

**Board of Trustees**  
**North Carolina State University**  
**Raleigh, North Carolina**  
**September 13, 2019**

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, in Raleigh, NC, on Friday, September 13, 2019.

Members present:

Thomas E. Cabaniss, Chair  
Robert F. Andrews III  
Jimmy D. Clark  
Ann B. Goodnight  
James A. Harrell, III  
Stanhope A. Kelly  
Wendell H. Murphy  
Ven Poole  
Ronald W. Prestage, DVM  
Edwin J. Stack, III  
Dewayne N. Washington  
Edward I. Weisiger, Jr.  
Emma Carter, *ex officio*

Chair Tom Cabaniss called the meeting to order at 9:30 a.m. He reminded all members of their duty to avoid conflicts of interest and appearances 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. Chair Cabaniss announced that he would recuse himself from voting on one of the property matters (Disposition by Easement, Duke Energy Progress) on the agenda for Board approval. He then 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. Clark made the motion, seconded by Mrs. Goodnight to approve the open and closed session minutes of the July 10, 2019 meeting of the full board. The motion passed.

**CHAIR'S REPORT- TOM CABANISS**

Chair Cabaniss cited Dean Peter Harries' presentation and the groundbreaking celebration of the Plant Sciences Building on Centennial Campus as recent examples of the important work NC State is doing. He thanked the Board and NC State leadership for their assistance in these projects.

Chair Cabaniss encouraged Board members to attend the UNC System Board of Trustees workshop in October as an opportunity to develop working relationships with Trustees from other campuses as well as individuals at the UNC System Office. Chair Cabaniss also reminded the Board that Chancellor Woodson's biennial review will take place this spring and discussed adjustments to the upcoming NC State Board of Trustees receptions.

Chair Cabaniss shared an update from the Board of Trustees of the Endowment Fund. The Endowment Board reviewed the role of the Endowment Fund, its key attributes, and trustee responsibilities. The Endowment Board then accepted new gifts and other additions of \$1.8 million received between January 1 and June 30, 2019 and approved the Endowment Fund's 2019 Annual Report. On June 30, 2019, the Fund had \$372.5 million in investments in the NC State Investment Fund compared with \$349.1 million at June 30, 2018. The Investment Fund returned 7.3% for the 12 months ending June 30, 2019; a performance that places it in the top quartile of U.S. endowment performance. The three and five year average annual returns of 10.3% and 7.6%, respectively, also reflect top quartile performance. The Endowment Board also heard an update on the Investment Fund's asset allocation, and the performance of various asset classes in the portfolio. Overall, the University's total endowment was valued at \$1.4 billion on June 30, 2019.

The Endowment Board heard a report on real estate assets held by the Endowment Fund. The Endowment Fund holds almost 80,000 acres of property state-wide. It receives ground rent income from some of its real estate assets, and other assets are held for programmatic purposes. Most of the acreage owned by the Endowment Fund is the Hofmann Forest; however, 47 acres are currently under ground leases on Centennial Campus with additional plans for ground leases. Additionally, the Endowment Board heard an update on WIN—the Wolfpack Investor Network. WIN, an associated entity of the University, began operations in 2017. It currently has 149 members and continues to grow, with increasing participation by undergraduate and graduate students, and faculty. The Endowment Fund has a \$450,000 commitment to WIN-portfolio companies.

Next, the Endowment Board heard a report on the progress of the “Think and Do the Extraordinary” Campaign for NC State and campaign highlights to date. As of early September, the total raised was at 98% of the campaign goal with gifts and pledges of \$214.2 million for facilities, \$607.2 million for current operations, and \$748.3 million for endowment. The Endowment Board also heard an update on economic activity at Hofmann Forest and approved a resolution to acknowledge Mary Watzin for her work and effort towards Hofmann Forest monetization.

The Endowment Board convened to Executive Session to hear a report on property and financial matters related to development on Centennial Campus.

#### **CHANCELLOR’S REPORT – RANDY WOODSON**

Chancellor Woodson provided a brief review of the annual Accomplishments Report. NC State students and faculty received high-level awards last year, including Knight-Hennessy and Goldwater Scholarships, 11 NSF CAREER Awards, and 3 Presidential Early Career Awards for Scientists and Engineers. It was also a strong year for research and partnerships, with research expenditures exceeding \$500 million and several major partnership announcements. Those included a \$1 million grant from North Carolina GlaxoSmithKline to expand our C3 program, a three-year partnerships with Infosys to prepare the workforce of the future in data science, and a masters research agreement with BASF among others.

Chancellor Woodson then spoke about recent rankings the university had received and explained how the methodology for determining rankings differs. US News and World Report ranked NC State #84 nationally. The Wall Street Journal/Times Higher Education College Rankings ranked NC State #104 overall and #20 for best return on investment out of roughly 3,500 universities.

Chancellor Woodson also highlighted several events from around campus. The Plant Sciences Building had an official groundbreaking ceremony on September 6, 2019 that brought together members of the community as well as industry partners. The North Carolina School of Science and Math and NC State hosted an event in Talley Student Union where students from both schools spoke to alumna and astronaut Christina Koch via a downlink to the International Space Station. NC State leadership also met with representatives from the Novo Nordisk Foundation to discuss the foundation’s two recent grants to support the Accelerated Innovation in Manufacturing Biologics and the Collaborative Crop Resiliency Program. These projects mark the largest grants awarded by the Novo Nordisk Foundation outside of Denmark and their second collaboration in the United States.

#### **COMMITTEE REPORTS**

##### **AUDIT, RISK MANAGEMENT AND FINANCE COMMITTEE – CHAIR ED WEISIGER, JR**

Mr. Weisiger reported that the Committee reviewed and discussed its responsibilities as per the bylaws, this year’s draft agenda, and the draft plan of work for the year. The four key areas of committee authority are audit, finance, risk management, and policy development for institutional trust funds, campus security and information technology and cybersecurity.

The Committee heard a number of informational reports as well, including a final report on Fiscal 2019 Internal Audit activities and their work to support the university's strategic plan. In fiscal 2019, 22% of the engagements were directly related to the University's top Ten Risks, and the remaining 78% were related to risks identified through Internal Audit's continuous risk assessment process. The Committee heard a brief overview of university budgeting and financial management and an update on fiscal 2019 financial operations based on unaudited results.

Mr. Weisiger shared that the Committee received an update about recent legislative and state budget activity. Finally, the Committee heard a special report on strategic risk management, a framework for thinking about strategic risks, and an overview of strategic risk management at NC State. A new position, Chief Compliance, Enterprise Risk Management, and Ethics Officer, is being created to oversee and coordinate Compliance, Ethics and Risk Management. The individual in this position will report directly to the Chancellor.

#### **BUILDINGS AND PROPERTY COMMITTEE - CHAIR JIMMY CLARK**

Mr. Clark reported that the Buildings and Property Committee reviewed and approved nine property matters that require full board approval. They are:

- Disposition by Lease to Tread Happy (or affiliated entity) previously leased retail space at 2010 Hillsborough Street. This property disposition by space lease will provide income for the maintenance and upkeep of the property.
- Acquisition by Lease on behalf of the Small Business and Technology Development Center ("SBTDC"), whose existing space lease expires on September 30, 2019, requests a lease for strategic office space, preferably in its current or comparable location, to house its regional offices in Asheville, NC. SBTDC requires space to meet confidentially with business owners in order to counsel and provide entrepreneurs with the tools they need to build and grow successful businesses, which positively impacts NC's economy.
- Disposition by easement. The City of Raleigh has requested an Amendment of an existing utility easement to allow for the continuing development of Centennial Campus. A portion of the existing easement along Main Campus Drive will be realigned in length and route to allow the City of Raleigh to operate within existing infrastructure installed by the university. The proposed new easement area will be +/- 1,400 sf ~ 0.321 ac.
- Disposition by easement. Duke Energy Progress has requested the Conveyance of a utility easement to install a power line on and for the benefit of the NCSU Butner Beef Cattle Field Lab (BBCFL) property. The power line will run from an existing service line on the BBCFL property to a well located on adjacent property leased by BBCFL. The proposed new easement area will be +/- 5,966 sf ~ 2.74 ac.
- Disposition by easement. AT&T has requested the conveyance of an easement for installation of underground fiber optic cable from an existing manhole on Method Rd to a communication room located at 3121 Ligon Street to provide a redundant connection of the 911 circuit between NC State Campus Police and the Wake County 911 Center. The proposed new easement area will be +/- 120 sf ~ 0.0028 ac.
- Disposition by Demolition. The College of Agriculture and Life Sciences has requested the demolition of three structures located on West Campus on Ligon Street, due to poor condition of the structures. The structures are as follows the Small Animal Research Building, the Modular Dinoflagellate Facility, and the Aquatic Research Fish Lab.
- Disposition by Demolition. The Real Estate Department has requested the demolition of the Centennial Campus Information Booth located on Centennial Campus at Varsity Drive due to poor condition of the structure.
- Acquisition by Purchase of +/- 40.99 ac. to be added to the existing Central Crops Research Station in Wake Co. The College of Agriculture and Life Sciences currently leases the property for the study of weed management.
- Acquisition by Purchase of +/- 12 ac. to be added to the existing Lake Wheeler Field Lab in Wake Co. This property is centrally located within Lake Wheeler Field Lab and will be a strategic acquisition for the university.

Mr. Clark made a motion, seconded by Dr. Prestage, to approve the nine property matters. The motion passed.

Mr. Clark reported that the Committee reviewed and approved one property matter for assent that was received after the Full Board materials were mailed. It was:

- Disposition by reallocation. The subject property is being acquired by the Department of Transportation as part of the I-440 Expansion Project (STIP Project No. U-2719). The proposed reallocation area will be +/- 4.2 ac.

Mr. Clark made a motion, seconded by Dr. Prestage, to approve the one property matter. The motion passed.

Mr. Clark reported that the Committee approved four designer selections and accepted 27 building projects at a combined value of \$25,523,386, which included Albright Sports Medicine Center, Murphy Center Broadcast Studio Phase 2, Carbon Electronics Cluster Lab Renovation, and Designer Selections under \$1 million or less. The Committee also approved five Non-Appropriated Capital Improvement Projects (Equipment Storage Facility at Laker Wheeler, Flooring Renovation-Carroll Residence Hall, Rifle Training Facility, Water Line Modifications at Ligon Street Bridge, Roof Replacement-Partners II) and 19 plans and specifications of Formal Projects costing less than \$2 million.

The Committee also heard an update on the NCDOT I-440 Widening Project and received updates for Capital Projects and Status of Projects in Planning.

#### **UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE – CHAIR CHIP ANDREWS**

The Committee met and reviewed the Committee's annual plan of work. The Committee then heard an update on University Advancement. The fundraising total for fiscal year 2019 was \$220 million, aided in large part by the success of the inaugural Day of Giving. Fundraising success to date strongly suggests NC State will likely reach the campaign goal of \$1.6 billion by Red & White Night in November, 2019. The Committee also received a report on the results of the mid-campaign feasibility study conducted over the past four months.

The Committee heard more about the Advancement five-year Roadmap Project through a report that described the top 10 Roadmap year-one implementation projects that are now underway and overviewed the anticipated organizational structure and the phasing of the organizational changes therein. A University Communications and Marketing update that focused on the newly created Office of Strategic Brand Management was presented to the Committee as well as an Alumni Association update, which highlighted over 250 Alumni events on tap across the state and beyond and the highly successful roll out of Old Tuffy, the NC State branded beer from New Belgium Brewery.

The Committee reviewed two naming opportunity proposals, including one naming opportunity for the Peanut Breeding Program and the other for the Certified Sweet Potato Greenhouses, both in the College of Agriculture and Life Sciences, both of which the Committee approved. The Committee also met in closed session and approved three naming agreements.

#### **UNIVERSITY AFFAIRS COMMITTEE – CHAIR STAN KELLY**

Mr. Kelly reported that the Committee met and reviewed the Committee's responsibilities and plan of work for the academic year. The Committee received the annual enrollment report, which highlighted changes in overall graduate and undergraduate enrollment, academic quality of the incoming freshman cohort, and undergraduate student success data.

Student Body President Emma Carter gave a Student Government (SG) update. The Committee was provided information about SG's Executive Officers as well as an update on recent SG initiatives,



including the annual Respect the Pack diversity and inclusion event, improving parking and access for ROTC students who are required to be at Physical Training and ROTC class before 8 a.m., and ongoing work with the Office for Institutional Equity and Diversity to consider ways an online diversity competency training program could be implemented at NC State.

Chair of the Faculty Hans Kellner shared an update from the Faculty Senate. The Committee learned about his principal goals, which include strengthening and supporting the pipeline of faculty leadership. Dr. Kellner reported that activities are in full swing and two meetings of the Faculty Senate have been held. Chancellor Woodson shared with the committee that Dr. William L. Roper, Interim UNC-System President, will deliver the December commencement address.

Provost Arden provided an overview of initiatives for the academic year including an update on leadership searches and transitions; the strategic planning process; construction of the Academic Success Center in D.H. Hill Library, which is planned to open in August 2020; and the five-year report to NC State's accrediting body – Southern Association of Colleges and Schools Commission on Colleges – that is due in March 2020.

In closed session, the committee approved an addendum to a head coach employment agreement, approved the appointment and initial salary of a Dean, and recommended a salary action for approval by the Board of Governors. The Committee also recommended an honorary degree nomination which was considered by the Full Board in closed session.

#### **STAFF SENATE REPORT – JANICE SITZES**

Chair Sitzes provided an update on the Staff Senate, in which she outlined the main functions of the Staff Senate as a source of communication between staff members and university administration. Staff Senate members identified three key skills as critical to fulfilling their purpose: leadership, communication and collaboration.

The Committee was informed of important activities from the Staff Senate since the last Trustee meeting. Staff Senate members participated in Employee Appreciation Day, Earth Fair, and Bike at Work during the month of April. In May, the Staff Senate held elections for officers and committee chairs as well as co-hosted the UNC Staff Assembly Chancellor's Cup Golf Tournament, which raised money for the Jane B. Royster Memorial Staff Scholarship Fund.

The Staff Senate bylaw revisions were completed in June after a four-year effort. The updated bylaws are more reflective of who the organization represents, what the organization does, and how the organization operates. The Staff Senate held their kick-off retreat at the McKimmon Center and focused on creating engagement and sharing ideas.

In July, NC State delegates participated in the UNC System Staff Assembly meeting in Boone, where they received updates on the Clear Pricing Project, the budget, and state retirement plans among other items.

Chair Sitzes cited focusing on how the Staff Senate can be more inclusive of those staff whose voices may have been historically under-heard – extension, facilities, and housekeeping staff specifically – as another major goal for the year.

#### **CLOSED SESSION**

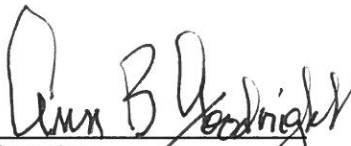
With no further business in open session, Mr. Clark made the motion, seconded by Mr. Harrell, at 10:29 a.m. to go into closed session to preserve the attorney-client privilege; to prevent the premature disclosure of an honorary award; to consider the qualifications, competence, performance, conditions of appointment of a public officer or employee or prospective public officer or employee. The motion passed.

**RECONVENE IN OPEN SESSION**

At 12:16 p.m. the board came out of closed session. With no further business in open session, Chair Cabaniss adjourned the meeting at 12:17 p.m.

Respectfully submitted,

  
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Assistant Secretary

  
\_\_\_\_\_  
Secretary

Approved:

  
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Chair of the Board