

MINUTES

Board of Trustees
NC State University
Raleigh, North Carolina

February 16, 2001

The North Carolina State University Board of Trustees met in regular session in Room 1132, Jordan Hall, College of Natural Resources, North Carolina State University Campus, at 9:30 a.m., Friday, February 16, 2001. Chair Peaches Gunter Simpkins presided.

MEMBERS PRESENT:

Ann Goodnight
Suzanne Gordon
Flora H. Grantham
Edward E. Hood, Jr.
Vernon Malone
Wendell Murphy
Richard G. Robb
Peaches Gunter Simpkins
H. E. "Butch" Wilson, Jr.
G. Smedes York
Harold Pettigrew, ex officio

ROLL CALL

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

MINUTES

Ms. Grantham made the motion, seconded by Ms. Goodnight, to approve the November 17 minutes. The motion carried.

CHAIR'S REPORT - CHAIR SIMPKINS

Chair Simpkins welcomed Trustees and visitors, including R. Andrew Payne, the student member of the University of North Carolina Board of Governors. She thanked Trustees for their involvement in the University, and encouraged them to offer words of support to the approximately 450 people who serve on campus advisory groups. She informed the Trustees that Ms. Kristofco will distribute a listing of people who serve on advisory boards, foundations, and committees.

Chair Simpkins asked Trustees to forward to her or Chancellor Marye Anne Fox the names of people who they know would be interested in serving in a leadership role at NC State University.

Chair Simpkins noted the draft Conflict of Interest policy recently sent to Trustees by the UNC General Administration, and thanked former North Carolina Chief Justice Burley Mitchell for his briefing about this topic in the fall. She advised the Trustees that the briefing, along with Chancellor Fox's information provided to the Board in the workbook, provides the information necessary to understand the issues and develop a personal response.

Chair Simpkins thanked the Trustees for their work on the Entertainment and Sports Arena naming rights memorandum of understanding, and the Board's Executive Committee for participation in an

emergency meeting in December 2000. She noted that recent developments may mean that the naming rights issue is not yet final. Trustees were encouraged to share concerns and expectations as they have opportunity to visit with members of the Centennial Authority and stated that the ESA should be a "true working partnership among the City, County, State, and NC State." Chair Simpkins expressed her desire for resolution of the ESA naming rights and fraternity lease issues.

Chair Simpkins mentioned several opportunities that she has had to represent the Trustees, including the Spring General Faculty meeting, the MicronPC Bowl game, the Emerging Issues Forum, and several receptions before the Wolfpack men's basketball games.

Chair Simpkins announced the following appointments to the Nominating Committee: Mr. Malone, Chair; Mr. Edwards and Mr. Vaughn. She informed the Board that Smedes York has agreed to be appointed to the Endowment Board effective July 1, 2001, and she thanked him for his willingness to continue his service to NC State.

Chair Simpkins said Ms. Kristofco will send Trustees proposed dates for the 2001-2002 meetings.

At the conclusion of her report, Chair Simpkins stressed the importance for the Board to continue working together, which is the key for success. She thanked the Board for their calls, emails, and faxes that addressed concerns, shared views, and relayed information.

CHANCELLOR'S REPORT - MARYE ANNE FOX — Chancellor Fox updated the Board on the ESA naming rights issue. Following the December 19, 2000 approval of the memorandum of understanding by the Centennial Authority, Gale Force, and NC State, the City of Raleigh in January 2001 asked for wording changes in the agreement. Chancellor Fox stressed that she was hopeful that the issue of concern to the City could be resolved quickly and without any major changes to the MOU approved by the Board in December. She will update the Board at the April 2001 meeting.

Chancellor Fox discussed the draft Conflict of Interest policy, and said Vice Chancellor and General Counsel Mary Beth Kurz would provide the University's written response. The Chancellor that the University has developed suggested revisions to the draft, which will be forwarded to General Administration. President Broad is open to revisions of the draft policy, the Chancellor said, and she encouraged Trustees to address their questions and/or concerns to General Counsel Kurz.

The Chancellor informed the Board about the recent press coverage of MCNC, the supercomputing organization which is governed by a Board of Directors. The Board includes President Broad and four UNC Chancellors. The Chancellor said she serves as Vice Chair of the MCNC Board of Directors.

Chancellor Fox updated the Board on the current Provost search, and invited Trustees to attend any of the three open forums on campus that are designed to elicit faculty, student and staff input about the new Provost. All Trustees will receive a letter with details about the three meetings.

The Chancellor announced that Barry Eveland, Vice President and Senior State Executive at IBM, will serve as Vice Chair for the Board of Visitors for 2001, and will assume the duties as Chair next year.

Chancellor Fox informed the Board of the decision by the North Carolina Museum of Art to commission 145 sculptures of the endangered Red Wolf and to display them in the City of Raleigh. The art project is similar to a successful fund-raiser and tourist attraction in Chicago where cows were on display. The Chancellor said the Red Wolves will be sold at auction in one year.

Chancellor Fox noted that NC State University was the first university to have a groundbreaking for a project to receive funds from the successful November 2000 \$3.1 billion bond referendum. The

groundbreaking for the Ruby McSwain Education Center at the JC Raulston Arboretum was held December 20, 2000.

Chancellor informed the Board of important upcoming events to which all Trustees are invited:

- Founders Day on Wednesday, March 7, 2001, where the Watauga Medal will be awarded to S. Scott Ferebee, Darrell Menscer, and Ed Woolard.
- Honors Baccalaureate and Celebration of Academic Excellence on May 17, 2001, where the Holladay Medal winners will be recognized. Trustees will receive a formal invitation.
- Commencement on May 19, 2001, and the commencement speaker will be internationally acclaimed geographer Harm de Blij. He, along with 5 others, will receive honorary degrees. A dinner will be held May 18 to recognize the honorary degree recipients.

In closing, Chancellor Fox noted that each Trustee may take with them a copy of:

- Promotional materials as NC State prepares to bring a new University web page online.
- A compilation of resumes of NC State's graduating student-athletes.
- A directory of the UNC Board of Governors.
- A book by former Governor Jim Hunt about the state's educational aspirations.
- A book provided by Trustee Robb about corporate hog farming.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Chair Richard Robb

Chair Robb reported the Committee approved the Consent Agenda, which included the November 16, 2000, minutes. The Committee heard a presentation by Associate Vice Provost Thomas Conway about the Community College Articulation Agreements. The University of North Carolina system is improving the transfer capability of Community College students to system institutions. NC State has established several articulation agreements with Community Colleges. Another presentation was made to the Committee concerning Distance Education and Learning Technology Applications. Vice Provost Thomas Miller discussed the UNC funding model for distance education, and the efforts at NC State to incorporate learning technologies in the classroom. Chair Robb also informed the Board that the Committee was updated on NC State's focused efforts to increase our distance education offerings and to be the leader in distance education. Chair Robb noted updates on the Honors Baccalaureate and Celebration of Academic Excellence Program, formerly the Honors Convocation held in October. The event will take place May 17, 2001, at 7:30 p.m., in Stewart Theatre, Talley Student Center, with a reception following in the Ballroom.

The Committee reviewed the job description for the Provost and Vice Chancellor for Academic Affairs approved by the Chancellor and being used by the Provost Nomination Committee. The Committee did not recommend any changes to the job description.

Chair Robb told the Board that in Closed Session, with the assistance of Chair Peaches Simpkins in order to constitute a quorum, the Committee approved personnel actions submitted by Chancellor Fox. The personnel actions, including twelve new appointments; fourteen conferrals of Emeritus status; and three recommendations for salary adjustments. Information regarding the Exceptions to Annual Leave Entitlement and Scholarly Assignments were presented to the Committee. The Committee postponed approval of the nominations for Honorary Degrees until the April meeting when a quorum of Committee members may be able to attend.

Buildings and Property Committee - Chair H.E. "Butch" Wilson

Chair Wilson reported that the Committee approved the Consent Agenda, which included the minutes from the November 16, 2000, meeting, three property matters, and eight designer

selections. Three property matters are brought before the full Board of Trustees for approval (Appendix A). The first is the Centennial Campus Expansion, incorporating approximately 128 acres of land that was previously transferred from Department of Health and Human Services and the Department of Agriculture and Consumer Services. The second is a sublease involving the North Carolina State University Foundation with the University Club. In the sublease, the University Club would assume all responsibilities for the use, maintenance, and costs associated with the University Club property and improvements. The third is a lease that involves Distance Education and Learning Technology Applications' (DELTA) need for 8,204 square feet of office space to integrate, at one location, all of its operations and services to better serve its customers. Chair Wilson made the motion, seconded by Mr. York, to approve the three property matters; the motion carried.

Chair Wilson noted that the Committee approved the site plans for the Admissions and Orientation Center - Phases I and II, and Carter-Finley Improvements - Phase I. The Committee also reviewed design plans for Venture IV, Sullivan Operations Center, College of Engineering Relocation - Phase I, and College of Veterinary Medicine Research Addition. The Committee approved the design plans for the Alumni Center - Centennial Campus, Carter-Finley Scoreboard and South End Zone Seating, and Carter-Finley Football Center. The Committee received several informational reports, including Arena Area Planning Activities, 2001 Non-Appropriated Projects, Alternative Construction Process, and updates on Bond projects and the Centennial Campus.

Development Committee - Chair Edward E. Hood, Jr.

Chair Hood reported that the Committee heard several informational reports. Terry Wood, Vice Chancellor for University Advancement, reported the second quarter Fundraising Progress Report. He noted that \$55,213,321 had been raised as of December 30, 2000, representing 64% of the FY 2001 fundraising goal of \$86,528,000. This figure includes gifts and pledges to all areas of the university.

The Committee also heard a recommendation to add a new giving level to the Lifetime Giving Societies. Vice Chancellor Wood proposed the \$250,000 - \$499,000 recognition level be named the Charles W. Dabney Society. The new level will serve to encourage upward movement in giving for members of the Wallace Carl Riddick Society, which will be adjusted to recognize cumulative giving in the range of \$100,000 to \$249,000. The Charles W. Dabney Society charter induction of members will be at the April 2002 Lifetime Giving Societies event.

Chair Hood informed the Board of the presentation by Carol O'Brien, Campaign Feasibility Study consultant, of her interim findings. Ms. O'Brien, who had completed 29 of 85 planned interviews, provided her initial impressions and observations. At this initial stage, she has found positive views among the interviewees and some areas of concern. Chair Hood noted that the full report will be completed for review with the Committee at the April meeting. Ms. O'Brien will present to the Committee final recommendations for conducting the next campaign.

Chair Hood updated the Board on Vice Chancellor Wood's review of the status of current capital projects which total \$105 million. Included in the projects are the Alumni Center, the Animal Health and Wellness Center at the College of Veterinary Medicine, and Athletics Facilities. Chair Hood said the Committee received updates on two approved projects: the Welcome Center and Advancement Services Building to be located on Western Boulevard, and the Centennial Campus Center for Educational Innovation, which will focus on training technologically sophisticated teachers.

Finance and Planning Committee - Chair G. Smedes York

Chair York informed the Board that the Committee approved minutes from November 16, 2000, and heard a report on proposed student fees for the 2001 - 2002 year. Proposed are increases for student legal services (\$2.00), student health services (\$16.00) and transit operations (\$6.00), and a decrease in fees for student publications (\$3.00) and student affairs reserve (\$1.00). The net

increase of the proposed fees is 2.1 percent. Chair York made a motion, seconded by Mr. Wilson, to approve the proposed 2001-2002 student fees; the motion carried.

Chair York reported that Dean Jon Bartley, College of Management, presented to the Committee a proposal of phased tuition increases for the Masters of Science in Management program and the Masters of Accounting Program, effective Fall Semester 2002. Chair York made the motion, seconded by Mr. Malone, to approve the tuition increases; the motion carried.

The Committee meeting concluded with informational reports, Chair York said. Included were the University Treasurer's report on the NC State Investment Fund, progress on the Audit Plan, the Final 2000 - 2001 Enrollment Report, 1999 - 2000 Financial Report, and a University Dining presentation.

Student and Campus Affairs Committee - Chair Vernon Malone

Chair Malone reported to the Board that the Committee approved the minutes from the November 16 Committee meeting, and heard a briefing by Vice Chancellor and General Counsel Kurz about the status of Greek Court Lease negotiations. She updated the Committee about the current Greek Court lease proposal and the substantial concessions made by the University, and detailed the major issues and disputes that remain unresolved. Mr. Malone noted that the Committee strongly stated its desire for the University and fraternity representatives to complete the negotiations as soon as possible.

The Committee heard a report from Assistant Athletics Director Shannon Yates on the impact of Title IX on NC State athletics programs. The Athletics Department has created a Title IX/Gender Equity Committee and Athletics Director, Lee Fowler, is expecting final recommendations in April. A Gender Equity Plan will be adopted in June 2001.

Chair Malone said Student Body President Pettigrew presented a resolution to the Board of Trustees that encourages passage of legislation by the North Carolina General Assembly to allow a voting membership on the University of North Carolina Board of Governors for the President of the University of North Carolina Association of Student Governments (Appendix B). Chair Malone noted that students at each school in the UNC system will ask the Board of Trustees to pass a similar resolution. Chair Malone made the motion, seconded by Mr. Pettigrew, to approve the resolution; the motion carried.

Chair Malone reported that Student Body President Pettigrew updated the Committee about activities of Student Government, and said that February 20 is Students' Day at the State Capitol. The event is sponsored by the UNC Association of Student Governments. Mr. Pettigrew also told the Committee about an initiative by Student Government, in conjunction with University Advancement, to establish an endowment for student scholarships. Chair Malone and Mr. Hood commended Mr. Pettigrew for the initiative.

The meeting reports concluded with an update by Vice Chancellor Thomas Stafford and Mr. Pettigrew about the student ticket distribution system for men's basketball games. The new policy is viewed by students as fair and equitable, and the new procedures have worked well. Mr. Malone said that administrators will review this procedure after the current basketball season.

The Board of Trustees of the Endowment Fund Report - Chair Peaches Gunter Simpkins

Chair Simpkins reported on the meeting of the Board of Trustees of the Endowment Fund, and stated that the Board received the Treasurer's Report of the acceptance of gifts, portfolio performance, updates on other investments, and real estate updates. The Endowment Board also approved modifications to the procedure for requesting additional spending budgets during the fiscal

year. The changes take into account transactions that occur between board meetings. The Endowment Board also approved a ground lease for Venture Place on Centennial Campus.

Chair Simpkins also noted that the University Advancement Report was presented by Vice Chancellor Terry Wood, in which he noted that this was the strongest fundraising year that NC State has ever had. In addition, Mr. Bob Bryan's leadership as Executive Director of the Alumni Association and Associate Vice Chancellor for Alumni Relations has resulted in great progress.

Faculty Senate Report - Fred Corbin, Chair of Faculty

Chair of the Faculty Fred Corbin relayed his appreciation for the opportunity to address the Board. He expressed the faculty's concern regarding the state's economic forecasts for the year ahead, but said the faculty is optimistic regarding the progress that will result from the Higher Education Bond referendum projects. He noted the campus community's interest in the search for a new Provost, and stated the Faculty Senate's willingness to assist the Provost Nomination Committee by informing faculty about the opportunity to submit nominations and participate in on-campus forums.

Staff Senate Report - Harry Nicholos, Chair of Staff Senate

Staff Senate Chair Harry Nicholos reported to the Board that the Staff Senate has many areas of involvement. There were several areas of particular note. The Staff Senate is working in conjunction with ADA and Housekeeping to improve the organizational structure for their chain of command. The annual Open Forum will take place on March 14, where staff has an opportunity to ask questions and address areas of concern. Mr. Nicholos noted that the Staff Senate was endeavoring to promote increased involvement by all staff at the university in the work and activities of the Staff Senate. The Staff Senate is concerned about the high rate of turnover by SPA employees and are addressing ways to gain a better understanding for this high turnover rate. Possible options they are discussing include revising the classification system, implementing merit pay, and enhancing tuition remission, with possibly offering employees the option of taking up to two classes, and being able to include direct family members for this tuition remission. He brought to their attention a copy of the Staff Senate's publication, "The Voice".

Other Announcements

Chair Simpkins encouraged Board members to review the information behind Tab 11 of the Board Notebook, including the dates for the Honors Baccalaureate and Celebration of Academic Excellence Program and Commencement for Spring and Fall 2001.

In response to a question from Trustee Grantham, the Board was informed that the new NC State Flag would be raised on campus following the installation of a flag pole. Facilities is studying the most appropriate site. Smaller sized flags will be available the first of May.

Mr. Pettigrew thanked Board members for their assistance to him and support for students.

With no further business, Chair Simpkins adjourned the meeting at 10:55 a.m.