

Board of Trustees
North Carolina State University
Raleigh, North Carolina
September 11, 2020

The North Carolina State University Board of Trustees met in regular session via a Zoom Meeting, on Friday, September 11, 2020.

Members present:

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

Chair Tom Cabaniss called the meeting to order at 9:25 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. Mr. Safran announced that he would recuse himself from voting on two property matters (Disposition by Reallocation to Department of Transportation). Chair Cabaniss then reminded those in attendance that while the full Board meeting is a public meeting, it is not a meeting for public comment and only those on the agenda will be permitted to speak. He then called on Assistant Secretary Paula Gentius for the roll call.

ROLL CALL

Assistant Secretary Paula Gentius called roll and certified that a quorum was present.

MINUTES

Mr. Ven Poole made the motion, seconded by Mr. Kelly, to approve the open session minutes of the July 15, 2020 meeting of the full board. Chair Cabaniss called for a vote by roll call.

Andrews	AYE	Prestage	AYE
Flowers	AYE	Safran	AYE
Goodnight	AYE	Stack	AYE
Harrell	AYE	Washington	AYE
Kelly	AYE	Weisiger	AYE
Murphy	AYE	Cabaniss	AYE
Poole	AYE		

The motion passed.

CHAIR'S REPORT- TOM CABANISS

Chair Cabaniss began by providing an overview of NC State's COVID-19 decisions during the fall semester. On August 20, NC State announced that all undergraduate courses would move to online instruction starting August 24. At the time of the announcement, three clusters of COVID-19 cases had been identified in off-campus housing, and over 500 people were in quarantine. On August 26, NC State announced that on-campus housing would be significantly reduced due to the rapid spread of COVID-19 in on- and off-campus apartments and residences. Students were allowed to apply for exceptions to remain in on-campus housing if needed. Classes on August 31 and September 1 were canceled to provide students with additional time to transition to their new living arrangements. University leadership extended the deadline known as Census Date, which was originally scheduled for August 21, to August 28. This change allowed students and their families to make informed decisions about their class schedules, housing arrangements, and financial matters. It also provided campus personnel more time to

work with those individuals to identify cost-effective solutions that keep students' academic progress intact.

Chair Cabaniss also shared updates from the Board of Trustees of the Endowment Fund (Endowment Board)'s meeting on September 10, 2020. At the meeting, the Roles and Responsibilities of the Endowment Board were reviewed. The review included the history of the Endowment Fund, key attributes, and UPMIFA provisions. Plans were made to have a, Endowment Board retreat in October. The minutes from February 2020 were approved. Vice Chancellor Charles Maimone presented gifts and other additions on behalf of the Chancellor for the Endowment Board's acceptance. The Endowment Board accepted new gifts and other additions of approximately \$11.9 million received between January 1 and June 30, 2020.

The Endowment Board also accepted the Endowment Fund's 2020 Annual Report. The Endowment Fund reported total net assets of \$511.5 million at June 30, 2020, an increase of 2% over the prior year. The increase for fiscal 2020 includes \$9 million of net investment gains and \$15.6 million in contributions and matching gifts, offset by \$14.3 million of expenditures and transfers.

University Treasurer Mary Peloquin-Dodd provided an update on the Endowment Fund investment portfolio. At June 30, 2020, the Fund had \$379.1 million in investments in the NC State Investment Fund compared with \$372.5 million at June 30, 2019. The Endowment Fund is the largest participant in the Investment Fund. The Investment Fund returned 2.1% for the 12 months ending June 30, 2020, a median level performance relative to other endowments. The three and five year average annual returns of 6.9% and 6.2%, respectively, place it in top quartile performance among the largest university endowments. The Endowment Board also heard an update on the Investment Fund's strategic asset allocation, performance of various asset classes in the portfolio and long-term liquidity.

Associate Vice Chancellor Alicia Knight presented an update on programmatic and enhancement real estate assets held by the Endowment Fund. There are 79,800 acres of real estate assets held by the Endowment Fund for programmatic purposes. There are also 99.3 acres that are considered enhancements and produce ground rent income, of which 75 acres are on Centennial Campus. The Endowment Board heard the status of endowment income generated by ground leases, and an update on plans for the Innovation District on Centennial Campus.

The Endowment Board heard a report from Vice Chancellor Brian Sischo on University Advancement and a campaign update. The Campaign raised \$1.77 billion as of June 30, 2020 and will continue through December 2021. Campaign milestones and other campaign accomplishments were discussed. The Endowment Board was provided a brief overview of the upcoming Day of Giving, set with a theme of "Stronger as a Pack" for September 16, 2020, and heard information on the Extraordinary Opportunity Scholarship Initiative and how it is supporting students.

The Endowment Board received an activity update from Dean Myron Floyd on financial activities at Hofmann Forest. Monetization efforts continue with solar farming, mitigation bank credits, and leases. The Endowment Board then convened to Executive Session to hear a report on sensitive property matters related to development on Centennial Campus.

Chair Cabaniss reported that each year the ACC requires University Board of Trustees to certify that the authority for the Administration of Intercollegiate Athletics has been delegated to the Chancellor. Mr. Cabaniss made a motion, seconded by Mr. Ed Weisiger, to approve the ACC Governing Board Certification for 2020-2021. The Board voted via roll call and the motion passed unanimously.

Chair Cabaniss also shared proposed changes to the Board of Trustees Bylaws that were discussed in the Executive Committee meeting earlier that day. The first proposed change is to eliminate the position of Second Vice Chair and add one trustee nominated by the Chair to serve at-large to the Executive Committee. With this change, the First Vice Chair would become the Vice Chair, but their duties would remain unchanged. The second proposed change is adding language to clarify the inclusion of the

immediate past Chair on the Executive Committee. The past Chair would be included for their first year after their term as Chair. If no immediate past Chair is eligible, then an at-large member would be included. The final proposed change would affect the Nominating Committee Guidelines in the bylaws. The change encourages the committee to clarify that a trustee may serve a term as Chair for two consecutive one-year terms, and encourages the principle of continuity of leadership.

To coincide with the nomination and election of officers, these proposed changes would become effective as of July 1, 2021. The revised bylaws would then apply to the election of officers for the term beginning on July 1, 2021. These proposed changes will be on the slate for the November meeting and copies of the proposed changes will be made available with the meeting materials.

CHANCELLOR'S REPORT – DR. RANDY WOODSON

Chancellor Woodson began his remarks by thanking NC State staff for all of their hard work in light of the COVID-19 pandemic, highlighting faculty, staff and volunteers in Housing and Dining, Student Health Services, and Emergency Mission Management and Continuity who helped support students and plan for the fall reopening. The safety measures NC State implemented for the fall semester were quite effective for limiting spread among faculty and staff. There has been very little community spread related to on-campus locations. Despite the changes to online instruction for undergraduate students and reduced on-campus housing, campus operations remain widely unchanged. NC State Libraries, Talley Student Union, Carmichael Gym, Student Health Services and the Counseling Center continue to provide services for the campus community.

Chancellor Woodson then shared some recent rankings and recognition for the university. Money Magazine ranked NC State as the best value for students attending a public university in North Carolina on their "Best Colleges for Your Money" list, which ranks schools based on a combination of educational quality, affordability and alumni success. Overall, NC State ranks 35th on the list of 739 public and private colleges across the United States. NC State was also ranked recently as one of the top 10 places to work in the state of North Carolina, according to a survey conducted by *Forbes* and the market research company Statista. NC State was recognized as the ninth-best place to work in North Carolina, with SAS coming in first.

The Chancellor closed his remarks with noteworthy campus updates. The search for the next Vice Chancellor and Dean for the Division of Academic and Student Affairs resumed after postponing the candidate interviews originally scheduled for March 2020. Candidate interviews began last week and will be completed by the end of September. NC State's Day of Giving is next week. On September 16, we hope to rally the spirit of the Wolfpack community to support our students in need. "NC State Day of Giving: Stronger as a Pack" is focused on raising funds for scholarships, diversity and inclusion efforts, and enhancement funds. NC State continues to make progress on its racial equity initiatives. Diversity, equity and inclusion training is being incorporated into all staff work plans and a requirement for senior administrators and members of the Strategic Planning Executive Steering Committee. Planning continues for NC State's Racial Equity Summit, which will be held on October 15.

COMMITTEE REPORTS

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

Mr. Weisiger reported that the Audit, Risk Management and Finance Committee reviewed and discussed its responsibilities, the 2020-2021 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 approved minutes from the April 23, 2020 meeting.

The Committee also approved the Internal Audit Charter as presented by Cecile Hinson, Director of Internal Audit. Changes from the previous charter were limited to updating the current date. Ms. Hinson also provided a final report on Fiscal 2020 Internal Audit activities, and the Division's support of the University's strategic plan. In fiscal year 2020, 24 engagements were directly related to four of the five

University's Strategic Goals. The remaining were related to risks identified through Internal Audit's continuous risk assessment process. The Committee also heard about current activities and staffing changes.

Vice Chancellor Kevin Howell and Assistant Vice Chancellor Julie Smith discussed recent legislative sessions, touching on CARES Act funding allocation, UNC System budget requests, the Governor's proposed budget and priorities looking forward.

Vice Chancellor Charles Maimone updated the Committee on current budget conditions, including significant impacts on auxiliary service revenues and plans to address the drop in revenue. Tuition and fees and State appropriations remain stable with undergraduate student enrollment remaining strong. The Committee also heard a statement on the financial health of the institution and an overview of the prioritized approach to reduction planning and the budget planning principles that will be employed.

Mary Peloquin-Dodd, University Treasurer, discussed the recent refinancing, which took advantage of low interest rates and created a savings of \$26 million. Two major rating agencies affirmed NC State's high rating and stable outlook. The University is positioned to maintain debt payments, despite short-term fluctuations in the auxiliaries. The Committee was given a comparison of total university revenue and expenses over a 10 year period as well as an update on the fiscal 2020 income statement, which showed a reduction in total revenue of 1.6% and an increase in total operating expenses of 2.8%. Finally, Ms. Peloquin-Dodd discussed the University's liquidity and operating cash.

The Committee heard a report on compliance and enterprise risk management from Vice Chancellor Allison Newhart. Recent activities include changes to NCAA – post COVID, Title IX, foreign gift and contract reporting, and Department of Education authorizations for distance education. In addition, they are monitoring CARES Act reporting, certification and compliance obligations and other items related to COVID-19. Kristen Meeks, the University Compliance, Ethics, and Enterprise Risk Management Officer was introduced to the Committee. Ms. Meeks reviewed activities she has been working on and plans going forward.

BUILDINGS AND PROPERTY COMMITTEE - CHAIR ED STACK

Mr. Ed Stack reported that the Buildings and Property Committee reviewed and approved the Committee Responsibilities and Procedures and the 2020-2021 Committee Plan of Work. The Committee also reviewed and approved the April 24, 2020 meeting minutes.

The Committee reviewed and approved two property matters for Full Board approval. They are:

- Disposition by Reallocation. North Carolina State University requests permission for the reallocation of property located on Ligon Street east of 440 being acquired by the Department of Transportation as part of the I-440 Expansion Project (STIP Project No. U-2719)
- Disposition by Reallocation. North Carolina State University requests permission for the reallocation of property located on Ligon Street west of 440 being acquired by the Department of Transportation as part of the I-440 Expansion Project (STIP Project No. U-2719).

Mr. Stack made a motion, seconded by Mr. Murphy, to approve the two property matters. Chair Cabaniss called for a vote by roll call:

Andrews	AYE	Prestage	AYE
Flowers	AYE	Safran	RECUSED
Goodnight	AYE	Stack	AYE
Harrell	AYE	Washington	AYE
Kelly	AYE	Weisiger	AYE
Murphy	AYE	Cabaniss	AYE
Poole	AYE		

The motion passed.

Mr. Stack then reported that the Committee approved one designer selection for the Electrical Distribution Upgrade, and approved two construction managers at risk selections for the Electrical Distribution Upgrade and the Renovations to Data Center II. The Committee also accepted 14 building projects at a combined value of \$16,959,213 and Designer Selections under \$1 million or less.

The Committee approved one Non-Appropriated Capital Improvement Projects: the Lab 2300 & 2350 Renovations – Partners II. The Committee reviewed and approved the site and plans for Greek Village Phase IV and also approved eight plans and specifications of Formal Projects costing less than \$2 million.

The Committee then received updates and information reports for the Physical Master Plan, Capital Projects, Status of Projects in Planning, University Towers – Potential Acquisition, Innovation District Project, and the Campus Zoning Effort Overview.

UNIVERSITY ADVANCEMENT AND EXTERNAL AFFAIRS COMMITTEE – CHAIR CHIP ANDREWS

Mr. Andrews shared that the Advancement and External Affairs Committee reviewed the established committee responsibilities and plan of work for the new fiscal year. Vice Chancellor Brian Sischo then presented proposed revisions for two current policies: 03.00.02 Criteria & Procedures for Naming Facilities, Programs & Funds and 03.00.01 Coordination of Fundraising Activities and Acceptance of Private Donations. The Committee voted to recommend the policy revisions to the full Board for approval.

Mr. Andrews made a motion, seconded by Mr. Poole, to approve the proposed changes to policies 03.00.02 and 03.00.01. Chair Cabaniss called for a vote by roll call:

Andrews	AYE	Prestage	AYE
Flowers	AYE	Safran	AYE
Goodnight	AYE	Stack	AYE
Harrell	AYE	Washington	AYE
Kelly	AYE	Weisiger	AYE
Murphy	AYE	Cabaniss	AYE
Poole	AYE		

The motion passed.

Mr. Andrews then reported that following the policy discussion, Vice Chancellor Sischo presented a University Advancement update, sharing an overview of the accomplishments from the previous fiscal year, which included a record-breaking fundraising year and critical support to students and university operations in response to COVID-19. The Committee also heard an update on the impacts of the campaign to date, and a brief overview of Day of Giving.

Associate Vice Chancellor Jim Broschart shared an overarching campaign and fundraising update, informing the committee that the year to date total for new gifts and commitments is \$1.78 billion. He shared perspective on how COVID-19 has affected operations and noted that we continue to make significant progress towards a \$2B campaign goal.

Associate Vice Chancellor Benny Suggs then provided an Alumni Relations update, where he highlighted several of the successes over the past year. These successes included the execution of six virtual career service events in response to COVID-19. He also shared that NC State Alumni magazine received the CASE Platinum Award for the Best Article of the Year (Can Sweet Potatoes Save the World?).

The Committee reviewed and approved one naming opportunity proposal for the College of Natural Resources. Following the presentations, the committee met in closed session and approved five donor naming proposals for the College of Agriculture and Life Sciences.

UNIVERSITY AFFAIRS COMMITTEE – CHAIR DEWAYNE WASHINGTON

Mr. Washington reported that the Committee reviewed the responsibilities and plan of work for this fiscal year.

Under the Consent Agenda, the Committee approved the following items: minutes of the July 15, 2020 meeting; continuation of three Centers - The Ergonomics Center of North Carolina, the Center for Educational Informatics (CEI) and the NC Sea Grant College Program (NCSG); designation that a Distinguished Professorship may be awarded on a time-limited basis and; conferral of tenure to a new faculty member.

The Committee also recommended approval by the full Board of the request to discontinue two degree programs – the Bachelor of Landscape Architecture and the Bachelor of Science in Turfgrass Science. The Bachelor of Landscape Architecture Program admitted the last students in Fall 2012 due to low enrollment at the time. Faculty, staff and students were informed of the closure of the Program in 2011, and the program fully closed when the last student graduated in 2016. The department still offers a Master of Landscape Architecture (MLA) degree and a Landscape Architecture Minor. The Department of Crop and Soil Sciences requests the discontinuation of the Turfgrass Science degree. The structure was moved to a new Turfgrass Science concentration under the BS in Crop and Soil Sciences degree. The Department has stopped admitting freshmen and transfers while allowing students currently enrolled in the program to complete the degree by June 2025. New students will be admitted to the Turfgrass concentration under the Crop and Soil Sciences degree.

Mr. Washington made the motion, seconded by Mrs. Goodnight, to approve the Request to Discontinue the Bachelor of Landscape Architecture and the Bachelor of Science in Turfgrass Science degree programs. Chair Cabaniss called for a vote by roll call:

Andrews	AYE	Prestage	AYE
Flowers	AYE	Safran	AYE
Goodnight	AYE	Stack	AYE
Harrell	AYE	Washington	AYE
Kelly	AYE	Weisiger	AYE
Murphy	AYE	Cabaniss	AYE
Poole	AYE		

The motion passed.

Mr. Washington then reported that the Committee received several informational reports. First, the annual enrollment report highlighted the challenges to enrollment as a result of COVID-19 and how those challenges were addressed. Changes in overall graduate and undergraduate enrollment, academic quality of the incoming freshman cohort, and undergraduate student success data were discussed.

Student Body President Melanie Flowers informed the Committee of the many ways Student Government has remained engaged with the NC State community throughout the summer in the face of several challenges. She highlighted several efforts relating to COVID-19, Racial Unrest, and Title IX.

Provost Arden provided an overview of initiatives for the academic year including an update on leadership searches and comprehensive leadership reviews; the strategic planning process; and a new academic program - the Graduate Certificate in Disaster Resilient Policy, Engineering and Design.

The Committee met in closed session to discuss possible changes to employment contracts. Upon returning to Open Session the Committee voted to delegate to Chancellor Woodson the authority to approve adjustments to terms in the employment agreements of employees in the athletics department who have employment agreements pursuant to UNC Policy 1100.3 (the Director of Athletics and the Head Coaches) to address COVID-19 budget-related issues as necessary.

CHAIR OF THE FACULTY – HANS KELLNER

Chair Hans Kellner submitted a written report for the Board of Trustees. This was shared with all Trustees via email following the meeting.

CHAIR OF THE STAFF SENATE – PAT GADDY

Chair Pat Gaddy reported that the Staff Senate was established in 1995 and is celebrating 25 years of service to the NC State community this year. While the Staff Senate recognizes the many accomplishments in their past, they are taking action for the future as they continue to stand on the core values of NC State – integrity, freedom, respect, responsibility, stewardship, excellence – in all their endeavors.

While COVID-19 has made this year particularly challenging, Staff Senate continues to enhance, enrich and encourage a sense of community among all university staff employees. The following outlines some of the key initiatives and activities of the Staff Senate since April:

- Staff Senate Connections, the monthly newsletter, included Coronavirus resources for campus as well as the NC State extension office.
- Staff Senate continue to advertise, promote and support Wolf Pack monthly lunch and learn via Zoom.
- Staff Senate issued a Statement offering their support of the statements presented by Chancellor Woodson and Sheri Schwab, Vice Provost for Institutional Equity and Diversity, in regards to racial injustice. They encouraged members of the senate and all staff at NC State to be active citizens in addressing systemic racism and acts of injustice, both at our university and abroad. They are looking forward to taking part in continued dialogue and action that leads toward a more inclusive and welcoming Wolfpack community.
- Staff Senate virtually held the 2020-2021 elections for officers and committee chairs. This year brought 49 new senators and 31 returning senators to the Senate.

The motto for the staff senate this year is “NC State Staff Senate, Leading Together during a Time of Change. We are the Change!” Some of the ways Staff Senate continues to lead and promote inclusiveness and transparency among the staff are: by continuing to participate and be included in leadership discussions as they bring staff concerns to the table; educating staff as much as possible on university processes, so that they can make more informed decisions about the efficiency and effectiveness of their work; and reminding them that the Staff Senate is alive, well, constantly working on their behalf.

Chair Gaddy highlighted the “Give a Shout Out to Staff” program as one of the most successful of the Staff Senate’s initiatives over the last 25 years. This initiative was started by the Staff Senate in the fall of 2011 and is still going strong. Each month, staff are recognized by peers in the Staff Senate Newsletter. During this season of the pandemic, this has been a tool most often used to recognize our staff members who are and the work they have been doing.

Chair Gaddy concluded her report by saying the Staff Senate is looking forward to all the opportunities they will have this year to affect change

CLOSED SESSION

With no further business in open session, Mr. Cabaniss made the motion, seconded by Mr. Harrell, at 10:43 a.m. to go into closed session to: preserve the attorney client privilege while discussing matters related to Alston v. UNC et al and Gottfried vs NC State; prevent the premature disclosure of an honorary award or scholarship; and to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee.

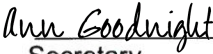
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RECONVENE IN OPEN SESSION

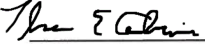
At 11:21 a.m. the board came out of closed session. With no further business in open session, Chair Cabaniss adjourned the meeting at 11:22 a.m.

Respectfully submitted,


Assistant Secretary

DocuSigned by:

Ann Goodnight
Secretary

Approved:

DocuSigned by:

Chair of the Board