The Board of Trustees met in regular session in the Great Room, Mendenhall Student Center, on Tuesday, July 13, 2004, at 2:15 p.m. Mr. James R. Talton, Jr., Chair, presided and called on Mr. Dan V. Kinlaw to announce the items approved in Closed Session, which took place before the full Board meeting.

Mr. Kinlaw moved approval of the new employment contract for Head Baseball Coach Randy Mazey which includes the substantive provision of his current contract except that:

1) The term will be extended by two (2) years such that it will terminate on June 30, 2008; and
2) The Coach’s annual salary will be increased to $100,000 on the new contract’s effective date; and
3) An “Other Employment” provision will be inserted which provides that if the Coach seeks, negotiates for or accepts other full time employment during the contract term other than the Head Baseball coaching position at the University of Tennessee or Clemson University, he will be required to pay to the University the sum of $100,000; and
4) The “Other Employment” provision referenced above shall expire effective March 1, 2006; and
5) The Coach will be paid a bonus of $5,000 if the baseball team plays in a Super Regional and $10,000 if the team plays in the College World Series at the conclusion of any season; and
6) The Coach will be paid $5,000 if the baseball team is named regular season or tournament champion or co-champion of Conference USA at the conclusion of any season. It is understood that the Coach will be paid a total of not more than $5,000 pursuant to this last bonus provision.

The motion was seconded by Mr. Showfety and approved by a voice vote.
Mr. Showfety then moved approval of retreat rights for Michael Dorsey as approved by Chancellor Ballard, indicated on the memorandum to the Chancellor from Dr. Smith dated July 7, 2004 and previously discussed in Closed Session.

Mr. Talton seconded the motion and it was approved with no negative votes.

Mr. Talton then called the meeting of the ECU Board of Trustees to order and asked Mr. Dan V. Kinlaw, Secretary, to call the roll.

Roll Call

Members present:

William H. Bodenhamer, Jr.  J. Fielding Miller
David S. Brody  Shannon L. O’Donnell
Robert J. Greczyn, Jr.  E. David Redwine
Robert O. Hill, Jr.  Stephen D. Showfety
Michael W. Kelly  James R. Talton, Jr.
Dan V. Kinlaw  Margaret C. Ward

Members absent:

Willie C. Martin

Also present:

Chancellor Steve Ballard
Interim Vice Chancellor and Assistant Secretary to the Board  James LeRoy Smith
Vice Chancellor Garrie W. Moore
Vice Chancellor Michael J. Lewis
Senior Associate Vice Chancellor George W. Harrell
Senior Associate Vice Chancellor Chuck Hawkins
Acting Vice Chancellor for Research and Graduate Studies  John Lehman
Director of Institutional Planning, Research and Effectiveness and  Interim Director of Economic Development and Community Engagement Robert J. Thompson
Interim Chief Information Officer Jack Brinn
Chief of Staff Austin W. Bunch
Interim Athletics Director Nick Floyd
University Attorney Ben G. Irons, II
APPROVAL OF MINUTES

It was moved by Mr. Showfety and seconded by Mr. Kinlaw that the minutes of the May 7, 2004 full meeting of the Board of Trustees be approved as submitted. The motion passed with no negative votes.

ANNUAL ELECTION OF OFFICERS

Mr. Talton asked Assistant Secretary to the Board, Dr. James LeRoy Smith, to conduct the election of officers of the ECU Board of Trustees.

Mr. Mike Kelly, chair of the Nominating Committee commented that he, Mrs. Ward and Mr. Miller had extensive conversations concerning the process of the election of officers and asked that the topic of the nominating and voting process be brought forth at the December meeting for further discussion. Mr. Kinlaw then brought forth the following slate of officers: Mr. Kinlaw (Secretary), Mr. Showfety (Vice Chair) and Mr. Talton (Chair).

Dr. Smith called for additional nominations from the floor. Hearing none, Mr. Bodenhamer moved that the nominations be closed. Mr. Kelly seconded the motion and the officers were accepted by a voice vote by acclamation. Dr. Smith offered his congratulations to the officers.

Chairman Talton thanked the Board and asked Mr. Kinlaw for comments. Mr. Kinlaw expressed his thanks. Mr. Talton then asked Mr. Showfety for his comments. Mr. Showfety said he was pleased to serve as Vice Chair and commented on the time commitment involved in being Chair.
He complimented Chairman Talton on going above and beyond the call of duty.

Mr. Talton thanked the Board for their confidence and stated he looked forward to working together for 2004-2005.

Mr. Talton then called on Dr. Ballard for the Chancellor’s Report and commented that this was Chancellor Ballard’s first Board meeting. He expressed everyone’s pleasure that Dr. Ballard was with us and the positive nature of their interactions that have occurred thus far and pledged the Board’s undivided support. Mr. Talton also extended a warm welcome to Mrs. Nancy Ballard.

**CHANCELLOR’S REPORT**

Mr. Chairman and members of the Board, it is a pleasure to be here and I appreciate everything that was said and I am equally happy to be serving as your Chancellor and very proud to be working with all of you. It is a humbling experience but you have my full commitment that we will do everything we can to realize the opportunity we have here.

Let me condense my report today a little bit, in part because it’s been given in various committee reports and in response to questions, but I do want to emphasize one theme and a few priorities, if I can.

To do that, to set the context, let me please repeat a few things that have been said because that it exactly the theme that I believe we should be talking about here at ECU. Just today we heard that 76% of our residents practice in North Carolina. That’s an outstanding percentage and I don’t know if people really caught the full implication of that when the Dean of the Brody School of Medicine mentioned that figure this morning. It is an outstanding figure comparable, I think, to any state in the country.

Secondly, we have as our primary partner with the medical school, a magna hospital, which is a huge advantage for us as we move forward and part of the quality of health care services that we provide.

Moving to an entirely different realm, we have a baseball team that was ranked as high as third in the nation this year. Just a great level
performance from a team that was predicted to finish fifth in their conference this year. They did not believe for one second that the preseason predictions had anything to do with the final score at the end of any nine inning game.

Vice Chancellor Moore, in an entirely different realm, announced a national award for an important, and often hidden, part of student services. We take great pride in the value that we have in the students of ECU and often forget that it takes every one of the services that we provide to add up to a great student body and the kind of word of mouth -- expansion and improvement -- of what we add to the education. So getting the award that Garrie Moore talked about earlier, I think is a substantial achievement for ECU and very important. One of the things we take very seriously at ECU.

Not too long ago we received a very prestigious award for Marketing. I think any of those people that saw the clips would understand why we received the award.

I could mention so many other things about the quality of programs at ECU. Someone said earlier that we are a well kept secret. One of my great goals is to make sure that we are no longer a secret. We have great programs, great faculty, great staff, and a great student body. Do people know that we have 8,000 students this year engaging in community service that makes a huge difference throughout Greenville and eastern North Carolina.

Those things make all the difference in the world. My view is that among all of the things we can do to sell ECU, the quality of our product is absolutely essential to that. There is nothing that we can do that would be more important than the quality of our product, the performance of our team, the responsiveness of our servants to those people who are paying for those services or who we intend to serve. We have all heard today how many great things are happening and there are dozens more that we will be talking about in the future.

So my challenge to all of us, and it is certainly directed first to myself, is to be make sure that quality of product and performance is essential in everything that we do. There is simply no reason why that can’t be the hallmark of the next ten years of ECU. We have that ability, people know it resides here. Let’s unleash that potential that we have. It’s essential to where we are trying to go as an institution so starting with my first couple of months here that quality and performance that I see across the board is extremely important to me.

Having said that, let me emphasize a few things and I will try not to repeat things that have been said earlier although I think a few of the critical reports from the committees that we heard from the vice chancellors bear a little more emphasis because they get to the performance and the quality of
what we are doing and they get to some of the priorities of our next six months and our next twelve months.

First let me repeat just a little bit about the searches that have been going on. I am very tickled by the Dean of the School of Business, Dr. Rick Niswander – I don't know if he is still here, but we have hired a truly national level dean. He has hit the ground running. He has great ideas for economic development as well as many curriculum programs.

This is an area where Interim Vice Chancellor Smith deserves great credit for this search and also for the search for Fine Arts and Communication which we think will be concluded and announced probably within a few days. We will get a person, in my view—I've interviewed both of the two finalists there – and whoever is chosen for that will be of equally high quality. That sets a great standard for ECU. It sets a prescient that I want every search to continue with and that is, that we will not be satisfied with anything other than A quality candidates. Certainly the first two major academic searches that we have accomplished this year, Jim, certainly meet that criteria. I want people to recognize the great work that you have done in that regard and we thank you.

In another search that is very important to ECU and very critical to the performance of the institution, I am very happy to announce that we have reached an agreement with Stacie Tronto to be the internal auditor for ECU and we will be making an announcement on this soon but we have an agreement in principle and I hope that a signed contract within a few minutes/few hours after this meeting…no more than that. Stacie came through a national search, a very competitive search, is well known for the record that she has accumulated here at ECU in the past and we are just lucky and tickled to have Stacie as the new director of internal audit. Stacie we are glad to have you aboard.

I would like to say a word about another report that Interim Vice Chancellor John Lehman talked about research at some length and I just want to recognize that research is one of our fundamental missions in part because it’s what comprehensive doctoral institutions do. It’s part of the quality that I talked about in the first place and without quality in that area we will not be as good at our other missions as we need to be. So what Dr. Lehman was talking about is essential to who we are at ECU.

He has also done a great job on an interim basis and is moving very rapidly in just the right directions to improve our profiles in research. We can do a lot better in research for the size of our institution and the quality of our faculty. We need to build our infrastructure and support services so that our performance is measured by the national criteria that research universities use. It is much better today and I am absolutely confident that the blueprint
that he is starting to put together – he still has lots of information and feedback to gather – will position us to do that.

I would like to say another word about why that is so important. Some people, mistakenly in my view, view research as an either/or proposition. Either we are good in research or we are good in teaching or we are in good in research or we don't value mission or other service that we have. That really is the wrong way to think about research. It adds to…it adds value to the quality of faculty, the quality of experiences that our students receive and to the reputation of this institution, which means an awful lot to who we attract to this institution and how we will position ourselves ten years down the road.

Another critical thing about research that is absolutely essential to our thinking as we move forward in research is that we are not trying to copy any other institution in a research profile. There are many other institutions that bring in more money; we recognize that, we know we have some distance to go in that. What we are really trying to do is to ensure that our priorities and our focus is on target for the kind of institution that we want to be. For example, if we have a great department of biology, it will do nothing but improve and enhance the image of the Brody School of Medicine because of the very close relationship between basic sciences, applied biomedical research, translational research and other things that are essential to a great school of medicine. So we really need to be good in molecular biology and cell biology and molecular recognition and as we do that – it’s not just because we want to compete with any other school, but because it’s central to one of the greatest strengths that we have here at ECU which is our health related focus and all of the schools that contribute to health sciences, health care, and the improved health conditions of eastern North Carolinians and all of the state of North Carolina. So we will have to focus our resources in research because we can’t be all things to all people. We won’t be able to begin by being a top research university in every area but we can begin by recognizing that in four or five or six areas we could really make a difference that will add to those strengths that we already have. As we get better and better in that, that will free up money to build infrastructure in other ways that will be beneficial to all of our employees and all of our students here at ECU. So we are very committed to that—we think it is central to our mission. It will also, without question, have a positive impact on many of the economic development activities that we view to be central to where we want to be in the future.

Let me just say a couple of update things and also get to some of our priorities. At the Board of Governors meeting last Thursday and Friday, my first meeting of the Board of Governors as well, there was extensive discussion in three areas that are of importance and in some cases of some concern to the University of North Carolina system and I will identify those areas in just a couple of seconds but what I want people to recognize at the conclusion of this little talk is that ECU fared very well and much better than average
across the 16 institutions and all three of these areas that were the focus of some extended discussions—one of those came up today – the bond process and moving forward in all of our capital improvement projects. George Harrell and many others deserve great credit for putting us in the position that we are in there. We are not on the radar screen as one of those schools that is either behind schedule or behind on the cost calculations. We are doing just fine. As the little bubble with the nursing school gets corrected here in about 6-9 months we will be right on tract with that so I can guarantee you that Dr. Harrell and I will be focusing on the bond situation but we do very well in terms with that and it is very important how the legislature views us.

There is a 50% loss of new teachers within their first five years of taking their first job. That is unacceptable. Part of that has to do with the preparation that they don’t receive in many cases. Certainly my former institution is an example of that. We really need to recognize that we have a great teacher preparation program at ECU and Dean Sheerer has put us in a position, which is nationally recognized as Jim Smith noted in his earlier report on the Austin, Texas trip. We will be asked to do more in teacher preparation—there is no question about that and we will have some tensions in teacher preparation related to how many teachers we prepare compared to the quality and the time that we take with each teacher and those will be some important issues that we need to resolve. But I want the Board to understand that we start in that process from a very high mark and we are very well thought of in terms of teacher preparation and we should take pride in the foundation that has been laid already in terms of teacher preparation.

A third issue which was of some concern and discussion at the Board was relationships with community colleges. Every campus of the 16 campuses was to prepare a report on their partnerships with community colleges. I taught our report was at least second best if not tied for the best of the 16 reports. Once again we positioned ourselves very well on that and Provost Smith and I and Dr. Bunch and others will be reenergizing our relationships with community colleges in eastern North Carolina to ensure, for example, that our articulation agreements are up to date, that we are treating the students fairly and most importantly that we are forming the right partnerships with this vital institution that is our partner in many respects because many of their students come to us but we are all in this game together with community colleges to improve the access of education to eastern North Carolinians.

So in three areas of concern and interest and discussion at the Board I felt that ECU positioned itself very ell and it has a lot to say with the people who are already established the quality and commitment to excellent and performance that I spoke about in the very beginning.
I think my other items have been talked about in the committee reports and in response to questions within one exception. I want to reinforce something stated in Chuck Hawkins report in terms of what we anticipate will be a salary compensation pool for faculty and staff of perhaps 2.5/2.75 percent. One of my strong values is we get high quality and high performance with people. We need to hire the best people, we need to set them up for success, we need to retain those people and part of that -- but not the only calculus -- is to insure that we have total compensation packages that are competitive with other universities and that are commensurate with the performance of the great people that we have here. So that value on people on perspective that people make all of the difference will be very important to me as I move forward in this job and we will begin immediately – and provost Smith is already working on this – to do everything within our power to go beyond the 2.75% that we hope the legislature gives us so that we can make more of the difference this year in compensation in part because the last three years has put us in jeopardy of losing some great people and part because it’s the right thing to do.

Now we won’t do that across the board and we won’t do that without very rigorous standards and accountability. We expect to be held accountable. We will base this first on merit and then on other criteria that the Board of Governors allows us to consider. We will take very seriously as the most highly weighted criteria the performance of the people we are looking at in terms of evaluation and our goal is to go well beyond the 2.7% that the legislature is likely to give us and I don’t have a figure for you today on that but I want people to be prepared to consider that as we develop this plan and as we get some reaction to this plan over the next couple of months. So it would be my intention to reward people for doing great work and keep those people at ECU. It would make all of the difference to where we want to be in the future.

That is my report today and I would be happy to answer any questions.

Chairman Talton thanked Dr. Ballard for his report and commented that he was sure the staff would agree with the points covered, especially the last item. Mr. Talton said he looked forward to the direction in which Chancellor Ballard wished to take ECU and offered his help, if ever needed. He concluded his remarks by saying he looked forward to many years of continuing success and prosperity for East Carolina University, the Ballard family and for all of eastern North Carolina.
Chairman Talton asked for any questions or comments and hearing none stated the next item was the report of the Chair of the Faculty. Due to Dr. Rick Niswander being appointed as the Dean of the College of Business, Catherine Rigsby is the new Chair. However, she is out of the country and has asked that Dr. Niswander give the report. Mr. Talton reiterated the congratulations and best wishes to Rick on his new appointment.

CHAIR OF THE FACULTY REPORT

Thank you, Chairman Talton. This is the last meeting for me in one role, but the first meeting in another role and the first meeting for our Chancellor.

We have had a very exciting last year and I think that a year ago if I was able to look forward and determine whether I would want to have chosen that experience I’m not so sure that I would have. However, having gone through it and looking back, I don’t think I would change what has happened for the world.

We are where we are today for many reasons, one of which is the able guidance of this body, the able guidance of Interim Chancellor Shelton and the able guidance and on-going guidance of Dr. Smith and I would like to thank you, as I have before, all of you for all you have done over the past year to get us to where we are today.

The faculty is very much looking forward to the Steve Ballard era. I have had many positive comments from the faculty, those that are here over the summer. Particularly because they are pleased with Dr. Ballard’s open and approachable attitude, his open sessions he’s been holding across the campus. The attitude of the faculty is very, very positive at this point.

In accordance with the constitution of the faculty, if the faculty chair steps down, as I will next Monday, the vice chair of the faculty takes his or her position automatically and then there is an election for the vice chair. So normally at this point I would be introducing the new chair of the faculty Catherine Rigsby, but she is literally in the middle of a field in Peru digging rocks. She is a faculty member in the Department of Geology and for a number of years has spent her summers in Peru doing research. She will be back next week for a couple of weeks and then they have the opportunity to go to Nepal for 2-3 weeks before the semester starts – presumably digging more rocks!
Catherine is an associate professor in Geology. She has been here 10 or 12 years and was vice chair of the faculty last year, reelected in May for another term and has been active in the Faculty Senate for many years and I am very much interested in welcoming her to this position and I expect that she will do a very good job.

Without being too presumptive, let me tell you a few things that I anticipate will be coming your way over the next year. One of them is your approval of the changes to Appendix Y, which is the grievance policy document. Another is changes to Appendix, promotion and tenure. We have spent a good part of last year making changes to Appendix D—a very, very critical document to faculty and didn’t quite get to the point that we felt that enough people had taken a look at it and made their comments. We have had some open meetings last April and will have some more in August and September to talk to faculty members about the changes and why. It will be voted on in the senate and come your way about November or December.

A few items that are on the radar of the faculty – one is the revamping of the general education requirements. General education is the 42 semester hours that every undergraduate student at ECU has to take, i.e., math, sciences, humanities and so forth. That is part of the continual evaluation of our curriculum to make sure that we are teaching our students what they need to know for the market of today and tomorrow.

Another item that the faculty will be considering is the question of the balance of teaching, research and service as we move forward in a morale complex environment consistent with where we have been and where we want to go.

The third item that will be high on the list of the faculty is the process of selecting a new provost, which is a position that is the most important to a faculty member. Perhaps with the exception of a dean position.

Abraham Lincoln once said – at least it was attributed to Abraham Lincoln – that people are about as happy as they make up their minds to be and I learned a long time ago to apply that to myself and that is why I tend to be a very optimistic positive kind of person. Many of the comments I have made to you over this last year have been in that vein and I have just a couple more for you as a parting shot – so to speak.

Nine months ago I said something over and over and over again and I’m going to say it again because my last year as faculty chair has reinforced that. That is, that we have hundreds and hundreds and faculty and staff who come to work here every single day and do their jobs with diligence and integrity and although having those individuals and having those traits does not insure
greatness or success, not having them is a recipe for disaster. Those two items, diligence and integrity, are part of the culture of ECU and we have talked a lot about the culture of ECU today – many people have.

One of the other critical and integral pieces of that culture is that we are helpful. You heard a story earlier today regarding Don Joyner walking down the hall and saw a freshman and his/her parents having some problems and took the time to fix it. Don Joyner is an Assistant Vice Chancellor. There are many, many institutions in this country in which an Assistant Vice Chancellor would only run across a student if they happened to bump into them going down the hallway on the way to the restroom. ECU is not like that. There are hundreds of people just like Don Joyner out there that are trying to give the students the best experience they can in all aspects – faculty, staff and administration. So part of the culture that we have is not only diligence and integrity but also being helpful and making a positive difference in the lives of thousands of students in the community, the region and the state.

And so, I am going to leave you with the fact that I am so very, very proud to have spent the last year as Chair of the Faculty and interacted with you and hundreds of people across this campus. Going into the future I am very proud to be Dean of the College of Business and look forward to all of the opportunities we have ahead of us. I am very, very proud to be a pirate!

Chairman Talton thanked Dr. Niswander for his report and commented that once again, Rick did not disappoint in his comments!

Mr. Talton called on Steve Showfety for the report items of the Executive and Audit Committee.

**COMMITTEE REPORTS and RECOMMENDATIONS**

**EXECUTIVE and AUDIT COMMITTEE REPORT**

Mr. Showfety stated there were two items approved by the full Board since the last meeting as follows:

1) approval of non-salary compensation items for Chancellor Ballard, and
2) approval of appointment by the Chancellor with regard to our Interim Athletic Director Nick Floyd.
The following items were acted on by the Executive and Audit Committee on behalf of the full Board since the May 7th meeting:

1) approval of the Political Activity Authorization for Marcy Romary,
2) approval of the recommendation with tenure for Mr. Richard Tichich, Professor, College of Fine Arts and Communication, and
3) approval of bonds for baseball stadium; air conditioning of residence halls and selective refinancing of notes and bonds.

Mr. Showfety then moved approval of the research awards as recommended by Chancellor Ballard as follows:

**Lifetime Achievement Awards:**
Dr. Michael Rastatter, Department of Communication Sciences and Disorders
Dr. Gay Wilentz, Department of English.

**Five-Year Achievement Award:**
Dr. Robert Hickner, Department of Exercise and Sport Science
Professor Carl Billingsley, School of Art.

Mr. Kinlaw seconded the motion and it passed with no negative votes.

Mr. Kelly moved for approval of the Board meeting dates for 2004-2005 as follows: October 29, December 10, 2004, April 1, 2005, May 6 and July 19, 2005.

Mr. Greczyn seconded the motion and it was approved by a voice vote.

**NAMING OF BUILDINGS, FACILITIES, and OTHER RECOGNITIONS COMMITTEE**

Chairman Talton asked Committee Chair Bodenhamer for any items from his Committee. Mr. Bodenhamer moved approval of the full Board minutes of May 7th 2004. Mr. Hill seconded the motion and it carried by a voice vote.

**ACADEMIC AFFAIRS and STUDENT LIFE COMMITTEE REPORT**
Mr. Greczyn stated there were no items that required action from the Academic Affairs and Student Life Committee.

UNIVERSITY ADVANCEMENT COMMITTEE REPORT

Chairman Talton asked Committee Chair Miller for any action items from his Committee. There were none.

FINANCE and FACILITIES COMMITTEE

Mr. Talton asked Committee Chair Kelly for any action items. Mr. Kelly responded that there were none at this time.

HEALTH SCIENCES COMMITTEE REPORT

Committee Chair Hill reported that there were no action items.

ATHLETICS COMMITTEE REPORT

Chairman Talton asked Committee Chair Ward for any action items from her committee. There were none.

RESEARCH, ECONOMIC DEVELOPMENT and COMMUNITY ENGAGEMENT

Committee Chair Greczyn reported no action items from his Committee

OLD BUSINESS

There was no old business brought before the Board.

NEW BUSINESS

There was no new business brought before the Board.

Hearing no further business, Chairman Talton announced that the next full meeting of the Board would be on Friday, October 29, 2004. The meeting was adjourned at 3:00 p.m.
Minutes of the Committee meetings are on file in the Executive Assistant’s office and shall be retained for the term of this administration.