

**NORTH CAROLINA CENTRAL UNIVERSITY
DURHAM, NORTH CAROLINA
BOARD OF TRUSTEES MEETING MINUTES
June 24, 2009**

The NCCU Board of Trustees convened via telephone conference call on June 24, 2009. Chair Kay Thomas called the meeting to order at 2:00 p.m.

ROLL CALL: Present: Chair Kay Thomas, Trustee George Miller, III, Trustee Eric Michaux, Trustee Avon L. Ruffin, Trustee Eddie Long, Trustee Charles Baron, Trustee Robert Dolan, Trustee Nancy Wysenski and Trustee Kent Williams. Absent: Trustee Glenn Adams, Trustee Dwight Perry and Trustee George Hamilton.

ADOPTION OF THE AGENDA: It was moved by Trustee Baron and properly seconded that the agenda be adopted. The motion carried.

APPROVAL OF THE MINUTES: It was moved by Trustee Baron and properly seconded by Trustee Ruffin to approve the minutes dated April 22, 2009, and the Executive Committee minutes dated May 14, 2009. The motion carried.

CHAIRMAN'S REMARKS: As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

CHANCELLOR'S REPORT: Chancellor Nelms indicated this is a challenging and exciting time of the year for us, exciting because we are holding our Eagle Orientation Sessions and the Chancellor had an opportunity along with other members of the leadership team at NCCU to meet students and families as they arrived on campus.

We are also winding down as we prepare to close out the fiscal year. We have submitted a number of proposals to various funding agencies for research and for construction projects.

Despite the budgetary uncertainty there are a couple of things we know: the budget situation is going to be resolved at some point in the not to distant future; we are going to be in full operation as a institution of higher learning come this fall and whatever we end up with at the end of the day by way of the state appropriations, we will use what we receive towards the fulfillment of our mission. Whether we get a 2% cut or 10% cut, the question is how we will use that money an optimal level as opposed to worrying about what we did not get.

The Budget is in the conference process now between the Governor, Senate and the House and we anticipate that some decisions will be made in the coming days, hopefully not weeks. We have been in contact with the legislative delegation as well as other government officials. Trustee Michaux inquired how did the budget go into conference. Chancellor Nelms indicated that there are three versions of the

budget - Governor's, Senate and House – each one has a different amount of money for higher education or education in general. The increases range from a few percent up to as much a 20% and through the conference process they will reach closure. We will not know how NCCU is impacted until the process is concluded. The House version would cut NCCU 8.2%; the Senate version would end up with a larger cut.

On June 30th we will kickoff our Centennial Celebration with Charter Day activities and Chancellor Nelms hopes the trustees will be able to participate. The Centennial Year will close out in 2010 with a HBCU conference talking about the future of HBCUs.

We want to increase the number of community college transfers coming to NCCU Chancellor Nelms met with the leadership team at Piedmont Community College and two weeks ago they came to NCCU in discipline specific areas to work with our faculty and staff to make sure we have good alignment from the curricular side so when students are transferring it is a hassle free process. Visits also occurred with Vance-Granville Community College in Henderson and this week, a similar visit will be held with Durham Tech Community College.

The fall enrollment increase percentage in applications is 40%. We are expecting to have a record class in terms of students arriving in the fall. The challenge for us is housing, the good news, it will be less of a challenge once we get the Chidley Complex completed and other housing units come on line. Trustee Ruffin inquired about numbers accepted for freshmen class. New first time freshmen – 1,188; applications 4,477, admitted 3,394, yield rate 45.80%; projected enrollment 1,544.

Last Friday, Chancellor Nelms attended a conference sponsored by the Legislative Black Caucus on HBCU's having over 1,000 participants. They generated about \$100,000 for scholarships for this year and we had some of our scholarship recipients in attendance. This is a fundraising activity for the foundation of the NC Legislative Black Caucus.

ACTION ITEMS:

NOMINATING COMMITTEE: Chair Thomas indicated in accordance with the NCCU By-Laws the Nominating Committee is selected at the June meeting and report is given at the September meeting. Chair Thomas nominated Trustee Nancy Wysenski, Chair, Trustee Ruffin and Trustee Dolan. Trustee Michaux had an additional nomination for the Committee. He nominated Trustee Baron. Chair Thomas inquired are there other nominations, no other nominations were offered.

Questions were raised about the number who shall be elected by the Board. Trustee Miller inquired of the four nominees if any are not interested in serving, there was no response. Chancellor suggested each Trustee share with Ms. Dottie Fuller their top 3 and then let Ms. Fuller report back to Chair Thomas the results of the tally. It was moved and properly seconded that each trustee submit their choice of 3 to Dottie Fuller by e-mail. The motion carried. Trustee Michaux opposed the motion; later withdrawing his opposition. Trustee Ruffin indicated that the packet of information sent to her when she became a trustee indicates **Article V, Section II, Election of Officers, at the Annual meeting the first regular meeting after June 30th of each year in September the Board of Trustees shall elect from its membership a Chairman, Vice Chairman and a Secretary.** This board needs to sit down

and review the by-laws. There appears to be two different versions of the by-laws as it relates to the Nominating Committee. The majority of the Committee supported this suggestion.

SELECTION OF DESIGNER FOR WALKER COMPLEX: Associate Vice Chancellor for Facilities and Management Zack Abegunrin made a presentation regarding the selection of a design firm for the Walker Complex. He indicated the pre-selection committee was charged with the responsibility of recommending a design firm. The committee membership was identified; the request for proposals (RFP) was advertised, with 50 firms responding. Ten firms that met the RFP criteria were rated by each committee member.

Using a series of matrixes, each member of the pre-selection committee evaluated the ten (10) remaining proposals using a rating system and predetermined criteria and questions. To summarize the process the primary pool of ten (10) was narrowed to a secondary pool of seven (7) firms. References were obtained for each firm and the top five (5) firms made up the final pool. The top (5) firms were offered an interview and opportunity to present its proposal to the pre-selection committee. After interviews, the pre-selection committee discussed each presentation and individually rated each firm's overall qualification. The design firm with the highest composite score was selected as the recommended firm.

There was discussion regarding the review process for such recommendations prior to being presented to the full Board and the role of the Building Committee in the pre-selection process. The Board determined that current Board policy requires the Building Committee to review the pre-selection materials and recommendation prior to it coming to the full Board for a vote. Therefore no action could be taken at this time. Trustee Dolan, Chair of the Building Committee, agreed to schedule a call meeting of the Building Committee to review and make a recommendation to the Board or Executive Committee for final action.

RESOLUTION OF THE NCCU BOARD OF TRUSTEES – APPROVING THE EXECUTION OF CERTAIN DOCUMENTATION WITH RESPECT TO THE LEASING OF EAGLE LANDING RESIDENCE HALL BY THE UNIVERSITY. This presentation was made by Vice Chancellor for Administration and Finance Alan Robertson. Dr. Robertson indicated Residence Life is currently managing Eagle Landing's 408 beds that are currently owned by the NCCU Real Estate Foundation, being managed under NCGS 116-30.2, but were are not able to realize certain savings because it is not under a long term lease or owned by the state. The Resolution presented today seeks approval to enter into a Master Lease Use Agreement with the Foundation to lease Eagle Landing Residence Hall. A similar Resolution approving the Master Lease Use Agreement was approved by the NCCU Real Estate Foundation last week. NCCU housing will continue to operate and manage the facility and the revenue to support the lease and the collection of student rental income. The benefits of the long term lease for the University is that Residence Life will be able to cut our costs by approximately \$200,000 due to reductions in the costs of utilities, waste disposal, audit, insurance and other contracted services. With the cost savings and the increased rents this fall, Eagle Landing is expected to generate an operating income that is sufficient to cover all operating expenses and plus debt service. The lease provides for a maximum base rent and an additional base rent of approximately \$3.2 million not to exceed the debt service and/or plus all additional operating expenses. The term of the lease is 32 years with a bargain purchase option of \$1.00 at the end of the lease. That purchase option can be exercised early if the debt on the facility is retired early. The outstanding debt for the facility is

an obligation of NCCU Real Estate Foundation, but it is a direct obligation of the University and on our financial statement as an asset and liability and that will not change. The Resolution authorizes the Chancellor or the Vice Chancellor for Administration and Finance to execute the final lease with any changes or modifications necessary or appropriate to comply with the provisions of the lease, Board of Governors, State Property Office and the Council of State. The lease documents must be reviewed by UNC General Administration, Board of Governors, State Property Office and the Council of State in this order. Based upon the approved operations with permanent structure and bargain purchase options it is recommended that the Board of Trustees approve the Resolution for entering into the Master Lease Use Agreement with NCCU Real Estate Foundation to lease the Eagle Landing Residence Hall. Trustee Michaux inquired whether Eagle Landing will receive the same services as offered other residential facilities on campus. Dr. Robertson responded that it will be absorbed into Residence Life program and will be exactly like all other residence halls. The University will have all insurance risks and associated liabilities affording lower insurance and utility costs, because it is currently not looked at as a University facility; by leasing it becomes a University facility. The condition of the facility is appropriately built. There were number of repairs that had to be completed and approved by the State Property Office. The repairs are completed, the money was borrowed to make the repairs and now in a position to move forward.

It was moved by Trustee Wysenski and properly seconded to adopt the Resolution Approving the Execution of Certain Documentation with respect to the Leasing of Eagle Landing Residence Hall by the University. The motion carried.

LEASING SPACE FOR UNIVERSITY HOUSING. The presentation was made by Dr. Jennifer Wilder, Director of Residential Life. Residential Life is seeking approval to go out to bid to lease 300 beds in anticipation of an increased housing demand. The projected incoming freshmen class is 1,554. Currently, we have 1,098 spaces allotted. The projected number was 1,188; we have never had 100 percent. With the projection being 1,554, additional beds are needed to meet that need. We cannot advertise until the Board of Trustees approves. Residential Life will have to see what is available and find a facility that would meet our needs, preferably not a hotel. The amount of money that we have put on the bid is significantly less than what we were paying Campus Crossing per day. Once we receive approval to go out to bid the State Property Office would be involved, we would have to review each bid and the State Property Office will determine whether or not it meets the requirements or not. Dr. Wilder indicated the procedure is we need approval from the Board to go out for RFP. Upon Board of Trustee approval it goes to the Board of Governors for approval and then to the State Property Office to advertise. Once the bids come back to the State Property it is submitted to the Council of State for approval of the lease, because the State has to lease the property for the University. If approval by the Board of Trustees is today we will not know officially whether or not we can do this before August 1. Dr. Wilder indicated the tentative timelines that have been worked out is bids are due to State Property Office on July 10, the week of July 13-24 site review; and then make a determination between July 24-27. Trustee Michaux inquired when asking for a Request for Proposal no one has an idea what the end product will look like to the students or the University or what conditions they will be under. The Trustees will not have any input. Chancellor Nelms indicated this is consistent with the State procedures outlined. Trustee Miller shared with the committee this is the same procedure used with the mold issue. Trustee Williams offered as trustees we have to trust the administration to do the job and that Residential Life and Students Affairs are involving students in this issue, but as trustees if we feel we need more information as the process continues he is sure questions will be answered. To prolong is

unfair to the students when we need to figure out where students will be placed for housing. If the question is what is the end result going to be, we can call in and request information as the process goes on.

It was moved by Trustee Wysenski and properly seconded to approve the Request For Proposal. Trustee Michaux opposed. The motion carried.

POLICY REGISTRATION OF GRADUATE STUDENTS: Dr. Pauletta Bracy recognized Dr. Cecelia Steppe-Jones to make a presentation regarding a revision of a policy regarding our graduate education. She indicated we had to strengthen our policy regarding graduate students taking 4000 level courses along with undergraduate students as a recommendation from our SACS committee. SACs requires that if you have undergraduate students and graduate students in 4000 level courses then you must make a difference in requirements between the graduate student and the undergraduate students. The understanding is that the graduate students must receive more rigor than undergraduate students and that they have an opportunity to be involved more in practical experiences as well as do research in their discipline. Dr. Steppe-Jones indicated the previous policy said that graduate and undergraduate students may have different requirements. In conjunction with the Graduate Council the following policy was adopted:

Effective July 1, 2009, graduate students may take 400 level courses as prerequisite courses only. These courses will not be counted toward the academic program requirements and will not be counted in the student's final grade point average...

This policy was taken from the University Graduate Council and approved on June 2; the Academic Planning Council and approved on June 10, the Academic Policy Committee approved on June 19 and the University Planning Council approved on June 23 and now before the NCCU Board of Trustees. Trustee Miller inquired about the various levels reviewing this policy before it came before the Board of Trustees - was there rigorous debate or was it unanimously approved. Dr. Steppe-Jones indicated it was unanimously approved. She also shared with the Board the ironic thing about this there are no graduate programs that allow their students to take 4000 level courses. We were practicing what we are now putting into policy. Dr. Steppe-Jones reviewed the policies in the UNC system and they have policies consistent with the one being recommended today.

It was moved by Trustee Michaux and properly seconded that Board of Trustees approve the Policy Registration of Graduate Students. The motion carried.

POINT OF PERSONAL PRIVILEGE: Trustee Baron personally thanked Trustee George Miller for his service on the Board. Trustee Miller shared with the trustees it has been a real personal and professional privilege to serve on the NCCU Board of Trustees over the past 7 years and he feels he is leaving NCCU in good hands with the Chancellor and with the Board members.

There being no further business, it was moved and properly seconded to adjourn. The motion carried.

Respectfully submitted:

DOTTIE IRVING FULLER

Dottie Irving Fuller
Recorder

**RESOLUTION OF THE BOARD OF TRUSTEES OF
NORTH CAROLINA CENTRAL UNIVERSITY
APPROVING THE EXECUTION OF CERTAIN DOCUMENTATION
WITH RESPECT TO THE LEASING OF EAGLE LANDING BY THE UNIVERSITY**

WHEREAS, the Board of Trustees (the "*Board*") of North Carolina Central University ("*NCCU*") has requested the State of North Carolina (the "*State*"), on behalf of NCCU, to enter into a lease agreement (the "*Lease*"), with NCCU Real Estate Foundation, Inc. (the "*Company*"), in order to supplement its student housing facilities on the campus of NCCU;

WHEREAS, under the Lease the Company, as lessor, will lease the land, consisting of approximately 1.62 acres, and the student housing facility containing approximately 408 beds and related parking facilities thereon (the "*Project*"), to the State, on behalf of NCCU, as lessee, for a term of approximately 32 years (subject to any renewal periods);

WHEREAS, NCCU will operate and manage the Project under the terms of a Use Agreement dated as of September 1, 2009 (the "*Use Agreement*"), between NCCU and the Company and under which NCCU will pay Base Rentals and any Additional Rentals (as those terms are defined in the Use Agreement) to the Company;

WHEREAS, there has been presented to the Board the Use Agreement and the Lease;

WHEREAS, pursuant to the Bylaws of the Board, the Board shall have the authority to take interim action on any recommendation of the Chancellor with respect to matters within the purview of the Board.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF NORTH CAROLINA CENTRAL UNIVERSITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Authorization of the Lease. That the form and content of the Lease be and the same hereby are in all respects authorized, approved and confirmed, and the Chancellor or Vice Chancellor for Administration and Finance of NCCU be and they hereby are authorized, empowered and directed to execute, approve and deliver the Lease, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Lease, and the Chancellor or Vice Chancellor for Administration and Finance of NCCU are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Lease as executed.

Section 2. Authorization of Use Agreement. That the form and content of the Use Agreement be and the same hereby are in all respects authorized, approved and confirmed, and the Chancellor or Vice Chancellor for Administration and Finance of NCCU be and they hereby are authorized, empowered and directed to execute, approve and deliver the Use Agreement, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and

all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Use Agreement, and the Chancellor or Vice Chancellor for Administration and Finance of NCCU are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Use Agreement as executed.

Section 3. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the Chancellor and Vice Chancellor for Administration and Finance of NCCU are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to complete the transaction contemplated by the Use Agreement and the Lease.

Section 4. Conflicting Provisions. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 5. Effective Date. This Resolution is effective on its adoption.

ADOPTED AND APPROVED this 23rd day of June, 2009

**BOARD OF TRUSTEES OF
NORTH CAROLINA CENTRAL UNIVERSITY**

By: _____
Secretary

STATE OF NORTH CAROLINA)
)
COUNTY OF DURHAM) SS:

I, _____, the duly elected Secretary of the Board of Trustees of North Carolina Central University, DO HEREBY CERTIFY that (1) the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Trustees of North Carolina Central University at its meeting of June 23, 2009 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Trustees of North Carolina Central University held on June 23, 2009 was sent to each member of the Board, and (3) a quorum was present at the meeting on June 23, 2009 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of North Carolina Central University this 23rd day of June, 2009.

[SEAL]

_____-Secretary