

DRAFT
Board of Trustees
NC State University
Raleigh, North Carolina

April 17, 2003

The North Carolina State University Board of Trustees met in regular session in Room 2104, Toxicology Building, North Carolina State University Centennial Campus, at 9:00 a.m., Thursday, April 17, 2003. Chair Peaches Gunter Blank presided.

MEMBERS PRESENT:

Peaches G. Blank
D. McQueen Campbell
Derick S. Close
W. Steven Edwards
Ann Goodnight
Suzanne Gordon
Edward E. Hood, Jr.
Robert L. Mattocks, II
Wendell Murphy
Cassius S. Williams
Michael Anthony, ex officio

Chair Blank called the meeting to order at 9:09 a.m.

ROLL CALL

Assistant Secretary Clare Kristofco called roll and certified that a quorum was present.

MINUTES

Mr. Hood made the motion, seconded by Mr. Close, to approve the February 21, 2003 full Board minutes with one clarification; the motion carried. The revised minutes show that the Chair of the Faculty was not present at the February 2003 Board meeting to present his report to the full Board. The following was added to the February 21, 2003 minutes: "The Chair of the Faculty was not present for the report. However, he had provided a written report that included the following topics."

CHAIR'S REPORT - PEACHES GUNTER BLANK

Chair Blank announced that three North Carolinians received the prestigious Watauga Medals for their distinguished service to the University on March 10. The honorees were John L. Atkins, III of Durham, Walter W. "Dub" Dickson of Gastonia, and Arthur "Tab" Williams, Jr. of Winston-Salem. The Watauga Medals, the highest non-academic honor bestowed by the Board of Trustees, were presented by Chair Blank and Chancellor Fox at the 2003 NC State University Founders' Day Dinner. The event marked the 116th anniversary of the University's founding.

Chair Blank noted that 2002-2003 was an excellent year in athletics. The men's basketball team participated in a second consecutive NCAA invitation and had an outstanding showing in the ACC Tournament. In January, the Wolfpack football team defeated the Fighting Irish 29-6 in the Gator Bowl. The women's gymnastics team, ranked 23rd, earned an invitation to the NCAA Regional Championship. Finally, the men's baseball team is off to a strong start in the spring season.

Chair Blank thanked Student Body President Michael Anthony for a record voter turnout of 6,019 votes for Student Government positions. She welcomed and congratulated Tony Caravano, Student Body President-elect, for his recent campaign success. Mr. Caravano will now join the Board of Trustees as an ex-officio member.

She announced the names of the three new Board of Trustee appointments. The Board of Governors recently appointed Robert B. Jordan, III of Mount Gilead, NC. He is a 1954 graduate of NC State's College of Natural Resources. He has served as Lieutenant Governor of North Carolina and was instrumental in the decision to establish the Natural Resources Research Center at NC State. He is President of Jordan Lumber & Supply and serves as a member of the College of Management Board of Advisors. He is a recipient of NC State's prestigious Watauga Medal. Mr. Jordan's appointment will become effective July 1, 2003.

Governor Mike Easley appointed Steve F. Warren of Greensboro as a member of the Board of Trustees. Mr. Warren is a 1968 graduate of NC State's College of Textiles. He is Managing Partner of Sheley Management Group. He is a former president of the Greige Fabrics Division of CMI Industries, Inc. Mr. Warren was a volunteer in the Campaign for NC State Students, and serves on the Board of Trustees of the NC State Endowment Fund. His service to the University also includes terms on the Graduate School Board of Advisors, the Athletics Council, The Wolfpack Pride Campaign, and the Board of Directors of the NC State Student Aid Association. Mr. Warren's appointment will become effective July 1, 2003.

The Board of Governors recently appointed Cassius S. Williams of New Bern, NC. He is a 1969 graduate of NC State's College of Agriculture and Life Sciences. Mr. Williams is a State Farm Insurance agent in Greenville, NC. He has served two terms as President of the Board of Directors of the NC State Alumni Association, and currently chairs the Alumni Association's Building Committee. He has served the University on the Wolfpack Club Board of Directors, the Park Scholars Selection Committee, and the Executive Committee of the NC State Foundation. Mr. Williams had been appointed by the Board of Governors at its February meeting to fill the unexpired term of Vernon Malone, who resigned his seat on the Board after his election to the North Carolina State Senate. Mr. Williams will now serve a four-year term.

Chair Blank also congratulated Trustees Goodnight, Murphy, and Vaughn for their reappointments to the Board. She thanked them for their continuing willingness to serve the University.

Chair Blank noted the upcoming dedication ceremony for the new Wendell H. Murphy Football Center to be held at 11:30 a.m., Friday, April 25. Trustee Murphy, Chancellor Fox, Director of Athletics Lee Fowler, and Wolfpack Club Director Bobby Purcell will take part in the ribbon-cutting ceremony, which will be held in the plaza in front of the center next to Carter-Finley Stadium. In appreciation for Mr. Murphy's leadership and longtime commitment to NC State, a bust of Murphy will be placed in the Hall of Champions area of the Center, along with a plaque honoring the Murphy family.

Chair Blank announced that the departing members of the Board of Trustees have been honored with Walter Hines Page Awards for their service to the University and the Board. Mr. Hood, Mr. Edwards and Mr. Anthony accepted the awards in a ceremony Wednesday, April 16. Mr. Vernon Malone had received the award in November 2002.

Chair Blank announced a scheduled abbreviated Board meeting for Monday, July 14, that will include an orientation session for new Trustees. She reminded the Board that Trustees, especially new members, are encouraged to attend the Board of Governors' Conference on Trusteeship scheduled for October 8-9, in Boone, NC. The Office of the President recommended that all Trustees mark their calendar for the event.

On behalf of the Board, Chair Blank thanked Interim Provost Robert Barnhardt for his leadership during the transition to a new provost. She also thanked the Board for allowing her to serve as Chair during the previous academic year.

CHANCELLOR'S REPORT - MARYE ANNE FOX

Chancellor Fox provided an update on the proposed 2003-2004 House subcommittee budget and compared the proposal to Governor Mike Easley's budget. The governor's proposed budget has been presented to the General Assembly, and the House and Senate are preparing their spending plans. A compromise plan will be worked out between the two bodies and approved by the governor.

The Chancellor announced that the spending plans call for the University to receive full funding for enrollment growth, and substantial contributions for financial aid. The Governor's plan calls for \$10.2 million for financial assistance and the House plan budgets \$5.1 million. Neither plan mentions overhead receipts.

Chancellor Fox mentioned challenges that remain for the University in the budget process. They include cuts in the House plan of \$3.4 million for graduate student tuition remission, and a \$2.5 million cut to Microelectronics Center North Carolina. The House plan also calls for an increase in tuition for both in-state and out-of-state students.

Chancellor Fox reported that Professor John Balaban has been awarded a prestigious Guggenheim Fellowship for 2003-2004. The John Simon Guggenheim Memorial Foundation awards the fellowships on the basis of distinguished achievement and exceptional promise for future accomplishment. Professor Balaban is the only North Carolinian to win the 2003 Fellowship.

Two NC State students have won prestigious Goldwater Scholarships for the 2003-2004 academic year. Melissa M. Adams of North Wilkesboro, a senior majoring in zoology and multidisciplinary studies, and Justin S. Brockman of Shelby, a sophomore majoring in physics and applied mathematics, have received Goldwater Scholarships. The awards are based on academic merit and cover the cost of tuition, fees, books, and room and board up to a maximum of \$7,500 per year.

Robert Reeves Anderson of West End, NC, a graduate student at North Carolina State University, has been awarded a Rotary International Ambassadorial Scholarship for the 2003-2004 academic year. Created in 1947, the Ambassadorial Scholarship is the Rotary Foundation's oldest and best-known program, providing up to \$25,000 for a year of study in another country.

Chancellor Fox announced that the NCSU Libraries was again ranked 32nd out of the 115 libraries the Association of Research Libraries (ARL) ranks each year.

Chancellor Fox announced that this year's Spring Commencement will be Saturday, May 17, in the RBC Center. Honorary degrees will be awarded to Mr. Ken Burns, Ms. Cyma Rubin, Dr. William Hill and Mr. E. Carroll Joyner.

Chancellor Fox noted that three well-qualified candidates were recently interviewed for the vacant position of Provost and Executive Vice Chancellor for Academic Affairs. Dr. Richard Edwards of UNC-Chapel Hill, Dr. James Oblinger of NC State, and Dr. Joan Stewart of the University of South Carolina have been interviewed and are under final consideration for the position. She will conduct further due diligence before bringing forward a nominee for approval by the Board of Trustees.

COMMITTEE REPORTS

Endowment Board - Chair Peaches Blank

The Endowment Fund met Friday, February 21, 2003. The Board approved acceptance of gifts totaling \$473,350.17 with an exception of two gifts being available for current spending. The Endowment Fund's net return for one-year ended December 31, 2002 totaled a negative 12.5% although a positive 1.98% return was reported for the quarter ended December 21, 2002.

The National Association of Colleges and Universities Business Officers annual survey reported NC State University's endowment ranked 133 out of 650 participating institutions.

The Endowment Board will meet again Monday, May 13 at noon in the Alumni Conference Room.

Academic Affairs and Personnel Committee - Acting Chair Derick Close for Chair Richard Robb

Acting Chair Close reported that at the meeting on April 16 the Committee had approved the consent agenda that included the minutes of the February 20 meeting.

The Committee discussed and approved the Amendment to Board of Trustees Policy 10.00.1 - Patent Policy and Procedures (Appendix A). The NC State Patent Policy and Procedures are designed to implement the Patent and Copyright Policies of the University of North Carolina. The procedures incorporate the interests of the faculty, staff, and students, the institution, and the sponsors of research, because often those interests encourage innovation and assure broad dissemination of the results of research. Mr. Mattocks made the motion, seconded by Mr. Close, to approve Board of Trustees Policy 10.00.1; the motion carried.

The Committee heard informational reports on Renaming the Department of Civil Engineering to Civil, Construction, and Environmental Engineering; Renaming the Department of Farm Animal Health and Resource Management to Population Health and Pathobiology in the College of Veterinary Medicine; the University's Enrollment Plan for 2012; and update on Reappointment, Promotion, and Tenure; the report from the Chair of the Faculty; and an assurance that performance appraisals have been or will be conducted for all EPA Personnel.

In Closed Session, the Committee approved personnel actions submitted by Chancellor Fox, including eight new appointments, forty-three promotions conferring tenure, eight conferrals of tenure, three salary increases, thirteen conferrals of Emeritus Status, and one contract extension. The Committee also approved the nominations for the Holladay Medal.

Buildings and Property Committee - Chair D. McQueen Campbell

Chair Campbell reported that at the meeting on April 16 the Committee approved the consent agenda, including the minutes of the February 20 meeting.

The Committee reviewed and approved five property matters and four designer selections. The five property matters require full Board approval. The proposals (Appendix B) are: the equal land exchange of approximately 0.8 acres with NC Department of Transportation, Division of Highway Patrol at Centennial Biomedical Campus; 11 leases for Fraternities and Sororities at Fraternity Court; lease for ground and air rights to NC State University Student Aid Association for press box facility at Carter-Finley Stadium; purchase of 1.08 acres from Lucille R. Alexander at 805 Lake Raleigh Road for expansion of Centennial Campus along its Lake Raleigh Drive frontage; and demolition of the house at 2433 Avent Ferry Road that is adjacent to a major entrance to the Centennial Campus at Varsity Drive and Avent Ferry Road.

Mr. Campbell made a motion, seconded by Mr. Murphy, to approve the property matters; the motion carried.

The Committee approved two property matters received after the Trustee mailing, including one that required full Board approval. Mr. Campbell made the motion, seconded by Mr. Murphy, to approve the lease from NC Venture, LLC, for the use by Industrial Extension Service for Incubator Service on Centennial Campus (Appendix C); the motion carried.

The Committee reviewed and approved changes to Board of Trustees Policy 07.60.01 Parking and Transportation Policies, which include proposed General Provisions, proposed Two Wheel Vehicles Changes, proposed Parking Permit Changes, proposed Parking Regulations, proposed Enforcement and proposed Traffic Regulations (Appendix D). The proposed changes would be effective August 16, 2003. Mr. Campbell made the motion, seconded by Mr. Murphy; to approve the changes to Board of Trustees Policy 07.60.01; the motion carried.

The Committee accepted a list of completed buildings and projects. Committee members reviewed the Physical Master Plan, three site selections and five building plans. The Committee approved project plans

and specifications less than \$1 million. The Committee heard several informational reports, including the successful rezoning of the 159 acres near the Carter-Finley complex.

Development Committee - Chair Edward E. Hood, Jr.

Chair Hood reported that at the meeting on April 16, the Committee approved the consent agenda that included the minutes of the February 20 meeting.

Chair Hood noted that the Committee heard reports regarding fund-raising through March 31, 2003. Total gifts and pledges were \$120,891,007. This amount exceeds this year's total goal of \$120 million and is an increase of \$15.8 million over last year's third quarter results.

The Committee was briefed on the progress of the comprehensive campaign, which is in its quiet phase, and discussed the strategy for a kick-off event and for setting the public phase goal. The Committee also received updates on capital project fund-raising.

The Committee heard a report detailing the growth of the Lifetime Giving Societies. When established in 1995, the Societies had 288 members with cumulative giving of \$52 million. When the Societies gathered at Prestonwood Country Club on April 25 for the ninth annual Lifetime Giving Societies members' event, the Societies will celebrate 962 members with \$243 million cumulative giving. Five charter members will be inducted into the Alexander Quarles Holladay Society for lifetime cumulative gifts of \$5 million and more in outright or irrevocable planned gifts.

The Director of Scholarships and Financial Aid reported on how scholarship gifts help the university recruit and retain talented students.

In Closed Session, the Committee approved a proposal to name a University facility.

Finance and Planning Committee - Acting Chair Derick Close for Chair Richard Vaughn

Acting Chair Derick Close reported that at the meeting on April 16, the Committee approved the consent agenda that included the minutes of the February 20 meeting.

The Committee heard several informational reports. University Treasurer Kathy Hart gave an update on upcoming debt financing including financing for University Housing Apartments, renovations to Doak baseball field, and renovations to five houses on Greek Court. Mr. Bob Geolas, Centennial Campus Partnership Office, discussed the Partnership Status Report. Director of Internal Audit Ericka Kranitz gave the status on internal audits. Mark Beasley from the College of Management delivered an overview of the Center for Enterprise Risk Management. Assistant to the Chancellor for External Affairs Andy Willis gave a legislative update including the status of the budget process. Finally, Vice Chancellor Steve Jones and Mike Davis from the Office of Extension and Engagement reported on the Audubon International / NC State University Sustainable Communities Partnership.

Student and Campus Affairs Committee - Chair Michael Anthony

Mr. Anthony reported that at the meeting on April 16, the Committee approved the consent agenda that included the minutes of the February 20 meeting.

The Committee heard a report on the NCAA certification process. On March 3, the Associate Director for Membership Services of the NCAA gave the Steering Committee and each subcommittee an orientation for the upcoming certification process. Subcommittees have met and begun work on their reports, which are due July 16. The Steering Committee will meet on August 29 to review the subcommittee reports and to finalize the reports which are due to the NCAA in January 2004. The Peer Review team will visit campus in April 2004.

The Committee then heard reports regarding Staff Senate activities for the Spring and an update on the status of Greek Court renovations and leases. By the end of this summer, the renovations at five houses will be completed. Four additional chapters have signed long-term leases and four others have expressed

an intent to remain on the court, but have asked to negotiate the terms of the lease. Two remaining chapters have not yet responded to the April 1 lease deadline.

The Committee heard a report from Athletics on existing facilities, current and projected renovations, and other future proposed renovations. The Committee took a tour of Doak Field and the Wendell H. Murphy Football Center.

Nomination Committee - Chair Bob Mattocks

Chair Mattocks reported that the Committee reviewed the Board's Nominating Committee guidelines, and offers the following slate of officers for 2003-2004:

Peaches Gunter Blank, Chair
Richard G. Robb, First Vice Chair
Derick S. Close, Second Vice Chair
D. McQueen Campbell, III, Secretary
Clare M. Kristofco, Assistant Secretary

The full Board will vote on the slate of officers at the July 14, 2003 meeting.

Board of Visitors Report - Andy Willis for Chair Barry Eveland

Assistant to the Chancellor for External Affairs Andy Willis gave a Board of Visitors update on behalf of Barry Eveland. Mr. Willis reported that Vice Chancellor Terry Wood and Darrell Menscer spoke to Board of Visitors about the silent phase campaign. They project that the campaign will become public in September 2004 and will remain in that phase for approximately four years. The approved Capital Projects which are included in this campaign are: Alumni Center, Football Center, The William and Ida Friday Institute for Educational Innovation, the E. Carroll Joyner Visitors Center, Advancement Services Building, and the Veterinary Medical Center. The Board of Trustees have approved these projects.

The Board of Visitors received an update from Associate Vice Chancellor for Public Affairs Debbie Griffith regarding the ACHIEVE campaign. She estimated that 30 million people have seen the campaign through the printed advertisements and the video advertisement shown at sporting events. Current projects are: ACHIEVE brochure, Chancellor Fox newsletter, updating of web site, biweekly ACHIEVE newsletter, new ad design, and an admissions/recruitment brochure.

Dr. C. Lennie Barton, newly appointed Associate Vice Chancellor for Alumni Affairs/ Executive Director of Alumni Association, was introduced to the Board of Visitors. Dr. Barton has worked at NC State for over 25 years, and has three degrees from NC State, including his doctorate. Dr. Barton reviewed his vision for the Alumni Association with the Board.

Mr. Willis gave the Board an update on legislative affairs. He also discussed the budget. The Honorable David Miner of the North Carolina House of Representatives gave a legislative update to the Board. He stated that Chancellor Fox had established a very strong connection with the General Assembly, and has earned the Assembly's respect. He believes that Chancellor Fox has taken the University to new levels. He briefly discussed the proposed budget.

Mr. Rolf Blizzard, Chief of Staff in the Office of Senate President Pro Tempore Marc Basnight, reviewed the Senate budget perspective. The Senate's priorities for this session are economic development and job creation, education, affordable health care, and the reforming of government to eliminate waste.

Student Government Report - Michael Anthony

Mr. Anthony thanked the members of the Board for their counsel during his year's service on the Board of Trustees. He reported that he will pursue graduate studies at the University of Kentucky at Louisville in the fall. Chair Blank commended Mr. Anthony for his leadership, courage, and willingness "to stand up for what is right" in every case presented to him as a student leader. She expressed the Board's appreciation and said that he was truly headed for success.

With no further business for Open Session, Chair Blank asked Ms. Kristofco to read the motion for the Board to go into Closed Session. Mr. Hood made the motion, seconded by Mr. Murphy, to go into Closed Session, according to North Carolina General Statutes, Sections 143-318.11 (a)(1), 143-318.11 (a)(2), 143-318.11 (a)(3), and 143-318.11 (a)(6); the motion carried. The Board went into Closed Session at 10:07 a.m. and returned to Open Session at 11:15 a.m.

Chair of the Faculty Philip B. Carter asked to address the Board. He thanked outgoing Board members – Mr. Edwards, and Mr. Hood – for their service to the University.

With no further business to discuss in Open Session, Chair Blank adjourned the meeting at 11:17 a.m.