC System's strategic plan, "Higher Expectations."
 - 2) Continue to innovate, translate and support economic development, consistent with our mission to improve the lives of all citizens of our great state, nation and the world.
 - 3) Embrace and support our University's capital campaign and participate with its

great organization as we approach the public launch in October 2017.

- 4) Support institutional efficiency and cost reductions through shared services and other operational initiatives critical to our sustainability and future.
- Chair Cochrane then presented the committee assignments:
 - Commercialization and Economic Development chaired by Trustee Grumbles, vice chair, Trustee Hopkins
 - This committee will continue to prioritize innovation, but will also focus on implementing the strategic framework
 - External Relations chaired by Secretary Keyes, vice chair, Trustee McMahan
 - Personnel chaired by Trustee Brown, vice chair, Trustee Stone
 - Finance, Infrastructure and Audit chaired by Trustee Stone, vice chair, Trustee Caudill
 - University Affairs chaired by Vice Chair Duckett, vice chair, Trustee Brown
 - Chair Cochrane concluded his remarks by thanking everyone for their support and introducing 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 introducing members of her team as well as Graduate and Professional Student Federation President Madelyn Percy.
- Trustee Adkins then highlighted some of the events/priorities that her and her administration have been working on including:
 - Red Zone Awareness Week
 - Continued work on the campus theme "Food for All"
 - Additional blue light stations on campus
- Trustee Adkins then shared some of the goals for GPSF for the coming year and how they plan to collaborate with undergraduate student government.

[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 congratulating Chair Cochrane on his appointment as chair.
 - Thanked Chair Stone for his service as chair for the last two years.
 - Thanked Chief Justice Mark Martin for his service and time at today's meeting.
 - Welcomed Trustee Stevens back to the board.
- Chancellor Folt also acknowledged newly elected Chair of the Faculty Leslie Parise and Chair of the Employee Forum Shayna Hill.
- Thanked BOT for appointing Elaine Westbrook as University Librarian and announced Rumay Alexander as Associate Vice Chancellor for Diversity and Inclusion.
- Reiterated the news that development raised over \$543M in private gifts in FY17.
- The Chancellor shared that Convocation was coming up on August 20 where we will welcome about 5,400 first-year and transfer students for academic year 17-18.
- Chancellor Folt shared international news from her visit to UNC Project Malawi.
 - The Chancellor also remarked on her time at USFQ giving the commencement speech and her visit to the Galapagos research facility.
- The Chancellor then announced that Dr. Ned Sharpless was appointed to lead the National Cancer Institute by President Trump.
- The Chancellor also announced that in June the Jack Kent Cooke Foundation awarded UNC with a \$1M grant for work to make higher education accessible and affordable.
 - Chancellor Folt shared some of the work UNC is doing to support its mission of access and affordability
- Chancellor Folt then shared some recent awards received that focus on rural initiatives and the humanities
- The Chancellor shared info about Zena Cardman ('10) who was selected in NASA's upcoming class of astronauts.
- 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.]

MAYNARD ADAMS FELLOWSHIPS FOR THE PUBLIC HUMANITIES

Chancellor Folt introduced Dr. Dr. Lloyd Kramer, Director of Carolina Public Humanities and Professor of History. Dr. Kramer provided a general overview of the Maynard Adams Fellowships and introduced Postdoctoral Fellow Rachel Schaevitz, as well as students Joanna Lawson, Gale Greenlee, and Brook Wilensky-Lanfod. The students shared their experiences within the program as well as their research interests within the public humanities. 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 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:

- Commercialization and economic development update given by Judith Cone, Vice Chancellor for Innovation, Entrepreneurship, and Economic Development

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

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:

- Communications update given by Joel Curran, Vice Chancellor for Communications
- Development report given by David Routh, Vice Chancellor for University Development
- Public Affairs update 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

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

Transfer to the University of the Endowment's Distribution from the Investment Fund

Dwayne Pinkney, Senior Associate Vice Chancellor for Finance and Administration presented for approval the transfer to the University of the Endowment's Distribution. The Board of Governors requires that the Trustees approve transfer of Endowment principal or income to the useful possession of the institution. The Board of Trustees of the Endowment Fund has already approved, by mail ballot, the proposed transfer for University expenditure during the 2017-2018 fiscal year.

(ATTACHMENT F)

Withdrawal from Quasi-Endowment for Athletics

Dr. Pinkney continued and presented for approval the Department of Athletics request to withdraw \$795,000 from principal due to an unforeseen legal settlement the department incurred in fiscal year 2017 which were not part of the budget process. The Board of Trustees of the Endowment Fund approved a withdrawal of \$1,000,000 by mail ballot on June 20, 2016 and the Board of Trustees of the University of North Carolina at Chapel Hill approved the withdrawal on November 17, 2016.

(ATTACHMENT G)

Annual Audit Certification Letter Process

Phyllis Petree, Director of Internal Audit, presented the Annual Audit Certification Letter for approval and signatures. This letter satisfies a UNC Board of Governors requirement for the Finance, Infrastructure, and Audit Committee to certify in writing that the Committee:

- Met at least four times a year and received at least four reports relative to internal audit matters from the Director of Internal Audit (presentations made in July and September 2016 and January and May 2017);
- Reviewed results from audits and reviews performed by the North Carolina Office of the State Auditor with representatives of that office; discussed corrective action plans; and reviewed the Internal Audit report regarding completion of corrective action;
- Reviewed audits and management letters for University Associated Entities; and
- Formally approved the annual internal audit plan and received a report comparing the audit plan and audits performed (done in September 2016)

(ATTACHMENT H)

Site Approval

1. Carolina North Solar Array

This project will provide a 491 KW ground mounted PV array with capacity for 600 KWH battery storage. The proposed site is southwest of the existing Horace Williams Airport runway. The system will be interconnected with the existing electrical distribution system. The project budget is \$1,700,300 and will be funded by Energy Services. The Chancellor's Buildings and Grounds Committee approved the site at its July 20, 2017 meeting.

(ATTACHMENT I)

Designer Approvals

1. Marsico Hall Vivarium Expansion

This project will expand and retrofit 3,150 square feet of space within and adjacent to the existing vivarium for research needs and to fully utilize the Biomedical Research Imaging Center equipment in Marsico Hall. The project budget is \$2,550,000 and will be funded from State appropriations.

The project was advertised on May 24, 2017. Two (2) proposals were received. The project was re-advertised on June 16. No additional proposals were received. Two (2) firms were interviewed on July 12, 2017. No members of the Board of Trustees participated in the interviews. The committee recommended the selection of the two firms in the following priority order:

1. HOK Washington, D.C.
2. Wagner Architects New Hill, 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 J)

2. Science Complex Phase 3

This project will provide advance planning for a new 220,000 square foot building to house facilities for Applied Physical Sciences, Institute for Convergent Science and innovation space for faculty start-ups. Advance planning budget is \$300,000 and will be funded by University funds.

The project was advertised on April 27, 2017. Twenty-five (25) proposals were received. Six (6) firms were interviewed on June 21, 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. Lord Aeck Sargent Chapel Hill, NC
with William Rawn Associates
2. Kieran Timberlake Philadelphia, PA
3. LS3P Smith Group JJR Raleigh, NC

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

(ATTACHMENT K)

Property Disposition by Land and Easement to the Town of Chapel Hill

Gordon Merklein, Associate Vice Chancellor for University Real Estate Operations, presented a request for approval to lease and grant easements to the Town of Chapel Hill to allow for the construction and operation of a new Town of Chapel Hill police facility, other office space to house Town of Chapel Hill public service operations, and associated infrastructure. The land lease and easement areas will be located within a site not to exceed 20.8 acres located on Estes Drive Extension as shown on the attached map. Final dimensions of the land lease and easement areas will be defined in a development agreement between the University and the Town. The University reserves the right to build for University purposes up to fifty percent (50%) of the total building square footage approved for development on the site in the development agreement.

The proposed term of the land lease and easement agreement will be for a period of 99 years at a proposed rental rate of one dollar (\$1.00) per year. Upon expiration of the land lease and easement, the land and any improvements will revert to the State.

(ATTACHMENT L)

Trustee Stone brought forth a motion from committee to approve the actions. Vice Chair Duckett seconded and they all passed.

Trustee Stone continued and shared the items for information only:

- Development report given by David Routh, Vice Chancellor for University Development

- Trademark licensing update given by Brad Ives, Associate Vice Chancellor for Campus Enterprises and Derek Lochbaum, Director of Trademark Licensing Operations

The committee also received two items for information that were not discussed:

- Semi-annual capital report (ATTACHMENT M)
- Semi-annual leasing report (ATTACHMENT N)

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:

Centers and Institutes Update

A recommendation was made that the Center for Sustainable Enterprise in the Kenan-Flagler Business School no longer be classified as a center but as a “coordinating entity” as described in the UNC Policy Manual section 400.5[R].

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

(ATTACHMENT O)

The following items were presented to the committee for information:

- Provost update given by Jim Dean, Executive Vice Chancellor and Provost
- Faculty update given by Leslie Parise, Chair
- Employee Forum update given by Shayna Hill, Chair
- Undergraduate Curriculum update given by Kevin Guskiewicz, Dean of the College of Arts and Sciences and Andy Perrin, Professor of Sociology

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

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

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

(ATTACHMENT P)

ADJOURNMENT

There being no further business to come before the Board, Chair Cochran called for a motion to adjourn. The motion was duly seconded and passed. Chair Cochran adjourned the meeting at 11:28 a.m.


 Clayton Somers, Assistant Secretary