

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session on Wednesday, May 26, 2004 at The Carolina Inn, Hill Ballroom Central, at 5:10 p.m. Chairman Williams presided.

OATH OF OFFICE

The Honorable James Stanford, Orange County Clerk of Superior Court, administered the Oath of Office to Student Body President Matthew Michael Calabria.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and the following members were present:

Richard T. Williams, Chairman
Nelson Schwab III, Vice Chairman
Jean Almand Kitchin, Secretary
Timothy B. Burnett
Matthew M. Calabria
Philip G. Carson
Russell M. Carter
John G. B. Ellison, Jr.
Paul Fulton, Jr.
Karol V. Mason
Roger L. Perry, Sr.
A. Donald Stallings
Robert W. Winston

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Perry, recently appointed chair of the Buildings and Grounds Committee, requested a motion for ratification by the Board of the following Level 1 items, which were previously approved by the committee. Mr. Burnett made the motion. Ms. Mason and Mr. Stallings seconded the motion and it carried.

- Designer selection of the following three firms in priority order as listed for the Arts Common Phase I project, providing a 300 car underground parking deck, a new 81,200 square foot building, renovating the Mary Ann Smith Building for the Music Department, relocating and extending the campus utilities infrastructure, and designing open space improvements:
 1. Perkins & Will with Charlotte, North Carolina
Michael Dennis & Associates Boston, Massachusetts
 2. Ann Beha Architects with Boston, Massachusetts
Pearce Brinkley Cease + Lee Raleigh, North Carolina
 3. Polshek Partnership with New York, New York
Pearce Brinkley Cease + Lee Raleigh, North Carolina(ATTACHMENT A)
- Designer selection of the following three firms in priority order as listed for renovations to Steele Building, including new electrical and HVAC systems, lighting, finishes and exterior building repairs including window replacement, and also addressing accessibility and egress issues:
 1. Boney Architects Raleigh, North Carolina
 2. PBC+L Raleigh, North Carolina
 3. Smith Sinnett Raleigh, North Carolina(ATTACHMENT B)
- Designer selection of the following three firms in priority order as listed for the renovation of sixteen general purpose classrooms in Greenlaw Hall, including asbestos abatement, new finishes, furniture, classroom technology, and lighting, and also addressing accessibility and egress issues:
 1. Hoke/New Vision Architects Durham, North Carolina
 2. Brown & Jones Architects Raleigh, North Carolina
 3. Davis Kane Raleigh, North Carolina(ATTACHMENT C)

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- Designer selection of the following three firms in priority order as listed for renovation of five general purpose classrooms in Mitchell and Coker Halls, including asbestos abatement, new finishes, furniture, classroom technology, and lighting, and also addressing accessibility and egress issues:
 1. Hager Smith Design, P.A. Raleigh, North Carolina
 2. Davis Kane Architects, P.A. Raleigh, North Carolina
 3. Gurlitz Architectural Group, P.A. Durham, North Carolina(ATTACHMENT D)

- Designer selection of the following three firms in priority order as listed for the water reclamation and reuse infrastructure project, installing a wastewater reuse system with a pumping station at the Orange Water and Sewer Authority (OWASA) Mason Farm Wastewater Treatment Plant and distribution piping to and through the University campus:
 1. McKim and Creed Cary, North Carolina
 2. CDM Raleigh, North Carolina
 3. Stantec Raleigh, North Carolina(ATTACHMENT E)

- Right-of-way dedication to the Town of Chapel Hill of Pharmacy Lane as a public right-of-way in connection with the Global Education Center, located on the corner of Pittsboro Street and McCauley Street.
(ATTACHMENT F)

- Lease of approximately 8607 square feet of office space at 206 West Franklin Street, Suite 200, Chapel Hill, Orange County, North Carolina, from West Franklin Street Limited Partnership for the UNC-Chapel Hill Carolina Population Center for a lease term of one five-year period commencing July 1, 2004 or as soon thereafter as possible at an initial annual rent not to exceed \$142,015.50 or \$16.50 per square foot including utilities and janitorial services. Beginning in the second year of the initial term, rental rates increase 2.5% annually. There is a one-year renewal option with a 2.5% rent increase. All other terms and conditions remain the same during the renewal period.
(ATTACHMENT G)

Mr. Perry requested a motion for ratification by the Board of the following Level 2 items, which were previously approved by the committee. Mr. Burnett made the motion. Ms. Mason and Mr. Stallings seconded the motion and it carried.

- Site approval for an addition to Fetzer Gym. The site is located south of Fetzer Gym on Stadium Drive.
(ATTACHMENT H)

- Site approval for an addition to the Electric Distribution Building located on Airport Drive. The site is between the existing Electric Distribution Building and Airport Drive.
(ATTACHMENT I)

- Site approval for the Cameron Avenue Cogeneration Plant addition and substation.
(ATTACHMENT J)

- Site approval for the Manning and South substations. The Manning substation is located on Manning Drive west of the Craige Parking Deck and the South substation is located on Old Mason Farm Road near the North Carolina Botanical Garden.
(ATTACHMENT K)

Mr. Perry reported that the Buildings and Grounds Committee approved that a committee comprised of Trustees and others be appointed by Board Chairman Williams to study options concerning the following item. The committee's report will be presented as a Level 3 item at the July Board meeting.

- Funding Policy for the YMCA Building Renovations.
(ATTACHMENT L)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, Ms. Anna Wu, Director of Facilities Planning, and Ms. Virginia Carson, Director of the Campus Y, presented information concerning the current condition of the YMCA Building, as well as proposed renovations to the building.

Chairman Williams stated that a committee will be appointed to study this matter and a full report of the committee will be presented in July.

The following Level 3 preliminary design review items were presented previously to the committee for information only (no formal action was requested at that time):

- Memorial Garden to be located adjacent to the existing Chapel Hill Cemetery at the corner of Country Club Drive and South Road. The Memorial Garden will allow University members and the UNC Health Care System employees to hold ceremonies and scatter ashes of the deceased.

(ATTACHMENT M)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, presented further information concerning this preliminary design.

- Jackson Circle Parking Deck project, providing an 800 car parking deck on the existing Jackson Circle surface parking lot located between New East Drive and Odum Village.

(ATTACHMENT N)

Ms. Anna Wu, Director of Facilities Planning, and Ms. Carolyn Elfland, Associate Vice Chancellor for Campus Services, presented further information concerning this preliminary design.

- Daniels Student Stores project, providing for renovation of the entire building including upgrades to the building's mechanical, electrical and plumbing systems as well as improvements to meet accessibility, fire/life safety and health requirements. The renovation will also provide a new public entrance on South Road and expand and upgrade the retail areas.

(ATTACHMENT O)

Ms. Anna Wu, Director of Facilities Planning, presented further information concerning this preliminary design.

- Renovation and construction of an addition to 410 East Franklin Street (James Love House) for the Center for the Study of the American South.

(ATTACHMENT P)

Ms. Anna Wu, Director of Facilities Planning, presented further information concerning this preliminary design.

RECESS

Chairman Williams recessed the Board meeting at 6:15 p.m.

RECONVENE

Chairman Williams reconvened the Board meeting at 8:05 a.m. on Thursday, May 27, 2004 at The Carolina Inn, Hill Ballroom North/Central.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and attendance was the same as on Wednesday, May 26.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Schwab, seconded by Mr. Burnett, the minutes of the regular meeting of March 24-25, 2004 were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Schwab, seconded by Mr. Burnett, the following mail ballot dated April 14, 2004 was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured appointments and promotions.

(ATTACHMENT Q)

On motion of Mr. Schwab, seconded by Mr. Burnett, the following mail ballot dated May 5, 2004 was approved as distributed:

- Appointment of a Vice Chancellor for Information Technology

(ATTACHMENT R)

CHAIRMAN'S REMARKS

Chairman Williams requested Secretary Kitchin read the following resolutions of appreciation.

RESOLUTION OF APPRECIATION FOR STEPHEN A. JARRELL

WHEREAS, Steve Jarrell, as Interim Vice Chancellor for Information Technology, came out of retirement to provide crucial leadership to the University's Information Technology Services during the two-year search for a new vice chancellor; and, **whereas**, in doing so, he accurately foresaw problems and opportunities and led ITS to take quick and appropriate action;

WHEREAS, Steve Jarrell directed the timely installation of new hardware and software to prevent serious disruptions of service during a new onslaught of computer viruses; **whereas**, he also ensured continuity of high-speed computing at Carolina despite reduced state funding for MCNC where our Internet backbone resides; and **whereas**, he worked vigorously in collaboration with the Triangle's other research universities to bring the next generation of the Internet to our region, thereby enhancing the technological base that makes the Triangle so attractive to scholars and knowledge workers alike;

WHEREAS, Steve Jarrell initiated a program with our University Library to replace its large number of very old and obsolete computers by recycling younger machines from campus computer labs that have a faster replacement schedule, and, in doing so, enhanced the search capabilities of library users at very little expense to the library;

WHEREAS, Steve Jarrell, in his long career at Carolina, from student to Interim Vice Chancellor, exemplifies the finest kind of devotion to the institution and to serving its people;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill congratulates Steve Jarrell on a job well done, expresses its deepest gratitude for his service and leadership, and wishes him happiness in the years ahead.

**RESOLUTION OF APPRECIATION
FOR
DEAN L. BRESCIANI**

WHEREAS, Dean Bresciani, as Interim Vice Chancellor for Student Affairs and Associate Vice Chancellor for Student Services, has served the University with distinction since 1998, exhibiting great affection for students and treating them as valued colleagues, while acting as their stalwart advocate, mentor and friend; **whereas**, he often has invited students into his home, has attended student events at all hours on very little notice, has facilitated their projects, and has exerted quiet leadership; **whereas**, representing students' interests to the rest of the University, he always has been well-prepared on important issues, has listened closely to suggestions and concerns from all members of the campus community, has responded with candor, and has taken decisive action when appropriate;

WHEREAS, Dean Bresciani helped students successfully enact their plan to fund more counseling services at times of peak need by raising student fees; and, **whereas**, he reached out to the Graduate and Professional Student Federation and ensured that its members felt they, too, had a seat at the table;

WHEREAS, Dean Bresciani helped shape our dramatically changing South Campus landscape by giving voice to students' needs and preferences for living and learning opportunities in new and old residence halls, the Ramshead Center, and the Student Family Housing Complex;

WHEREAS, Dean Bresciani has aptly been called "the students' dean for all seasons";

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill congratulates Dean Bresciani on a job well done, expresses its deepest gratitude for his service and leadership, and wishes him all possible success and happiness in the years ahead.

Mr. Perry moved approval of each resolution. Mr. Schwab seconded the motion and it carried.

Chairman Williams thanked Mr. Jarrell and Dr. Bresciani for serving as Interim Vice Chancellors.

Chairman Williams commented on the following:

- The discussion at yesterday's Board meeting concerning the Campus YMCA Building.
- The luncheon held yesterday which highlighted the University's outreach and engagement efforts across North Carolina.
- Congratulations to James Johnson, the co-director of a new program funded with a \$300,000 grant from the Ewing Marion Kauffman Foundation to fund a short course or "boot camp" in July for junior faculty interested in research on minority and women's entrepreneurship. The goal of the program is to foster the professional growth of the next generation of talented scholars who will advance the knowledge of minority and women's entrepreneurship through their research. This new grant dovetails nicely with a \$3.5 million grant the University received in December 2003 from the Kauffman Foundation to create the Carolina Entrepreneurial Initiative, which will focus on creating traditional business entrepreneurs, as well as social, civic, and academic entrepreneurs.
- Congratulations to Chancellor Moeser for the launching of the Triangle Smart Commute Initiative, a program that will benefit future homebuyers and help advance the cause of public transportation in the Triangle. Chancellor Moeser and Chairman Williams acknowledged the work done on this program by Bob Knight, Assistant Vice Chancellor, Finance and Administration.

REPORT OF THE NOMINATING COMMITTEE

Ms. Kitchin, chair of the Nominating Committee, presented the following proposed slate of officers for re-election for the term July 2004 to July 2005:

Richard T. Williams, Chair
Nelson Schwab III, Vice Chair
Jean Almand Kitchin, Secretary

Action on these nominations will take place at the July Board meeting.

CHANCELLOR'S REMARKS

Chancellor Moeser began by expressing his appreciation to Dean Bresciani and Steve Jarrell.

The Chancellor acknowledged the roles that the following Trustees played during Commencement Weekend—Jean Kitchin at the Hooding Ceremony; Chairman Williams at the Commencement Ceremony on Sunday; and Karol Mason at the Department of Mathematics Ceremony.

He also acknowledged Paul Fulton for hosting the Tar Heel Bus Tour for a reception at his home in Winston-Salem, and Chairman Williams for joining the group for dinner in Charlotte.

He thanked Chairman Williams for his idea of the luncheon held yesterday where members of the Board interacted directly with faculty, staff, and students who are actively engaged in very selfless and productive service off the campus to people across the State of North Carolina and beyond. It was a great way to learn about the commitment of the University to Carolina's engagement mission.

Chancellor Moeser commented on his trip in April to Brunswick County with Biology Professor Skip Bollenbacher to celebrate a partnership involving UNC's Traveling Science Laboratory—a science bus that is taken directly to public school students who would not otherwise have access to a high-tech lab. The University has now engaged in a new in-depth partnership in Brunswick County that involves the Brunswick County Schools—all of the high schools and middle schools—together with Brunswick County Community College and the North Carolina Biotechnology Center. Together, this group will improve science education in Brunswick County, open up career options for high school graduates to think about science and math—pointing them toward the study of science and math at the University; and, through the North Carolina Biotechnology Center, at the same time in working with the community college, begin to train a work force that will ultimately attract a biotechnology company to actually locate in Brunswick County. The Chancellor said that this is a comprehensive economic development initiative of the University, and it's also an educational initiative.

Chancellor Moeser also commented on the following:

- A visit to the Tri-County Health Clinic in Dunn while on the Tar Heel Bus tour. The clinic provides health care to the area's low-income residents. The group met with members of the Community Advisory Committee from the UNC Center for Health Promotion and Disease Prevention to learn about a program that focuses on healthy eating, stress reduction, and career counseling. The program began in 1999 following the Hurricane Floyd disaster.
- A visit last week to the Siler City Elementary School with Dean Tom James of the School of Education. In many ways, the school is a microcosm of what's going on in North Carolina. Dr. Jill Fitzgerald, a Carolina professor of education, was also along on the trip. She had left her Chapel Hill classroom for a year and taught at Siler City Elementary. Her experience at the school changed about 80 percent of the theory she had been teaching at Carolina. She has completely re-schooled herself in terms of the realities of what she learned as a faculty member at the Siler City Elementary School.

- Upcoming travel to every corner of North Carolina—CAROLINA CONNECTS—to highlight all the ways CAROLINA CONNECTS with North Carolina’s communities and people.
- Launching of a new Public Service Database, compiled by the Carolina Center for Public Service, which is headed by Lynn Blanchard. The Internet resource already has more than 700 records of projects reaching all 100 counties in North Carolina.

Chancellor Moeser stated that Carolina has always played a significant leadership role in the life of the state. It is particularly true when the state has stood at a crossroads as it does now. Of all the crossroads the state has faced, none is more uncertain than the economic transformation standing in front of us. Many on the Tar Heel Bus Tour told him that their most meaningful day was the day when they experienced within a few hours the contrast of the economy of North Carolina—in Kannapolis, touring a huge and empty facility, which formerly housed Pillowtex, where 5,000 or more employees lost their jobs. That evening, the group was hosted in Charlotte by Hugh McColl where they saw the power and prosperity of the great city of Charlotte.

The Chancellor stated that it is his belief that The University of North Carolina at Chapel Hill has the power to make a difference and to lead the state away from its problems and failures, and it is his ambition to help the University become the leading public university in America. That is the right vision for this University. In many ways, we already are. There are only a handful of universities that can have this conversation and we’re clearly in that very short list of universities that can be talking about a vision of that magnitude. Part of the fulfillment of that vision will be fulfilling our own local mission of service and engagement to the people in North Carolina and beyond North Carolina. We can become a model for this transformation nationwide.

Chancellor Moeser closed by mentioning an important pending personnel action that the Board will consider in closed session at the end of the meeting. A recommendation regarding the Vice Chancellor for Student Affairs position will be acted upon at that time and an announcement concerning the appointment will be made later in the day.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Calabria commented on the following:

- The Interfraternity Council (IFC) and the steps it has taken to very vigorously try to solve internally some of the issues that have been discussed there, as well as at recent Board of Trustees meetings. The IFC has been working with student government, the honor court, the student attorney general and staff, the Office of Greek Affairs, and others to create a much more proactive system—a judicial board by which the Greek System itself can engage, in cases of hazing and personal servitude, etc., to prosecute violators individually. This system will be designed to make certain that the students in the Greek System know what the violations are. Students are now required to sign a new Code of Conduct, which is something that wasn’t required before. The Code of Conduct has been extended from 1-1/2 pages to four pages and very explicitly lays out individual violations. Work is currently being done on what the sanctions will be for those violations, and working with the student attorney general to co-cover a lot of the different issues that will be coming up, and to make sure there’s a really comprehensive system in that regard.
- The IFC is working on a “Faculty Night Out”, which involves fraternity members babysitting professors’ children.
- Fire safety violations have dropped significantly in the past semester.

- Freshman-pledged GPAs have increased in the past few years from 2.86 to 2.91.
- Visit to North Carolina senators and representatives offices in Washington, DC last week.
- Visit on May 25 by Mr. Calabria and ten students to the North Carolina Legislature.
- Creation of the UNC Lobby Corps, an independent student organization working largely in conjunction with the Association of Student Government, which is the organization of students representing the entire UNC System.
- The Campus Y—one of the University's most important organizations with a strong history.
- Collaborative approach of Student Government with the Administration and the Board of Trustees.
 - ❖ Student survey
 - ❖ Student handbook
- Thanks to Dr. Bresciani, Interim Vice Chancellor for Student Affairs, for his assistance during the past month and a half.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following items, which were previously approved by the committee.

- Amendment to Policy on the Admission of Students Requiring Special Consideration
(ATTACHMENT S)

Mr. Carter moved ratification by the Board of the above item. Mr. Calabria seconded the motion and it carried.

- Proposed Amendments to Board of Trustees Policies and Regulations Governing Academic Tenure
(ATTACHMENT T)

Mr. Carter moved ratification by the Board of the above item. Mr. Calabria seconded the motion and it carried.

Mr. Carter presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- Faculty Chair Remarks by Judith Wegner
 - ❖ Quality of new faculty, many who were met on the Tar Heel Bus Tour. Areas of interest: the skill of asking questions, creative writing, use of technology in instruction.
 - ❖ The new Ombudsman position.
- Provost Remarks by Robert Shelton
 - ❖ Report on ongoing searches
 - Vice Chancellor for Student Affairs: The Board of Trustees will take action on this position later in today's meeting.
 - Dean searches: School of Information and Library Science; School of Public Health; School of Dentistry; and School of Journalism and Mass Communication
 - Ombudsman Office
 - University Librarian
 - Executive Director of the Arts
- Update Report on Signage at Athletic Venues by Dick Baddour, Director of Athletics. A report from the Task Force on Signage in Athletic Facilities will be presented to the University Affairs Committee on July 21.

- Status of Leadership Initiative by Dick Baddour
 - ❖ Carolina Leadership Academy, a program to recruit and develop athletes to become leaders, not just student-athletes. Chairman Williams stated that the Board would look forward to further updates as the program progresses.
- Public Service at Carolina by Lynn Blanchard, Director of the Carolina Center for Public Service. [A handout is filed in the Office of the Assistant Secretary.]
- NCAA Committee on Academic Performance, Recent Developments by John Evans, Faculty Athletic Representative. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

Committee Chairman Carter stated that it would be good to have Mr. Evans speak to the Board of Trustees at future meetings to report on the progress of the work of the NCAA Committee on Academic Performance.

- Faculty Retention Survey (Completed April 2004): Initial Report by Steve Allred, Executive Associate Provost, and Judith Wegner, Chair of the Faculty. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

Chairman Williams asked if the Board would receive a summary of the survey results. Chair Wegner stated that a detailed report would be presented to the Board in September.

Mr. Schwab requested that information be provided to the Board concerning the process of identifying possible mental health problems of students.

Mr. Perry requested that at a future meeting further information be presented to the Board concerning Public Service at the University.

REPORT OF THE FINANCE COMMITTEE

Mr. Schwab, chair of the Finance Committee, presented the committee's report on the following items, which were previously approved by the committee.

- Board of Visitors Elections. Mr. Schwab moved ratification by the Board of the following 40 people for the Board of Visitors Class of 2008. Ms. Mason seconded the motion and it carried.

James Hardin Barton	Gail Henry Hutchison
Joseph Tyron Bell	Courtney Phillips Hyder
W. Lee Borden	Charles Craft Lucas III
Michael Brader-Araje	Michael Telfair Mahaffy
Russell Edwards Browning	Rosa Thompson McAfee
Queenie Mackey Byars	Daniel F. McComas
Carolyn Lloyd Coward	Gene Winston Minton
W. Allen Cobb, Jr.	William Paul Monroe
Stephen Gerard DeMay	Eric Scott Montross
Edward Joseph Fritsch	R. Hunter Morin
James Arthur Garriss	Stephen Carter Parham
Ernest Jerome Goodson	C. Ruffin Poole
Charles E. Hamner, Jr.	Elizabeth Evans Queally
C. David Hardison	Phillip Duckworth Ray, Jr.
Jimmy Davis Hitchcock	John Russell Sears, Jr.
James Eugene Holmes, Jr.	Robert Ray Shipman
T. Lewis Hooper	James Alfonzo Smith, Jr.
Flavius Durant Hornaday III	William Haywood Smith
Noah H. Huffstetler III	Sally Couch Vilas
Joan Cornoni Huntley	John Robbins Wester

Mr. Schwab also moved ratification by the Board of H. Kelly "Kel" Landis III as chair of the Board of Visitors. Ms. Mason seconded the motion and it carried.

- Special Obligation Bond Projects
(ATTACHMENT U)

Mr. Schwab moved ratification by the Board of the resolution authorizing several projects to be financed using special obligation bonds, including projects funded by previous bond issues which will be refinanced with special obligation bonds if there is an economic advantage to the University, and approved self-liquidating projects which would be funded with special obligation bonds consistent with each project's funding plan. Ms. Mason seconded the motion and it carried.

The following items were presented previously to the committee for information only (no formal action was requested at that time).

- Process for Capital and Debt Decisions
Case Study: Business and Financial Planning for Student Housing by Nancy Suttentfield, Vice Chancellor for Finance & Administration; Roger Patterson, Associate Vice Chancellor for Finance; and Larry Hicks, Associate Director, Housing Department.
(ATTACHMENT V)
- Update on Capital Improvement Program by Kevin MacNaughton, Special Assistant for Capital Projects, Facilities Planning & Construction. [A copy of the presentation is filed in the Office of the Assistant Secretary.]
- Endowment Payout for Fiscal Year 2004-05 by Bob Knight, Assistant Vice Chancellor, Finance and Administration
(ATTACHMENT W)
- Internal Audit Report by Phyllis Petree, Director, Internal Audit
(ATTACHMENT X)
- Carolina First Campaign Update by Paul Fulton. Mr. Fulton reported that the campaign total now stands at \$1,238,661,000. The campaign goal is \$1,800,000,000.

Mr. Carter requested that information be presented to the Board concerning the current structure of the Development Office. Vice Chancellor Kupec, University Advancement, will present a report at the July Board meeting.

HOUSING OPTIONS

Chairman Williams thanked the members of the Board who attended the April 22 Campus Master Plan and Housing Master Plan Workshop.

Chairman Williams introduced Dean Bresciani, Interim Vice Chancellor for Student Affairs, who presented a Reexamination of the Housing Master Plan, which included the following:

- A. Review of Baseline Assumptions
 - (1) Life and Safety
 - i. Fire safety and sprinklers
 - ii. Access (including ADA compliance)
 - iii. Electrical
 - iv. Railings
 - (2) Air Quality/Energy Efficiency
 - i. HVAC
 - ii. Window replacement
 - (3) Enrollment
 - i. Bed for every new undergraduate head
 - ii. Provide housing for marginal growth required throughout enrollment

- iii. Maintain housing to accommodate students currently living in campus housing during renovations
- (4) Financial
 - i. New construction self-sustaining
 - ii. New construction funding source for renovations of aggregate
 - iii. Renovation to maintain revenue stream
 - iv. Renovations to remain desirable and competitive
- B. Study Multiple Options: Housing Master Plan
 - (1) Combinations of renovations and replacements
 - (2) Combinations of phasing and critical time lines
 - (3) Varying levels of renovation
 - (4) New construction on alternate sites
 - (5) Multiple financial scenarios and proforma statements
- C. Actions Completed
 - (1) Sub-committee review
 - (2) Brailsford and Dunlavey
 - i. Survey and focus groups
 - ii. Local market analysis
 - iii. Demand calculations
 - (3) April Board of Trustees Workshop
 - (4) Ayers, Saint, Gross Workshop
 - (5) Designer and Construction Manager assessment
 - i. Craige/Ehringhaus phasing
 - ii. Craige/Ehringhaus completion
 - (6) Options and Impact Summary

Dr. Bresciani presented information concerning the South Campus Renovation Options and Impact. [A copy of this presentation is filed in the Office of the Assistant Secretary.] The data presented contained information on the impact related to financing, timeline, and other considerations for the following categories:

- Original Plan
 - Renovate Morrison, then Hinton James
 - Renovate Morrison, then Hinton James, plus Craige & Ehringhaus
- Alternative I – Renovate Morrison, then Craige & Ehringhaus, then renovate Hinton James
- Alternative II – Renovate Morrison, then Craige & Ehringhaus, then replace Hinton James
- Alternative III – Renovate Craige and Ehringhaus, then renovate Morrison, then replace Hinton James
- Alternative IV – Renovate Craige and Ehringhaus, then replace Morrison, then replace Hinton James

Chairman Williams requested that Mr. Perry facilitate the discussion concerning this information.

Christopher Payne, Director, and Larry Hicks, Associate Director, Housing Department, and Anna Wu, Director of Facilities Planning, responded to questions from members of the Board.

Following the discussion, each member of the Board expressed their opinion on the matter. The consensus of the Board was to renovate Morrison Hall as originally proposed.

Mr. Perry moved approval for the renovation of Morrison Hall, including the components of life safety (\$9 million), indoor air quality/air conditioning (\$6.5 million), room upgrades (\$2.2 million), and enhanced site improvements (\$600,000—not including lost parking spaces). Ms. Kitchin seconded the motion and it carried.

**HURON CONSULTING GROUP REPORT – ENHANCING THE ABILITY OF
NORTH CAROLINA’S PUBLIC RESEARCH UNIVERSITIES TO CONTRIBUTE
TO STATE ECONOMIC DEVELOPMENT**

Vice Chancellor Suttentfield, Finance and Administration, introduced Mr. James H. Roth, Chief Operating Officer, Strategic and Operational Consulting, who presented this report to the Board. The report was previously presented to a Joint Economic Development Committee of the General Assembly. [A copy of the report is filed in the Office of the Assistant Secretary.]

Mr. Roth reported on the following key findings:

- Economic Impact
 - ✓ Research at North Carolina’s public universities has a broad and significant economic impact on the State’s economy.
- Research Universities as a Strategic Asset
 - ✓ UNC-Chapel Hill and North Carolina State, together with Duke University, represent a unique asset for North Carolina, which the State should fully leverage.
- Competitive Positioning
 - ✓ Other states recognize the substantial benefits of external research funding; competitive positioning has therefore become increasingly important.
 - ✓ UNC-Chapel Hill and North Carolina State are at a significant disadvantage relative to their peers largely due to a common set of regulations for all State entities, impacting:
 - Salaries
 - Benefits
 - Performance Measurement
 - Purchasing
 - Facilities

SCHOOL OF GOVERNMENT PRESENTATION

Executive Vice Chancellor and Provost Robert Shelton introduced Dean Mike Smith who presented information to the Board about the School of Government.

Since 1931, the mission of the School of Government has been to improve the lives of North Carolinians through practical scholarship that improves government.

Dean Smith stated that the commitment of the University to serving its own state is unique and has created strong support for Carolina. The School of Government serves the state and generates more support.

Most of the School’s students are North Carolina public officials, not traditional University students seeking degrees. The School works with local and state officials in the areas of local government law, courts and criminal justice law, and public administration and management.

The School of Government faculty serves as follows:

- Teaching: 236 courses for 14,000 North Carolina public officials annually
- Advising: Long-term and urgent needs—over 100,000 annual telephone consultations. This distinguishes the School from any other academic unit in the country. Long-term advising includes faculty members working with study commissions of the legislature and municipal county committees that are studying particular issues that they want expert help on over the long haul.
- Research and Publishing: Books, articles, magazine, and research reports for practitioners, not the scholarly community.

Dean Smith also reported on the School’s Master of Public Administration (MPA) Program. Responsibility for this program was taken in 1997 in order to provide the strongest possible academic and practical experience for students seeking professional

degrees. This is the School's one group of regular, traditional University students. The combination of scholarship and practice makes this one of the best professional academic opportunities in the country.

MPA Program priorities include the following:

- Community Economic Development
 - Helping public officials think about what it takes to be a competitive community—what kind of physical infrastructure is needed; what kind of social infrastructure is needed; what are the best practices in similar communities around the country.
- Judicial College
 - Working with North Carolina court officials to develop a comprehensive educational program for judges and other court officials in order to assist them in dealing with complex problems related to child abuse, domestic violence, mental health issues, and complex business issues that they have not been accustomed to dealing with.
- Leading and Governing
 - Focusing on governing boards and their management.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, and seconded by Mr. Schwab, 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 FINANCE COMMITTEE

Report of the Naming Committee

Matt Kupec, Vice Chancellor for University Advancement, presented naming recommendations which were previously presented to the Finance Committee and approved by the committee.

Chairman Schwab moved ratification by the Board of the naming recommendations. Mr. Burnett seconded the motion and it carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

William Richardson Davie Award Nominations

Mr. Winston recused himself from this portion of the meeting.

Mr. Schwab, chairman of the Finance Committee, presented the committee's report on these nominations which were previously presented to the Finance Committee. The awards will be presented on November 17, 2004.

Mr. Burnett moved approval by the Board of the five nominees presented by the committee. Ms. Mason seconded the motion and it carried. [A copy of the Davie Award information is filed in the Office of the Assistant Secretary.]

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, presented faculty appointments and salary approvals dated May 17, 2004 for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS Y, Z, Z-1, Z-2, & Z-3)

LEGAL ADVICE

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

DEEP EXECUTIVE CLOSED SESSION

Chairman Williams convened the Board in Deep Executive Closed Session to discuss a personnel matter.

RECONVENE MEETING IN OPEN SESSION

Chairman Williams reconvened the Board in open session.

OPEN SESSION

UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, chair of the University Affairs Committee, moved approval by the Board of the following personnel actions dated May 17, 2004 and May 26, 2004 which were discussed earlier in closed session. The motion was seconded by Mr. Burnett and carried.

- Personnel changes in Academic Affairs dated May 17, 2004
(ATTACHMENT Y)
- Personnel changes in Health Affairs dated May 17, 2004
(ATTACHMENT Z)
- Tenure Appointments and Reappointments dated May 17, 2004 and an addendum dated May 26, 2004 concerning an appointment
(ATTACHMENT Z-1)
- Out-of-cycle Salary Increases dated May 17, 2004
(ATTACHMENT Z-2)
- The personnel changes for information dated May 17, 2004 did not require action by the Board.
(ATTACHMENT Z-3)

Chairman Williams stated that the personnel and salary actions voted on in open session had been distributed to the press.

ADJOURNMENT

There being no further business to come before the Board, Chairman Williams adjourned the meeting at 1:30 p.m.

Assistant Secretary