

**MINUTES OF THE MEETING OF
THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE
BOARD OF TRUSTEES**

Thursday, February 21, 2013, at 4:30 p.m.

The meeting of the University of North Carolina at Pembroke Board of Trustees was held in Board Room 423 of Lumbee Hall. Chairman Robin Cummings called the meeting to order at 4:32 p.m.

ROLL CALL

Roll was called, and the following Trustees were present:

Tim Brooks
Robert E. Caton
Robin G. Cummings
Dwight Pearson
Lorna Ricotta
Gary Locklear (entered at 4:47 p.m.)
Caroline Williamson
Wiley Barrett
Robert Nunnery

Absent:

Kellie Hunt Blue
Raymond Pennington
Newy Scruggs
Paul Willoughby

Also in attendance: Chancellor Kyle R. Carter; Provost and Vice Chancellor Ken Kitts, academic affairs; Rich Cosentino, vice chancellor for finance and administration; Patrick Sterk, interim director of athletics; Wendy Lowery, vice chancellor for advancement; Kelley Horton, internal auditor; Sandy Briscar, executive director of marketing; Dan Kenney, chief of staff; Joshua D. Malcolm, general counsel and assistant secretary to the Board of Trustees; and recording secretary to the Board of Trustees Marla Locklear, Chancellor's Office.

INTRODUCTION OF GUESTS INCLUDING MEMBERS OF THE PRESS

None

ETHICS STATEMENT

Chairman Cummings reminded the Trustees of their duty under the State Government Ethics Act to avoid conflicts of interest and/or the appearance of a conflict of interest. Trustees were asked to refer to the printed statement. No member made known any conflicts of interest.

ADDITIONS/DELETIONS TO THE AGENDA

Joshua Malcolm, general counsel, stated there was an addition of item 9c, under the closed session portion of the meeting, regarding the acquisition of land by the university.

DIVISION OF ADVANCEMENT

Wendy Lowery, vice chancellor for advancement, gave a presentation (**Attachment 6**) updating the Trustees on fundraising efforts, focusing on the past five years from 2007 to 2012. She stated that the football campaign, which ran from 2007 to 2011, raised a total of \$4.1 million from pledges.

Ms. Lowery reported the alumni participation rate for UNCP during FY 2011-12 was 2.3 percent, with just over 15,000 alumni of record. The division hopes to increase this rate to 4 percent for FY 2012-13 in order to be comparable with other peer institutions. Ms. Lowery stated the national average is between 10 and 13 percent.

The endowment fund has grown from \$15.88 million in 2011-12 to \$17.1 million with 230 endowed scholarships. Ms. Lowery reported that year-to-date giving as of Jan 31, 2013 has increased slightly when compared to the same period in 2012 to \$1.49 million with 923 donors. For FY 2013 there are 382 new donors and 430 re-engaged donors, which are donors who have not contributed since 2008. Chairman Cummings asked if planned giving would be a focus in the future. Ms. Lowery stated that General Administration is working with smaller institutions and will hire two new planned giving officers to work with institutions system-wide.

Chancellor Carter gave an update on the Economic Development Association grant as it regards the Downtown Development Project. He stated the university will have an environmental engineer look at the building. Phase II of the project is to submit the application along with a letter of explanation with the hopes of gaining clearance to continue with construction. Getting \$932,000 for the project rests on getting a clean inspection and clearance from the EDA.

Ms. Lowery reported that her job targets for 2012-13 included a stronger focus on the State Employees' Combined Campaign, in which employees are encouraged to donate to the charities of their choice. This year's effort raised \$21,000 by 150 employees, an increase from just over \$4,000 from 15 employees. Ms. Lowery also reported currently \$40,000 has been raised out of \$250,000 for the Southeast American Indian Studies Endowed Professorship, which will be matched by the C.D. Spangler Foundation once the goal has been reached.

Ms. Lowery stated that expanding the university's donor base would be another area that her division will focus on, reaching outside of the immediate area into other states across the country. She also noted there is a heavy saturation of alumni in the state and along the east coast of the US. Ms. Lowery stated there will also be an increase in looking at the return on the investment of fundraising and not just on the cost per dollar raised. Rich Cosentino, vice chancellor of Finance and Administration, stated that there needs to be an increased spending in Advancement in order to get an increase in returns.

DIVISION OF FINANCE AND ADMINISTRATION

Rich Cosentino, vice chancellor of finance and administration, gave the Trustees a presentation (**Attachment 7**) on the university's finances. Mr. Cosentino stated that in working with general administration over the past few months, he noticed that education related expenses for the university have been reduced by almost 24 percent. He also said the number of degrees conferred by the university has risen, meaning UNC Pembroke is doing more with less.

From 2008 to the current fiscal year, the university has been allocated the same amount of money from state appropriations as enrollment has increased. Mr. Cosentino reported that the university overspent by about \$1 million on the budget during 2011-12, with most of the loss coming from auxiliary spending. He attributed that to a drop in enrollment and students spending less on campus. Chancellor Carter stated that the loss was offset by money the university had in its savings account.

Mr. Cosentino stated the university has had a history of being conservative with spending and waiting until the end of the year to spend large amounts of money. His office will work to put systems in place that can correctly estimate at any given time where the university should be with respect to the budget spending. Mr. Cosentino stated university can carry two percent of the state appropriated budget over to the next year and that his office is currently working to budget that money for the next fiscal year. Chancellor Carter stated previous spending habits have hurt the university in that the state reduces appropriations based on those habits. UNC Pembroke must spend the money to keep that from happening.

Mr. Cosentino addressed the issue of employees that are being paid using auxiliary funds. He went on to explain how the state qualifies the necessity for the university to hire new faculty, and how that is determined by credit hours taken within a given department.

Mr. Cosentino stated the university requested a tuition and fee increase that would generate \$1.141 million in revenue and that general administration approved the request. He went on to say that the state appropriations for 2013-14 are being reduced by \$1.09 million as a result of decreased enrollment. Mr. Cosentino explained plans for the university to borrow approximately \$3.9 million in order to build a new Student Health Services building. He also stated the university needs to get away from long-term debt (bonds) and stay with more short-term debt.

The presentation concluded with Chancellor Carter stating that state appropriated money cannot be used for scholarships and that auxiliary funds can be used for merit-based awards and scholarships. He stated the university needs to create a pool of funds that can be used to recruit academically talented students, but the only way to do that currently is to use auxiliary funds. Chancellor Carter stated the goal is to be able to provide a consolidated financial report that can show the university's financial status at any given time.

Chairman Cummings thanked Mr. Cosentino and Ms. Lowery for their time and the work they put into the presentations.

There being no further business, Chairman Cummings recessed the meeting at 6:04 p.m.

**MINUTES OF THE MEETING OF
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Friday, February 22, 2013, at 9:30 a.m.

Lela Clark, executive director of enrollment planning and management, and Jenelle Handcox, director of financial aid, led the Trustees in a pre-meeting session concerning financial aid at UNC Pembroke.

The meeting of The University of North Carolina at Pembroke Board of Trustees reconvened in the Chancellor's Dining Room of the James B. Chavis University Center. Chairman Robin Cummings called the meeting to order at 9:33 a.m.

PLEDGE OF ALLEGIANCE

The group recited the Pledge of Allegiance.

ROLL CALL

Roll was called, and the following Trustees were present:

Tim Brooks
Robert E. Caton
Robin G. Cummings
Dwight Pearson
Raymond Pennington
Lorna Ricotta
Gary Locklear
Caroline Williamson
Wiley Barrett
Robert Nunnery

Absent:

Kellie Hunt Blue
Newy Scruggs
Paul Willoughby

Also in attendance: Chancellor Kyle R. Carter; Provost and Vice Chancellor Ken Kitts, academic affairs; Rich Cosentino, vice chancellor for finance and administration; Lisa Schaeffer, interim vice chancellor for student affairs; Patrick Sterk, interim director of athletics; Wendy Lowery, vice chancellor for advancement; Dan Kenney, chief of staff; Joshua D. Malcolm, general counsel and assistant secretary to the Board of Trustees; and recording secretary to the Board of Trustees Marla Locklear, Chancellor's Office.

INTRODUCTION OF GUESTS INCLUDING MEMBERS OF THE PRESS

Chairman Cummings welcomed public communications specialist Mr. Scott Bigelow, university communications and marketing.

ADDITIONS/DELETIONS TO THE AGENDA

None

APPROVAL OF MINUTES

Minutes were presented for the following meeting:

- Board of Trustees' Meeting Minutes, November 16, 2012

ACTION 2013-01

Upon motion made by Bob Caton, seconded by Gary Locklear, and unanimously carried, the Board of Trustees approved the November 16, 2012 Meeting Minutes. (**Attachment 5**)

CHANCELLOR'S REPORT

Chancellor Carter reviewed with the Trustees the importance of financial aid to the university in terms of providing needed funds to the budget, and how the disbursement of that money is regulated by the federal government. He also reminded the Trustees of the university's status with regard to fundraising as it was presented by Wendy Lowery, vice chancellor for advancement. Chancellor Carter commended Ms. Lowery on working to achieve her job targets and helping the university perform at the same level as some of our peer institutions. He also stated that more money needs to be spent on advancement in order to accomplish certain fundraising goals of the university.

Chancellor Carter gave an overview of the presentation on finance given by Rich Cosentino, vice chancellor for finance and administration. He stated that it is important to put new strategies in place that give a precise account of the university's finances at any given time in order to make wise decisions.

Chancellor Carter asked Kenneth Kitts, provost and vice chancellor for academic affairs, to give a report on the Master of Science in Nursing program. Dr. Kitts stated the UNC Board of Governors gave final approval for the creation of the MSN program. He stated the university is in the process of developing the curriculum for the program and he does not expect any delays. Recruiting has begun for the first group of graduate students who will enter the program, which is expected to commence in fall 2013. Dr. Kitts added there will be two additional nursing instructors hired, and the program helps to strengthen the partnerships with community colleges and the health care providers in the surrounding area.

Chancellor Carter stated the university is working to recover the enrollment drop due to students who left the university in 2011. In that regard, he stated the freshman class for fall 2013 will be a strong class of possibly 1,100 students or more. There is also a focus on increasing the number of

transfer students with improvements to marketing the university, articulation agreements and services offered to those students. Chancellor Carter stated there will be discussions on the state level to clarify and simplify the process for determining residency status for veterans. He also noted that the UNC system is adopting a position to support full federal recognition for the Lumbee Tribe of North Carolina. Chairman Cummings asked if recognition would have direct education benefits for students at UNC Pembroke. Chancellor Carter stated it would make different sources of funding available to Native American students which would help with financial aid. Joshua Malcolm, general counsel, added those students would be eligible to receive Bureau of Indian Affairs funds that are exclusively set aside for federally recognized tribes.

COMMITTEE REPORTS

Audit and Ethics Committee

Trustee Bob Caton, chair, Audit and Ethics Committee, reported the committee discussed and approved revisions to the audit committee charter, which was originally approved by the board in 2005. Trustee Caton stated the changes made included increasing the number of committee members from two to four, bringing the charter into agreement with the board bylaws under section 1.3.3. The committee also discussed the approval of the office of internal audit charter, which is the first charter ever developed for the office. It provides a formal description of the office's mission, responsibilities and authority.

ACTION 2013-02

Upon motion made by Bob Caton, seconded by Gary Locklear, and unanimously carried, the Board of Trustees approved the revised UNCP Audit and Ethics Committee Charter and the new UNCP Internal Audit Charter, as recommended by the Audit Committee and as prepared by internal auditor, Kelley Horton. **(Attachment 1)**

Educational Planning and Personnel Committee

Trustee Dwight Pearson, chair, Educational Planning and Personnel Committee, reported that in addition to the new MSN program, the master's program for mental health counseling and school counseling received national accreditation through the Council for the Accreditation of Counseling and Related Education Programs. This will improve recruitment for these degree areas, allow graduates to contract with the Department of Veteran's Affairs and ease the admission process for graduates to enter doctoral programs. Trustee Pearson updated the board on the partnership between UNCP and the East Carolina Brody School of Medicine. He stated the ECU delegation visited campus and both universities continue to work on making opportunities available to UNCP students to enter the doctoral physical therapy program. Trustee Pearson stated the anticipated start date is fall 2014.

Trustee Pearson noted the many accomplishments of faculty in the way of scholarship activity and published works, which are outlined in the divisional report. He stated that Ms. Lela Clark reported there has been a slight decline in enrollment from fall 2012 to spring 2013, which is natural given the number of graduates during fall commencement. Ms. Clark also reported there are expected to

be approximately 180 graduate and 620 undergraduate students participating in spring commencement. Trustee Pearson stated there were 20 students admitted on-site during the February open house. He also stated a telephone monitoring system was implemented by student accounting services to provide feedback to staff to help improve customer service.

Trustee Pearson stated Dr. Mark Milewicz, dean, Esther G. Maynor Honors College, gave a presentation to the committee regarding the goals of the Honors College as well as their activities, partnerships both on and off campus, and their retention rate, which is at 93.3 percent.

Student Life and Athletics Committee

Trustee Caton stated Patrick Sterk, interim director of athletics, reported to the committee that the department had a cumulative 2.90 grade point average among its student-athletes for fall 2012, including 13 with a 4.0 GPA. The athletic teams also experienced academic success with half reporting a cumulative GPA of 3.0. Trustee Caton stated the NCAA mandated financial audit of the department revealed no issues. He also stated the men's basketball, baseball and wrestling athletic teams are experiencing success, with basketball completing its third consecutive winning season.

Trustee Caton said Mr. Sterk gave an update on the renovation of the Taylor Track, which has been closed and is expected to be completed by August 2013. The repair costs have increased from \$900,000 to approximately \$1.5 million. Mr. Sterk also announced a free application for iPhone and Android is available for UNCP sports information.

Chairman Cummings asked if there is anything being offered for the students who are not athletes to help them succeed, much like the 1,100 who were dropped due to low academic standing. Provost Kitts stated that are several opportunities afforded students to help them be successful like the Living-Learning Communities where they can network, live and study with students who are on similar academic tracks.

DIVISIONAL REPORTS

Chairman Cummings asked if there were any questions or comments concerning divisional reports (**Attachment 9**) and encouraged the Trustees to read the divisional reports.

Chairman Cummings asked the Board to move into closed session.

Upon motion made by Gary Locklear, seconded by Dwight Pearson, and unanimously carried, the Board of Trustees approved the motion to go into closed session to prevent the disclosure of such information, which is confidential pursuant to the laws of this State; to prevent the premature disclosure of an award; to negotiate the price for the acquisition of real property by purchase; and to consider the conditions of appointment, or conditions of initial employment of a prospective employee (*NCGS Section 143-318.11(a)(2)(5) and (6)*).

CLOSED SESSION

(Minutes of the closed session are provided in a separate document.)

Upon motion made and properly seconded and unanimously carried, the closed session portion of the meeting was adjourned for the purpose of returning to open session.

Mr. Malcolm addressed the Board and explained the proposed purchase of property. The agent property is approximately two acres with a proposed purchase price of approximately \$140,000. Properties 2 and 3 are approximately 5.72 acres with a proposed purchase price of \$97,000. Mr. Malcolm stated the properties are slated to be voted on by the Council of the State within the next few weeks.

Chairman Cummings made known two motions which were proposed during closed session.

**ACTION
2013-03**

Upon motion made by Gary Locklear, seconded by Caroline Williamson, and unanimously carried, the Board of Trustees approved the negotiation for the purchase of properties identified and Properties 1, 2 and 3 in closed session. Tim Brooks recused himself from the vote because of familial relationship to one or more of the proposed properties. (Attachment 10)

**ACTION
2013-04**

Upon motion made by Dwight Pearson, seconded by Gary Locklear, and unanimously carried, the Board of Trustees approved the award of professor emeritus status to Dr. Harold Teague as recommended by Chancellor Kyle Carter. (Attachment 11)

CHAIRMAN'S REPORT

Chairman Cummings encouraged the Trustees to use the calendar of events and to actively participate.

OLD BUSINESS

None

NEW BUSINESS

Mr. Dan Kenney, chief of staff, and Mr. Malcolm gave an update on the upcoming Board of Governors' meeting to be held on the campus of UNCP April 11 and 12, 2013, including various events to that will be held during their visit.

Chairman Cummings encouraged the Trustees to make an effort to attend at least one of the Board of Governors' meetings.

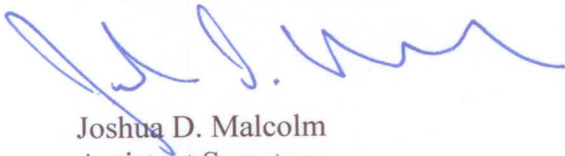
ANNOUNCEMENTS

Chairman Cummings reviewed the announcements as printed. He encouraged the Trustees to sign up for as many events as possible. Mr. Malcolm reminded the Trustees to complete and submit their annual Statement of Economic Interest by April 15, 2013, as required by state law.

ADJOURNMENT

There being no further business to come before the Board, a privileged motion was made and the meeting adjourned at 11:55 a.m. Chairman Cummings thanked the Board members for their participation.

Respectfully submitted,



Joshua D. Malcolm
Assistant Secretary



Marla Locklear
Recording Secretary

Attachments:

1. Audit and Ethics Committee
2. Educational Planning and Personnel Committee
3. Student Life and Athletics Committee
4. Agenda, Regular Board Meeting, February 21 and 22, 2013
5. Minutes, Board of Trustees Meeting, November 16, 2012
6. Presentation – Advancement
7. Presentation – Finance and Administration
8. Presentation – Financial Aid
9. Chancellor's Report
10. Divisional Reports
11. Land Acquisition
12. Professor Emeritus Recommendation – Dr. Harold Teague