

DRAFT OPEN SESSION MINUTES

April 27, 2018

University of North Carolina School of the Arts
Hanes Student Commons, Eisenberg Social Hall
Winston-Salem, North Carolina

TRUSTEES PRESENT

*Michael Tiemann, Chair
*Erna Womble, Secretary
*Ralph Womble, Vice Chair
*Steve Berlin
*Pete Brunstetter
*Greer Cawood
*Anna Folwell

*Rob King (via telephone)
*Elizabeth Madden
*Skip Dunn
*Hassiem Muhammad, SGA President
Al Crawford, Alumni Representative
Jim Martin, Foundation Liaison

TRUSTEES ABSENT

*Phillip Horne
*Mark Land
Tom Kenan, Emeritus
Sandi Macdonald, Ex Officio
Sue Henderson, BOV Liaison

STAFF PRESENT

Lindsay Bierman, Chancellor
Amanda Balwah, Secretary of the University
Laurel Banks, Chair of Staff Council
David English, Executive Vice Chancellor
and Provost
Jim DeCristo, VC for Economic
Development & Chief of Staff
David Harrison, General Counsel
Ed Lewis, Vice Chancellor for Advancement
James Lucas, Director of Human Resources
Shannon Henry, Chief Audit Officer
Ward Caldwell, Vice Provost & Dean of
Student Affairs
Karen Beres, Vice Provost & Dean of
Academic Affairs
Jason Czaja, Campus Performance
Facilities
Dean Wilcox, Dean of Liberal Arts
Susan Ruskin, Dean of Film

Susan Jaffe, Dean of Dance
Brian Cole, Dean of Music
Lynda Lotich, Asst. Director of the Kenan
Institute
Corey Madden, Ex. Director of the Kenan
Institute
Katharine Laidlaw, Chief Marketing Officer
Jeremy Serkin, Digital Media CRM
Cindy Liberty, Ex. Director of the
Foundation
Jackie Riffle, Budget Director
Chris Boyd, Associate Vice Chancellor for
Facilities
Marla Carpenter, Director of
Communications
Joan Roggenkamp, Ex. Assistant to the
Chief of Staff
Wiley Hausam, Managing Director
Performance Facilities

Suzanna Watkins, Director of Educational Outreach and Summer Programs
Claire Machamer, Chief Technology Officer
Martin Ferrell, Dean and Headmaster of the High School Academic Program

Greer Hutchinson, President-Elect of the Student Government Association
Erin Baker, Executive Assistant to the Chancellor
Elizabeth White, Web Producer
Scott Zigler, Dean of Drama
Michael Kelley, Dean of Design & Production

GUESTS PRESENT

Michael Bragg, *Winston-Salem Journal* Reporter
Duncan Webb, Consultant

CONVENE OPEN SESSION

Chairman Michael Tiemann convened the April 27, 2018 meeting of the University of North Carolina School of the Arts Board of Trustees at 9:00 a.m. Chairman Tiemann 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 MINUTES

MOTION: Ralph Womble moved to approve the minutes from the February 9, 2018 meeting as presented. Erna Womble seconded and the minutes were unanimously approved.

REPORT FROM CHANCELLOR BIERMAN

Chancellor Bierman walked the Trustees through UNCOSA's long-term vision for the strollway and nearby properties. He also shared plans and renderings by RAMSA for the campus master plan.

REPORT FROM THE AUDIT COMMITTEE

Stephen Berlin, Committee Chair, reported the following from the Audit Committee:

Enterprise Risk Management (ERM)

The committee discussed the final report from NC State's Poole College of Management. This report was presented to UNCOSA's management team on April 23, 2018. The assessment examined and ranked 25 different areas of risk. The steering committee will begin examining the assessment over the next few months to determine the areas the university will first focus on as the ERM program is implemented.

Information Governance and Security Update

The Board of Governors (BOG) introduced two new policies: Information Technology (IT) Governance Policy and User Identity Access Control Policy. The IT Governance Policy mandates that each UNC constituent institution develop its own information governance program consistent with the UNC System's IT governance framework and program.

The User Identity Access Control Policy requires UNC constituent institutions to put in place controls that protect university data by employing identity confirmations and access control techniques that decrease the likelihood of unauthorized system access.

In UNCISA's Information Security Program, a data matrix has been established that identifies different information sources, location of data, information classification, data owners, data custodians, current access controls, type of information, and compliance. The following tasks are in progress:

- Initiation of a proof of concept for multi-factor authentication with the vendor Duo. The pilot group consists of employees from Finance, Admissions, and Health services.
- 14 ISO 27002 compliant policies have been submitted for review. Policies will be edited and presented to Cabinet for approval by the end of June.
- Gap and crosswalk analysis is being used to address all of the 14 ISO 27002 policies, as well as the 114 sub-controls and how they are mapped to current compliance regulations. The current risk assessment score is nearing completion; this will identify current gaps in our information security program and architecture.
- Students have been identified that will fall under the European Union's new General Data Protection Regulation (GDPR). IT is in the process of evaluating existing controls and requesting guidance from Ellucian for additional controls needed to maintain compliance.
- Purchased Next Generation Firewall; the installation date is set for late May 2018.

Internal Audit's Reports, Open Projects, and Plans

There were no issues in the cash count and receipting follow-up review. Of the four outstanding issues, management resolved three and accepted the remaining risk related to centralizing campus cash. The report provided one new recommendation to management related to its acceptance of risk.

In the special review of contract compliance, two observations were reported. The first was related to weaknesses in the authorization and review of contracts. Management addressed this issue during the course of the review. The second was related to the appearance of a conflict of interest in the purchasing process. The report provided four recommendations for corrective actions.

A review of the control environment within Human Resources is underway. A survey has been sent out to the campus community and the response rate has been high thus far.

REPORT FROM THE ENDOWMENT FUND BOARD

Mr. Tiemann, Chair of the Endowment Fund Board, reported that a quorum of the board met on April 26, 2018. Lisa McClinton, Controller, reviewed the investment summary as of February 28, 2018, as well as the Flash Report from the UNC Investment Fund. Ms. McClinton noted a 1.1% loss for the month of February, with an overall gain of 8.4% from July 2017 until the end of February 2018. The 1.1% loss was recovered in March 2018 with an overall gain of \$250k.

REPORT FROM THE ADVANCEMENT COMMITTEE

Ralph Womble, Chair of the Advancement Committee, reported the following:

Day of Giving

On this year's Day of Giving, 533 donors have a total of \$67,448, surpassing the goal of 500 donors. Including matching gifts, total funds raised were \$76,448. Compared to 2017, more money was raised from fewer donors. There were 107 first time donors, and 33 of the first time donors gave again in 2018. In 2019, the Day of Giving will focus on peer-to-peer fundraising for alumni, targeting the mid-day slump, and securing more challenge gifts.

Fundraising Report

As of April 15, \$496,164.50 has been raised for the Annual Fund. In February, it was reported that we were behind budget. Thanks in large part to the Day of Giving, we have made up a lot of ground and are now only about \$3,000 from our prospective budget. We are on track to meet our FY2018 Budget goal of \$560,000.

The Spring Appeal will be mailed in early May with a follow up mailing at the end of May.

UNCSA has exceeded the Temporarily Restricted revenue goal by almost 60% with a total of \$4,592,777.64. 98% of the Permanently Restricted revenue goal of \$2,000,000 has been achieved, and we anticipate meeting the \$2,000,000 by fiscal year end. On the state side, under Permanently Restricted revenue, \$1.5 million has been raised in professorships which will be matched by the state for a total of \$3 million.

A little over \$11.2 million has been raised as of today this fiscal year.

Comprehensive Campaign

The Campaign Leadership Circle will convene over the summer or early fall to learn more about the Campaign process, timeline, and participate in training. The circle will begin making presentations to the boards this fall to share information about the Campaign and how the boards will be involved in it.

As of 4/24/18, the Campaign Leadership Circle includes:

- **Co-Chairs:** Charlie Lucas and Ralph Womble
- Steve Berlin
- Greer Cawood
- Claire Christopher
- Paul Fulton
- Charlotte Hanes
- Peter Juran
- Rob King
- Jim Martin
- Michael Tiemann
- Erna Womble
- **Honorary Members:** Patty and Malcolm Brown

There remain several more donors and friends to recruit for the committee.

The Advancement Committee reviewed a draft of the Campaign Case Statement document. The goal of this piece is to highlight who we are and why we are asking for support. It overviews the 5 pillars of need with a compelling call to action. The purpose of the document is to spark conversation and build excitement about the campaign.

Staffing

Sharon Storm has formally accepted the position of Major Gift Officer in the Office of Advancement. She has a strong background in fundraising, as well as the arts, and will start May 1.

Events

Mr. Womble thanked those who have purchased NextNow tickets. The school anticipates having close to 300 guests in attendance for the gala evening, and we are on track to meet (and hopefully exceed) our \$50,000 scholarship fundraising goal.

UNCSA Foundation Board

Finance Committee

The Finance Committee of the Foundation Board met on March 19th to review the first draft of the FY 2019 budget. The final draft will be presented May 17th. At that time, they will also review the annual spending policies.

Advancement Committee Report

Planning has begun for the 5th Guest Artist Luncheon (G.A.L.S.) event, which will potentially be in September with the School of Music.

Board member giving is 100% for the fiscal year and the total dollars given has increased by 13% from the prior year. The Foundation Board has given over \$300,000 and the Day of Giving board participation rate was 76%.

Semans Art Fund Board

The board met in March and gave out student awards totaling over \$93,000, as well as \$40,000 to the deans' discretionary accounts.

- They gave \$40,000 to deans discretionary.
- They also made 2 donations to the School: \$5,000 to the Alex and Shelia Ewing Endowed Scholarship in memory of Alex Ewing and \$5,000 to the Mary and James Semans Endowed Scholarship in Music in honor of Sally Harris.

UNCSA Board of Visitors

The Board of Visitors Spring meeting was April 5-6. Five new board members were approved for fall 2018. The Board welcomed two new Members Emeriti: John Gates and J.D. Wilson. The Advocacy Committee will take board members to Raleigh for Arts Day 2018 on May 24th. The giving of active Board of Visitors members is at 97% to date this fiscal year. The board anticipates achieving 100% giving by fiscal year end.

REPORT FROM THE FINANCE COMMITTEE

Elizabeth Madden, Chair of the Finance Committee, reported that a quorum of the committee met on Thursday, April 26, 2018.

Jackie Riffle, Director of Budget, reviewed the financial reports for the third quarter of this fiscal year. The School requested to spend up to \$11.75 million; the full allocation was spent. Expenditures through March 2018 were 71.69% of the annual budget. In looking at spending rates over the last several years, the 71.69% is in line with what has been spent historically since 2012-2013. Spending is on target as budgeted.

Lisa McClinton, Controller, reported that the financial reports for fiscal year 2018 will reflect changes in the accounting and reporting of post-employment benefits other than pensions on UNCSA's financial statements for fiscal year 2018. This is a new rule required by the

Governmental Accounting Standards Board GASB, and being implemented by the State of North Carolina Office of State Controller.

Ms. Riffle reviewed the 2017-2018 UNCOSA process for one-time funding requests. UNCOSA received a total of \$4.2 million in requests across the campus. Requests were reviewed and the initial allocation totaled \$1.2 million. These allocations are across more than thirteen departments within the university.

Ms. Riffle also reviewed the current North Carolina General Statute that related to the carryforward of funds from one fiscal year to the next, which is currently set at a maximum of 2.5%. For UNCOSA in 2017-2018, this would mean approximately \$794,000 that could be carried forward to the next fiscal year's budget for one-time expenses (including items such as capital). Any carry forward is based on actual funds available June 30.

Chris Boyd, Vice Chancellor for Facilities, reviewed the capital project update, and gave the construction update, which provides a snapshot of the status of all projects which are currently in the planning, design, or construction phase. The details are included in the board books.

David English, Executive Vice Chancellor and Provost, gave an update on the Vice Chancellor of Finance and Administration search.

Wiley Hausam, Managing Director, gave an update on the Stevens Center Market and Economic Impact Study.

REPORT FROM THE PERSONNEL COMMITTEE

Michael Tiemann, who chaired the Personnel Committee in Philip Horne's absence, reported the following from the April 26th meeting:

- Delores Harris, Title IX Coordinator, reported on Sexual Assault Awareness Month (SAAM). The theme for 2018 is Embrace Your Voice. Ms. Harris shared the calendar of events for the UNCOSA campus; these events included an educational roundtable hosted by UNCOSA Title IX professionals and Campus Police. The session was well attended.
- Provost English discussed proposed revisions to Policy 603, Conflict of Interest. It is in need of revision to align with University of North Carolina Board of Governors Policy 300.2.2 and Guideline 300.2.2. Key updates to the UNCOSA policy include the following:
 - Limiting applicability of the policy to employees exempt from the Human Resources Act (EHRA) in alignment with the UNC System Policy and Guideline.
 - Revised the definitions portion of the policy, moving all guidelines and processes to the procedures section.
 - Revised categories of conflicts of interest to align with UNC System Policy and Guideline.
 - Revised the definition of financial interest to comport with UNC System Policy and Guideline.
 - Removed references to Chief Operating Officer position, and updated references of Chief Academic Officer position to Provost.

MOTION: Steve Berlin moved to approve the revisions to Policy 603 as presented. Elizabeth Madden seconded and the motion was unanimously approved.

Mr. Lucas gave the annual nepotism to the Board of Trustees. He was pleased to report no instances of nepotism on the campus.

REPORT FROM THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Greer Cawood, Committee Chair, reported the following from the Academic and Student Affairs Committee Meeting:

Provost English reported that Sarah Falls, the new University Librarian, will start on July 1st. He shared information about a pilot program starting next year where students can receive a minor degree. 6 students will complete a 15 credit hour minor in Arts Entrepreneurship. Once the pilot is complete, the University will develop a framework that can be used to build minors in other disciplines.

Vice Provost Ward Caldwell reported that 206 undergraduate and 65 graduates are slated to graduate on May 5th, and 120 high school students are slated to graduate on May 18th. He provided an overview of current enrollment, applications received, and admitted student status for fall 2018. We are ending the recruitment season with almost 28% more applications to the University than we did last year, almost 36% over a three-year average. We are currently 24% ahead of deposited students compared to this time last year.

Vice Provost Karen Beres provided an update on ongoing Student Success initiatives. Of the 11 students who attended the Student Advantage Week program in August, 10 are making strong progress toward their degree with an average GPA of 3.50. Two have been accepted on the 2018 Welcome Squad and one has been hired as a Resident Assistant. The group is demonstrating a retention rate of 90.9%. The Student Advantage Week program will expand to 30 students in the fall. The five Graduate Student Coaches have sent 173 emails, 702 texts and held 158 in-person meetings with their students over the course of the year. The interview process is underway for the next year's group of five coaches.

Suzanna Watkins, Director, gave a presentation on Community and Summer Programs. Cameron MacManus was hired to run the Community Music School which is working closely with the School of Music to develop a Music Preparatory Program. The Acting Out Program has added additional class levels to address demand for more advanced curriculum for returning students. Community and Summer Programs have seen a 22% increase in annual growth driven by the Community programs as the summer programs are at capacity for the dining and residence halls.

Ms. Cawood then called on Hassiem Muhammad and Lauren Banks to provide summaries of the end-of-year Student Government and Staff Council reports. Both of their reports, and Wade Wilson's from the Faculty Council, can be found in everyone's board materials. Greer Hutchison, the incoming Student Body President, introduced herself to the board and briefly addressed her goals for the upcoming year.

REPORT FROM THE GOVERNANCE COMMITTEE

Elizabeth Madden reported the following from the Governance Committee:

The committee reviewed policies changed this year that did not require BOT approval. The policies are listed in the materials and available on the website. Some changes were simple updates and a few were creation of new policies to address opportunities and improve oversight and coordination.

The committee reviewed the recommendations provided to the BOG in response to their request for input on items to consider changes in approval authority to increase efficiency. The memo is included in your Board materials. Potential actions by the BOG would most likely happen at the July meeting or potentially later.

With direction from the BOG, and as presented at the February BOT meeting, UNCSCA has begun to develop a formal enterprise risk management program. After assistance kicking off this initiative in the fall from Shannon Henry, Charles Leffler, our interim VC of Finance and Administration, was able to convince the NC State Poole College of Management to assign 3 graduate students to perform a practicum in ERM at UNCSCA to assist us with identifying and prioritizing risks. The graduate students presented their findings and recommendations on Monday. The board received an electronic copy of their report.

The next steps are for the steering committee to review the findings and further refine our priorities, select a limited number of priorities to focus on at first, assign risk owners, and develop ERM plans to address the select priorities. A report on our progress will be provided at the September BOT meeting.

Lastly, the committee reviewed the terms of the appointments of our Board members. Unless something unexpected happens, we are all set for the next school year. We have 6 members with terms that end in June 2019. All are eligible for reappointment. The BOT will need to develop plans in the fall to submit our recommendations for BOG and Legislative consideration.

MOTION TO GO INTO CLOSED SESSION

MOTION: Erna Womble moved that the board go into closed session to prevent the disclosure of information that is privileged or confidential pursuant to North Carolina Administrative Code, Title 01, Chapter 30, Subchapter D, to prevent the premature disclosure of an honorary degree, scholarship, price, or similar award, to consider the negotiations of the amount of compensation or other terms of an employment contract, and to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee. Hassiem Muhammad seconded and the motion was unanimously approved.

REPORT FROM CLOSED SESSION

Chairman Tiemann reported that the board discussed and took action on items related to designer selection, honorary degrees, emeritus status, faculty rank, and annual compliance reports during closed session

OTHER BUSINESS

Chairman Tiemann appointed the Nominating Committee, which is charged with putting together the slate of potential officers that will be approved during the summer conference call scheduled for July 11, 2018. Elizabeth Madden, Skip Dunn, and Pete Brunstetter will serve on this committee.

ADJOURNMENT

With no further business to discuss, the April 27, 2018 meeting of the Board of Trustees adjourned at 10:54 a.m.

DRAFT OPEN SESSION MINUTES

May 16, 2018

University of North Carolina School of the Arts

10:00 a.m. Conference Call Meeting

Winston-Salem, North Carolina

TRUSTEES PRESENT

*Michael Tiemann, Chair

*Ralph Womble, Vice Chair

*Erna Womble, Secretary

*Steve Berlin

*Pete Brunstetter

*Greer Cawood

*Anna Folwell

*Phillip Horne

*Rob King

*Mark Land

*Elizabeth Madden

Tom Kenan, Emeritus

Al Crawford, Alumni Representative

TRUSTEES ABSENT

*Skip Dunn

Susi Hamilton, Ex Officio

Sandi Macdonald, Ex Officio

***Denotes voting member**

STAFF PRESENT

Amanda Balwah, Secretary of the University

David English, Executive Vice Chancellor and Provost

Jim DeCristo, VC for Economic Development & Chief of Staff

David Harrison, General Counsel

Michael Smith, VC for Finance & Administration

Ed Lewis, Vice Chancellor for Advancement

Ward Caldwell, Vice Provost & Dean of Student Affairs

Michael O'Connor, Interim Associate Vice Chancellor for Facilities

Lynda Lotich, Associate Director of the Kenan Institute

Lauren Whitaker, Media Relations Manager

Salem Kirkman, UNCSCA Legal Intern

CONVENE OPEN SESSION

Chairman Michael Tiemann convened the May 16, 2018 meeting of the University of North Carolina School of the Arts Board of Trustees at 10:02 a.m. Chairman Tiemann 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.

MOTION TO GO INTO CLOSED SESSION

MOTION: Ralph Womble moved that the board go into closed session to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee. Rob King seconded and the motion was unanimously approved.

REPORT FROM CLOSED SESSION

Chairman Tiemann reported that the board considered a candidate for the Vice Chancellor for Finance and Administration position, as well as a search waiver for the School of Filmmaking.

ADJOURNMENT

With no further business to discuss, the May 16, 2018 meeting of the Board of Trustees adjourned at 10:14 a.m.

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

DRAFT OPEN SESSION MINUTES

July 11, 2018

University of North Carolina School of the Arts

10:00 a.m. Conference Call Meeting

Winston-Salem, North Carolina

TRUSTEES PRESENT

*Michael Tiemann, Chair

*Ralph Womble, Vice Chair

*Erna Womble, Secretary

*Steve Berlin

*Pete Brunstetter

*Greer Cawood

*Anna Folwell

*Phillip Horne

*Rob King

*Mark Land

*Elizabeth Madden

Tom Kenan, Emeritus

Al Crawford, Alumni Representative

TRUSTEES ABSENT

*Skip Dunn

Susi Hamilton, Ex Officio

Sandi Macdonald, Ex Officio

***Denotes voting member**

STAFF PRESENT

Amanda Balwah, Secretary of the University

David English, Executive Vice Chancellor and Provost

Jim DeCristo, VC for Economic Development & Chief of Staff

David Harrison, General Counsel

Michael Smith, VC for Finance & Administration

Ed Lewis, Vice Chancellor for Advancement

Ward Caldwell, Vice Provost & Dean of Student Affairs

Michael O'Connor, Interim Associate Vice Chancellor for Facilities

Lynda Lotich, Associate Director of the Kenan Institute

Lauren Whitaker, Media Relations Manager

Salem Kirkman, UNCSCA Legal Intern

CONVENE OPEN SESSION

Chairman Michael Tiemann convened the July 11, 2018 meeting of the University of North Carolina School of the Arts Board of Trustees at 10:02 a.m. Chairman Tiemann 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.

REPORT FROM THE FINANCE COMMITTEE

Elizabeth Madden, Finance Committee Chair, presented a proposal to replace the HVAC system at the Moore and Sanford residence halls. The original system installed in 1966 is inefficient, prone to failure, and has exceeded its useful life expectancy. Ms. Madden then called on Michael O'Connor, Interim Vice Chancellor for Facilities, to walk through the details as presented in the Board of Trustees packet of materials.

MOTION: Ralph Womble moved to approve the design and construction of the HVAC project as presented, at a cost not to exceed \$2,383,000. Steve Berlin seconded and the motion was unanimously approved.

MOTION TO GO INTO CLOSED SESSION

MOTION: Ralph Womble moved that the board go into closed session to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee. Rob King seconded and the motion was unanimously approved.

REPORT FROM CLOSED SESSION

Chairman Tiemann reported that the board considered and took action on faculty rank, and discussed potential new members to the Kenan Institute for the Arts Board of Advisors. He then called for a motion to approve the potential board members that were discussed.

MOTION: Ralph Womble moved to approve the following nominees for membership on the Kenan Institute for the Arts Board of Advisors:

Class of 2021:

Mari Meade, New York, NY, Mari Meade Dance Collective, 2009 UNCSCA Alumna of the School of Dance

Paul Fulton, Winston-Salem, NC, Chairman Emeritus of Bassett Industries, Former Dean of the Kenan Flagler School of Business, Chapel Hill, NC

TJ Donoghue, Warwick, RI, Lighting Designer with WorldStage, Inc., 1998 UNCSCA Alumnus of the School of Design and Production

Class of 2022:

Portia Mount, Lewisville, NC, Vice President & Global Leader, Strategic Marketing for Ingersoll Rand, formerly on the Senior Management Team with the Center for Creative Leadership in Greensboro, NC

Rob King seconded and the motion was unanimously approved.

REPORT FROM THE NOMINATING COMMITTEE

Elizabeth Madden, Chair of the Nominating Committee, presented the Slate of Officers to the Board.

MOTION: On behalf of the Nominating Committee, Elizabeth Madden moved to approve the following Slate of Officers for 2018-2020:

Chair – Ralph Womble
Vice Chair – Erna Womble
Secretary – Steve Berlin
Assistant Secretary – Amanda Balwah

as well as the liaison to the Board of Visitors, Mark Land, for 2018-2019 to fill a vacancy.

With no further discussion, the motion was unanimously approved.

ADJOURNMENT

With no further business to discuss, the July 11, 2018 meeting of the Board of Trustees adjourned at 10:28 a.m.

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