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**University of North Carolina School of the Arts
Board of Trustees Meeting via Phone Conference
Friday, April 25, 2014
9:00 a.m.**

Open Session Minutes

Trustees Present

Rob King, Chair
Noel 'Skip' Dunn
Mariana Qubein
Stephen Berlin
Claire Christopher
Charlie Lucas (phone)
Elizabeth Madden
Isaac Green (phone)
Michael Tiemann, Vice Chair
Erna Womble
Tom Kenan, Emeritus (phone)
Leroy Lail, BOG Liaison
Lynn Eisenberg, BOV Liaison
Quin Gordon, Honorary
Joseph Blankinship, SGA President
Phil Nelson, Emeritus
Ryan Wineinger, Honorary
Susan Mann, Foundation Liaison
Justin Poindexter, Alumni Representative
Susan Mann, Foundation Liaison
Justin Poindexter, Alumni Representative

Faculty/Staff Present

James Moeser, Interim Chancellor
George Burnette, Chief Operating Officer
David Nelson, Provost
Jim DeCristo, Dir. of Economic Dev/External Affairs
Carrie Johnston, General Counsel
David Harrison, General Counsel
David English, Vice Provost
James Lucas, Director of Human Resources
Corey Madden, Ex. Director of the Kenan Institute
Betsy Towns, Faculty Council Chair
Dolores Watson, Staff Council Chair
Amanda Balwah, Asst. Secretary to the BOT
Shannon Henry, Internal Auditor
Joan Roggenkamp, Ex. Asst. to COO

Trustees Absent

Don Flow, Secretary
Greer Cawood
Sandi Macdonald, Ex Officio
Susan Kluttz, Secretary of Cultural Resources
Justin Eure, Honorary

Delores Harris, Human Resources
Zach Saffa, Incoming SGA President
Lynda Lotich, Associate Director of the Kenan Institute
J.D. Wilson, Board of Visitors
Carin Ioannou, Senior Dir. of Business Affairs
Marla Carpenter, Dir. of Communications & Marketing
Suzanna Watkins, Dir. of Ed. Outreach & Summer Programs
Lisa McClinton, Controller
Cindy Liberty, Ex. Dir. Foundation

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Thomas Espenschied, Asst. Dir. of College Life
Wade Weast, Dean of Music
Susan Ruskin, Dean of Film
Ward Caldwell, Dean of Student Affairs
Dean Wilcox, Dean of Liberal Arts
Joe Tilford, Dean of Design & Production
Susan Jaffe, Dean of Dance

Convening Open Session

Chairman Rob King convened the April 25, 2014 meeting of the University of North Carolina School of the Arts Board of Trustees at 9:11 a.m. A quorum was confirmed. Chairman King reminded all members of the Board of their duty under the *State Government Ethics Act* to avoid conflicts of interest and appearances of conflicts of interest as required by this Act.

Approval of Open Session Minutes from February 14, 2014 and March 24, 2014

MOTION: Michael Tiemann moved to approve the Open Session minutes of the February 14, 2014 and March 24, 2014 Board of Trustees meetings. Erna Womble seconded and the minutes were unanimously approved.

Report from the Audit Committee

Steve Berlin reported in Don Flow's absence. The Audit Committee met on Wednesday, April 22nd. Shannon Henry, Internal Auditor, led a discussion of external audits and informed the committee that the Office of State Auditor recently commenced the 2013 Financial Statement Audit.

Ms. Henry also provided updates on internal audit operations while the committee reviewed the results of the following internal audit reviews:

1. Follow-up to the State Investigative Audit Report (CIO Misuse of laptop)

The auditor reported that the University has made satisfactory progress toward resolving the issues reported in the audit. UNC-GA concurred with the opinion and, as a result, has recommended that UNC-SA maintain its "Special Responsibility Constituent Institution" designation i.e., budget flexibility.

2. 2013/2014 Vendor Contracts Audit:

The auditor reported deficiencies in the University's system access rights and internal processes surrounding the procurement of goods and services. The identified deficiencies increase the risk of liability and penalties due to noncompliance with Federal and State laws. The University is in

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the process of identifying the appropriate corrective measures and will prepare a written response to the audit within the 30 day deadline.

3. 2013/2014 Business Continuity/IT Disaster Recovery Audit:

Internal Audit has commenced a review of the University's Business Continuity, IT Disaster Recovery and Pandemic Plans to ensure the University is effectively managing the risks involving disaster and other business disruptions and to ensure the University operating in compliance with the applicable laws and regulations.

Report from the Endowment Fund Board

Chairman King reported that Carin Ioannou presented the Endowment Summary as of February 28, 2014. Earnings from July 1st total \$1.58M. In addition, UNCSEA has renewed the lease for MUNDO, the restaurant located in the Stevens Center.

Report from the Advancement Committee

Michael Tiemann reported that this has been a good year for Advancement based on data received and contacts made. It has also been a year of change as Mark Hough left to pursue other opportunities. Thankfully Jim DeCristo has stepped up in the interim.

Mr. DeCristo provided the financial report to the Board of Trustees. He noted that the financial summary page, through March 31st, can be found in the board book. All three categories – the Annual Fund (unrestricted funds), restricted funds (spendable directed funds used mostly for scholarships) and Endowment funds (permanently restricted) are all ahead of the original plan. The Endowment has far exceeded the goal for the academic year thanks to the generous \$2M bequest of Dr. Benjamin Ward.

Mr. DeCristo also reported that the Advancement staff is hard at work on the last minute details of the gala coming up in one week. It is sure to be a fun and successful fundraising opportunity.

Mr. Tiemann reported that two items of business will be discussed in closed session.

Report from the Finance Committee

Chairman King reported that Carin Ioannou presented the Financial Analysis as of March 31, 2014 for the General Fund and Institutional Trust Funds. UNCSEA's current spending rate, with respect to state funds, is consistent with previous years. Chris Boyd provided the committee with a construction update. The detailed list is in the board book. Mr. Boyd reported that the current completion date for the Library is June 2nd. The Campus Police, Central Storage, and Film buildings are slated for completion in August. Other upcoming projects include: the Stevens Center HVAC renovation, a campus-wide card access upgrade, structural renovation to the Advancement house, and roof replacement at Workplace West.

Report from the Personnel Committee

Michael Tiemann reported in Mariana Qubein's absence. Mr. Tiemann reported that James Lucas, Director of Human Resources, gave the annual nepotism report. There are no instances of nepotism, nor issues associated with it, to report. Mr. Lucas also discussed the new SPA

Grievance Policy and the Federal requirement for Veteran's Preference reporting. In addition to these items, Mr. Tiemann noted that the committee went into closed session to discuss a personnel matter that will be presented to the full board in closed session.

Report from the Educational Planning Committee

Claire Christopher called on Ward Caldwell to deliver the Student Affairs report. He reported the following:

- UNCOSA's contract with Aramark is set to expire on June 30th. The Food Service Committee is currently reviewing proposals and will select a vendor to recommend to EC next week. The new contract will be a 10-year contract.
- Residence Life recently completed significant renovations to the residence halls and will work on cosmetic renovations to the Center Stage Apartments over the summer.
- Work, Outreach and Career Services offered over \$30,000 in career development grants to students.
- Counseling and Testing Services recently had a site visit from the International Association for Counseling Services, their accrediting body. They do believe a 3-year renewal of the accreditation will result from this visit.
- In Health Services, Laura Santos, head athletic trainer, has been named the Emerging Practices Athletic Trainer of the year by the NC Athletic Trainers Association.
- Financial Aid is in the middle of the awarding process for the upcoming year.
- The deposit date for Admissions is May 1st. 629 acceptances were issued to potential students and 263 deposits have been received to date. Admissions' goal is to enroll 477 students.
- The Registrar reports that 54 graduate students, 124 undergraduate students and 126 high school students will graduate this year.
- The Kenan Fund for the Arts has provided a \$70k grant for faculty to develop study broad programs and curriculum. This year 43 students have traveled abroad with 9 faculty members, 7 of which are focusing on study abroad while 2 focus on recruitment and cultivating relationships with other institutions abroad.

Joseph Blankinship, SGA President, noted that his end-of-year report could be found in the back of the board book. He introduced the Board to Zach Saffa, incoming SGA President. Mr. Saffa is a first-year graduate student in the School of Music; he is a pianist. Mr. Saffa will be the first graduate student serving as SGA president, and he will lead the largest SGA team, formed by Blankinship, in the history of UNCOSA.

Mrs. Christopher called on Provost David Nelson to deliver the Academic Affairs report:

- General Administration is initiating Fostering Undergraduate Student Success (FUSS), which sets degree attainment goals and a plan to strengthen academic quality. This is an outgrowth of the UNC System's strategic plan that dovetails with UNCOSA's other student success priorities.
- The strategic planning process has slowed down as we await Lindsay Bierman's arrival. Early in the fall, new forums will be take place, with a consultant, to further discuss the

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School's priorities with the larger community. Expect a report on all of this at the December 2014 board meeting.

- Commencement is right around the corner. The two ceremonies will be the perfect culmination to a wonderful year.

Students from the UNC-Chapel Hill School of Business STAR program presented their business plan for High Point Stage.

Report from the Governance Committee

Charlie Lucas reported that the Governance Committee reviewed the selection process for Trustees, and Jim DeCristo provided a legislative update as the short session approaches.

MOTION: The Governance Committee made a recommendation, in the form of a motion, to approve James Moeser, Charlie Lucas and Cydney Spohn as the Class of 2017 members of the Thomas S. Kenan Institute for the Arts Board of Advisors. Steve Berlin seconded and the motion was unanimously approved.

MOTION: The Governance Committee made a recommendation, in the form of a motion, to move the December 2014 Board of Trustees meeting to the second week in December to accommodate the recent change in the Board of Governors' schedule, and to approve the proposed meeting schedules for 2015-2016 and 2016-2017. Claire Christopher seconded and the motion was unanimously approved.

Report from Chancellor Moeser

Chancellor Moeser thanked the students from the STAR program for their hard work on the High Point Stage business proposal. He went on to address the importance of collaboration within the UNC System and how UNCOSA's partnerships with sister institutions may eventually result in joint degree programs.

Chancellor Moeser also highlighted the numerous awards, recognitions and honors received by UNCOSA, its students, faculty and staff over the last academic year. He thanked the administration, faculty, staff and Trustees for all of their hard work over the year, and commended them on the wonderful job they did in welcoming him to the campus in the fall. Chancellor Moeser specifically thanked Betsy Towns and Delores Watson for their leadership of Faculty Council and Staff Council, respectively, David English for his leadership and oversight of the SACS accreditation process, and Jim DeCristo for his leadership as Interim Chief Advancement Officer.

He went on to highlight the need for UNCOSA to partner with the City of Winston-Salem, as well as Forsyth County, to make the Stevens Center a world-class presenting venue, showcasing premiere talent and art.

Move to Closed Session

MOTION: Michael Tiemann moved to go into Closed Session pursuant to N.C.G.S. 143-318.11(a)(1) to prevent the disclosure of privileged information related to a student's

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education records under the Family Educational Rights and Privacy Act of 1974, to prevent the premature disclosure of an honorary degree, scholarship, prize or similar award under N.C.G.S. 143-318.11(a)(2), and to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6). Steve Berlin seconded and the motion was unanimously approved.

Return to Open Session

Chairman King reported that the Board discussed naming opportunities on the campus of UNCSA, honorary degrees, other honors to be announced at a later date, and a private student matter.

Closing Remarks/Adjournment

Chairman King thanked Chancellor Moeser for his service to UNCSA this past year, as well as Dolores Watson, Betsy Towns, and Amanda Balwah for their hard work to support the staff, faculty and Board of Trustees. He also thanked Joseph Blankinship, Quin Gordon, Justin Eure and Ryan Wineinger for their service to the Board of Trustees. With no further business to discuss, the April 25, 2014 meeting of the Board of Trustees adjourned at 11:20 a.m.

Respectfully submitted by:

Amanda G. Balwah

Assistant Secretary to the Board of Trustees