The Board of Trustees
of
The University of North Carolina at Asheville
MINUTES

December 20, 2008

The University of North Carolina at Asheville Board of Trustees met on Saturday, December 20, 2008, in the Banquet Hall of the Asheville Civic Center.

The following members of the Board of Trustees were present for the entire meeting: James R. Buckner, Janice Brumit, Phil Carson, David Cogburn, Joe Damore, Sue McClinton, Virgil Smith, Cissie Stevens, Pam Turner, Al Whitesides and Nick Ladd.

Trustees absent: Audrey Byrd Mosley and Doug Orr.

Others in attendance: Chancellor Anne Ponder; Steve Baxley, Associate Vice Chancellor for Campus Operations; Elizabeth Becker, Administrative Assistant, Chancellor’s Office; Janet Cone, Athletic Director; Lothar Dohse, Chair Faculty Senate; Merianne Epstein, Director of Public Information; Jane Fernandes, Provost and Vice Chancellor for Academic Affairs; Bill Haggard, Vice Chancellor for Student Affairs; Tom Lawton, University Counsel; Judi Leffe, Chair of Chancellor’s Staff Advisory Committee; Bill Massey, Vice Chancellor for Alumni and Development; John Pierce, Vice Chancellor for Finance and Campus Operations; Christine Riley, Chief of Staff; Lynn Spaight, Assistant Secretary to the Board; Monique Taylor, Director of Internal Audit; and ASL Interpreters Regina Pente and Liz Langrell.

Chair Al Whitesides called the meeting to order at 12:00 p.m. He asked those in attendance to introduce themselves.

Referencing the State Ethics Act, Chair Whitesides asked any trustees to declare if they had conflicts with any items for discussion on the agenda. None were disclosed.

Chair Whitesides provided information about board committees and staff liaisons, and the nomination process for upcoming Board officer elections.

Chair Whitesides submitted a proposed meeting schedule for 2009-10. Following a discussion, Chancellor Ponder suggested that a revised recommendation for meeting dates be submitted in early 2009.

Chair Whitesides recognized Pam Turner to give a trustee briefing. Ms. Turner said that she believes that a key component for success at the university is collaboration – working together toward common goals. In times of economic stress where there are limited resources, combining resources with collaborators can be critical. Ms. Turner’s comments were followed by a general discussion on the value of collaboration.
Chancellor Ponder gave her report:
Budget and Economy: The North Carolina budget office is receiving decreased tax revenue and is now requiring cuts in the 2007-08 budget. Additional cuts of 3%, 5% and 7% for the fiscal year 2008-09 and 2009-10 budgets have to be submitted to the General Administration office by January 5, 2009. In dollars, the impact on our base budget of about $40 million would be:
3% - $1.2 million in cuts
5% - $2 million in cuts
7% - $2.8 million in cuts

Chancellor Ponder provided some illustrations of ways the budget cuts are being managed, and the difficulties we will face, especially to non-academic programs, if cuts get deeper. An additional concern is whether tuition and fees increases will be approved by the Board of Governors.
Several trustees made suggestions regarding the ways we might address our budget cuts. Some described ways Trustees could help with external relations for the university by attending meeting and events as the university representative and answering community questions regarding the viability of the university.

Chancellor Ponder provided updates on progress we are making as we work on the goals of the Strategic Plan:

- Economic Sustainability - she reported on funding from the state budget and private fundraising. She commended Cissie Stevens, Al Whitesides, Janet Cone and Wilma Sherrill for their work on an important pending gift.
- Social Sustainability - she reported on a successful faculty/staff holiday party that was fiscally responsible (because it was held on campus rather than an off-site rented location) and was appreciated for its more convivial atmosphere and greater hospitality.
- In Environmental Sustainability, she reported on the purchase/gift of the Rhoades property at the corner of Merrimon and WT Weaver Boulevard.
- Public Responsibility – she reported on several ways we are meeting this goal:
  - Progress toward marketing and branding,
  - Progress toward an improve web presence
  - Plans for a video series for local cable channel 16, hosted by her with community guests.
  - A campus-public school collaboration on pre-college programs, ably assisted by trustee Jim Buckner.
  - A Blue Ribbon Commission, including trustees Cissie Stevens and Phil Carson, to discuss the alignment of UNC Asheville with the North Carolina Center for Creative Retirement.
- The Campus Experience - The new Intercultural Center will be opening on February 17 in the Highsmith Student Union, bringing together the efforts of the Center...
for Diversity Education and the Multicultural Center for a more cohesive approach. In addition, the residence retention rate at the end of the fall semester is 98% - the highest it has been in some years.

Chair Whitesides called for a 10-minute recess.

The meeting re-convened at 1:35 pm. Chair Whitesides asked for a motion to go into a closed session for the following reasons:

- to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee, and
- to prevent the premature disclosure of an honorary award or scholarship, as permitted by sections 143-318.11(a)(2) and (6)

David Cogburn made a motion to go into closed session and Cissie Stevens seconded the motion. The motion was approved unanimously.

The meeting returned to open session at 2:10 pm.

Chair Whitesides called for a motion to approve the consent agenda, consisting of approval of minutes of the September 18 meeting and approval of personnel actions as addressed in closed session. There were two corrections made to the draft minutes, then Cissie Stevens moved for approval of the consent agenda. Joe Damore seconded the motion and the motion was approved unanimously.

Chair Whitesides recognized Pam Turner for the Finance and Real Property report. Ms. Turner asked John Pierce to report on the Tuition and Fees proposals. Mr. Pierce briefly reviewed the processes that had been followed. John Pierce and Bill Haggard were co-chairs of the Tuition and Fees Committee.

Chair Whitesides called for a motion to approve the tuition and fees proposal as submitted. Joe Damore moved for approval and Virgil Smith seconded the motion. After discussion on tuition, the motion was approved unanimously.

John Pierce called on Don Gordon, Director of Design and Construction, to give a report on proposed designs for the renovation of Rhoades Hall. Don Gordon introduced David Lancor and Chad Roberson of PBC & L, the architectural firm that is providing the design for the renovation project.

Mr. Lancor showed drawings of three different design options. The design committee had reviewed several options and of the three final drawings, the committee recommends design option number 1. Following a discussion, Joe Damore moved for approval of the design, with changes. Cissie Stevens seconded the motion and the motion was approved unanimously.
Next, Don Gordon reviewed the Designer Selection Matrix and criteria that has been use for choosing a building designer. The matrix has been revised to include additional criteria regarding the designer’s track record of attaining sustainable design, and success record with the unique challenges of higher education clients.

There was general discussion about the process that has been used at UNC Asheville. There was suggestion that we form an architectural sub-committee as part of the Finance and Campus Operations working group. Chair Whitesides said he will consider that request and tabled the discussion to a future meeting.

Chair Whitesides reported that the Pisgah House Lease Agreement executed in April 2006 will end in 2009 and needs to be extended. He presented a resolution calling for the extension of the lease until Pisgah House is complete (see attached). Sue McClinton made a motion to approve the resolution, Joe Damore seconded the motion and the motion as approved unanimously.

Chair Whitesides called on Joe Damore to present the Audit Committee report. Joe Damore reported that the office of the North Carolina State Auditor had recommended a revision in our Audit Committee charter regarding the reporting structure of the Internal Auditor. The recommendation was included in the meeting materials sent to trustees. Joe Damore moved approval of the revision as written and David Cogburn seconded the motion. The motion was approved unanimously.

Mr. Damore reported that two state audits had been completed since the last Board of Trustees meeting, a financial audit and an information technology systems audit.

- In the financial audit, were no material weaknesses. There were areas for improvement resulting in three deficiencies and one management letter comment. The finance department is taking corrective action.
- In the information technology systems audit, there were nine published findings with recommendations. Management will put together an action plan and report back to the audit committee and board of trustees. Mr. Damore commended Internal Auditor, Monique Taylor, and the work that has already been done to correct these measures. The audit committee will follow up with Monique Taylor regarding the actions taken.

Chair Whitesides called on Virgil Smith for a governance discussion. Virgil Smith reported that he had reviewed our by-laws with General Counsel Tom Lawton and that they had also reviewed the by-laws of other UNC institutions to consider possible revisions. Revised by-laws have been drafted that are clearer, better organized, and more reflective of current practice. The new drafts were provided to the board in June 2008, and were included in today’s meeting materials. Following a discussion, Mr. Smith invited trustees to share additional comments about the by-laws prior to the next regular board meeting (March 2009), when trustees will discuss revised by-laws and move for approval.
Chair Whitesides called attention to additional program and committee reports that had been submitted in writing in the meeting materials and asked if there were questions. Report discussion as follows:

The Academic Affairs Report: Trustees discussed the Admissions Report and factors regarding faculty review process with Provost Jane Fernandes.


Athletics Report: Trustees discussed plans to use a local indoor tennis facility for our students to practice and play matches. Additionally, Virgil Smith commended the Athletics Department and Janet Cone for completing a successful Big South audit.

External Relations Report: Chancellor Ponder reported in Wilma Sherrill’s absence that in early December the university hosted members of the North Carolina legislature to welcome new legislators and brief them on UNC Asheville priorities. Chancellor Ponder requested assistance from trustees in talking with state and federal delegations regarding campus issues.

Chair Whitesides asked if there was additional business for the board. Hearing none, he called for a motion to adjourn.

**Pam Turner moved for adjournment and Jim Buckner seconded the motion. The motion was approved unanimously.**

The meeting was adjourned at 4:15 PM.

Submitted respectfully,                                          Approved,

[Signature]
Lynn Spaight                                                [Signature]
Assistant Secretary to the Board                             Al Whitesides
                                                        Chair
                                                        [Date] 3/23/09
                                                        Date 3/23/09