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

Meeting Minutes
December 6, 2010

The University of North Carolina at Asheville Board of Trustees met on Monday, December 6, 2010, in the Red Oak Room, Ramsey Library on the UNC Asheville Campus.

The following members of the Board of Trustees were present for the entire meeting: Board Chair James Buckner, Phil Carson, David Cogburn, Sue McClinton, Doug Orr, Bruce Peterson, and Pam Turner.

Trustees present for part of the meeting: Joe Damore (left the meeting at 2:15 pm), Nathan Ramsey (arrived at 4:00 pm), Pat Smith (arrived at 10:25 am) and Courney Galatioto, Student Government President (left the meeting at 3:30 pm).

Trustees absent: Audrey Byrd Mosley and Virgil Smith.

Others in attendance for some or all of the meeting included: Anne Ponder, Chancellor; Gwen Ashburn, Dean of Humanities; Steve Birkhofer, Grant/Endowment Accountant; Suzanne Bryson, Associate Vice Chancellor for Finance; Skip Capone, General Counsel; Janet Cone, Senior Administrator for University Enterprises and Director of Athletics; Clayton Fogg, Director of Budget; Kevan Frazier, Director of Alumni Relations and University Events; Volker Frank, Chair, Faculty Senate; Debbie Griffith, Director of Communication and Marketing; Bill Haggard, Vice Chancellor for Student Affairs; Cathy Hanby-Sikora, Associate Vice President for Advancement, UNC General Administration; Jeff Konz, Dean of Social Sciences; Merianne Miller, Director of News Services; Linda Nelms, faculty member; Rob Nelson, consultant on Campus Master Plan; John Pierce, Vice Chancellor for Finance and Operations; Christine Riley, Chief of Staff; Mike Sena, Chair of the North Carolina Center for Creative Retirement Steering Council, Lynn Spaight, Assistant Secretary to the Board; Monique Taylor, Director of Internal Audit.

There being a quorum present, Chair Buckner called the meeting to order at 9:43 a.m. The chair welcomed everyone and asked those in attendance to introduce themselves. He reminded trustees of their obligations under the State Ethics Act, and asked trustees to declare if they had conflicts with any items on the agenda. None were mentioned.

Chair Buckner reported that a steering committee for the Campus Master Plan has been formed that includes himself, Sue McClinton, Chancellor Ponder, Vice Chancellor John Pierce, Dean Keith Krumpe, Rob Nelson and Christine Riley. He called on Rob Nelson to give an outline of the process.
Rob Nelson reported that the framework for the plan would be set during the first six months of 2011. In addition to the steering committee, a working group of members of the campus committee will be convened. Information and ideas will be gathered from many constituents and stakeholders, starting with the campus community and extending to the greater Asheville community. The plan will look at land use, buildings, landscape, circulation, design and infrastructure. Elements to be considered include the needs of the academic program, energy and environmental conservation, aesthetics for buildings and landscape, access and transportation, student life including residential, dining services and recreation, administration and facilities management. Also to be considered are the financial liabilities and a plan for financing of changes. It was suggested that a display be placed in a prominent site on campus to show the progress of the discussions and to seek comments. Mr. Nelson agreed this would be helpful and also recommended that a web site page be dedicated to the Plan. Mr. Nelson will return for additional Trustee input at the April and July meetings.

Chair Buckner called on Chancellor Ponder for her report. Chancellor Ponder reported on the following:

- A major gift has been pledged to the University by Wachovia Wells Fargo. She asked former Foundation board member Robby Russell and Market President of Wachovia Bank in Asheville announce the gift. Robby Russell told the group that Wachovia Wells Fargo is pleased to make a gift of $100,000: $75,000 of which is designated for the NC Center for Health and Wellness and $25,000 for scholarships for education students.
- Other gifts in excess of $10,000 that have been donated since the September Board of Trustees meeting include those from Frostone and Steve Zeis, the Ruth Paddock Trust, Sue & Raymond McClinton, Charles and Linda Nelms, PARSEC Financial, Catherine & Dennis Winner.
- She thanked Jasmin Gentling for providing seasonal greenery and for decorating the Janice W. Brumit Pisgah House for the holidays.

Chancellor Ponder gave a demonstration of the Strategic Plan Benchmarks on the UNC Asheville web site and provided an update on several of the benchmarks listed on that site. As new data becomes available, the benchmarks will be updated on the web site: [http://www2.unca.edu/spcms2/dash.html](http://www2.unca.edu/spcms2/dash.html)

At the conclusion of the presentation, Chair Buckner called a short recess at 11:15 am. The meeting reconvened at 11:25 am.

Chair Buckner called on Kevan Frazier, the Director of Alumni Relations and University Events for a report on that department’s activities. Dr. Frazier gave a brief history of the university’s alumni association and staff. The first staff member dedicated to alumni relations was hired in 2004. Since then there has been dedicated effort at developing
support from and relationships with the university’s alumni. Of the 16,000 graduates with whom we stay in contact, nearly 10,000 live in North Carolina. Because 37% of the alumni graduated in the last 10 years, most of them are young, are early in their careers and are not ready to be philanthropic. However, several have been helpful in supporting the admissions effort and the Career Center’s efforts in helping current students explore career alternatives. Dr. Frazier reported on the activities of the department in providing service to alumni and to the university.

Chair Buckner called for a lunch recess at 12:00 pm. The meeting reconvened at 1:14 pm.

Chair Buckner called on John Pierce, Vice Chancellor for Finance and Operations. Mr. Pierce reported that the state budget is expecting a shortfall for the current fiscal year of $19 billion. In addition to reduced revenue from taxes, the loss of federal stimulus funds and expiration of a sales tax increase have made the shortfall worse than last year’s. After the April 15, 2011, tax deadline, the state revenue picture will be clearer. UNC general administration has asked the constituent institutions to prepare plans for possible 5% and 10% cuts in their state allocations. A 10% cut for UNC Asheville would mean $4.1 million less in state funds. The cuts are being budgeted according to the priorities set by the campus resource allocation plan that gives higher priority to supporting academic services, student services, and the reaffirmation of our accreditation.

In response to questions, Mr. Pierce reported that if the university has a 10% budget cut, it will mean the loss of almost all adjunct faculty. Because the November election produced a change of majority party in both houses of the NC General Assembly, it is impossible to predict what support there may be for allowing the university to keep any tuition increase they might approve or what percentage of the current university allocation will be funded in the next biennium. Senior Staff members are meeting with the faculty and staff in their division to answer questions, hear concerns and develop the required plans.

Chair Buckner called on John Pierce and Bill Haggard for a report from the Tuition and Fees committee. A report and recommendation from the committee was presented (attached). Current tuition is the 11th lowest among UNC institutions and $1700 below the national average for public universities. It is expected that even with the tuition increase, UNC Asheville remains a bargain in higher education. Mr. Pierce also reported that Pell Grants will remain in effect for assistance for the neediest students, so a tuition increase should not deter those students from being able to attend UNC Asheville. The tuition committee and the fees committee each hosted forums for students to express their opinions about a tuition increase and fees to be charged. It is anticipated that a tuition increase might help offset some of the expected budget cuts for next year. After some discussion, Chair Buckner called for a motion to approve the tuition and general fees proposal as recommended. Pat Smith moved approval and Doug Orr seconded the motion. The motion was approved unanimously.
Chair Buckner called for a short recess. The meeting recessed at 2:15 pm and reconvened at 2:30 pm.

Chair Buckner asked for a motion to go into closed session for the following reasons:

- to prevent the disclosure of information that is privileged or confidential pursuant to Chapters 116 and 143 of the North Carolina General Statutes, AND
- to prevent the premature disclosure of an honorary award or scholarship, AND
- to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee,

as allowed by sections 143-318.11(a)(1), (2) and (6) of the North Carolina General Statutes.

Bruce Peterson moved to go into closed sessions for the reasons stated. David Cogburn seconded the motion and the motion was approved unanimously.

The meeting returned to open session at 3:30 pm

Chair Buckner called for a motion to approve the Consent Agenda consisting of the minutes of the September 27, 2010, and October 20, 2010 Special Meeting open sessions and personnel reports. On a motion from Sue McClinton, seconded by Bruce Peterson, the board unanimously approved acceptance of the Consent Agenda.

Chair Buckner called on Pat Smith for the Development Committee report. The Development Committee is working with Cathy Hanby-Sikora on a plan that will create a state-of-the-art development operation, including defining university fundraising priorities. The committee is working with staff to identify and assist in hiring an Executive Director of the Foundation with the experience needed to lead the team in meeting its goals.

Chair Buckner called on Pam Turner for the Finance and Real Property committee report. She reported that the university was able to secure bonds for financing the residence hall project at very good rates. Mr. Pierce reported that the university’s A-1 rating with Moody’s has been confirmed and that has helped in the bond negotiations. Chancellor Ponder commended all the Finance staff and also noted that our consultant Rob Nelson, Walter Davenport and Jonathan Pruitt at UNC General Administration helped provide expertise on the financing for the project.

Chair Buckner called on Doug Orr for a Trustee Briefing regarding his experiences as a member of the Board. Doug Orr related the different perspectives he brings: As a UNC Chapel Hill graduate, an administrator at UNC Charlotte, past president at Warren Wilson College and consultant for the Association of Governing Boards. He is impressed with the
University, its history and that it has stayed true to its mission. He stressed that the board needs to keep its focus on the strategic view, on the policy level. The student affairs area is doing tremendous work in holistic education, in creating a campus community. UNC Asheville needs to connect with the community and region, to become Asheville’s university to help establish its identity. The faculty is passionate and committed and he sees talent in faculty and staff. He saw five key issues for consideration:

1. Fiduciary responsibility of the board for long-term fiscal health; tend to the endowment, assist with fundraising, and assist with ensuring state support.
2. Student demographics are so much more diverse now; how to understand this generation of students so different from our experience.
3. The forces of technology and globalism and their impact is changing education. One constant is the need to teach students to think in abstracts.
4. Emphasize this unique niche – small student body, ratio of faculty to students, etc. Emphasized the need to continue our branding and marketing efforts.
5. Governance and structure of the board

The Association of Governing Boards offers the following best practices for boards:

- Instead of being report-driven, meetings should be issue-driven with active engagement by members on the policy and strategic level. Is the agenda strategic? The discussion on benchmarks of the morning was a great example of a useful exercise.
- The core of the agenda should consist of issues to be addressed including discussions on central and key issues. Not every report needs to be presented orally.
- Each meeting should have a continuing education element.
- Committee structure can be difficult for small boards; the structure here seems to work

Dr. Orr cited an article on “The Three Gremlins of University Governance”

1. Don’t allow strategic planning to get ahead of strategic thinking
2. Fundraising is important but governance is the next most important
3. Board structure is important but board culture is more important. Knowing how to disagree with each other, to understand each other and to manage well together is key.

Dr. Orr concluded by stating that this is a good board and it will be tested by the fiscal crisis for the next 2 -3 years.

Chair Buckner asked if there was other business for the board. There was a question regarding the status of the Rhoades Property. Chancellor Ponder reported that there are no long-term plans until the campus master plan can be completed. As a short-term strategy, the Vice Chancellor for Student Affairs may use the house as a space to host students and families for the next 5 years. Additionally the Student Environmental Center and some
faculty members will use the grounds for a temporary community garden. The group understands that the property is only available for four-to-five years.

Chair Buckner asked if there was other business to discuss. Hearing none, he called for a motion to adjourn. On a motion from David Cogburn, seconded by Pam Turner, the board unanimously approved the motion to adjourn.

The meeting was adjourned at 4:20 PM.

Submitted respectfully,

[Signature]

Lynn Spaight
Assistant Secretary to the Board

[Date]

Approved,

[Signature]

Nathan Ramsey
Vice Chair

[Date]