MEMBERS PRESENT VIA TELEPHONE:
Susan Safran, Chair, Mona Edwards, Brad Hayes, Brittany Hudson, Randall Kaplan, Dean Priddy, Ward Russell and David Sprinkle

MEMBERS ABSENT:
Charles Blackmon, Frances Bullock, Vanessa Carroll, Nathan Duggins, Lee McAllister

OTHERS IN ATTENDANCE:
Dana Dunn, Bonita Brown and Betsy Bunting, all by telephone
Charlie Maimone, Jan Zink, Jim Thornton and Kathy Fair in the board room

Chair Safran called the meeting to order at 9:02 am. In accordance with the UNC Board of Governors, Safran then read the following statement:

“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.”

No conflicts were noted.

Roll call was read by Bonita Brown and quorum was verified. Safran welcomed new trustees, Edwards, Priddy and Hudson.

Russell moved that the board go into Closed Session to prevent the disclosure of privileged personnel information under Chapter 126 of the North Carolina General Statutes. Sprinkle seconded the motion and the motion carried.

Closed Session:

1. It is recommended that the Board of Trustees of The University of North Carolina at Greensboro approve the Personnel Report dated June 18, 2015. Kaplan made motion to approve; Sprinkle seconded.

All approved and the motion carried.
2. It is recommended that the Board of Trustees of The University of North Carolina at Greensboro approve the proposed personnel item as contained in the meeting materials. Sprinkle made the motion; Kaplan seconded.

All approved and the motion carried.

Sprinkle made a motion to return to Open Session; Russell seconded. All approved and the meeting was in Open Session.

3. It is recommended that the Board of Trustees of The University of North Carolina at Greensboro approve the proposed slate of nominees as Officers of the Board of Trustees from July 2, 2015 – June 30, 2016.

Safran reminded the board that the slate of officers was presented at the May 7, 2015 BOT meeting and that the purpose of the meeting today was to officially elect officers.

Chair: Susan Safran
Vice Chair: Brad Hayes
Secretary: Ward Russell
Assistant Secretary: Bonita Brown
Executive Committee Member: Charles Blackmon
Executive Committee Member: Frances Bullock

Sprinkle made the motion to approve; Kaplan seconded. A vote was taken and the slate of officers was approved unanimously. As Chair of the Nominating Committee, Sprinkle was thanked for his work on this slate of officers. The Board congratulated the new officers.

Dunn introduced the Information Item - Policy for Endowments, explaining that UNCG is the exception among our peer research institutions and sister UNC institutions in not already applying a management fee on the endowment. She had discussed the matter with both Chancellor-Elect Gilliam and UNC President Ross, who are both in support of UNCG implementing a fee. The purpose of today’s discussion was to provide information and answer questions, prior to presenting the item for action at the September 11, 2015 meeting.

Maimone reviewed the background contained in the meeting materials. He advised the Board that both the Governor and House proposed budgets limit state appropriated dollars to $1M per year per university for Advancement operations. Over the summer, the University Investment Fund Board will begin discussions about how this might change the investment strategy. Maimone explained that the other affiliated entities in the UIF, such as the Endowment Fund, Excellence Foundation and Alumni Association, would have the opportunity to stay with the UIF or withdraw from the fund. Zink added that even if this does not happen in this budget, most expect that it will be implemented in the near future.

The UIF bylaws limit the maximum draw from the fund at 5.5%, but a policy change can increase that amount. The current draw is 4.5%, so if, for example, a fee is implemented above 1%, the fund policy would have to be adjusted. The term ‘management fee’ has not been confirmed, and whatever term is
adopted will reflect appropriately what the fee represents. The reason the university has not charged a fee previously is more a matter of culture than fiscal policy.

The Board asked how the fee would be affected in a depressed market when the endowment might be decreasing in value. Maimone explained that the spend rate is calculated by using a 3-year rolling average. The last three years of performance are used to calculate the value of the portfolio, which helps to smooth the highs and lows in the market. The recommendation is that the fee is subordinate to the scholarship and professorship spend rate. This will insure that we meet our scholarship and professorship obligations before the advancement fee is taken.

The Board congratulated Acting Chancellor Dunn and the entire Senior Executive Team for managing the business of the university during this interim phase in anticipation of the arrival of Chancellor-Elect Gilliam.

Kaplan made a motion to adjourn; Hayes seconded and all approved.

The meeting was adjourned at 9:34am.

Respectfully submitted,

Bonita J. Brown
Assistant Secretary