

MINUTES
MEETING OF THE BOARD OF TRUSTEES
APPALACHIAN STATE UNIVERSITY

Friday, September 23rd, 2016
Parkway Ballroom
Plemmons Student Union

CALL TO ORDER: The Board of Trustees of Appalachian State University met in open session at the call of the Chair and the Chancellor on Friday, September 23rd, 2016 at 9:00 a.m. in the Parkway Ballroom of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Mr. Bradley T. Adcock, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

Bradley T. Adcock
George M. Baldwin
James M. Barnes
M. Lee Barnes, Jr.
Donald C. Beaver
John M. Blackburn
Susan M. Branch
Robert C. Hatley
Jalyn Howard
Charles V. Murray
Alice G. Roess
D. Kenan Smith
Carole Wilson

CONSTITUENCY REPRESENTATIVES

PRESENT: (ex-officio):

Carolyn J. Clark, President
Alumni Council
Paul H. Gates, Chair
Faculty Senate
Jason Marshburn, Chair
Staff Senate

MEDIA PRESENT:

Keesha Williams
University Communications

CONFLICT OF INTEREST NOTICE: Chair Adcock read the following statement:

Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting, does anyone know that you have a conflict of interest or an interest that would give rise to the appearance of a conflict of interest? If so, please let me know now. [None reported.]

RECOGNITION OF VISITORS: Chair Adcock welcomed:

- Mr. Philip Byers, Board of Governor
- Keesha Williams, University Communications

NEW BOARD OF TRUSTEES CONSTITUTENCY REPRESENTATIVE: Chair Adcock welcomed Jason Marshburn Chair, Staff Senate to his first Board of Trustees Meeting.

APPROVAL OF ABSENCES: There were no absences; all Board Members were present.

APPROVAL OF MINUTES: The minutes were delivered via email to all members of the Board of Trustees prior to the meeting. There being no corrections, Chair Adcock called for a motion to approve the minutes of the June 24th, 2016 Board of Trustees Meeting, and Conference Call Meetings of July 5th, 2016; July 14th, 2016 and August 30th, 2016. Upon motion duly made and seconded, the Board approved the minutes.

SPECIAL REQUEST BY SUSAN BRANCH: Chair Adcock recognized Trustee Susan Branch for a request to add an item to the agenda at the present time. Upon motion duly made and seconded, the Board approved the addition. Susan Branch read a Resolution on Support for Underrepresented Students at Appalachian State University. (See attachment 1). Motion to approve the Resolution on Support for Underrepresented Students at Appalachian State University was made and seconded. Chair Adcock acknowledged that the Faculty Senate took a similar stance and called upon Faculty Senate Chair Paul Gates to comment. Paul Gates offered his support of the resolution. There being no further discussion, Chair Adcock called for a vote, and the Board approved the Resolution unanimously.

REMARKS FROM CHANCELLOR EVERTS: Chair Adcock recognized Chancellor Everts for her remarks. (See Attachment 2).

REPORT FROM THE ACADEMIC AFFAIRS COMMITTEE: Chair Adcock recognized Mr. John Blackburn, Chair of the Academic Affairs Committee, for this report. Mr. Blackburn presented the following:

Mr. Blackburn reported that the Academic Affairs Committee Meeting Minutes for June 23, 2016 were reviewed and approved.

UNC Intercollegiate Athletics Survey Annual Report

Mr. Blackburn reported that according to the University of North Carolina Policy, Appalachian State University is required annually to complete an Intercollegiate Athletics Survey Report. This includes a course-clustering review of student-athletes. Heather Langdon, Interim Director of Institutional Research Assessment and Planning reported that, for the 2015-16 academic year. Only 68 or 25 % out of 10484 course sections were flagged. Irregularities were found in 14 course sections, all of which had valid reasons for the patterns; hence no corrective actions were needed for these classes.

Enrollment Update

Mr. Blackburn reported that he would like to congratulate Chancellor Everts, Provost Kruger and the entire enrollment team on impressive fall enrollment numbers. Enrollment at Appalachian State University was up in every category. Currently, enrollment numbers for Fall 2016 are 18, 295 students. This is up from Fall 2015, which stood at 17, 932. The first year class is the largest and most diverse in Appalachian's history. This year 3,125 students are first year students and 17% of those students are from traditionally underrepresented groups. Our retention rate is currently 87%, the four-year graduation rate is 52% and the six- year graduation rate is 72%. Appalachian's Enrollment goals remain: 1) slow and steady growth; (2) on-campus enrollment growth; and (3) increasing student diversity.

Research and Sponsored Programs Update

Mr. Blackburn reported that during fiscal year 2016 there were 158 grants awarded, valued at \$16.2 million dollars. This surpasses Appalachian's current Strategic Plan goal set in 2014 of \$15 million. Since the inception of the Office of Student Research eleven years ago, it has funded over 4,700 students. And finally, Appalachian State University has been accepted into two premier undergraduate research conferences, namely: State of North Carolina Undergraduate Research and Creativity Symposium; and the National Conference on Undergraduate Research.

David A. Thompson Professorship

Mr. Blackburn reported that Dean Norris, Walker College of Business, presented a plan to establish the "David A. Thompson Professorship in Applied Investment." The Academic Affairs Committee recommended approval of the "David A. Thompson Professorship in Applied Investment." as it is presented. Upon Board of Trustee approval it will be submitted to the Board of Governors for approval. There being no further discussion, the committee's recommendation was approved.

PRESENTATION ON COLLEGE ACCESS PARTNESHIPS FROM ACADEMIC AFFAIRS:

Chair Adcock recognized Provost Kruger for an introduction of Jennifer Wilson-Kearse, Executive Director of College Access Partnership. Dr. Kruger noted that the program reports through Academic Affairs and has been financed through grant funds since 1970's. Jennifer Wilson-Kearse and her team of colleagues will provide an overview of the work they do to promote college going culture in schools in Western North Carolina. Provost Kruger acknowledged the team from the College Access Partnership Program and thanked them for their contribution. As Executive Director, Jennifer is the grant writer and author of more than \$30 million in grant awards that have come to Appalachian State University, including the largest in the university's history. The College Access Partnership Mission is committed to building strategic partnerships that strengthen our local communities through college access and success. Ms. Wilson-Kearse completed the presentation. (Attachment 3).

REPORT FROM THE BUSINESS AFFAIRS COMMITTEE: Chair Adcock recognized Mr. Donald C. Beaver, Chair of the Business Affairs Committee, for this report. Mr. Beaver presented the following:

Mr. Beaver reported that the Business Affairs Committee Meeting minutes for the June 23, 2016 were reviewed and approved.

Request for approval of Debt for Winkler Hall

Mr. Beaver reported that the Business Affairs Committee has approved a new bond issue series 2016 C for the purpose of constructing a new residence hall and to refinancing existing debt. The residence hall will be the Winkler Residence Hall and will require \$24 million in new financing. The total amount of the project will be \$32 million, with \$8 million in cash to be set aside in housing reserves. In consultation with financial advisors, the committee is talking about refunding series 2009, 2010 bonds. Refinancing will result in estimated savings of approximately \$2 million for the life of the bond. The total Bond will be about \$50 million. On behalf of the Business Affairs Committee, Mr. Beaver recommended approval of the bond resolution as presented.

There being no further discussion recommendation was approved unanimously.

REPORT FROM THE STUDENT DEVELOPMENT COMMITTEE: Chair Adcock recognized Ms. Carole P. Wilson, Chair of the Student Development Committee, for this report. Ms. Wilson presented the following:

Ms. Wilson reported that the Student Development Committee Meeting Minutes for June 23, 2016 were reviewed and approved.

Introduction of New Staff

Chair Wilson welcomed two new staff members from the Student Development Division: Daniele Carter, Director of Multicultural Student Development; and Ellyn Burke, Director of Child Development Center.

Student Engagement and Leadership

Chair Wilson reported that Jeff Cathey, Director of Student Engagement and Leadership, presented an overview on a newly formed department, which merged the former departments of Center for Student Involvement and Leadership and Student Programs. Two of the areas that fall under the Department of Student Engagement and Leadership, namely Appalachian and the Community Together (ACT) and Fraternity and Sorority Life, were highlighted. Six students from these two groups shared their experiences and stories with the committee. There are over 400 recognized student organizations at Appalachian State University.

REPORT FROM THE AUDIT COMMITTEE: Chair Adcock recognized Mr. Charles V. Murray, Chair of the Audit Committee. Mr. Murray presented the following: There was a change on the committee agenda as an action item that will be presented to the full board as follows:

The UNC Board of Governors has adopted policies relevant to salary actions for employees exempt from the State Human Resources Act, known as (EHRA) employees. They delegate certain actions to the President and or Board of Trustees. The President has further authorized

the Board of Trustees to delegate any or all of the authorities to approved EHRA salary adjustments as limited by the scope of this resolution to the Chancellor and the Chancellor's permitted designees. There was review, discussion and approval of the Resolution for Temporary Delegation of Expanded Authority to the Chancellor for Certain Salary Actions for Employees Exempt from the State Human Resources Act by the Audit Committee. The Audit Committee recommends the approval of this resolution to the full Board. (See Attachment 3) There being no further discussion, the committee's recommendation was approved. (Attachment 4).

Mr. Murray reported that the Audit Committee Meeting Minutes for June 23, 2016 were reviewed and approved.

Summary of 2016-17 Audit Plan: Recent Internal Audit and Reviews

Mr. Murray reported that the following internal audits reviewed and discussed this quarter were:

- Commercial Photography: Compliance with Contract: Management requested a review to determine whether loaned equipment had been purchased outside of contracted requirements. It was determined that contracted requirements were met for the purchase of the loaned equipment. There were no findings.
- Office of International Education and Development Departmental Review and New River Light and Power Annual Audit: There were no reportable findings.
- Follow-up Reviews: Follow-up reviews were completed to determine the status of implementation of recommendations from two previous audits. Concerning the first review, uninsured equipment was returned to the vendor; therefore no additional follow-up procedures will be performed. For the second review, it was found that progress is being made and that the resolution is still in process.
- Campus-wide reviews: Annual and Quarterly reviews were conducted in the areas of inventory, receipt books, cash counts, fixed assets, pcard disbursements and fund reconciliations. Also, monthly reviews were conducted regarding the removal of network access for terminated employees. Recommendations were made regarding following ASU Policy concerning cashiering, departmental bookkeeping, and fixed assets. No other significant findings to report.
- An update was also provided on external audits currently in progress.

Board of Trustees Audit Committee Certification Letter

Mr. Murray reported that the Board of Trustees Audit Committee Certification Letter was reviewed and discussed. This certification regarding the Committee's duties and responsibilities is sent annually to UNC General Administration.

Self-Assessment of Internal Controls over Financial Reporting for fiscal year 2016

Mr. Murray reported that the Self-Assessment of Internal Controls over Financial Reporting for the fiscal year 2016 was reviewed. The Chief Audit Officer, Eloise Covalt, reported that no known fraud or major deficiencies in Internal Control were identified.

Staff Update

Mr. Murray reported that an Office of Internal Audits Staff Update was given. Clayton Christian has accepted the Advanced Auditor position.

REPORT FROM THE ATHLETICS COMMITTEE: Chair Adcock recognized Mr. James Barnes, Chair of the Athletics Committee.

Mr. Barnes reported that the Athletics Committee Meeting Minutes for June 23, 2016 were reviewed and approved on September, 22nd. Mr. Barnes reported on the following items:

Presentations from two student athletes, one each from Women's Field Hockey and Men's Baseball, gave the committee insight into their transformative experiences here at Appalachian, as student athletes. Both were applauded for excellence.

Mr. Barnes reported that Heather Langdon, Interim Director of Institutional Research, Assessment and Planning, and Jonathon Reeder, Interim Senior Associate Athletics Director for Internal Operations, presented to the committee an Intercollegiate Athletics Survey as required by the University of North Carolina Policy Manual as it related to student Academic performance, departmental revenue and expenditures in the 2016-2017 projected Athletics budget. As part of this survey, admissions, academic profile data and course clustering analysis of student athletes were presented. No corrective action is required.

REMARKS FROM CHAIR ADCOCK: Chair Adcock made the following reminders:

- The Faculty Club will be held this afternoon at 4:00 pm in the Whitewater (room 201) in the Plemmons Student Union.
- The next Board of Trustees meeting will be held on December 8th and 9th, 2016.
- Winter Commencement will be held on Saturday, December 10th, at the Holmes Convocation Center.

Chancellor Everts publicly thanked Chair Adcock for his two years of service as Chairman of the Board of Trustees.

REPORT FROM THE NOMINATING COMMITTEE: Chair Adcock recognized Ms. Susan Branch, Chair of the Nominating Committee.

Ms. Branch said she would like to thank Chair Adcock on behalf of the Nominating Committee; Trustee Carole Wilson, Trustee George Baldwin and Trustee Branch, for the opportunity to serve on this important committee. Ms. Branch recognized and thanked Secretary Barnes and Vice Chair, Alice Roess for their service to the Board. Ms. Branch offered a special thanks to Chair Brad Adcock for his accessibility, his patience and leadership during an active Board year.

Pursuant to Article 3, section 3.1 of the Bylaws of the Board of Trustees of Appalachian State University, the Nominating Committee is charged with presenting to the full Board nominees for Officers of Secretary, Vice Chair and Chair. Mr. Chair on behalf of the Nominating Committee Trustee Branch nominated Trustee John Blackburn to be elected Secretary; Trustee Jimmy Barnes to be elected Vice Chair and Trustee Alice Roess to be elected Chair.

There being no further nominations, the slate was elected. Chair Adcock congratulated the new officers of the Board of Trustees.

ELECTION OF AN ENDOWMENT FUND BOARD MEMBER: Chair Adcock reported that a new member should be elected to the Endowment Fund Board to fill a vacancy of an unexpired three-year term resulting from the retirement of Greg Lovins. Mr. Adcock made a motion to elect Paul Forte, Vice Chancellor for Business Affairs. Mr. Jimmy Barnes seconded the motion. There being no further discussion, the motion was approved.

CLOSED SESSION: Chair Adcock announced that he would entertain a motion that the Board convene in closed session. Chair Adcock recognized Trustee Alice Roess to read the motion. Ms. Roess made a motion that the Board convene in closed session to:

1. prevent the disclosure of privileged information under Chapter 126 of North Carolina General Statutes or 20 United States Code 1232g United States laws or regulations. [N.C.G.S § 143-318.11 (a)(1)];
2. prevent the premature disclosure of an honorary award or scholarship. [N.C.G.S § 143-318.11 (a)(2)];
3. consult with its attorney to protect the attorney-client privilege. [N.C.G.S § 143-318.11 (a)(3)];
4. establish or instruct the staff or agent concerning the negotiations of the amount of compensation or other terms of an employment contract. [N.C.G.S § 143-318.11 (a)(5)];
5. To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer [N.C.G.S § 143-318.11 (a)(6)];

The Chair stated that everyone be excused with the exception of voting Trustees, Chancellor, Vice Chancellors, General Counsel, Acting Chief of Staff, Athletics Director, Director of Human Resources, Board of Governors Member Mr. Phillip Byers and Recording Secretary.

Upon motion duly made, seconded and approved, the Board convened in closed session.

PUBLIC SESSION RECONVENED: Upon motion duly made, seconded and approved, the Board reconvened in open session.

AMENDMENT TO EMPLOYMENT AGREEMENT FOR FIELD HOCKEY HEAD COACH: Chair Adcock recognized Mr. Jimmy Barnes submitted to the full Board the recommendation from the Athletic Committee to amend the Employment Agreement for Field Hockey Head Coach By authorizing a courtesy car or car allowance in lieu of a courtesy car. Following discussion, the committee's recommendation was approved. (Attachment 5).

ADJOURNMENT: There being no further business, the meeting was adjourned at 12:35 p.m.

BRADLEY T. ADCOCK, Chair

By: _____
Leonie Kruger
Recording Secretary