

DRAFT

BOARD OF TRUSTEES

THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON

JANUARY 19, 2018

The Board of Trustees of The University of North Carolina at Wilmington held a regular quarterly meeting on January 19, 2018, in the Burney Center on the UNCW campus. At 9:15 a.m., Chair Wilma Daniels called the meeting to order, welcomed Mr. Woody White to his first meeting as a member of the Board, asked for a moment of silent reflection, and read the required statement from the State Government Ethics Act. No conflicts were identified.

ROLL CALL

Mr. Lanier, Assistant Secretary, called the roll and established that a quorum was present. The following members of the Board were present: Agnes R. Beane; Dennis P. Burgard; Wilma W. Daniels; H. Carlton Fisher; Henry L. Kitchin, Jr.; Ronald B. McNeill; Otilie Mensah; Henry E. Miller III; Robert S. Rippey; and Haywood E. White III. Due to adverse weather, Michael R. Drummond and Gidget Kidd participated by conference call.

APPROVAL OF MINUTES

On motion by Mr. Burgard, seconded by Mr. Fisher and duly carried, the minutes of the special called meeting held on December 11, 2017, and of the Executive Committee held on December 21, 2017, were approved as distributed.

REPORTS OF STANDING COMMITTEES

AUDIT, RISK, AND COMPLIANCE

Ms. Daniels reported, on behalf of the committee, that Ms. Thorndike presented the FY2017 audited financial statements for UNCW, which contained an unqualified opinion from the State Auditor, no management letter comments or findings, and no material weaknesses in internal controls. Ms. Daniels said that UNCW's growth in net position continued, with an increase of \$37.3 million in FY2017. Ms. Daniels reviewed the quarterly report from Internal Audit, as presented to the committee by Ms. Powell, including audits and follow-ups for

Cameron School of Business, Randall Library, surprise cash counts, Housing and Residence Life, and a vendor complaint. Ms. Daniels stated that Ms. Boyd presented an update on institutional risk management, focused on mitigations of Tier I risks in the areas of attracting and retaining employees, regulatory compliance, facility and deferred maintenance needs, competition for enrollment, student safety and security, critical incident response, and diverse student populations. She said that more in-depth information was presented by Mr. Wetherill regarding information security risks.

BUSINESS AFFAIRS

Mr. Fisher, reporting for the chair of the committee, reviewed the presentation on construction given to the committee by Mr. Morgan, including the status of over a dozen projects. Mr. Fisher said that Ms. Thorndike had shared a financial update, including the university's audit and the prior year budget, which showed revenues of \$347.5 million and operating expenses of \$300.8 million. He summarized the current fiscal year budget, which projects tuition revenue of \$89.5 million and appropriations of \$133.7 million.

EDUCATIONAL PLANNING AND PROGRAMS

Mr. McNeill, chair of the committee, provided a brief report, summarizing presentations from the Faculty Senate, the Provost, and several of the units involved in distance education programs. He expressed appreciation for the interesting presentations.

EXTERNAL AFFAIRS

On behalf of the committee, Mr. Burgard reported that Mr. Lanier gave a legislative update, including distribution of enrollment increase funding, the funding formula task force, preparations for the 2019 legislative session, and the likely impacts on higher education of the final federal tax reform package. He said that Vice Chancellor Stuart shared with the committee that gifts totaled more than \$8.4 million as of December 31, a 12% increase over the first half of the past fiscal year. Mr. Burgard summarized the report from Ms. LeRoy on alumni engagement programs, alumni giving, and homecoming plans for February 2018.

MILITARY AFFAIRS

Mr. Kitchin, chair of the committee, reviewed the report provided to the committee by Mr. Kawczynski. He said that UNCW continues to be in full compliance with the 34 metrics in the UNC SERVES best practices checklist. Chair Kitchin summarized some of the many ongoing activities of the Office of

Military Affairs and the Student Veterans Organization and some of the national awards and distinctions recently received by UNCW in recognition of its outstanding work with the military and with veterans. He concluded his report by highlighting some of the upcoming events planned by the Office of Military Affairs. Chair Daniels and Trustee White commended the Chancellor and others on their great work in this area and on the groundbreaking ceremony for Veterans Hall.

CHANCELLOR'S REPORT

Chancellor Sartarelli provided a detailed presentation on the implementation of the strategic plan and on progress related to the metrics identified in the plan. His report included opportunities for others in the university and for community partners to highlight the impacts of the programs in strategic areas of engagement. Trustee Fisher said that it was great to hear from the community partners and tenants at MARBIONC (Marine Biotechnology in North Carolina) regarding the successful collaborations in that facility. The Chancellor stated that the future of the nation would be dependent on such innovation and commercialization activities. He concluded his report by highlighting UNCW's recent ranking among the best online bachelor's programs in the country, where UNCW tied for 7th place with Penn State University.

CLOSED SESSION

On motion by Mr. Kitchin, seconded by Mr. Miller and duly carried, the Board voted to convene in closed session "to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee; to consult with our attorney to protect the attorney-client privilege; to prevent the disclosure of information that is privileged or confidential pursuant to Subchapter 05B of the NC Administrative Code, 05B.0103 and 05B.0210, relating to the confidentiality of information received prior to the award of a procurement contract, or not considered a public record within the meaning of Chapter 132 of the General Statutes; to discuss matters relating to the location or expansion of business in the area served by this body; and to establish or to instruct the staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease."

RESUMPTION OF PUBLIC SESSION AND ACTION ON ITEMS
FROM CLOSED SESSION

After duly reconvening in open session, on motion by Mr. Burgard, seconded by Mr. Kitchin and duly carried, the personnel recommendations considered in closed session were approved as presented and discussed.

OLD BUSINESS

Chair Daniels asked if there was any old business other than the proposed revisions to the Procedural Policies of the Board. There was none. In regard to the Procedural Policies, the Chair indicated that she would appoint an ad hoc committee to review the proposed changes and make recommendations at the next quarterly meeting. She requested that any input into the revisions and recommendations be submitted in advance of the next meeting.

NEW BUSINESS

Chair Daniels reminded the Board that the next regular quarterly meetings of the Board and its committees were scheduled for April 19 and 20, 2018, and that the UNC Board of Governors would be hosted by UNCW for their meetings on March 22 and 23, 2018. She reminded the Board to share in advance of the next meeting any additional suggestions for revisions of the Procedural Policies.

ADJOURNMENT

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

Chairman

Assistant Secretary