

MINUTES

Board of Trustees
NC State University
Raleigh, North Carolina

April 20, 2001

The North Carolina State University Board of Trustees met in regular session in the Administrative Conference Room, D. H. Hill Library, North Carolina State University Campus, at 1:00 p.m., Friday, April 20, 2001. Chair Peaches Gunter Simpkins presided.

MEMBERS PRESENT:

William Steven Edwards
Ann Goodnight
Suzanne Gordon
Flora H. Grantham
Edward E. Hood, Jr.
Vernon Malone
Wendell Murphy
Richard G. Robb
Peaches Gunter Simpkins
C. Richard Vaughn
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

Mr. Wilson made the motion, seconded by Mr. York, to approve the February 16, 2001 minutes. The motion carried.

CHAIR'S REPORT - CHAIR SIMPKINS

Chair Simpkins welcomed Trustees and visitors and commended the service of Ms. Grantham, Mr. Wilson and Mr. York. She noted the awarding of the *Order of Walter Hines Page* at a special dinner Thursday night. The award, presented to the three outgoing Trustees and to Student Body President Harold B. Pettigrew, recognized their contributions to the Board and the University.

Since the last Trustees meeting, Chair Simpkins represented the Board at the Founders' Day celebration, where Watauga Medals were presented to Mr. Scott Ferebee, Mr. Darrell Menscer, and Mr. Ed Woolard, and attended a dinner with University of North Carolina President Molly Corbett Broad. Chair Simpkins also attended the Atlantic Coast Conference basketball

tournament, the Carter-Finley stadium groundbreaking and a Park Scholarships event for freshmen Scholars.

Chair Simpkins reported that two important issues – Greek leases and the Entertainment and Sports Arena naming rights agreement – would be put to a vote today. She commended Trustees and University administration for their efforts to bring the issues to a resolution.

She encouraged all to attend Commencement ceremonies on Saturday, May 19. Commencement is the "highlight of our year." In closing, Chair Simpkins thanked all Trustees for their ongoing support during her first year as Chair of the Board.

CHANCELLOR'S REPORT - MARYE ANNE FOX

Chancellor Fox updated the Board on the State budget, the result of an economic downturn in North Carolina and costly court case losses. On April 18, UNC President Molly Broad had asked all system universities to develop plans for a 7% reduction in state funds. Executive Officers and deans must provide their plans to Chancellor Fox by April 23. Such a budget reduction would result in a significant impact, "cutting through muscle and sinew, down to the bone." She will keep the Board apprized of the state budget crisis and its effect on the University. NC State is obliged to "do our part," Chancellor Fox said, but 7% cuts would significantly affect the University's continuing growth and success.

Chancellor Fox noted ongoing collaborative efforts with UNC-Chapel Hill and Duke as we "think creatively about advancing the university's goals." In the fall, UNC-CH and Duke will hold a fall conference on the importance and role of the research universities in the Triangle.

The Board of Governors has appointed Mr. Derick Close to the NC State Board of Trustees for 2001-2002. Mr. Close, a former Board of Governors member, is an NC State graduate and President of the Retail and Specialty Division of Springs Industries. Chancellor Fox noted the four-year reappointments of Ms. Peaches G. Simpkins, Mr. Richard G. Robb, and Ms. Suzanne Gordon. Two vacancies on the Board will be filled by Governor Mike Easley.

Chancellor Fox updated the Board on two Executive Officer searches: the appointment of Mr. Stephen Jones, Director of Cooperative Extension at Auburn, will be forwarded to the Board of Governors for approval as NC State's Vice Chancellor for University Extension and Engagement; and, the progress in identifying up to five candidates for on-campus interviews for NC State Provost and Vice Chancellor for Academic Affairs.

Chancellor Fox noted important dates for Trustees, including Honors Baccalaureate on May 17, 2001, the Commencement dinner to recognize Honorary Degree recipients on May 18, 2001, and the schedule of 2001-2002 Board of Trustees meetings located behind Tab 11 in the Board notebook. The next meeting will be July 9 and 10.

To conclude her report, Chancellor Fox said she would update the Board in Closed Session on the five-year leadership review for Vice Chancellor Thomas Stafford and Vice Chancellor and General Counsel Mary Elizabeth Kurz.

COMMITTEE REPORTS

Academic Affairs and Personnel Committee - Chair Richard Robb

Chair Robb reported that the Committee approved amendments to Board of Trustees Policy 12.01, Honorary Degrees, (Appendix A); Policy 12.02, Holladay Medal of Excellence, (Appendix B); and Policy 24.02, Mediation Policy and Procedure, (Appendix C). Chair Robb made the motion, seconded by Mr. York, to approve the policy changes; the motion carried.

During the AAPC meeting, the Office of the Provost presented a summary of efforts to enhance diversity by the recruitment and retention of faculty, staff, and students from underrepresented groups. In addition, the AAPC reviewed the renaming of the College of Education and Psychology to the College of Education and received an update on the Reappointment, Promotion and Tenure Process. The Committee discussed future agenda discussion items.

Chair Robb said the Committee received a report from Chair of the Faculty Fred Corbin, and was informed that performance appraisals have been or will be conducted on all EPA personnel.

In Closed Session, the Committee approved personnel actions, including 14 new appointments, 41 promotions conferring tenure, 4 conferrals of tenure, 25 promotions of tenured faculty, 19 conferrals of emeritus status, 40 reappointments to a second term, and three recommendations for salary adjustments. The Committee also was updated on the status of searches for the Vice Chancellor for University Extension and Engagement, and Provost and Vice Chancellor for Academic Affairs.

The Committee also approved nominations for Honorary Degrees, and Chair Robb recommended that the Board go into Closed Session at the end of the full Board meeting to consider the nominations.

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

Chair Wilson reported that the Committee approved eight property matters, including items that require Board approval. He made the motion, seconded by Ms. Grantham, to approve a public utility easement authority with the City of Raleigh regarding South Main Campus Drive, and a lease for the Computer Science Department of 6,800 square feet of office, lab and meeting space. The motion carried.

The Committee considered the Greek Court Leases separately. Chair Wilson summarized the Lease agreement, detailing the option to commit to a 5-year lease with 5-year renewals or a 1-year lease with 6-month renewals. Chair Wilson made the motion, seconded by Mr. York, to approve the proposed rent schedule and the lease options, including the delegation of authority to the Student and Campus Affairs Committee to approve changes in the number of 6-month renewal terms of the one-year lease option. The motion carried.

Chair Wilson made a motion, seconded by Mr. York, to approve Parking and Transportation Policies for 2001-2002. The policies include zone and permit changes and new parking regulations. The motion carried.

The Committee also: reviewed site plans for the Central Utility Plants at North Campus and Centennial Campus, and the Wildlife Resources Commission Building; reviewed design plans for the Admissions and Orientation Center, and the D.H. Hill Library Elevator Addition; and approved design plans for Venture IV and the Sullivan Operations Center. In a Centennial Campus report, the Committee heard about Lake Raleigh repairs, the CP&L transmission line relocation, and the status of the Toxicology Building, Conference Center/Hotel/Golf Course

(which also was discussed at the Finance and Planning Committee), and other projects. The College of Veterinary Medicine campus has been designated Centennial Biomedical Campus.

Chair Wilson reported that the Committee received informational reports on Bond projects, Carter-Finley Stadium improvements, and various construction projects. The Committee approved a resolution in support of the request to the State Building Commission for permission for an alternate construction method for the Flex Space Research Building.

Development Committee - Chair Edward E. Hood, Jr.

In the Development Committee meeting, consultant Carol O'Brien presented results of a Capital Campaign Feasibility Study and recommended actions to prepare for a comprehensive campaign. Chair Hood said Ms. O'Brien interviewed 70 people.

The Committee heard a third quarter fundraising report from Vice Chancellor for University Advancement Terry Wood. Gifts and pledges from all areas of the university totaled \$84,590,940 as of March 31, 2001. This represents 98% of the fiscal year 2001 fund-raising goal of \$86,528,000.

Chair Hood reported that the Committee was updated on the status of fundraising for \$114.7 million in capital projects, including the Alumni Center, the Animal Health and Wellness Center, Athletics facilities, and the Centennial Campus Center for Educational Innovation. The latter project may evolve from a fundraising effort to a privately financed project.

Chair Hood said that Associate Vice Chancellor David Anderson reported that Mr. Richard Clark has been named Executive Director of Development for the College of Veterinary Medicine.

The Trustees were reminded that the seventh annual Lifetime Giving Societies event will take place this evening at the Exploris Museum in Raleigh. The Lifetime Giving Societies has grown from 288 charter members in 1994 to 836 members. The cumulative support now totals \$197 million.

Chair Hood recommended that the Board go into Closed Session at the end of the meeting to consider the naming of a University facility.

Finance and Planning Committee - Chair G. Smedes York

Chair York reported that the Committee heard updates from University Treasurer Kathy Hart and Vice Chancellor George Worsley. Ms. Hart said the performance of the NC State Investment Fund did better than the benchmark target, and Mr. Worsley provided a report on the State Auditor's management letter for fiscal year 2000.

Other reports presented to the Committee included: Mr. James Lofton, President of Wake Technology Academy, on the curriculum and progress in planning for the Academy; and Mr. David Rainer, Associate Vice Chancellor for Environmental Health and Public Safety, on unit activities, including Director of Public Safety Tom Younce's initiatives and cooperative efforts with Raleigh City Police.

Chair York reported on the Centennial Campus Conference Center/Hotel/Golf Course Project and the action required by the Board. The Committee endorsed the transmittal of a resolution to the UNC Board of Governors that would authorize NC State to purchase project lodging, meeting space, and golf course rounds to the extent it may be required to do so to meet

financing requirements. Chair York made the motion, seconded by Ms. Grantham, to approve the resolution (Appendix D); the motion carried.

Chair York reported that Vice Chancellor Worsley informed the Committee on the budget cuts requested by President Broad and the North Carolina General Assembly.

Student and Campus Affairs Committee - Chair Vernon Malone

Chair Malone reported that Chancellor Fox presented to the Committee an update on the status of the Greek Court Leases. Through the extensive negotiations, the University administration maintained two principles approved by the Committee in February: the University would retain responsibility for the supervision of Greek Court, including the hire and supervision of Chapter Residence Advisors, and that reasonable parity should be considered in rent paid by Greek Court residents and students living in on-campus housing. After several amendments, the Committee approved a motion to recommend approval of the amended lease documents by the Buildings and Property Committee.

Staff Senate Chair Harry Nicholas reported on the success of the annual Open Forum and elections currently underway for Staff Senators. He said that the Staff Senate was concerned about the potential impact of a 7% budget cut on NC State staff, especially in retaining and recruiting quality employees.

Chair Malone told the Board that Vice Chancellor Thomas Stafford presented a report from the General Manager of student radio station WKNC. He and Student Body President Harold Pettigrew updated the Committee on men's basketball ticket distribution and camp-out. The University administration and student leaders will revisit these issues in the coming weeks. Chair Malone noted that Vice Chancellor Stafford said that the University administration may allow a return for camp-out, if proper safeguards are in place.

The Committee heard a presentation about the Center for Student Leadership, Ethics, and Public Service regarding current activities, including a Spring Break service project in the Dominican Republic.

Chair Malone concluded by recognizing the exemplary service of Mr. Pettigrew as an invaluable member of the Committee who represented the student perspective well and is a creative leader and statesman.

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

Mr. Robb provided the report for Chair Simpkins. He noted that the Endowment Board accepted \$12,230.44 in new gifts, and discussed the performance of the Endowment Fund's long-term portfolio. The Board approved the name change of Centennial Ventures Partners, LLC to Academy Centennial Fund, LLC, and approved the revision of the Gunnar W.E. Nicholson Endowment for the College of Natural Resources.

The Board also discussed redemption of three Series E bonds, the Hoffman Forest, and the status of current fund-raising initiatives. The Fund Board approved a .75% assessment fee for 2001-2002 to support the University Advancement efforts.

Nominating Committee - Chair Vernon Malone

Reporting for Chair Malone, Committee member Richard Vaughn said the Committee voted to nominate Ms. Peaches G. Simpkins for Chair of the Board, Mr. Richard Robb and Mr. Edward Hood for Vice Chairs, Mr. Vernon Malone for Secretary, and Ms. Clare Kristofco for Assistant Secretary.

Mr. Vaughn said the Committee recommends that the Board reassess the practice of appointing two vice chairs in favor of a first vice chair and second vice chair. The Committee recommended that the Chair initiate a bylaws revision for this change and that the slate of officers reflect the change, with Mr. Robb nominated as First Vice Chair and Mr. Hood nominated as Second Vice Chair.

Board of Visitors - Chair Jane Cockrell

Due to a travel delay for Dr. Cockrell, Chancellor Fox reported on the recent Board of Visitors meeting, including initiatives to improve the public relations image of NC State, interact with the General Assembly to tell the NC State story, and assist the colleges in fundraising efforts.

Student Government - Student Body President Harold Pettigrew

Student Body President Pettigrew updated the Board on recent activities and achievements of student government, including "The Howl" computer listserv for students, efforts to establish an endowment, the comprehensive work of the Fee Review Committee, and the success of the "Vote 2000" campaign. A polling site on campus in Witherspoon Student Center will assist students in having a presence in the City of Raleigh, he said.

Mr. Pettigrew discussed "Student Day at the Capital," when student representatives from all sixteen campuses in the University of North Carolina system met with legislators. He noted that 600 students and President Broad attended. Among the issues of interest to students is a vote for their representative on the Board of Governors; the measure to provide the vote has passed the House and awaits a Senate vote.

"Taste of North Carolina," an event celebrating diversity on the NC State campus, was held April 7, 2001. Participants enjoyed food, music, and entertainment. Mr. Pettigrew said he hoped it could be an annual event. He also noted that 2,200 volunteers participated in Service Raleigh to aid area non-profit agencies. The goal was 2,000 volunteers.

Mr. Pettigrew concluded his report with an introduction of next year's Student Body President, Mr. Darryl Willie. Mr. Willie will continue the student government tradition of leadership as a member of the Board of Trustees.

With no further business for Open Session, Chair Simpkins asked Ms. Kristofco to read the motion, seconded by Ms. Grantham, to go into Closed Session to prevent the premature disclosure of an honor or scholarship, according to North Carolina General Statute, Section 143.318.11 (a)(2); and, to consider the qualifications, competence, performance, condition of employment of a public officer or employee or prospective public officer or employee, according to North Carolina General Statute, Section 143.318.11 (a)(6). The motion carried.

Chair Simpkins adjourned the meeting at 11:16 a.m.