

## **MINUTES**

Board of Trustees  
NC State University  
Raleigh, North Carolina

July 9 - 10, 2001

### **MONDAY, JULY 9, 2001**

The North Carolina State University Board of Trustees met in regular session in the Alumni Conference Room, in the Alumni Building, North Carolina State University Campus, at 1:00 p.m., Monday, July 9, 2001. Chair Peaches Gunter Blank presided.

#### **MEMBERS PRESENT:**

Peaches G. Blank  
D. McQueen Campbell  
Derick S. Close  
Ann Goodnight (Tuesday only)  
Suzanne Gordon  
Edward E. Hood, Jr.  
Vernon Malone  
Bob L. Mattocks  
Wendell Murphy  
Richard G. Robb  
C. Richard Vaughn  
Darryl Willie, ex officio

Chair Peaches Gunter Blank called the meeting to order at 1:00 p.m.

#### **OATH OF OFFICE**

Notary Debbie Hunt, Administrative Assistant in the Chancellor's Office, administered the Oath of Office to new Trustees D. McQueen Campbell, Derick S. Close, Bob Mattocks, and Darryl Willie.

#### **ROLL CALL**

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

#### **NOMINATING COMMITTEE**

Mr. Malone, Chair of the Nominating Committee, reported that the Nominating Committee met on April 19, 2001, and unanimously approved the following slate of officers: Peaches G. Blank, chair; Richard G. Robb, vice chair; Edward E. Hood, Jr., vice chair; Vernon Malone, secretary; and Clare M. Kristofco, assistant secretary. The Nominating Committee also recommended amendments to the Board of Trustees bylaws Section 1.2.1 to designate a first vice chair and a second vice chair, rather than two vice chairs. The proposed changes also include an amendment to Section 1.3.3 to be consistent with Robert's Rules of Order (Appendix A).

Mr. Malone made the motion, seconded by Mr. Vaughn, to approve the amendments to the Board of Trustees bylaws Section 1.2.1 and 1.3.3; the motion carried.

With the change in designation for vice chairs approved, Mr. Malone made the motion; seconded by Ms. Gordon, to approve the following slate of officers proposed by the Nominating Committee: Ms. Blank,

chair; Mr. Robb, first vice chair; Mr. Hood, second vice chair; Mr. Malone, secretary; and Ms. Kristofco, assistant secretary. Chair Blank called for further nominations from the floor. Seeing none, Chair Blank called for a vote. The motion carried.

### **EXECUTIVE COMMITTEE**

The Executive Committee is composed of the Board officers and past Chair. With G. Smedes York's rotation off the Board on June 30, 2001, the Board needs a fifth Executive Committee member. Chair Blank suggested that Richard Vaughn be named to the Executive Committee. Mr. Hood made the motion, seconded by Mr. Malone, to elect Mr. Vaughn to the Executive Committee; the motion carried.

### **TRUSTEES' COMMITTEE APPOINTMENTS**

Chair Blank noted the Trustee appointments to Board committees previously mailed to Board members (Appendix B).

With no further business, Chair Blank recessed the Board at 1:16 p.m. She encouraged all Board members to attend the Finance and Planning Committee meeting at 1:30 p.m. in the Alumni Conference Room to hear about the state budget situation. The Board will reconvene in open session at 10:30 a.m. on Tuesday, July 10, 2001.

### **TUESDAY, JULY 10, 2001**

Chair Blank reconvened the meeting of the NC State Board of Trustees at 10:40 a.m. on Tuesday, July 10, 2001 in the Alumni Conference Room, Alumni Memorial Building.

### **MINUTES**

Mr. Hood made the motion, seconded by Ms. Goodnight, to approve the April 20, 2001 minutes. The motion carried.

### **CHAIR'S REPORT - CHAIR BLANK**

Chair Blank welcomed new and returning Trustees, and encouraged all to continue discussions with North Carolina legislators regarding appropriations to NC State and the UNC system. She commended Mark Fleming, Assistant to the Chancellor for Governmental Relations, for his diligence in keeping the Trustees and the campus informed of the ongoing negotiations in the legislature.

Chair Blank mentioned recent noteworthy events: the May 17 Honors Convocation during which five Holladay medals were awarded; the selection of NC State student Meredith Price for a Gates Cambridge Scholarship; and the May 19 Commencement during which 3,100 degrees were conferred and six honorary degrees were awarded to internationally recognized individuals. She noted the completion of the selection processes for the positions of Provost and Vice Chancellor for Academic Affairs (Dr. Stuart L. Cooper will start on August 1, 2001), Vice Chancellor for University Extension and Engagement (Dr. Stephen B. Jones started July 1, 2001), and deans for the Colleges of Natural Resources and Humanities and Social Sciences.

Chair Blank reviewed the process for setting the Board's meeting agenda, and invited all Trustees to contact her with any topics of interest to present at future Board meetings.

In closing her report, Chair Blank appointed an ad-hoc Nominating Committee to receive the nominations from the Development Committee for the vacancies on the Endowment Board. She asked Mr. Malone to chair a committee composed of McQueen Campbell and Bob Mattocks. The vacancies on the Endowment Board will need to be filled before the September Endowment Board meeting.

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

Chancellor Fox welcomed new and returning members of the Board of Trustees. She reiterated the importance of the NC State community's focus on the state budget proposals and negotiations, and cautioned Board members about the potential for devastating cuts to the University. She asked Board members to heed Chair Blank's message to monitor the situation and discuss with legislators the importance of NC State to the state's economic development.

The Chancellor reported that NC State will begin the 2001-2002 academic year with a strong leadership team in place, including Provost Cooper, Vice Chancellor for University Extension and Engagement Jones, Humanities Dean Linda P. Brady, and Natural Resources Dean Larry A. Nielsen. The Chancellor will lead a retreat with the Executive Officers in the fall to focus on the major issues facing the University. A discussion will follow with the deans.

The Chancellor referred Trustees to the progress summary for the University located behind tab 3 (Appendix C). Among the highlights are: three NC State faculty were elected to National Academies; three members of the faculty were awarded Fulbright grants; and selection of NC State students for special fellowships, including one Truman, one Gates Cambridge, two Goldwater, two Udall, and three ACC postgraduate scholarships. NC State University is the only Atlantic Coast Conference school to receive the maximum number of ACC postgraduate scholarships awarded. The Chancellor also reported that two need-based scholarship programs administered through her office have awarded scholarships to leading students and to students who are children of NC State employees.

The Chancellor noted that the scholarship of the faculty continues to bring distinction to the University. The NC State faculty addresses critical needs and solves challenging problems across the state and nation. There have been significant athletic accomplishments during the past year, most notably the national achievements of the football team's post season bowl victory, led by new coach, Chuck Amato; the national championship awarded to the cheerleading squad; and the 600<sup>th</sup> career win for women's basketball coach Kay Yow.

The upcoming freshman class at NC State represents the best of high school graduates with an average SAT score of 1175 and an average high school GPA of 3.94. For the incoming Park Scholarships freshman class, the average SAT score exceeds 1400 and the average GPA is 4.4.

Progress indicators highlighted by the Chancellor included the "top three" ranking of the Technology Transfer Department; the ranking of 29<sup>th</sup> in research expenditures; a 15% increase in external research awards from fiscal year 2000 to fiscal year 2001; ranking of 17<sup>th</sup> in the nation in licensing revenues and 4<sup>th</sup> in the nation for the number of start-up companies; and a ranking of 10<sup>th</sup> by the American Council of Education for research collaboration, with revenues of \$413 million. The Chancellor stated that this has been a record year for fundraising, and the University continues to make good progress in planning for a major capital campaign.

Centennial Campus continues to grow, with 72 resident partners. The expected opening of the hotel/conference center/golf course is projected for 2004.

Chancellor Fox also provided to the Trustees a list of her activities and service - both in and out of state - as she has represented NC State University in efforts to enhance the stature of the University.

## **COMMITTEE REPORTS**

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

Chair Robb reported that the Academic Affairs and Personnel Committee reviewed the responsibilities and delegations of authority for the Committee. The Committee heard a presentation about Environmental Programs as they relate to teaching, research and engagement.

Chair Robb said the AAPC met in Closed Session to approve personnel actions, including 33 new appointments, 10 conferrals of Emeritus status and 3 recommendations for salary adjustments resulting in a 15% increase above the 6/30/01 salary. The Committee also heard the annual Nepotism Report.

Chair Robb also reported on the May 29, 2001 Telephone Conference Meeting during which the Committee approved personnel actions submitted by Chancellor Fox, including 2 new appointments.

### **Buildings and Property Committee - Chair Wendell Murphy**

Chair Murphy reported to the Board that the Buildings and Property Committee reviewed the responsibilities and delegations of authority for the Committee. The Committee approved the revision to the Designer Selection Procedures, which would include criteria from the State Building Commission. Chair Murphy said the Committee approved six property matters, seven designer selections, additions to the Open-Ended Service Agreement and Acceptance of Completed Buildings and Projects. The property matters included three easements and two leases that require full Board approval. Chair Murphy made the motion, seconded by Ms. Gordon, to approve the property matters; the motion carried.

The Committee also authorized two ground leases and one space lease. These also require full Board approval. Chair Murphy made the motion, seconded by Mr. Close, to approve the three leases; the motion carried.

Chair Murphy said the Committee approved site and design plans, reviewed a report on Centennial Campus, and received informational reports on the status of Bond Projects, other planning and construction projects, and the Hillsborough Street Partnership.

#### **Development Committee - Chair Edward E. Hood, Jr.**

Chair Hood reported that the Committee reviewed the responsibilities and delegations of authority for the Committee and the Endowment Fund and Affiliated Foundations. The Committee recommended to the Ad Hoc Nominating Committee two candidates for the Endowment Board: Randall Ward to a three-year term, and the reappointment of Richard Robb to a one-year term as the Trustee representative.

Chair Hood said the Committee heard a fund raising report from Vice Chancellor for University Advancement Terry Wood, which included information on the 20% increase of cash gifts from fiscal year 2000. Total giving was 12 percent over the yearly goal, as reported through March 2001, with a total of \$97 million. In February, the Committee had approved the formation of the Charles William Dabney Society, a new recognition level in the Lifetime Giving Societies.

Chair Hood reported that the Committee heard a report on the status of approved capital projects, and an update from Bob Bryan of the Alumni Association regarding the Association's role in support of Development initiatives. Mr. Bryan discussed an upcoming membership drive and the Alumni Campaign for Excellence. Chair Hood said that the Capital Campaign Executive Committee met for the first time, and the members reviewed the proposed campaign budget, Steering Committee nominees and components of their working goal.

#### **Finance and Planning Committee - Chair Richard Vaughn**

Chair Vaughn reported that the Committee reviewed the responsibilities and delegations of authority for the Committee, including a discussion of the budgeting and planning processes. The Committee heard reports by the Associate Vice Chancellor for Resource Management and Information Systems, Steve Keto, concerning the University's operating budget, and the Director of University Planning and Analysis, Karen Helm, on planning at NC State.

Reporting to the Committee and all Trustees, Chancellor Fox provided an update on the status of the 2001-03 Biennial Budget and potential impact to NC State's programs and students. She brought before the Committee a comparison between the Senate and House versions of the current budget proposals.

Director of Internal Audit Ericka Kranitz reported on completed audits from the past six months and reviewed the plan by Internal Audit for the upcoming fiscal year. The Committee also heard an informational report on the intent to plan a new undergraduate degree program in professional golf management in the College of Natural Resources.

#### **Student and Campus Affairs Committee - Chair Vernon Malone**

Chair Malone reported that the Committee reviewed responsibilities and delegations of authority for the Committee. Vice Chancellor for Student Affairs Thomas Stafford gave a brief history of the negotiations regarding Greek leases. Associate Vice Chancellor for Student Affairs Tim Luckadoo updated the Committee on the current leases that have been signed by fraternities and sororities, noting that all fifteen

chapters will remain on campus next year. Plans are in place for renovations to begin at Alpha Kappa Alpha and Kappa Alpha houses next summer.

Chair Malone addressed the Committee's desire for more students involved in Greek Life to commit to serve on the Court Operations Board. The Committee has asked the Greek Life administrators to accelerate their efforts to encourage student participation.

Vice Chancellor and General Counsel Mary Elizabeth Kurz briefed the Committee on its roles and responsibilities in hearing student appeals, after which the Committee moved into Closed Session to hear one student appeal.

With no further business, Chair Blank adjourned the meeting at 11:20 a.m.