

**DRAFT**

**BOARD OF TRUSTEES**

**THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON**

**APRIL 22, 2016**

The Board of Trustees of The University of North Carolina at Wilmington held a regular quarterly meeting on April 22, 2016, in the Burney Center on the UNCW campus. Chairman Shivar called the meeting to order and began with a moment of silent reflection, asking everyone to remember the recent death of a UNCW student. He read the required statement from the State Government Ethics Act. No conflicts were identified.

Chairman Shivar said that it was his great pleasure to welcome President Margaret Spellings to UNCW and to the podium. President Spellings addressed the Board, commending UNCW and Chancellor Sartarelli for the future-oriented vision and approach to higher education, especially in regard to working with the military, producing the future health care workforce, and contributing to economic development. She spoke to the history of the institution, started by the citizens of New Hanover County who voted for a tax to build Wilmington College, and encouraged everyone to build on that legend and vision of affordable, accessible, and relevant education. The President commented on the uniqueness of all UNC campuses and the incredible talent of members of the boards of trustees. She said that UNC General Administration would focus on the right and proper roles and would seek consensus to increase investment in the future and people of North Carolina, as evidenced through the Connect NC bond issue. After brief comments on legislative and policy priorities, including her top priority of improving compensation for faculty and staff, President Spellings expressed appreciation for the opportunity to speak to the Board and to visit UNCW.

**ROLL CALL**

Mr. Lanier, Assistant Secretary, called the roll and established that a quorum was present. Members in attendance were Agnes R. Beane; Dennis P. Burgard; Kenneth R. Cameron, Jr.; Wilma W. Daniels; Michael R. Drummond; Gidget Kidd; Henry L. Kitchin, Jr.; Christopher J. Leonard; Daniel McCord; Ronald B. McNeil; Henry E. Miller III; and Michael B. Shivar. He said that Maurice R. Smith had requested an excused absence.

## APPROVAL OF MINUTES

On motion by Mr. Cameron, seconded by Mr. Kitchin and duly carried, the minutes of the meetings of the Board of Trustees held on January 15, 2016, and on April 18, 2016, were approved as distributed.

## REPORTS OF STANDING COMMITTEES

### AUDIT, RISK, AND COMPLIANCE

Mr. Drummond, chair of the committee, reported that Ms. Thorndike had briefed the committee on external audits by the NCAA and the Office of the State Auditor, with no instances of noncompliance or other matters to report. He said that Ms. Boyd presented an annual update on institutional risk management, focused on the risk areas identified in Spring 2015, and identified the risk areas for priority during the coming year, including attracting and retaining talent, regulatory compliance, facilities repair and modernization, information security, student safety and security, critical incident response, and student growth infrastructure. He added that enrollment was added as a risk to monitor after the committee's discussion.

Chairman Drummond reviewed the internal audit report provided to the committee by Ms. Powell, including audits and investigations of the Office of Admissions and teleworking within Information Technology Services, the internal audit work plan for the remainder of the year, and the external peer review of internal audit that was underway. He said that the committee discussed the annual risk assessment process conducted by internal audit as part of the development of the annual internal audit plan and that the office would provide a draft audit plan to members of the committee for review and approval at the July meeting.

### BUSINESS AFFAIRS

Mr. McNeill, chair of the committee, said that there were two action items for the Board's consideration. He said that Vice Chancellor Whitfield had presented the opportunity for advance refunding of the 2008 Certificate of Participation Student Housing and Parking Deck Bonds and moved, on behalf of the committee, that the Board of Trustees approve the resolution to authorize, approve, and confirm the Transaction Documents and grant general authority to the Chancellor and Vice Chancellor of Business Affairs to take actions necessary to execute and deliver the Transaction Documents, including: 1) Amendment of the Use Agreement; 2) Supplemental Indenture, Deed of Trust Extension and Purchase Contract; and 3) Preliminary Official Statement. Mr. Kitchin asked that the minutes reflect his recusal from participation in the discussion and action.

Mr. Leonard stated that the documents had been made available online in advance of the meeting and were “riveting reading.” In discussion, Mr. McNeill pointed out that this action would make available approximately \$5,000,000 in cash flow. His motion for approval was duly carried.

Chairman McNeill reported that Associate Vice Chancellor for Human Resources Martin had presented to the committee the 2016 UNCW Management Flexibility Report, providing the annual attestation of compliance with personnel policy by the UNCW administration and Board. On behalf of the committee, he moved approval by the Board of Trustees of the report, based on the 2014-15 fiscal year, and, pursuant to the UNC Policy Manual, delegation of authority by the Board to the Chancellor to establish salary ranges for applicable positions. His motion was duly approved. Mr. McNeill said that Associate Vice Chancellor Martin also had presented and the committee discussed UNCW’s EEO/AA Plan and the Employment of Related Persons (Anti-Nepotism) Report.

Mr. McNeill summarized the facilities update provided to the committee by Interim Associate Vice Chancellor Morgan, including the Allied Health Facility, HUB Dining Facility, Athletic and Recreational Master Plan, Outdoor Fields Enhancement projects, Performance Contract II, Men’s Basketball Locker Room Renovation, Baseball Bleachers Renovations, Softball/Baseball Indoor Practice and Batting Facility, Softball Facility Improvements, and Baseball Game Day Hitting Facility. He said that Associate Vice Chancellor Boyd presented updates on sustainability and business services initiatives and that Vice Chancellor Whitfield reported on debt rating upgrades, projected tuition and fee revenues, and budget priorities for the 2016 session of the General Assembly.

#### EDUCATIONAL PLANNING AND PROGRAMS

Mr. Kitchin, chair of the committee, said that the committee had received an update on Faculty Senate activities and future areas of focus, had heard from the Provost on notable recent accomplishments and grant submissions, and had reports and presentations from the School of Nursing and ETEAL leadership and participants. He said that Vice Chancellor Leonard and others provided an overview and details on the University Learning Center’s programs and services, including remarks from tutors in the program.

#### EXTERNAL AFFAIRS

Mr. Burgard, chair of the committee, reported that Vice Chancellor Stuart gave a report on fundraising results, including a total of \$11.1 million year-to-date in gifts, pledges, commitments, and new planned gifts. He said that the Give More in 24 Challenge raised \$255,818.61, from 1,218 donors.

Chairman Burgard said that Mr. Lanier reviewed the budget request and policy agenda adopted by the UNC Board of Governors for the upcoming

legislative session. He said that priorities for UNCW included compensation increases to retain top talent, elimination of the cap on private fundraising, and extending carryforward authority.

Chairman Burgard said that Ms. Iamunno presented information on UNCW branding and marketing initiatives and upcoming image study. He said that AD Bass gave an overview of CAA revenue distribution and the recently released Academic Progress Rates report, in which 12 of UNCW's 17 teams achieved a perfect APR score of 1,000 for the 2014-15 year.

### SPECIAL COMMITTEE ON MILITARY AFFAIRS

Mr. Kitchin, chair of the committee, reviewed the overview provided by the new Director of Military Affairs, Mr. Bill Kawczynski. He said that the director works to develop and coordinate a comprehensive program of student support services for military-affiliated students, to advocate for military-affiliated students, to serve as liaison with external agencies and offices, to market the university to prospective students, to establish additional internship opportunities, and to develop new programs to meet the needs of the military community. Chairman Kitchin summarized significant improvements over the past year, including increased enrollment of military-affiliated transfer students, the addition of a transfer coordinator at Camp Lejeune Base Education Center, the opening of the Military Resource Lounge in August 2015, and the implementation of the UVIZE online student support service.

Trustee Drummond commented on the legislative action during 2015 to classify more military-affiliated students as in-state residents for tuition purposes. In discussion that followed, Vice Chancellor Whitfield and others shared data on the related increases in funding and enrollment, bringing UNCW's military-affiliated enrollment to approximately 10% of overall enrollment.

### CHANCELLOR'S REPORT

Chancellor Sartarelli shared with the Board a detailed review of his first 270 days, focusing on the new activities during the most recent quarter. He then provided an update on and review of the "Giving Flight to Imagination" strategic plan. He said that the plan would be subject to a mid-year review that would start in December 2016.

Discussion followed regarding the employee performance evaluation tool that would be used by the university, exceptions to the requirement that freshmen live on-campus, housing capacity and the upcoming housing master planning process, enrollment growth funding and tuition revenue for 2016-17, and the legislative agenda for the 2016 short session of the General Assembly.

## CLOSED SESSION

On motion by Mr. Burgard, seconded by Mr. Drummond and duly carried, the Board voted to convene in closed session, as allowed under the Open Meetings Act, 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; to establish or instruct the staff or agent concerning the negotiations of the amount of compensation or other terms of an employment contract; and to consult with our attorney to protect the attorney-client privilege.

## RESUMPTION OF PUBLIC SESSION AND ACTION ON ITEMS FROM CLOSED SESSION

On motion made by Mr. McNeill, seconded by Mr. Kitchin and duly carried, the Board reconvened in open session. On motion made by Mr. Leonard, seconded by Mr. Cameron and duly carried, the personnel recommendations presented and considered in closed session were approved. On motion made Mr. Leonard, seconded by Mr. Kitchin and duly carried, the honorary award recommendation considered in closed session was approved.

## OLD BUSINESS

There was no old business.

## NEW BUSINESS

The Chair asked if there was any new business. Mr. Burgard expressed his appreciation for the work of the Special Committee on Military Affairs and for the appointment of the coordinator for military affairs.

The Chairman said that it was his responsibility, as outlined in the Procedural Policies of the Board, to appoint the Nominating Committee, which would make recommendations at the next meeting regarding the officers of the Board for the 2016-2017 academic year. He said that Ms. Kidd and Mr. Kitchin had agreed to serve as members and that Ms. Beane had agreed to serve as chair of the committee. Brief discussion followed regarding the process for determining the membership of the Nominating Committee and the recommendation of a slate of officers.

Chairman Shivar extended congratulations to Mr. McCord on his reelection to the position of President of the Student Government Association. He reminded the Board that Commencement activities would be held on May 6 and 7, that University Day in the Legislature would be scheduled in May or June, and that the next regular quarterly meetings of the Board and its committees were

scheduled for July 21 and 22. He said that as much notice as possible would be provided if a special called meeting was needed in advance of the next quarterly meetings. He reminded the Board that President Spellings would address the Wilmington Chamber of Commerce at their annual meeting to be held later in the day.

ADJOURNMENT

There being no further business, the meeting was duly adjourned.

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Chairman

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Assistant Secretary