Board of Trustees  
North Carolina State University  
Raleigh, North Carolina  

September 11, 2009

The North Carolina State University Board of Trustees met in regular session in the Hood Board Room of the Dorothy and Roy Park Alumni Center on Centennial Campus, Raleigh, NC, on Friday, September 11, 2009. Chair Lawrence Davenport presided.

Members present:  
Lawrence Davenport, Chair  
Jack L. Cozort  
Benjamin P. Jenkins III  
Bob Jordan  
Gayle S. Lanier  
Barbara H. Mulkey  
James W. Owens  
Randall C. Ramsey  
John P. Sall  
E. Norris Tolson  
Steve F. Warren  
Cassius S. Williams  
Jim Ceresnak, ex officio

Chair Davenport called the meeting to order at 9:20 a.m. He reminded all members of their duty to avoid conflicts of interest and appearance of conflicts of interest under the State Government Ethics Act and inquired as to whether there were any known conflicts of interest or appearances of conflict with respect to any matters coming before the Board at this meeting. There being none, the Chair called on Assistant Secretary PJ Teal for the roll call.

ROLL CALL
Assistant Secretary PJ Teal called roll and certified that a quorum was present.

MINUTES
Ms. Lanier made the motion, seconded by Mr. Jenkins, to approve the open and closed session minutes of the July 14, 2009, meeting of the full Board. The motion passed.

CHAIR’S REPORT-LAWRENCE DAVENPORT
Chair Davenport reported that the Atlantic Coast Conference annually requires its member institutions’ boards of trustees to certify that authority for the administration of intercollegiate athletics has been delegated to the chancellor. Mr. Jordan made the motion, seconded by Mr. Owens, to approve the ACC Governing Board Certification for 2009-2010. The motion passed.

Chair Davenport reminded Trustees that Board of Visitors Bylaws state that “Board members are appointed by the Chancellor with the advice and consent of the Board of Trustees of North
Carolina State University.” The Board of Visitors membership roster and biographical sketches of new member were provided to Trustees.

Chair Davenport stated that, despite our athletic rivalry, NC State has a great partner in UNC-Chapel Hill. As the two leading universities in the UNC system, we share a great responsibility in serving the people of our state. He gave several instances of partnerships and collaborations between the two schools. He proposed two annual gatherings of the two boards of trustees and chancellors. These events would not be sponsored by the universities and would be “Dutch treat.” Chair Davenport asked the Trustees to think about this proposal and let him know their thoughts.

Chair Davenport announced that NC State would host the orientation for new members of the UNC Board of Governors on Wednesday, October 7, from 2:00-6:00 p.m. at the Park Alumni Center. He asked Trustees to attend this important session if possible.

Chair Davenport called on the Honorable Burley Mitchell to conduct the ceremonial swearing in of the new members of the Board of Trustees: Jack L. Cozort, Benjamin P. Jenkins III, James W. Owens, Randall C. Ramsey, and E. Norris Tolson.

**CHANCELLOR’S REPORT-JAMES H. WOODWARD**

Chancellor Woodward reported on campus activities that have taken place since the July Board of Trustees meeting. He mentioned the Lonnie Poole Golf Course opening on July 31, the opening of the Thompson Building on August 17, and Wolfpack Welcome Week activities during the first week of the fall semester. Welcome Week activities included the annual Legacy Luncheon, an event to which the new students who are children of alumni, along with their family members, are invited. There were several hundred guests in attendance at this lunch. The Welcome Week Convocation was also a wonderful event.

Chancellor Woodward stated that while much attention has been given to the reductions in state appropriations, NC State received an increase of $5 million in continued funding for the College of Engineering. This is the third consecutive year an increase in funding has been provided to Engineering. He asked everyone to thank President Erskine Bowles, Senator Marc Basnight, and Speaker Joe Hackney for their support of this focused funding of the College of Engineering.

Two projects that Chancellor Woodward discussed were the new Chancellor’s residence and the new student union. Plans for the Chancellor’s residence are currently being redesigned, and the new residence will be less expensive and more useful. He hopes to have the project underway by the end of this academic year. Plans for a new student union are also being redesigned; the end result will be a project that makes sense financially, will properly serve our students, and can be supported by our students. Fees relating to the student union will be brought before the Board of Trustees at their November meeting.
Chancellor Woodward discussed the growth in administrative positions and possible reasons for this growth. Data collected by President Bowles shows that NC State is not out of line with its peers, but this does not lessen the need to look at how we do business. Chancellor Woodward stated that in order to reduce positions, we must first reduce or eliminate tasks. He gave a number of reasons for growth in administrative tasks; some come from external sources, some come from within our campus, and others come from UNC General Administration. A campus working committee has been charged with identifying actions that might be taken over the next year or so that relate to administrative structure and processes and the elimination of certain administrative tasks.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee-Chair Cassius Williams

Chair Williams reported that the committee heard a report from University Planning and Analysis on our current enrollment. Total fall enrollment is 33,879. Gender totals are 55.5% male and 44.5% female. There is a slight decline in out-of-state enrollment due to the economy.

Chancellor Woodward reported to the committee that Dr. Rajendra Pachuri will be our fall graduation speaker. He received a masters and two doctoral degrees from NC State. He was a co-recipient of the 2007 Nobel Prize for his work on the global risks of climate change. The committee was given a Faculty Senate update by the Chair of the Faculty.

Chair Williams stated that the committee approved a new Graduate Certificate Program in Feed Science and University Certificate Programs in Plant Pests, Pathogens and People; Feed Milling; Agricultural Business Management (Non-PBS); Agricultural Business Management (PBS); and Agronomic Crop Production. The committee also approved a new distance education degree program in Parks, Recreation and Tourism Management. Mr. Williams made the motion, seconded by Mr. Tolson, to approve these academic programs as submitted; the motion carried.

The committee was notified of the merger of the departments of Adult and Higher Education, and Educational Leadership and Policy Studies into one department- the Department of Leadership, Policy and Adult and Higher Education. The committee was also briefed on revisions to two regulations: Regulation 01.25.03, Copyright Regulation, and Regulation 05.50.2, Post-Tenure Review of Faculty.

Chair Williams reported that in closed session the committee approved tenure for one new faculty hire and one salary adjustment to comply with established salary ranges. The committee was briefed on NC State’s use of the UNC President’s recruitment and retention funds. $158,366.00 has been awarded to NC State faculty members in an effort to retain them. Four of the five attempts to retain faculty members were successful.

Chair Williams closed by reporting that the Ad Hoc Committee on Personnel met on August 27. The committee has begun its work, but there is no report at this time.
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Audit, Finance and Planning Committee-Chair Steve Warren
Chair Warren reported that a resolution was presented to authorize NC State to request the UNC Board of Governors to issue one or more series of bonds to be known as North Carolina State University General Revenue Bonds. The proceeds will be applied to the renovation, expansion and improvement of certain athletic and dining facilities and the Carmichael Complex and the construction, acquisition and equipping of the West Lot parking deck, the Centennial Campus Enterprise Services building and the Creamery Building, collectively the “special obligations projects.” Mr. Warren made the motion, seconded by Mr. Owens, to approve the resolution to enable issuance of special obligation bonds for these specific projects. The motion carried.

Chair Warren stated that the committee was presented with the Identity Theft Red Flags and Address Discrepancy Rule issued by the Federal Trade Commission. The general purpose of the rule is to detect, prevent and mitigate indicators, known as “red flags,” of attempted identity theft in connection with certain accounts maintained by the university. Under this rule, the university must develop and implement a program that identifies, detects, and responds to these “red flags.” Mr. Warren made the motion, seconded by Mr. Jenkins, to approve the proposed regulation on the identity theft prevention program; the motion carried.

The committee was updated on the university budget and the impact of 10% reductions in state appropriations, a one-year feasibility study to open a campus in South Korea that would form part of a global university complex in Songdo City, and the Athletic debt service. Informational reports were given on the 2009 Internal Audit reports and on-going Internal Audit activities, Centennial Campus, and the NC State Investment Fund performance. The committee also heard a report regarding a new distance education degree program in Parks, Recreation and Tourism Management and a report on fall enrollment numbers.

Buildings and Property Committee-Chair Gayle Lanier
Chair Lanier reported that the committee reviewed and approved one property matter that requires full Board approval. The property matter is for the lease of the ATM located at the Talley Student Center for three years to a banking institution at a rental rate to be determined by the bid process. Full Board approval is needed since the annual revenue may exceed the delegated authority of the Buildings and Property Committee. Ms. Lanier made the motion, seconded by Dr. Owens, to approve this property matter. The motion carried.

Chair Lanier stated that the committee approved seven designer selections, 11 designer selections for projects that each costs $500,000 or less, and 19 completed capital projects with a combined value of $70.7 million. The committee approved two property matters that were received after the full Board mailing. Both property matters require full Board approval. The property matters are:
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- Lease of up to 8,000 gross square feet to Talecris Biotherapeutics, Inc. in Partners I building on Centennial Campus at a rental rate of approximately $27.88 per gross square feet with annual adjustments for operating costs. The term will be co-terminus with their existing laboratory and office space lease in the same building which is December 31, 2011.
- Lease of the ATM at the Talley Student Center to Wachovia Bank N.A. This space is a component of the award of the All-Campus Card service contract. This item received committee approval at the April 16, 2009, meeting. In anticipation of negotiating an increase in revenue to over $25,000 annually, it is necessary to seek approval of the full Board. Chair Lanier recused herself from voting on this property matter.

Chair Lanier made the motion, seconded by Mr. Warren, to approve these two property matters. The motion carried.

Chair Lanier reported that the committee approved delegation of authority to the Chancellor to extend police jurisdiction by entering into extraterritorial agreements with the City of Raleigh and Wake County in accordance with NC General Statute 116-40.5 (c). Chair Lanier made the motion, seconded by Mr. Jordan, to approve the delegation of authority to the Chancellor. The motion passed.

Chair Lanier stated that the committee approved site plans for parking decks on central and Centennial campuses and design plans for the Hunt Library, the Student Health Center addition and renovation, and Facilities Operations support space. The committee approved four projects that each costs less than $2 million. In addition, the committee reviewed design plans for the parking decks on central and Centennial campuses, the Cates co-generation plant, and Performance Contracting. Performance Contracting will install energy conservation measures for lighting, mechanical equipment, and plumbing hardware in 13 buildings. The committee received informational reports on the status of capital projects and the status of projects in planning along with an update on Centennial Campus leasing.

**Development Committee-Chair Norris Tolson**

Chair Tolson reported that the committee reviewed and recommends for full Board approval the proposal of a new policy for the University Acceptance of Private Donations (Gifts). The purpose of this new policy is to align university policy with IRS regulations and industry best practices. The committee was assured that this new policy would not prevent the university from accepting gifts that it currently accepts. Mr. Tolson made the motion, seconded by Mr. Warren, to approve the new policy. The motion carried.

The committee heard reports from three entities requesting approval to initiate formal fund-raising campaigns: the Institute for Emerging Issues, the University Club, and the North Carolina 4-H Campaign for the Clover. The committee authorized these three entities to move forward with their plans.
Chair Tolson stated that the committee reviewed and approved two proposals to name specific university facilities. These two proposals will be considered in closed session at the end of this meeting.

**Student and Campus Affairs Committee-Chair Barbara Mulkey**
Chair Mulkey reported that Vice Chancellor Stafford reviewed the responsibilities of the committee. The committee heard a report on NC State’s efforts to prevent the spread of H1N1 flu on campus. Since fall classes began, over 300 students have been seen at Student Health Services with flu-like symptoms, and approximately 200 of those have been presumed to be H1N1. NC State has developed a comprehensive communication plan to address the epidemic. Flu clinics have already been scheduled to address seasonal influenza, and the hope is the H1N1 vaccine will be ready by mid-October.

Chair Mulkey stated that the committee heard an update on the process for setting tuition and fees for 2010-2011. Tuition and fee committees have begun their work. Recommendations from these two committees will be given to the Chancellor for his review. The Chancellor will submit his recommendations to the Student and Campus Affairs Committee in November.

Chair Mulkey said the committee went into closed session to hear one student appeal and to approve minutes from the June 22 closed session.

**Student Body President Report-President Jim Ceresnak**
Mr. Ceresnak reported that there is much excitement on campus as fall semester begins. He said there are also some challenges related to the budget reductions such as fewer class sections and loss of some tutorials, but he said there had been less complaints from students than he had expected.

Mr. Ceresnak said that the project to renovate Talley Student Center was very important. He has a good group of student leaders who are working hard to sell the project to the students. Student Government has also taken the lead to develop a plan for a memorial to Coach Kay Yow. A “Coaches’ Corner” will hopefully be a part of the Talley renovation. The “Finish the Bell Tower” Campaign is on-going and is the focus of this year’s senior class gift.

Mr. Ceresnak briefly discussed other Student Government initiatives: the Red Terror Transit game-day bus service; improving the student ticketing system; and Pack Perks, a student discount program that will launch this semester. He also reported on sustainability efforts including Pack Pulse, a program that monitors energy use in the dorms; the Farmers’ Market on the Brickyard; and a competition for best sustainability-focused project to benefit campus.

He closed his report by stating that he had recently attended a meeting of UNC system Student Government representatives hosted by UNC-Wilmington.
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Staff Senate Report-Chair Steve Carlton
Chair Carlton reported that the Staff Senate had met three times during this fiscal year and outlined the Senate’s primary goals for this year. He said that staff members are as deeply involved with the university’s core mission as faculty are, and the recent budget situation has hit staff, both SPA and EPA, particularly hard. He expressed the staff’s desire that their concerns be heard by upper administration. Chair Carlton was very pleased at the turnout of staff for the recent Chancellor’s search forum. He reiterated the commitment of our staff to keeping NC State one of the premier institutions of higher education in the world.

Items of Interest to Members of the Board
Bob Jordan, chair of the Chancellor Search Committee, said that the next meeting of the committee would be on October 22. At this meeting, the committee will review candidates’ CVs. The quality of candidates is exceptional. The search committee received good input at the recent forums which were well attended.

With no further business in open session, Chair Davenport made the motion, seconded by Ms. Lanier, to go into closed session according to North Carolina General Statute, Section 143-318.11(a)(2)(6) to prevent the premature disclosure of an honorary award, and to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee.

At 12:20 p.m., the Board came out of closed session. With no further business, Chair Davenport adjourned the meeting at 12:25 p.m.

Respectfully submitted,

[Signatures]
Assistant Secretary  Secretary

Approved:

[Signature]
Chair of the Board