

**University of North Carolina School of the Arts
Board of Trustees Meeting
Friday, May 1, 2015
9:00 a.m.**

Open Session Minutes

Trustees Present

Rob King, Chair
Michael Tiemann, Vice Chair
Don Flow, Secretary
Charlie Lucas
Greer Cawood
Elizabeth Madden
Noel 'Skip' Dunn
Claire Christopher
Isaac Green (phone)
Erna Womble (phone)
Stephen Berlin
Judy Watson, BOV Liaison
Zach Saffa, SGA President
Chris Chapman, Foundation Liaison
Susan Kluttz, Secretary of Cultural Resources

Faculty/Staff Present

Lindsay Bierman, Chancellor
George Burnette, Chief Operating Officer
David Nelson, Provost
Jim DeCristo, Chief of Staff
David English, Vice Provost
David Harrison, General Counsel
Carrie Johnston, General Counsel
Ed Lewis, Chief Advancement Officer
James Lucas, Director of Human Resources
Corey Madden, Ex. Director of the Kenan Institute
Betsy Towns, Faculty Council Chair
Patsy Seiler, Staff Council Chair
Wade Weast, Dean of Music
Carl Forsman, Dean of Drama
Jamie Call-Blankinship, Interim Dean of D&P
Susan Ruskin, Dean of Film
Krystyna Puc, Assistant Dean of Liberal Arts
Ward Caldwell, Dean of Students
Jill Lane, Dean of High School Programs

Trustees Absent

Justin Poindexter, Alumni Rep.
Phil Nelson, Emeritus
Sandi Macdonald, Ex Officio
Tom Kenan, Emeritus

Faculty/Staff (Continued)

Amanda Balwah, Asst. Secretary to the BOT
Marla Carpenter, Dir. of Comm & Marketing
Delores Harris, Human Resources
Katharine Laidlaw, Executive Producer
Jason Czaja, Campus Performance Facilities
Stephen Atkinson, University Architect
Cindy Liberty, Foundation Executive Director
Carin Ioannou, Sr. Dir. of Business Affairs
Joan Roggenkamp, Executive Asst. to COO
Allison Burkholder, Incoming SGA President
Shannon Henry, Director of Internal Audit

Other Guests Present

James Hinton, WS Journal Reporter

Convening Open Session

Chairman Rob King convened the May 1, 2015 meeting of the University of North Carolina School of the Arts Board of Trustees at 9:02 a.m. Mr. 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. He thanked Don Flow, Claire Christopher and Zach Saffa for their service to the board and UNCSCA; this is their last meeting before their terms end. Mr. King also welcomed Allison Burkholder, the incoming SGA President, who will serve on the board next year.

Approval of Open Session Minutes from February 13, 2015

MOTION: Charlie Lucas moved to approve the Open Session minutes of the February 13, 2015 Board of Trustees meeting. Steve Berlin seconded and the minutes were unanimously approved.

Report from the Audit Committee

Don Flow reported that the Audit Committee met on Tuesday, April 21, 2015. Shannon Henry, Director of Internal Audit, reviewed the final report from the Office of the State Auditor's 2014 Federal Compliance Audit concerning Student Financial Aid. UNCSCA received a clean audit.

The Committee also reviewed the results of the UNC-FIT monitoring visit which ensures compliances with business process standards and identifies potential improvements. Four areas were reviewed: general accounting, financial aid, student accounts and capital assets. UNCSCA demonstrated compliance with business process standards in General Accounting, Financial Aid and Capital Assets. The report provided observations and recommendations for Student Accounts that have been resolved since the visit.

Mr. Flow reported that the Cash Count and Receipting Audit found that deficiencies identified in previous years concerning the Cashier's Office & Bookstore have been resolved. Previous issues identified regarding University-wide internal controls over cash receipting have been partially resolved. Internal Audit will conduct a post-follow-up review to ensure previous recommendations have been implemented. The audit identified new issues in the Community Music School's and the School of Design and Production's receipting processes. University management has responded positively and is in the process of resolving the noted concerns.

The IT Operational review is underway. The purpose is to evaluate the effectiveness of IT's management across key applications and systems.

A review and follow-up of previously reported issues concerning Housekeeping has commenced. The purpose of this review is to determine if management has implemented or sustained corrective actions regarding the previous recommendations.

Currently, UNCSCA's percentage of resolved Internal Audit findings is 88%. Mr. Flow stated that he would like to see UNCSCA achieve 100%, but noted UNCSCA's tremendous efforts that exceed Internal Audit's target rate of 70%.

Following Mr. Flow's report, Mrs. Henry thanked him for his service to the Board of Trustees, and his superb service as the Chair of the Audit Committee.

Report from the Endowment Fund Board

Chairman King reported that the Endowment Fund Board met April 30th and a quorum was present. The Endowment Summary was reviewed ending February 28, 2015; the Endowment has gained \$1.1M or 6.5% since July 1st.

Report from the Advancement Committee

Michael Tiemann gave the following report for the Advancement Committee meeting:

- Advancement Office has out-performed in all of their metrics by the largest amount to date. Temporarily restricted revenue is tracking 52% ahead of goal. Permanently restricted revenue is tracking 40% ahead of goal. Annual fund is on track at 84% of its goal.
- Alumni participation is on track to meet its 3% participation goal.
- Major Gifts Officer search is underway and anticipate filling the position late June or early July.
- William R. Kenan, Jr. Charitable Trust has approved Advancement's request for \$183,000 for a number of scholarship recipients.
- Good friends of a big fan of opera in Chapel Hill put together a scholarship in his name and has raised over a full scholarship for an additional AJ Fletcher Opera student.
- Foundation reported at the Advancement Committee meeting that their Audit Committee met and approved all the internal control procedures and updated accounts with BB&T to protect from identity theft. The Executive Committee approved a P-Card system to be implemented over the summer.
- The Chief of Staff now has discretionary funding.
- The Foundation Board's Guest Artist Luncheon Series raised \$20,000.
- Guys and Dolls 50th Year Gala goal to raise \$200,000 was exceeded by raising over \$325,000 with almost 600 people attending. There were 146 corporate sponsors --- 35% of these individuals being new to UNCSA. Money raised from corporate sponsorships was \$157,000.
- Looking forward to improving the School's digital presence in the future.

Report from the Finance Committee

Chair Charlie Lucas advised that Carin Ioannou gave a report to the Committee on the Financial Analysis of both the state side and receipt based operating funds. George Burnette gave a construction update, reporting the School is in full possession of the Library, Central Storage Facility, and the campus Police Facility. The Film Building has not yet been accepted by State Construction due to a chiller problem, but should be rectified within the next month. A brief Legislative update was given regarding the new budget.

One item that needs Board approval is the refinancing of Center Stage Apartments. The original debt in 2005 was \$7.2 M with no option to refinance within the first 10 years. The School is looking to refinance the remaining debt in the amount of \$5, 902,820 from Capital One at an interest rate of 2.99 % over 15 years, shaving 6 years off the payment schedule and saving the

School \$754,000. Chair Lucas stated each board member had been provided a document of the details in advance to review, and offered to answer any questions or entertain discussion.

MOTION: The Finance Committee brought the motion before the board to approve refinancing the Center Stage Apartment debt as presented and proposed by UNCSEA Administration. Steve Berlin seconded and the motion was unanimously approved.

Report from the Personnel Committee

Michael Tiemann gave the following report from the Personnel Committee:

- James Lucas gave a comprehensive report on Title IV, and efforts to raise awareness on campus. The Committee asked for a report on any Title IV cases, and Mr. Lucas reported one Title IV case is closed and one is pending.
- James Lucas reported the Committee discussed the Nepotism Report and found no incident of nepotism on campus.
- One item to be discussed in Closed Session.

Report from the Academic Student Affairs Committee

Greer Cawood called on Ward Caldwell to deliver the Academic Student Affairs report. He reported the following:

- On Saturday, May 9, 206 college students will graduate, and the following Saturday, May 16, 125 high school students will graduate.
- The Financial Aid department is in their peak season awarding financial aid for new and returning students. Since March 31 they have completed three rounds of awarding need-based aid, pairing that with merit-based aid from the Art Schools.
- Housing update - \$200,000 was allocated by the Chancellor's Cabinet to fund a number of small repair and rejuvenation projects in the Moore and Sanford High School Residence Halls.
- There was a total of 1872 applications for admissions this year, which is up by over 100 from previous years. They continue to keep an eye on retention numbers which look very strong.

Ms. Cawood called on Zach Saffa to deliver the Student Government Association report:

- Mr. Saffa provided all Board members with a document outlining the End-of-Year Student Government Report (see attached).
- Briefly reviewed key areas in which SGA helped the campus develop over the last two semesters: Campus Safety and Awareness, Town Hall Meetings, UNC Association of Student Governments, and Student Facilities.
- Reported on three prominent committees that SGA was involved with: Tuition and Fees, Strategic Planning, and the Student Workload Action Group.
- Formally introduced the new SGA President, Allison Burkholder, who is a rising fourth-year student from Grand Rapid, Michigan in the School Design and Production.
- Thanked the Chancellor and all the Trustees for all the support, respect, and leadership they provided.

Ms. Cawood called on David Nelson to deliver the Academic Affairs Report:

- The library move is set to take place in mid-June and ready to be open at the beginning of Fall Semester.
- Teaching and Learning Center space has already been occupied, with Director Joe Lopina.
- A number of searches going on: Finalist for Dean of D&P, Dean and headmaster and High School, and Artistic director for Fletcher Opera Institute. National searches with highly qualified people visiting with faculty and administration. Announcements will be made in near future.
- With departure of Dean Wade Weast – conferring with faculty regarding an interim. Then will appoint a committee for national and international search. His plans are to move quickly on the interim position.
- New faculty have been hired. He stated he is more than thrilled with quality of the faculty.
- Announced and offered congratulations to Dean Susan Ruskin who made a bit of history in gaining approval from the BOG for a Master of Fine Arts program in Filmmaking. This program will include three concentrations: Film Music Composition, a new program in Creative Producing, and an additional new program in Screen Writing; all at the Graduate level.
- Provost Nelson provided the Board members with a memo regarding *UNC School of the Arts Faculty Salary Ranges* (attached). He briefly reviewed the history of the adoption of the Faculty Rank System which the School began this past year, noting the prior agreement with President Ross to develop an evaluation and promotion system in which salary ranges for Assistant, Associate, and full Professor would be established. As outlined in the memo provided, an internal analysis based on peer data was conducted, and then in consultation and approval with UNC Academic Affairs and UNC Human Resources, College salary ranges based on rank were established as follows:

	<u>Minimum</u>	<u>Market (75th %)</u>	<u>Maximum</u>
Professor	\$106,762	\$152,517	\$192,171
Associate Professor	\$69,128	\$98,754	\$124,430
Assistant Professor	\$62,451	\$89,216	\$112,412

The salary scale for high school faculty was accomplished by working with UNC General Administration and the school’s sister institution, NC School of Science and Mathematics. The proposed chart of high school salary ranges based on years of experience were provided to each Board member. Provost Nelson asked the Board to consider approval to adopt the official salary ranges as presented. Chairman King reminded the Board that this would be the next step to lobby for the money to accomplish this (attached).

MOTION: Charlie Lucas made a motion to adopt the salary ranges for high school and college as proposed in the memo. Steve Berlin seconded and the motion was unanimously approved.

Chair Cawood advised the Committee would have a couple of items for Closed Session.

Report from the Governance Committee

Charlie Lucas reported that the Governance Committee is requesting that the Board of Trustees approve the recommendation for two new members for the Thomas S. Kenan Institute for the Arts Board of Advisors (see attached):

1. Roy Conli, Producer and Academy Award Winner
2. Ruby Learner, President and Executive Director of Creative Capital

MOTION: The Governance Committee brought the motion before the board to approve the recommendation to appoint Roy Conli and Ruby Learner to the Thomas S. Kenan Institute for the Arts Board of Advisors. Greer Cawood seconded and the motion was unanimously approved.

The Governance Committee also discussed the appointment of an honorary alumni. Chair Lucas advised the Committee would ask the Board to approve the appointment of Justin Poindexter to Board of Trustees as the Alumni Representative for a term of two years from July 1, 2015 – June 30, 2017.

MOTION: The Governance Committee brought the motion before the board to approve the appointment of Justin Poindexter to the Board of Trustees as the Alumni Representative as presented. Steve Berlin seconded and the motion was unanimously approved.

Report from Faculty Council Chair and Staff Council Chair

Chairman King asked Faculty Council Chair, Betsy Towns, and Staff Council Chair, Patsy Seiler, to provide the Board with an annual report of their prospective areas. Both Chairs provided the Board with a detailed written report and briefly reviewed their priorities, policies, procedures, and achievements (attached).

Report from Chancellor Bierman

Chancellor Bierman noted the completion of his first academic year as Chancellor and the amazing, eventful, entertaining and enriching year it has been. Screenings, elegant and edgy Spring Dance, tear-jerker film premiered at Sundance written by one of our Film School Alumnus, a light show by D&P students that stopped traffic on 5th Street downtown, and an opera that culminated in one of our Fletcher Institute sopranos dying much too convincingly onstage. He expressed his gratitude for the honor to serve the School as Chancellor.

Chancellor Bierman highlighted the following from the past year:

- 300 performances, screenings and recitals
- 143 student films completed
- 5,500 hours of academic classroom instruction in the high school and college
- 600+ visitors at Community Day in the Fall
- 8 months so far of a year-long exhibit at the new Winston Museum
- Meetings with students and faculty from every discipline

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- Meetings with staff members from all departments
- Met community and cultural leaders, business leaders, and other education leaders, as well as elected officials and policy makers from Winston-Salem to Raleigh and Charlotte

All of these conversations were helpful in understanding the School's greatest strengths, areas of weakness, and biggest opportunities. Chancellor Bierman reported that a facilitator has been hired to help guide the Strategic Planning process, focusing on 3-5 top institutional priorities.

Chancellor Bierman reported that later in the month he would be the key note speaker for Arts Day in Raleigh, with the opportunity to remind those present that UNCSA is "their" conservatory.

He also noted the large crowd that gathered earlier in the week in Daniel's Plaza for the School's annual celebration of excellence, recognizing outstanding service achievements. Chancellor Bierman related prestigious successes from faculty, staff, and alumni, along with the huge successes brought by Guys and Dolls.

He reported that the school welcomes Cheryl Boone Isaacs, President of the Academy of Motion Picture Arts and Sciences as the college commencement speaker on May 9, and David LaChapell, High School Visual Art Alumnus, acclaimed photographer, and documentary filmmaker and director as the high school speaker on May 16.

Chancellor Bierman bid farewell to Music Dean Wade Weast who is headed to Georgia State University to lead their School of Music in the College of Arts and Sciences. He offered his sincere gratitude for his leadership, commitment, and accomplishments in the School of Music over the past 5 years. Chancellor Bierman also offered his thanks, but not goodbye, to Jill Lane, Headmaster and Dean of the High School Programs, noting many of her accomplishments over the past 9 years.

Chancellor Bierman expressed his anticipation of the 2015-16 school year, and a few upcoming events in the fall:

- Hosting the Board of Governors' meeting on campus in September
- Hosting the second annual Community Festival
- Chancellor's Installation

Move to Closed Session

MOTION: Elizabeth Madden moved to go into Closed Session 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 consult with our attorney under N.C.G.S. 143-318.11(a)(3) to protect the attorney-client privilege, 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). Charlie Lucas seconded and the motion was unanimously approved.

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Return to Open Session

Chairman King reported that the Board approved the Closed Session Minutes from the last meeting, discussed a personnel issue, and recommended promotions.

Closing Remarks/Adjournment

Chairman King advised the Board that Governor Appointee, Mariana Qubein submitted her letter of resignation from the Board of Trustees.

Chairman King appointed the following Board members to serve on the Nominating Committee:

Greer Cawood, Chair
Steve Berlin
Elizabeth Madden

The Nominating Committee will make a recommendation to the full Board at the July 8th conference call meeting for the 2015-16 slate of officers.

With no further business to discuss, the May 1, 2015 meeting of the Board of Trustees adjourned at 11:31 a.m.

Respectfully submitted by:
Amanda G. Balwah
Assistant Secretary to the Board of Trustees