

Board of Trustees
North Carolina State University
Raleigh, North Carolina

April 17, 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, April 17, 2009. Chair McQueen Campbell presided.

Members present:

- McQueen Campbell, III, Chair
- Derick S. Close
- Lawrence Davenport
- Suzanne Gordon
- Gayle S. Lanier
- Robert L. Mattocks, II
- Burley Mitchell
- Barbara H. Mulkey
- Steve F. Warren
- Cassius S. Williams
- Jay Dawkins, *ex officio*

Chair Campbell called the meeting to order at 9:38 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. Suzanne Gordon recused herself from voting on appointments to the Board of Trustees of the Endowment Fund because she is a nominee. Being no other conflicts, 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

Mr. Williams made the motion, seconded by Ms. Mulkey, to approve the open and closed session minutes of the February 20, 2009, meeting of the full Board. The motion passed.

CHAIR'S REPORT-MCQUEEN CAMPBELL, III

Chair Campbell stated that the Board of Trustees of the Endowment Fund bylaws call for six members to be elected by the Board of Trustees to three-year terms with two members to be elected each year. The bylaws also call for the filling of vacancies created

prior to the expiration of a full term of appointment. Chair Campbell nominated the following individuals:

- Mr. Blas P. Arroyo for a one-year term to fill the vacancy of Mr. Bob Dick who resigned due to health reasons. Mr. Arroyo's term will end June 30, 2010, and he will be eligible for reappointment of a three-year term.
- Ms. Suzanne Gordon and Mr. James M. Peden, Jr. for a three-year appointment beginning July 1, 2009 ending June 30, 2012 to fill the vacancies of Mr. Darrell V. Menscer and Mr. F. Dale Hayes whose second terms will end June 30, 2009.

Mr. Davenport made the motion, seconded by Mr. Mattocks, to approve these two appointments; the motion passed.

Chair Campbell discussed suggested revisions to Policy 01.05.10 that sets forth guidelines for committee assignments, scheduling of board and committee meetings and the nomination committee. The suggested changes are made to the meeting schedule portion of the policy and are recommended to permit adjustment of the regularly scheduled meetings of the Board and its committees as permitted by the Open Meetings Law. Mr. Williams made the motion, seconded by Ms. Lanier, to approve these revisions to Policy 01.05.10; the motion passed.

Chair Campbell recommended that the Board of Trustees reappoint Mr. Ray Rouse by the North Carolina House of Representatives to the Centennial Authority. Mr. Mattocks made the motion, seconded by Mr. Warren, to reappoint Mr. Rouse. The motion passed.

Chair Campbell reminded the Trustees of the summer Board of Trustees meeting on July 14 at 4:00 p.m. The summer meeting will be held by telephone.

Chair Campbell closed his report by reflecting on his past eight years as a member of the Board of Trustees and on the past two years as Chair of the Board. He thanked members of the Board of Trustees and the administration for giving him the opportunity to serve in this capacity. He stated how proud he is of his alma mater and discussed the progress NC State has made in the past eight years.

CHANCELLOR'S REPORT-JAMES OBLINGER

Chancellor Oblinger began his report by thanking Chair Campbell for his leadership over the past two years. He also thanked Chair of the Faculty Jim Martin and Chair of the Staff Senate Laura Massengill whose terms are also ending. He welcomed Jeff Braden, recently appointed dean of CHASS.

Chancellor Oblinger reported that our four new Trustees appointed by the UNC Board of Governors are Ben Jenkins, Jim Owens, Jack Cozort, and Student Body President Jim Ceresnak. The two Gubernatorial appointments have not been announced yet.

Chancellor Oblinger said that his annual State of NC State address was given on March 10 in Stewart Theater. The address focused on NC State's tradition of collaboration, innovation, and impact through economic development.

Chancellor Oblinger announced that Kellie Harper has been named head women's basketball coach. She played basketball at the University of Tennessee under Coach Pat Summit and has served as head women's basketball coach at Western Carolina University for the past five years.

On Monday, April 14, the NC House and Senate honored Coach Kay Yow with a joint resolution noting her many accomplishments.

On March 18, UNC Board of Governors Chair Hannah Gage visited NC State. She had a windshield tour of campus and visited BTEC, the FREEDM Center, Talley Student Center and the College of Design.

Chancellor Oblinger discussed the Campus Culture Task Force. The recommendations made in the final report of the task force have all been accepted.

Chancellor Oblinger reported that College of Design alumnus Phil Freelon, a Durham architect, won the competition to design the African-American Museum that will be located on the National Mall in Washington, DC.

Upcoming campus events include the Mathematics and Statistics Building dedication on May 1 at 3:30 p.m. Spring Commencement is May 9 at 8:30 a.m. The speaker is John Seely Brown, former chief scientist of the Xerox Corporation. Honorary degrees will be given to John Seely Brown; Sarita Brown, president of *Excelencia* in Education; and Wayne Fuller, Emeritus Distinguished Professor in Statistics and Economics at Iowa State University.

Chancellor Oblinger gave a brief budget update. We have planned for a 7% non-recurring reduction for the current fiscal year. We are looking at three budget-cut scenarios for 2009-2010. We are doing everything we can to protect the classroom. In an effort to maintain transparency, the Budget Central website is updated frequently.

Chancellor Oblinger closed his remarks by thanking the six Trustees who are going off the Board for their service and dedication to NC State.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee-Chair Cassius Williams

Chair Williams reported that the committee approved recommendations for the awarding of Honorary Degrees which will be considered by the full Board in closed session at the conclusion of this meeting. The committee also took action on 50 conferrals of tenure and the appointment of a head women's basketball coach.

The committee heard the annual report on the list of recognized entities awarding full scholarships to undergraduates and the number of students receiving full scholarships from each entity. The committee also heard a report on the special consideration process of undergraduate admissions and the performance of students previously admitted through that process.

Chair Williams said the committee approved salary ranges for Senior Academic and Administrative Officers. The ranges remained the same as they were in 2008-2009.

Chair of the Faculty James Martin provided an update from the Faculty Senate on several items considered by the Senate since the last committee meeting. Dr. Martin also requested approval of a revision to Policy 01.05.8. Provost Nielsen responded that he was not in agreement with the recommendations submitted. Therefore, the committee took no action on this policy. The request for change to the policy was referred back to the Provost and University General Counsel with the understanding that the policy could be brought back to the committee by the Provost at a future meeting.

Chair Williams reported that Provost Nielsen provided an update on activities since the February meeting that included revisions to several regulations, a new distance degree program in Master of Integrated Manufacturing Systems Engineering, and a new online graduate certificate in Counselor Education. The Provost also stated that NC State does not have any reported employees out of compliance with the UNC Policy on anti-nepotism.

Audit, Finance and Planning Committee-Chair Steve Warren

Chair Warren reported that the committee authorized the request to establish the Institute for Nonprofit Research, Education and Engagement and approved the Internal Audit Plan for fiscal year 2010.

Chair Warren stated that Provost Nielsen and Vice Chancellor Leffler updated the committee on the budget for the current fiscal year. The UNC Board of Governors has approved a value statement to guide the implementation of budget reductions. The committee endorsed the budget principles established by the University Budget Advisory Committee for budget reductions impacting our state-appropriated funds and tuition

receipts. Chair Warren made the motion, seconded by Mr. Mitchell, that the Board of Trustees endorse the NC State University budget principles described in Tab 5.2C. The motion carried.

The committee heard reports on the American Recovery and Reinvestment Act and how the University is responding, the 2009 legislative priorities, University debt, Korea Campus Initiative, and Internal Audit activities. The committee was also briefed on the activities of the Office of Extension, Engagement and Economic Development.

Buildings and Property Committee-Chair Derick Close

Chair Close reported that the committee reviewed and approved four property matters, two designer selections, multiple designer selections for the 2009 Open-Ended Service Agreements, two designer selections for projects that each cost less than \$500,000, and four completed capital projects. Two property matters require full Board approval:

- Disposition by lease of approximately four acres on Mid-Pines Road on Lake Wheeler Field Laboratory for use by the U.S. Department of Agriculture. The lease term is expected to be for 25 years with an additional 25-year option at a nominal \$1.00 rate.
- Demolition of three dilapidated sleeping cabins at the Sertoma 4-H Camp in Stokes County. The demolitions would make way for the construction of new sleeping cabins at the camp. The buildings have no historical or salvage value and are currently restricted as they are safety hazards.

Chair Close made the motion, seconded by Mr. Mitchell, to approved these two property matters. The motion carried.

Chair Close stated that the committee approved revisions to Policy 7.60.01 Parking and Transportation Ordinances for 2009-2010. Chair Close made the motion, seconded by Mr. Williams, to approve the revisions to Policy 7.60.01. The motion carried.

Chair Close also reported that the committee approved four site plans and plans for two projects that each cost less than \$2 million. They reviewed four design plans for projects greater than \$2 million. The committee received the annual update on the Physical Master Plan plus informational reports on capital projects and the status of projects in planning along with an update on Centennial Campus leasing.

Chair Close closed his report by stating that we have completed the Higher Education Bond projects on campus. Over \$1 billion was spent and 2 million square feet of building space was added to our campus. He thanked Vice Chancellor Leffler and his staff for all of their work on these bond projects. He said we should now focus our efforts on the Hunt Library and the renovations to the Talley Student Center.

Development Committee-Chair Lawrence Davenport

Chair Davenport reported that the committee reviewed and approved Policy 03.00.2 with an amendment to section 3.2 stipulating that the Chair of the Board of Trustees Development Committee will serve on the Special Committee for Donor Namings. Chair Davenport made the motion, seconded by Mr. Williams, to approve the Board Policy 03.00.2 as shown in Tab 7.1 in the Trustee notebook and as amended by the Development Committee. The motion carried.

Chair Davenport said that the committee discussed the status of fund raising efforts and current capital projects. They also discussed endowment levels compared to peer institutions and the pros and cons of increasing endowment minimum levels before the start of the next comprehensive campaign.

Chair Davenport reported that the committee reviewed and approved three proposals to name specific university facilities. A motion will be made at the end of the full Board meeting to go into closed session to consider these proposals.

Student and Campus Affairs Committee-Chair Suzanne Gordon

Chair Gordon stated that the committee heard a report from Staff Senate Chair Laura Massengill on recent Staff Senate activities including President Bowles speaking at their March meeting, the continued success of the Staff Senate Computer Loan Program, and an update on progress towards goals established for the year.

Chair Gordon said that the committee heard a report on the work of the Campus Culture Task Force at their February meeting. As part of their final report, the Campus Culture Task Force has recommended that the following language be added to the Code of Student Conduct regarding the aggravating factor of hate and bias:

“Any violation that has been committed at least in part because of the victim’s race, color, religion, creed, sex, national origin, age, disability, veteran status, sexual orientation or gender identity and expression shall be considered as aggravating misconduct and result in a stronger sanction.”

Chair Gordon made the motion, seconded by Mr. Warren, to approve this proposed addition to the Code of Student Conduct, Board Policy 11.35.1 as shown in Tab 8.2A in the Trustee notebook. The motion carried.

Chair Gordon reported that the committee met the newly elected student leaders. They also heard an update on efforts to reduce the cost of textbooks and toured the newly renovated Thompson Building.

Nominating Committee-Chair Burley Mitchell

Chair Mitchell said that the committee reviewed the Board's Nominating Committee guidelines as outlined by the bylaws.

Chair Mitchell reported that Ms. Lanier made the motion, seconded by Mr. Mitchell, to nominate the following slate of officers for 2009-2010:

Lawrence Davenport, Chair
Cassius Williams, First Vice Chair
Barbara Mulkey, Second Vice Chair
Steve Warren, Secretary
PJ Teal, Assistant Secretary

He stated that Trustee Mulkey recused herself from voting for the position of Second Vice Chair, after which the committee otherwise unanimously voted in favor of the motion.

Chair of the Board of Visitors Report-Chair Jack Cozort

Chair Cozort reported that the Board of Visitors met on April 3 in the Park Alumni Center. The Board welcomed a new Board member, Ed Foulke. The Board heard a 2009 legislative update from Rep. Paul Stam. The faculty speaker was John Cavanagh, William Neal Reynolds Distinguished Professor of Molecular and Structural Biochemistry, who discussed research being done on cancer medications.

Chair Cozort said that the Board also heard an update from Vice Chancellor Kessler on the brand audit. Chair Cozort closed by thanking Chancellor Oblinger and Chair Campbell for giving him the opportunity to serve as chair of the Board of Visitors.

Student Government Report-Student Body President Jay Dawkins

Student Body President Jay Dawkins reported on the following Student Government initiatives:

- the push led by Matt Robbins to complete the Memorial Bell Tower by installing a carillon of bells in the tower
- the Rally for Talley, the student-led campaign to support the renovation of Talley Student Center
- Operation Book Drop where students collect textbooks to be sent overseas
- WolfProwl, the new bus line that takes students to and from downtown locations
- Student health care options
- The Howlometer, a student-section noise meter that is an Engineering senior design project

Mr. Dawkins thanked Chancellor Oblinger and the Board of Trustees for the opportunity to serve on the Board this past year. He is looking forward to serving as Senior Class President next year. He then introduced incoming Student Body President Jim Ceresnak. Mr. Ceresnak said that he is proud and excited and looking forward to serving on the Board next year. He thanked his parents, Jay Dawkins, and the Board of Trustees for their support.

Presentation of Walter Hines Page Award

Chancellor Oblinger presented the Order of Walter Hines Page certificates to the six Trustees who are going off the Board: McQueen Campbell, Derick Close, Suzanne Gordon, Bob Mattocks, Burley Mitchell, and Jay Dawkins. Chancellor Oblinger discussed the legacy of Walter Hines Page and explained that these awards are presented only to former Trustees in appreciation of their dedicated service to NC State University.

Student Body President Oath of Office

Trustee Burley Mitchell, former Chief Justice of the NC Supreme Court, administered the oath of office to James W. Ceresnak. Mr. Ceresnak thanked the Trustees for their support and said he is looking forward to serving as Student Body President and as a member of the Board of Trustees.

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

At 11:10 a.m., the Board came out of closed session. With no further business, Chair Campbell adjourned the meeting at 11:13 a.m.

Respectfully submitted,

Assistant Secretary

Secretary

Approved:

Chair of the Board