

**Board of Trustees**  
North Carolina State University  
Raleigh, North Carolina

July 12, 2004

The North Carolina State University Board of Trustees met in the Alumni Building, North Carolina State University, at 2:30 p.m. on Monday, July 12, 2004. Chair Peaches Gunter Blank presided.

**MEMBERS PRESENT:**

Peaches Gunter Blank  
D. McQueen Campbell, III  
Derick Close  
Ann B. Goodnight  
Suzanne Gordon  
Robert B. Jordan, III  
Bob L. Mattocks  
Wendell H. Murphy  
Richard G. Robb  
C. Richard Vaughn  
Steve F. Warren  
Cassius S. Williams  
Tony Caravano, ex officio

Chair Blank called the meeting to order at 2:30 p.m. and welcomed those in attendance. She recognized and gave a word of thanks to Steve Jones and George Worsley as they prepare to leave their posts. Chair Blank welcomed Dr. Bob Barnhardt as interim chancellor and thanked him for his willingness to serve.

**ROLL CALL**

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

**MINUTES**

Mr. Campbell made the motion, seconded by Mr. Jordan, to approve the minutes from the April 16, 2004 meeting of the Full Board, the April 16, 2004 Closed Session of the Full Board, the April 30, 2004 Full Board Telephone Conference and the June 18, 2004 meeting of the Executive Committee; the motion carried.

**ELECTION OF OFFICERS**

At the April 16, 2004 meeting of the Board of Trustees, the Nominating Committee, chaired by Mr. Vaughn, nominated a slate of officers for 2004-2005 that included Clare M. Kristofco as Assistant Secretary. Ms. Kristofco is leaving NC State. Mr. Vaughn made the motion, seconded by Mr. Jordan, to revise the slate of officers to place PJ Teal on the slate as Assistant Secretary; the motion carried. The following slate of officers was nominated for 2004-2005:

Chair	Peaches Gunter Blank
First Vice Chair	Richard G. Robb
Second Vice Chair	Derick S. Close
Secretary	D. McQueen Campell
Assistant Secretary	PJ Teal

Mr. Vaughn made a motion, seconded by Mr. Jordan, to approve the revised slate of officers for 2004-2005; the motion carried. Chair Blank recommended that Mr. Vaughn be elected to the fifth position of the Board of Trustees Executive Committee. With no further discussion, Mr. Mattocks made the motion, seconded by Mr. Warren, to approve Mr. Vaughn as the fifth member of the Executive Committee; the motion carried.

#### **CHAIR'S REPORT – PEACHES GUNTER BLANK**

Chair Blank thanked the Board for the opportunity to serve as Chair. She stated her purpose is to work hard for NC State and fulfill the vision Chancellor Marye Anne Fox has outlined for the University.

Chair Blank noted that NC State continues to struggle with the salary issue and it is on the agenda of every meeting.

Chair Blank provided an update of the Chancellor Search Committee. The Committee is off to a wonderful start, with a great group of members. Business Management Professor Art Padilla, who is serving as an adviser to the Committee, made a presentation that should help the Committee in the search process.

Spring Commencement ceremonies provided a real feeling of warmth. Lieutenant General Dan McNeill delivered the Commencement address.

Chair Blank turned the Board's attention to Chancellor Marye Anne Fox and Assistant Secretary Clare Kristofco. She described their dedication to their jobs, working endless hours for the benefit of the University. Chair Blank expressed deep appreciation for their many contributions.

#### **CHANCELLOR'S REPORT – MARYE ANNE FOX**

Chancellor Fox thanked the Board for their support during her six years at NC State. She urged the Board to continue the University's current momentum and noted the leadership is in place and poised to do that.

Chancellor Fox asked Assistant to the Chancellor for External Affairs Andy Willis to give the Board an update on the NC General Assembly budget negotiations. Mr. Willis explained that state lawmakers have been in town since May and are still working on the budget. Legislators are expected to have a budget by this Friday. It appears reductions in the University budget will be less than previously expected. The House and Senate have

reached a proposed compromise of 1.47% in reductions. Even more encouraging, enrollment will be fully funded and there is no mention of overhead receipts in the body of the proposed legislation, for the first time in 15 to 20 years. Lawmakers are debating a salary increase of \$1,000 or 2.5%, whichever is greater. They are also discussing other compensation options, including additional leave time. In the proposed legislation NC State would receive \$500,000 in recurring funds for the Biomanufacturing Training and Education Center; \$500,000 for the Manufacturing Extension Partnership; and \$150,000 for a joint project with ECU. The only priority funding we did not receive was \$187,000 for Centennial Campus Technology Incubator. The big issue that continues to tie up lawmakers is deciding which buildings to fund at various universities. NC State's building projects are not included in that debate. Chancellor Fox expressed appreciation for legislators giving the University every consideration, but noted that cuts will still be painful. The University will continue to monitor the budget process.

Chancellor Fox shared noteworthy achievements and honors with the Board. NC State was awarded a Pope Foundation Grant. The Alumni Association recognized 18 faculty members for outstanding work. The Public Affairs *Achieve!* Campaign won a Case national silver medal for university branding. Chief Tom Younce's creation of a neighborhood policing effort led to NCSU Campus Police accreditation, a rare achievement for a campus police agency. Chancellor Fox thanked Chief Younce for improving safety at NC State.

Appointments include Vice Chancellor for Research and Graduate Studies John Gilligan as interim Vice Chancellor for Extension and Engagement, and Associate Vice Chancellor for Facilities Charles Leffler as the new Vice Chancellor for Finance and Business. Dr. Warwick A. Arden has been named Dean of the College of Veterinary Medicine. Dr. Warwick is professor and Head of Department of Veterinary Clinical Medicine at the University of Illinois. He replaces retiring Dean Oscar Fletcher, who has been a true champion in helping the University grow. Later in this meeting, Dr. Ira Weiss will be recommended as Dean of the College of Management.

The University is in good shape to continue our work. A mid-term progress report for the Higher Education Bond shows NC State is a leader. Page 23 in the *NC State Magazine* outlines the accomplishments we have made in the last six years; significant growth in student SAT scores, growth in underrepresented populations, improvements in diversity. Academic programs have grown extremely well. We have restored competitive athletics. NC State is one of only three institutions to have their men's and women's basketball teams and their baseball team in the NCAA Tournament and their football team in a bowl game. Over the last three years, our teams have competed in three consecutive bowl games and three consecutive men's NCAA basketball tournaments. Only five institutions can make that claim and we are one of them. We are proud of our cheerleaders who won a national title. They also came together as a team, earned cheerleading scholarships and improved their grades. Our students, faculty and staff deserve all the accolades.

Chancellor Fox told the Board she leaves with a heavy heart but with a great sense of pride that she hopes they share.

Trustees reviewed reappointments and new appointments to the Board of Visitors. Five University supporters were recommended as new appointments to fill expiring appointments. Mr. Campbell made the motion, seconded by Ms. Gordon, to approve the appointments to the NC State Board of Visitors (Appendix A); the motion carried.

### **COMMITTEE REPORTS**

#### **Academic Affairs and Personnel Committee – Chair Richard Robb**

Chair Richard Robb reported that Provost Oblinger briefed the Committee on upcoming issues and topics for discussion that will be forthcoming during the 2004-2005 academic year, including faculty recruitment and retention, covering issues such as diversity, salaries, reappointment, promotion and tenure, and the post-tenure review process. The Office of Provost will review general education requirements.

Chair Robb informed the Board that the Committee also received an update on the search for Dean of the College of Agriculture and Life Sciences. The Committee approved the appointment of Dr. Ira Weiss as Dean of the College of Management, effective December 1, 2004. Dr. Weiss currently serves as Dean of the College of Business Administration at Northeastern University.

Provost Oblinger gave the Committee a progress report on the Biomanufacturing Training and Education Center and the work through the summer by the Faculty Advisory Budget Committee. The Committee was appointed by Chancellor Fox in response to a Faculty Senate resolution requesting input to the Chancellor by faculty members on issues related to NC State's core values and priorities and the NC State budget. Two Phase II Bond Planning Sessions were held in late May and early June for the purpose of discussing current and upcoming space needs and facilities.

In Closed Session, the Committee approved personnel actions, including promotions, conferrals of tenure, conferral of emeritus status, and salary actions. The Committee approved Honorary Degree nominations that will be discussed in Full Board Closed Session today.

#### **Buildings and Property Committee – Chair D. McQueen Campbell**

Chair Campbell reported that the Committee reviewed and approved four property matters, two designer and two construction manager selections. The Committee accepted a list of completed buildings and projects. Three property matters required Full Board approval. The matters were: the lease of office space for the College of Physical and Mathematical Sciences to provide lab space for graduate students in the Statistics Department (Appendix B); conservation easement to North Carolina Department of Transportation for restoration of Rocky Branch between Morrill Drive and Pullen Road

(Appendix C); and revision of the ground lease with air rights to NCSU Student Aid Association for Press Box/Media Center at Carter-Finley Stadium to be consistent with that of the financing agreement (Appendix D). Chair Campbell made a motion, seconded by Mr. Vaughn, to approve the property matters; the motion carried.

The Committee reviewed and approved the ground lease to an affiliated NC State entity for the construction and operation of a golf course on Centennial Campus. The ground lease required Full Board approval. Associate Vice Chancellor for Facilities Charles Leffler, Treasurer Kathy Hart and Chair Campbell gave the Board a brief PowerPoint presentation on the background of this transaction. The 193-acre, 18-hole, par 71 public course was designed by the Palmer Course Design Company. Design work on the course and the clubhouse are complete. Design work is not complete for the Research and Training Center. In April, the Board approved a \$16 million fundraising campaign for this project. Projections show the golf course will be able to sustain positive operation; and fees will be comparable to other universities' golf courses. Projected fees for the first year will range from \$42 to \$72.15, for 18-hole play. Chair McQueen told the Board there is a great deal of excitement for this project, with the campaign slated to finish in 2005 and the course expected to open in 2007. The first five prospects will be contacted in August. Chancellor Fox said the project has academic advantages that must be emphasized, including the Turf Grass Program and the Environmental Sustenance Program. Chair Campbell made a motion, seconded by Mr. Vaughn, to approve the ground lease for construction and operation of a golf course (Appendix E); the motion carried.

Chair Campbell reported the Committee reviewed two building plans. The Committee approved two property matters that were received after the Trustee mailing. The Committee approved three site selections, two building plans, and project plans and specifications less than \$1 million. Committee members heard informational reports on the status of projects in planning and the condition of the Chancellor's residence. The Committee recommended that the Board authorize repair and refurbishment of the Chancellor's residence up to \$350,000, which includes HVAC, window replacements, accessibility, and finishes. Mr. Campbell made a motion, seconded by Mr. Murphy, to approve the recommendation; the motion carried.

**Student and Campus Affairs Committee – Chair Derick S. Close**

Chair Close reported that the Committee reviewed proposed revisions to the "Drug Education, Screening and Counseling Program for Intercollegiate Athletics." The revision would update the policy and incorporate suggestions contained in a model drug testing policy drafted by the UNC Office of the President. Mr. Close made a motion, seconded by Mr. Warren, to approve the proposed revised Board Policy 09.00.2 (Appendix F); the motion carried.

The Committee discussed revising Board Policy 01.05.7 "Student and Campus Affairs Committee," which would streamline the student appeals process and limit the appeals to

be brought before the Student and Campus Affairs Committee and the Board of Trustees. After careful consideration, the Committee decided not to recommend approval of any revisions.

The Committee then heard a report from Vice Chancellor Tom Stafford on the NCAA certification process. NC State completed the self-study report, and the peer review team visited the campus on April 28, 2004 through April 30, 2004. The peer review team prepared a report based on the self-study and the site visit. The report commended the athletic program in all areas, but indicated the need for clarification or additional information for the gender equity plan, the minority plan, and the transfer certification. Revised documents have been completed and submitted to the NCAA in all of these areas of concern. The NCAA has given verbal indication that the revised documents are acceptable, and the University expects to receive full certification when the NCAA Certification Committee meets in early August.

Next, the Committee moved into Closed Session to hear one student appeal.

**Items of Interest to Members of the Board**

Mr. Jordan informed the Board that the Chancellor Search Committee is making good progress. Three public forums are scheduled for July 21, August 9 and August 26. Mr. Jordan encouraged Board members to share any suggestions or recommendations concerning the search.

Chair Blank recognized Ms. Clare Kristofco for her tireless work. Chair Blank stated that Ms. Kristofco covers every detail twice, never makes a mistake and has been a valuable asset to the University's leadership team. On behalf of the Trustees, Chair Blank presented Mrs. Kristofco with a beautiful chair, complete with the NC State University seal.

Chair Blank then informed Chancellor Fox that the Board wanted to thank her with a resolution. The resolution was read aloud with each trustee reading a portion of it (Appendix G).

Chair Blank told Chancellor Fox that no document could ever put into words what she has achieved in her six years at NC State.

Chancellor Fox humbly responded by saying she could not take credit for all of the accomplishments and that NC State's progress involved everyone. Chancellor Fox stated that both she and Ms. Kristofco share a love for NC State University.

With no further items to come before the Board of Trustees, Mr. Vaughn made a motion, seconded by Mr. Warren, to go into Closed Session to prevent the premature disclosure of an honorary award or scholarship, according to North Carolina General Statute, Section 143-318.11 (a)(2); the motion carried.

The Board went into Closed Session at 3:25 p.m. and returned to Open Session at 3:40 p.m.

With no further business to come before the Board, Chair Blank adjourned the meeting at 3:40 p.m.