

MINUTES
MEETING OF THE BOARD OF TRUSTEES
APPALACHIAN STATE UNIVERSITY

Friday, September 25, 2015
Parkway Ballroom
Plemmons Student Union

CALL TO ORDER: The Board of Trustees of Appalachian State University met at the call of the Chair and the Chancellor on Friday, September 25, 2015, at 10:30 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
Charles V. Murray
Carson D. Rich
Alice G. Roess
D. Kenan Smith
Carole P. Wilson

CONSTITUENCY REPRESENTATIVES

PRESENT (*ex-officio*):

Stephanie L. Billings, President
Alumni Council
Paul H. Gates, Chair
Faculty Senate
Amy A. Sanders, Chair
Staff Senate

MEDIA PRESENT:

Anna Oakes, *Watauga Democrat*

CONFLICT OF INTEREST NOTICE: Chair Adcock read the following:

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.]

In addition, the State Government Ethics Act also requires the Chair of the

Board to bring to the Board's attention any actual or potential conflict cited by the Ethics Commission in its written evaluation of each member's Statement of Economic Interest. Therefore I need to make you aware that I received copies of letters from the Commission regarding the evaluation of Mr. Kenan Smith and myself. The Commission found potential for conflicts related to each individual's ownership interests in certain companies.

The Commission noted that those potential conflicts would not prevent our service on this Board. If the Board were asked to act on a transaction involving one of those companies, Mr. Smith and/or I should recuse ourselves from discussing or voting on the transaction, and submit a written statement of reasons for abstention from the vote. In accordance with requirements of the statute, a copy of the Ethics Commission letters about the potential conflicts is being recorded in the minutes of this meeting (see Attachment 1).

RECOGNITION OF VISITORS: Chair Adcock welcomed:

Ms. Anna Oakes of the *Watauga Democrat*; and
New Trustees: Mr. George Baldwin, Mr. John Blackburn, Ms. Susan Branch,
Mr. Bob Hatley, and Mr. Kenan Smith.

ADMINISTRATION OF OATH OF OFFICE: Chair Adcock recognized The Honorable Amy Shook, Register of Deeds for Watauga County, who administered the oath of office for new Trustees: George Baldwin, John Blackburn, Susan Branch, Bob Hatley and Kenan Smith, and for reappointment and reelection, respectively, to the Board: James Barnes and Carson Rich.

APPROVAL OF ABSENCES: Chair Adcock stated there were no absences to report.

APPROVAL OF MINUTES: The minutes of the June 26, 2015 meeting had been delivered to all members via email. There being no corrections, upon motion duly made and seconded, the minutes of the meeting were approved as presented.

REMARKS FROM CHANCELLOR EVERTS: see Attachment 2.

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

Research and Sponsored Programs Update

Mr. Blackburn reported that extramural funding efforts at Appalachian for fiscal year 2015 resulted in 254 proposal submissions totaling \$62.3 million. There were a total of 155 awards valued at \$12.9 million, which represents a 16 percent increase in funded grants and is in line with the Strategic Plan goal of \$15 million by the year 2019.

Dean Search Update

Mr. Blackburn reported that campus search committees have been formed and charged to fill the positions of Dean of the Reich College of Education, Dean of the Walker College of Business and Dean of the College of Fine & Applied Arts. He further reported that a search firm selection committee has narrowed down the proposals and will be interviewing two to three search firms within the next few weeks.

Strategic Planning

Mr. Blackburn reported that Chancellor Everts has charged Provost Kruger with advancing the University's Strategic Plan entitled "The Appalachian Experience: Envisioning a Just and Sustainable Future." In addition, a Strategic Planning Advisory Council (SPAC) was recently formed and will be co-chaired by Provost Kruger and Vice Chancellor Randy Edwards. The goals of this group are to prioritize elements of the strategic plan for funding and provide messaging for Chancellor Everts.

Academic Integrity and Course Clustering

Mr. Blackburn reported that UNC established guidelines last year to assist campuses in conducting a course-clustering review analysis of student-athletes, as now required by UNC policy. A recent review by Appalachian revealed that student-athletes are not being clustered.

Enrollment Update

Mr. Blackburn recognized Dr. Darrell Kruger, Provost and Executive Vice Chancellor, who gave a detailed enrollment update. Dr. Kruger stated enrollment goals at Appalachian are: (1) slow and steady growth; (2) increase underrepresented student enrollment; and (3) maintain quality measures such as retention and graduation rates.

Mr. Blackburn indicated this concluded the report from the Academic Affairs Committee (see Appendix A).

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

Water Shortage Response Plan

Mr. Beaver, on behalf of the Business Affairs Committee, recommended that the Resolution Approving Water Shortage Response Plan be approved as presented (see Attachment 3). The Committee's recommendation was unanimously approved.

Millennial Campus Update

Mr. Beaver reported that the Board of Trustees had previously approved the following properties for Millennial Campus designation: two tracts in the University Hall Drive area; the Beaver College of Health Sciences property; the Broyhill Inn and surrounding properties; and the North Carolina Center for Engineering Technologies in Hickory. For the UNC Board of Governors approval, two properties were submitted: the Beaver College of Health Sciences and the Broyhill Inn Properties, both of which were approved.

Capital Projections

Mr. Beaver reported that the General Assembly passed the budget the week of September 18; however, a budget will not be released until after the General Assembly adjourns.

Mr. Beaver indicated this concluded the report from the Business Affairs Committee (see Appendix B).

REPORT FROM STUDENT DEVELOPMENT COMMITTEE: Chair Adcock recognized Mr. Lee Barnes, Chair of the Student Development Committee, for this report.

Student Housing Update

Mr. Dino diBernardi and Mr. Matt Dull of the Office of Student Development presented an overview of the University Housing Master Plan, including the current housing capacity, available room layouts and on-campus housing demand.

Mr. Barnes indicated this concluded the report from the Student Development Committee (see Appendix C).

REPORT FROM UNIVERSITY ADVANCEMENT COMMITTEE: Chair Adcock recognized Ms. Carole P. Wilson, Chair of the University Advancement Committee, for this report.

Strategic Initiatives for Advancement

Ms. Wilson reported that Ms. Susan Pettyjohn, Vice Chancellor for University Advancement, presented the initiatives that University Advancement will be implementing to continue the momentum of the Campaign for Appalachian and to increase private resources for the University.

Engaging More Alumni Through Homecoming

Ms. Wilson reported that Mr. Patrick Setzer, Executive Director of Alumni Affairs, shared the new Homecoming initiatives for 2015, which include moving the Alumni Awards Ceremony to Homecoming week. Homecoming highlights include campus tours, the Commemoration of Integration program, Friday evening parade, bonfire and fireworks.

Reunion Programming

Ms. Wilson reported that Ms. Beth Alexander, Director of Reunion Giving, has developed a program for classes celebrating the 20th through 45th reunion years. She will be targeting classes that celebrate an important milestone in 2016. Leadership committees are being established for each year to solicit their classmates for reunion gifts and to invite them back to Homecoming 2016.

Ms. Wilson indicated this concluded the report from the University Advancement Committee, with the exception of items for closed session (see Appendix D).

REPORT FROM AUDIT COMMITTEE: Chair Adcock recognized Mr. Charles V. Murray, Chair of the Audit Committee, who gave a report on the Committee's meeting held on Thursday, September 24, 2015, and presented the following items:

2015-16 Internal Audit Plan

Mr. Murray reported that the UNC Board of Governors requires the Office of Internal Audits at each university to develop and implement an annual audit plan based on consideration of risk and potential internal control deficiencies. This plan also must be approved by the Board of Trustees Audit Committee and the full Board.

Mr. Murray, on behalf of the Audit Committee, recommended that the 2015-16 Internal Audit Plan be approved as presented. The Committee's recommendation was unanimously approved.

Audit Committee Certification Letter

Mr. Murray reported there was review and discussion of the Audit Committee certification letter. This certification, required by the UNC Board of Governors, attests to the Audit Committee's duties and responsibilities and certified that these have been completed as prescribed.

Summary of Recent Audits and Reviews

Mr. Murray reported the following audits and reviews were conducted this quarter:

- Art Department: no reportable findings;
- Division I Football Championship Subdivision to Division I Football Bowl Subdivision Reclassification: no reportable findings;
- ASU-North Carolina Research Campus Human Performance Lab P-Card Internal Controls Review: Instances of noncompliance with certain University policies were found; and
- Campus-wide reviews: annual reviews were completed in the areas of departmental inventory, receipt books, and cash funds. Quarterly reviews were conducted in the areas of travel disbursements, fixed assets, and fund reconciliations. Monthly reviews were conducted regarding the removal of

network access for terminated employees. No significant findings to report.

Three compliance reviews were also completed by external auditors this past quarter:

- NC Department of Administration Division of Purchase and Contract performed a compliance review. The report contained findings primarily related to compliance with the purchase and contract provisions in the North Carolina Administrative Code.
- The Corporation for National and Community Service, a federal agency, completed two compliance reviews to determine compliance with applicable federal laws and regulations governing the Foster Grandparent Program. No findings were reported.

Other

Mr. Murray reported that an update was given regarding the *Self-Assessment of Internal Controls over Financial Reporting for Fiscal Year 2015* required to be reported to the Office of State Controller by July 31, 2015. No major internal control deficiencies related to financial reporting were identified.

Mr. Murray indicated this concluded the report from the Audit Committee (see Appendix E).

REPORT FROM ATHLETICS COMMITTEE: Chair Adcock recognized Mr. James M. Barnes, Chair of the Athletics Committee, who gave a report on the Committee's meeting held on Thursday, September 24, 2015, and presented the following items:

NCAA Rules Education

Mr. Barnes reported that Mr. Jonathan Reeder, Assistant to the Chancellor for Athletics, presented NCAA rules education reminders related to Appalachian.

University of North Carolina Intercollegiate Athletics Survey

Mr. Barnes reported that Mr. Reeder and Ms. Heather Langdon, Interim Director for Institutional Research, Assessment and Planning, reviewed the 2014-15 University of North Carolina Intercollegiate Athletics Survey and other reporting requirements. As a requirement of the report, an academic integrity study and course-clustering analysis of student-athletes were conducted. No corrective action was required.

Comments from Director of Athletics

Mr. Barnes reported that Mr. Doug Gillin, Director of Athletics, provided the Committee with an Athletics Department update.

Mr. Barnes indicated that this concluded the report from the Athletics Committee, with the

exception of an item for closed session (see Appendix F).

REPORT FROM NOMINATING COMMITTEE: Chair Adcock recognized Ms. Carole P. Wilson, Chair of the Nominating Committee, for this report. Ms. Wilson reported that the Nominating Committee met on August 25, 2015, and would like to recommend the following slate of officers for 2015-16:

Mr. Bradley T. Adcock, Chair
 Dr. Alice G. Roess, Vice Chair
 Mr. James M. Barnes, Secretary
 Ms. Kathy B. Roark, Assistant Secretary

The Committee's recommendation was approved unanimously.

ELECTION OF MEMBER TO THE ENDOWMENT FUND BOARD: Chair Adcock stated there was a vacancy on the Endowment Fund Board due to the recent resignation of Dr. Brenda White Wright from that Board. Chair Adcock called for a motion to elect Mr. Kenan Smith for a three-year term, effective immediately.

Upon motion duly made and seconded, Mr. Smith was elected.

COMMENTS FROM THE CHAIR:

Chair Adcock made the following comments/announcements/reminders:

- Faculty Club to be held this afternoon at 3 p.m. in the Whitewater Room of the Student Union;
- Homecoming weekend will be October 2-3;
- All Trustees should have received an invitation to the Commemoration of Integration Luncheon and Program to be held on Friday, October 2, beginning at 11:30 a.m. at the Holmes Center. The keynote address will be given by Dr. Harry Williams, Appalachian alumnus, and President of Delaware State University;
- Next meeting of Board of Trustees to be held December 3-4; and
- Winter commencement to be held on Saturday, December 12, at the Holmes Center.

CLOSED SESSION: Chair Adcock announced that he would entertain a motion that the Board convene in closed session. Chair Adcock asked that the Chancellor, Vice Chancellors, General Counsel, and Assistant Secretary of the Board join the voting members in closed session. Chair Adcock also asked that Mr. Doug Gillin, Director of Athletics, remain for one item specific to the closed session agenda.

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

1. prevent the disclosure of privileged information under Chapter 126 of North

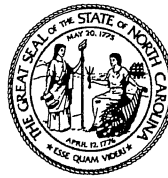
- Carolina General Statutes or regulations [N.C.G.S. §143-318.11(a)(1)];
2. prevent the premature disclosure of an honorary award or scholarship [N.C.G.S. §143-318.11(a)(2)];
 3. consult with its attorney to protect the attorney-client privilege [N.C.G.S. §143-318.11(a)(3)];
 4. establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property [N.C.G.S. §143-318.11(a)(5)];
 5. consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee [N.C.G.S. §143-318.11(a)(6)]; and
 6. plan, conduct, or hear reports concerning investigations of alleged criminal conduct [N.C.G.S. §143-318.11(a)(7)].

PUBLIC SESSION RECONVENED: Upon motion duly made, seconded and approved, the Board reconvened in open session at 1:30 p.m.

ADJOURNMENT: There being no further business, the meeting adjourned at 1:30 p.m.

BRADLEY T. ADCOCK, Chair

By: Kathy B. Roark
Kathy B. Roark
Assistant Secretary



STATE ETHICS COMMISSION
1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

September 18, 2015

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By Mr. Bradley Adcock
Trustee—**Appalachian State University**

Dear Governor McCrory:

Our office is in receipt of **Mr. Bradley Adcock's** 2015 Statement of Economic Interest as a member of **Appalachian State University Board of Trustees** ("the Trustees"). We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

Governor McCrory
September 18, 2015
Page 2 of 2

Mr. Adcock retired from Blue Cross and Blue Shield of North Carolina, however he indicated that he has received a salary and was a registered lobbyist for Blue Cross until October 1, 2014, and Blue Cross Blue Shield provides services to the University. Mr. Adcock also listed several stocks that he holds a financial interest with such as Apple, Old Dominion Freight Lines and Amerigas Partners LP. He should exercise appropriate caution in the performance of his public duties should issues regarding Blue Cross and Blue Shield of North Carolina, or any company in which he holds a financial interest in come before Appalachian State University Board of Trustees for official action or otherwise seek to conduct business with the University.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

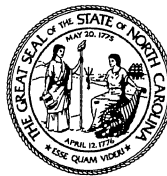
Sincerely,



Diana Latta
SEI Unit

cc: Mr. Bradley Adcock, Chairman
Mr. Dayton Cole, Ethics Liaison

Attachment: Ethics Education Flyer



STATE ETHICS COMMISSION
1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

August 10, 2015

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

**Re: Evaluation of Statement of Economic Interest Filed By Mr. David K. Smith
Prospective Appointee – Appalachian State University Board of Trustees**

Dear Governor McCrory:

Our office is in receipt of **Mr. David K. Smith's** 2015 Statement of Economic Interest as a prospective appointee to the **Appalachian State University Board of Trustees**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

N.C.G.S. Chapter 116 provides for the development of a coordinated system of higher education known as the University of North Carolina, a public, multi-campus university governed by the Board of Governors ("the Board"). Each constituent institution of the University has a board of trustees that advises the chancellor of that institution and the Board. In addition, the Board has delegated to each board of trustees ("Trustees") the power to adopt personnel policies and appoint, promote, and establish the compensation of the institution's employees; establish and supervise the institution's athletic program; determine student admission and graduation standards; approve campus capital construction projects, including the selection of architects and the approval of building sites; approve or recommend the acquisition and disposition of real property interests according to the property's value; and manage the institution's endowment and trust funds.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Smith will fill the role of an At-Large member on the Board of Trustees. He is a managing partner with Second Creek Development, a venture capital firm. He owns threshold amounts of interest in numerous publicly-owned companies which could seek to market their products or services to Appalachian State University ("University"). In addition, he serves on the Appalachian State University Foundation. As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should any entity in which he has a financial interest come before the Board for official action or otherwise seek to conduct business with the University.

The Honorable Patrick L. McCrory

August 10, 2015

Page 2 of 2

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

A handwritten signature in cursive script that reads "Beth Carpenter".

Beth Carpenter
SEI Unit

cc: Mr. David K. Smith

Attachment: Ethics Education Flyer

**Board of Trustees Remarks
9-24-15**

Good morning and welcome to our new Board members. Thank you all for your service.

This is always an exciting time of year as our students are back on campus and the change in the air is a sign of autumn's arrival. With the Fall 2015 semester well underway, I would like to take a few moments to share some news from the recent Board of Governors meeting .

I am pleased to announce that the UNC Board of Governors approved our request for millennial campus designation at the September meeting held last week. A millennial campus designation allows us more flexibility in the use of property, especially in working with the private sector. Our request involved two properties; Beaver College of Health Sciences and the former Broyhill Inn and adjacent properties.

The designation for the Beaver College of Health Sciences allows for expansion of teaching, research and service collaborations with Appalachian Regional Healthcare System (ARHS) and other external entities. Ultimately resulting in the improvement of healthcare in the region and state.

The designation for the Broyhill properties will allow us to enhance and seek opportunities for new public and private partnerships. Potential uses of an innovation campus include academic possibilities for sustainability, housing, hotel and conference center, and mixed-use development.

This has been an exciting year since I joined Appalachian. I dedicated time listening – to students, faculty, staff, alumni, friends and to you, our trusted advisors.

With the benefit of this insight, I have focused on working collaboratively to develop strategies aimed at implementing priorities that will continue to move our campus forward.

You may have already noticed increased emphasis on initiatives that support these priorities. I would like to share a few highlights:

I am pleased to share that, through numerous initiatives, 15% of 2015's first year class are students from traditionally underrepresented groups. This is an increase of 3 percentage points in one year. The class of 2019 is the *most* diverse of any first year class in Appalachian's history. We are proud of this accomplishment in a single year, however there is still much to be done. We are committed to broaden the diversity of our community, beginning with specific recruitment and retention initiatives directed at faculty and staff, as well as students.

As you will hear in the Provost's report, interest in attending Appalachian continues to grow. We received more than 14,400 applications for a spot in the first year class, and on-campus enrollment has increased to 16,766 students this year, up from 16,636 last year. This increase is in keeping with our focus on slow, but steady growth.

Faculty offices, high tech classrooms, and academic buildings, are a priority. To support this, we have allocated nearly 2.2 million dollars in one-time carry-over dollars for academic facility priorities. Provost Kruger is working with the deans to determine the most pressing needs, and a process has been developed to ensure this prioritization continues and is shared at campus budget hearings or presentations.

Appalachian continues to be recognized nationally for our leadership in sustainability initiatives. I am very proud of our recently achieved rank of *SECOND IN THE NATION* in the Sustainability Tracking, Assessment & Rating System (STARS) for colleges and universities by the Association for the Advancement of

Sustainability in Higher Education. This is up from fourth place in June, when I reported to you that we had edged out Stanford! We are specifically recognized for the integration of sustainability into our classrooms and our research.

Many times I have heard employers talk about how our students are prepared to lead professional lives and are driven to make a difference. This is in large part due to the rich experiences they have with their faculty mentors. This afternoon, you will have the opportunity to experience some time with members of our passionate, dedicated and accomplished faculty at the September Faculty Club gathering.

These informal opportunities for faculty to share teaching, service and research across disciplines have been met with great enthusiasm by our faculty. I have greatly enjoyed these opportunities to listen to my colleagues over the past year, and I know you will find this time with members of our faculty enriching and fascinating.

Appalachian's long-recognized, strong foundation of teaching and research, combined with our pioneering spirit, creates a special place committed to making real and powerful differences locally and globally.

In the latest ranking, Appalachian is ranked fourth nationally among the top 40 master's degree granting institutions for the total number of students who studied abroad for credit, and *SECOND* nationally for the number of students who participated in short-term programs for academic credit. In the years ahead, we will continue to deepen accessibility to international experiences for students, while strengthening international interactions here at home.

Over the past year, members of our campus have worked to better strengthen the health and safety of our campus community.

As part of these efforts, the Office of Student Development has moved toward a public safety model with the establishment of the Office of Wellness and Prevention Services.

A strengthened approach to prevention will assist with early education to those who can benefit from the many resources we have available which will help prevent interpersonal violence, suicide and drug and alcohol abuse.

Last year, Appalachian increased the amount of counseling hours available to students. To date, more than 3,300 students have participated in online or in-person sexual assault/interpersonal violence training, over 1,100 students, faculty and staff have participated in suicide prevention training and more than 3,600 have participated in substance abuse prevention training. Members of this community have been clear that they want to be engaged partners who work for the wellness, health and safety of our Appalachian Community.

There are many ways we will continue providing support for our campus community. We will continue the focus on raising much-needed funds for need-based scholarships, merit-based scholarships, for faculty support, including distinguished professorships, for facilities both academic and athletic, and for other priorities addressed in our strategic plan.

And that leads me to the *NUMBER ONE* thing I heard from you over the last year: “Appalachian hides its light under a basket.” We are resolved to do a better job of telling our story, whether that be through increased visits down the mountain to Raleigh, through additional publications, or through the changes you’ll soon see to the University website. We are taking the basket off this shining example of excellence, where students are at the very center of our academic enterprise.

In the coming weeks and months, you will see more efforts supporting:

- Continued emphasis on increasing diversity among our student, faculty and staff populations;
- A focus on slow growth; steady enrollment, while supporting our faculty and staff;
- Innovative and creative opportunities for our students to engage in and showcase their research;
- Articulating the ways Appalachian defines sustainability, or stewardship;
- Integration of global learning into and beyond our classrooms;
- Civic engagement throughout communities across the world;
- Wellness, health and safety for our campus community;
- and
- Securing the necessary resources to energize and sustain these strategic initiatives and support our world-class faculty, staff and students.

We are making important progress, I am continuing to listen and take action *and* we have a clear direction ahead. I am excited and energized to build on the momentum we have created. Together we will not only reach our goals, but we will exceed expectations.

Thank you for all you do.

I want you to know that I value your insight and your support as our campus moves toward an even brighter future.

Thank you for your kind attention. This concludes my remarks.

RESOLUTION APPROVING WATER SHORTAGE RESPONSE PLAN

WHEREAS, North Carolina General Statute 143-355.2 requires that each large community water system prepare and submit to the North Carolina Department of Environment and Natural Resources (“Department”) a water shortage response plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Water Shortage Response Plan for Appalachian State University, has been developed and submitted to the Department for approval; and

WHEREAS, the Board of Trustees finds that the Water Shortage Response Plan is in accordance with the provisions of North Carolina General Statute 143-355.2 and that it will provide appropriate guidance for the future management of water supplies for Appalachian State University, as well as useful information to the Department for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Appalachian State University that the Water Shortage Response Plan, entitled “Appalachian State University Water Treatment Plant – PWIS ID# NC 01-95-101 Water Shortage Response Plan” (WSRP), dated July 31, 2015, is hereby approved; and

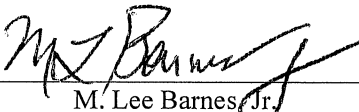
BE IT FURTHER RESOLVED that the Board of Trustees ratifies University officials’ prior submission of the WSRP to the Department; and

BE IT FURTHER RESOLVED that the Board of Trustees intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by the Department, in accordance with the statute and sound planning practice.

This the 25th day of September, 2015.

APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

ATTEST:



M. Lee Barnes, Jr.
Secretary

By: 
Bradley T. Adcock, Chair

APPENDIX A

MINUTES
MEETING OF THE ACADEMIC AFFAIRS COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, September 25, 2015
Room 417 – Beacon Heights
Plemmons Student Union

CALL TO ORDER: The Academic Affairs Committee of the Board of Trustees of Appalachian State University met at the call of the Chair on Friday, September 25, 2015, at 8:30 a.m. in the Beacon Heights Room of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Mr. John Blackburn, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

M. Lee Barnes, Jr.
John M. Blackburn
Susan M. Branch
D. Kenan Smith
Carole P. Wilson

CONSTITUENCY REPRESENTATIVES
PRESENT (ex-officio):

Stephanie Billings, President, Alumni Council
Paul H. Gates, Chair, Faculty Senate

OTHERS PRESENT:

Tim Burwell
Debbie Covington
Susan Davies
Darrell Kruger
Heather Langdon
Tori Little
Joyce Ogburn
Max Poole
Jean Roberts
Alan Utter

Conflict of Interest Notice: Chair Blackburn read the following:

“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]

Enrollment Update

Provost Darrell Kruger shared some preliminary enrollment data. Total student enrollment for Fall 2015 is 17,931. This includes 16,289 undergraduates and 1,642 graduate students. Enrollment goals at Appalachian are: (1) slow and steady growth; (2) increase underrepresented student enrollment; and (3) maintain quality measures such as retention and graduation rates. The Fall 2015 first-year class is the largest and most diverse in Appalachian's history. More than 14,400 first-year students applied to Appalachian and 3,049 first-year students were accepted of which 15.2% are racially diverse. Overall 13.8% of all enrolled students are racially diverse. This first-year class represents 34 states and 10 countries across the world. Nearly a third of the first-year class transferred from community colleges and four-year universities in North Carolina.

Provost Kruger briefly discussed one of 14 diversity initiatives recommended by the Chancellor's Commission on Diversity. This particular initiative involves the faculty and staff hiring process and how the University might work with search committees to achieve more diverse applicant pools. The University plans to implement this and five other diversity initiatives in Fall 2015. The remaining initiatives will require more time to implement.

Provost Kruger will provide a more detailed enrollment update presentation at the full Board meeting.

Research and Sponsored Programs Update

Dr. Alan Utter, Interim Vice Provost for Research, presented an update on campus research. Extramural funding at Appalachian for the Office of Research, fiscal year 2015, resulted in 254 proposal submissions to extramural sponsors with requests totaling \$62.3 million. There were a total of 155 awards valued at \$12.9 million during this time period. This represents a 16% increase in funded grants from 2015 and is in line with the strategic plan goal of \$15 million by the year 2019. Our students and faculty are getting noticed and recognized for their research accomplishments at national conferences.

In fiscal year 2015, the Office of Student Research at Appalachian funded 598 student grants (217 research and 381 travel) totaling \$158,574. Of those 598 grants a total of 346 were undergraduate student research.

Student research could potentially be a future point of differentiation for Appalachian State University. Trustee Lee Barnes encouraged those in attendance to continue to foster faculty and student engagement and collaboration in the area of research. It is important to have an effective communication strategy in place in which faculty and students can collaborate and connect on research interests. Both students and faculty are responding to the sustainability component woven throughout the University's strategic plan and this provides a great starting point for partnerships and mentoring opportunities to form.

Dean Search Update

Campus search committees have now been formed and charged by Provost Kruger to fill the positions of Dean of the Reich College of Education, Dean of the Walker College of Business

and Dean of the College of Fine and Applied Arts. Provost Kruger outlined some of the reasons why he and Chancellor Everts have decided to utilize the services of a search firm to assist these three committees. A search firm will ensure that we achieve the strongest and most diverse applicant pool possible. Currently, 12 of the 17 campuses within the UNC System are actively searching for a new College of Education Dean. With this level of competition for talent it would be very difficult to attract a well-qualified pool of applicants without the use of a search firm. Further, a search firm was most recently used to hire the new Athletics Director at Appalachian and these three core academic positions should receive an even greater recruitment effort to reflect the high value Appalachian State University places on academics.

A search firm selection committee has narrowed down the proposals and will be interviewing two to three search firms within the next few weeks. This committee will then make a recommendation to the Provost, who, in consultation with the Chancellor, will make the final selection.

Strategic Planning

Chancellor Everts has charged Provost Kruger with advancing the University's strategic plan entitled "The Appalachian Experience: Envisioning a Just and Sustainable Future." Dr. Kruger acknowledged the past work of the University Planning and Priorities Council (UPPC) and discussed the recent formation of the Strategic Planning Advisory Council (SPAC) that is co-chaired by Provost Kruger and Vice Chancellor Randy Edwards. The SPAC has broad representation across campus and it plans to host conversations with key campus stakeholders this Fall. The goals of these conversations are to prioritize elements of the strategic plan for funding and provide messaging for Chancellor Everts.

Academic Integrity and Course Clustering

UNC established guidelines last year to assist campuses in conducting a course-clustering review analysis of student-athletes, as now required by UNC policy. Course clustering is defined as "when student-athletes make up 25 percent or more of the section enrollment..." Ms. Heather Langdon, Interim Director of Institutional Research Assessment and Planning, assisted with the most recent review and reported that ASU student-athletes are not being clustered in classes; out of 10,862 course sections in 2014-15, 80, or 0.7%, were flagged. Further analysis led to the conclusion that only eight total sections (out of 10,862) could be considered to be "irregular" but there were good reasons for those patterns and it was determined that no corrective action was necessary for any of those classes.

There being no further business, a motion was made by D. Kenan Smith and seconded by M. Lee Barnes to adjourn at 9:25 a.m. The motion was approved unanimously.

Respectfully submitted,

David H. Cook
Recording Secretary

MINUTES
MEETING OF THE BUSINESS AFFAIRS COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, September 25, 2015
Room 415 – Rough Ridge
Plemmons Student Union

CALL TO ORDER: The Business Affairs Committee of the Board of Trustees of Appalachian State University met at the call of the Chairperson and the Chancellor on Friday, September 25, 2015, at 8:30 a.m. in the Rough Ridge Room of the Plemmons Student Union on the campus of Appalachian State University, Boone, North Carolina. Mr. Donald C. Beaver presided.

MEMBERS PRESENT:

Mr. George M. Baldwin
Mr. James M. Barnes
Mr. Donald C. Beaver
Mr. Robert C. Hatley
Mr. Charles V. Murray
Mr. Carson D. Rich
Dr. Alice G. Roess

CONSTITUENCY REPRESENTATIVE
PRESENT (ex officio):

Ms. Amy Sanders, President
Staff Senate

OTHERS PRESENT:

Mr. Mark Bachmeier
Mr. Jeff Cloninger
Mr. Dayton Cole
Mr. Gunther Doerr
Dr. Randy Edwards
Dr. Sheri N. Everts
Ms. Denise Foutz
Mr. Greg Lovins
Ms. Jane Nicholson
Mr. Mike O'Connor
Mrs. Susan Pettyjohn
Ms. Diane Pitts
Mr. Rick Presnell
Mr. Ken Smith

MEDIA PRESENT:

Ms. Anna Oakes, *Watauga Democrat*

Conflict of Interest Notice:

Mr. Donald C. Beaver, Chair, read the following: "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]

Water Shortage Response Plan:

Mr. Greg Lovins, Vice Chancellor for Business Affairs, explained that the North Carolina Department of Environment and Natural Resources (DENR), requires governmental units to prepare and submit a Water Shortage Response Plan. This new requirement resulted from years of recent drought. Mr. Lovins presented a resolution that will approve Appalachian's Water Shortage Response Plan. This plan must be approved every five years. Following discussion, the motion was made and seconded to approve this resolution. The motion carried.

Millennial Campus Update:

For informational purposes, Mr. Lovins stated that at the June, 2015 meeting of the Board of Trustees, the Board approved for Millennial Campus designation the following properties: Two tracts in the University Hall Drive area; the Beaver College of Health Sciences property; the Broyhill Inn and surrounding properties; and the North Carolina Center for Engineering Technologies in Hickory. The next step involved approval from the UNC Board of Governors. For the Board of Governors request, two properties were submitted: the Beaver College of Health Sciences and the Broyhill Properties, both of which were approved.

Budget Update:

Mr. Lovins stated that the General Assembly passed the budget the week of September 18; however, a budget will not be released until after the General Assembly adjourns.

There being no further business, the meeting adjourned at 9:05 a.m.

Respectfully submitted,
Diane Pitts

MINUTES
MEETING OF THE STUDENT DEVELOPMENT COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, September 25, 2015
Room 417 - Beacon Heights
Plemmons Student Union

CALL TO ORDER: The Student Development Committee of the Board of Trustees of Appalachian State University met at the call of the Chair of the Committee on Friday, September 25, 2015, at 9:30 a.m. in the Beacon Heights Room of Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Mr. Lee Barnes, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

M. Lee Barnes, Jr.
George M. Baldwin
John M. Blackburn
Susan M. Branch
Charles V. Murray
Carson D. Rich

CONSTITUENCY REPRESENTATIVE
PRESENT (ex-officio):

Paul H. Gates, Chair
Faculty Senate

OTHERS PRESENT:

Mark D. Bachmeier
J. J. Brown
Dayton T. Cole
Debra F. Covington
Dino J. DiBernardi
Gunther E. Doerr
Matt C. Dull
Sheri N. Everts
Denise N. Foutz
Doug P. Gillin
Abby Hamrick
Kat Jones
Greg M. Lovins
David T. Jamison
Molly Kadyk-Bruch
Susan D. McCracken
Jane J. Nicholson

Anna Oakes
Mike J. O'Connor
Traci D. Royster
Cindy A. Wallace
Ty White

Committee Chair Barnes read the following conflict of interest 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." There were none reported.

Chair Barnes welcomed everyone and introduced the three new committee members: Mr. George Baldwin, Mr. John Blackburn and Ms. Susan Branch.

STUDENT HOUSING UPDATE AND DISCUSSION: Mr. Dino DiBernardi and Mr. Matt Dull presented an overview of the University Housing Master Plan. Mr. DiBernardi reported on the University's current housing capacity, available room layouts and on-campus housing demand. The presented data indicated on-campus housing requests from upperclassmen, transfers, and international and non-degree students cannot be fulfilled with the existing number of beds. National research and analysis of the University's data reveal a correlation between student success and living on-campus. Brailsford and Dunlavey (B&D) was hired to complete a housing master plan study. The study produced the following findings: 1) satisfaction rate of students' decision to live on-campus is high, 2) off-campus options are competing well related to price, location and amenities, 3) on-campus supply falls short of demand by approximately 1,000 students, 4) opportunities exist to address unmet demand and increase the on-campus capture rate, and 5) the University's current financial position permits strategic phasing of select building renovation and new construction over the next ten years. Mr. DiBernardi reported Appalachian stands apart from most other campuses concerning the number of students who are interested in living on-campus and on-campus living satisfaction. A survey of Appalachian students revealed: 1) 83 percent would be interested in living in a new, on-campus housing development after their freshman year, 2) 67 percent indicated on-campus housing availability is an important factor in continuing their education at Appalachian, and 3) the suite style room outlay (two beds with a shared bath) is preferred. Mr. Dull stated the University is able to fund total renovations and new construction of approximately \$131 million over the next ten years with a strategic use of cash and debt financing. During that same time frame, the rental rate would need to increase by three to four percent from the current rate. The construction plan consists of overdue renovations to Justice Hall, Bowie Hall, Eggers Hall, Gardner Hall and Coltrane Hall, as well as construction of two new residence halls. One site for new construction will be the former Winkler Hall. The second site has not been determined. The University is evaluating the East Hall site as an option. It was noted that public-private partnerships are being explored for future construction projects. The proposed funding approach allows the University to remain above the preferred minimum cash to debt ratio of 1.20 throughout the project. An increase in the number of beds will not be realized until fiscal year 2025-26 unless additional housing is constructed. The Housing Master Plan is in the advanced planning stage. Approval for construction of the Winkler Hall site is

pending. A decision related to the site of the second residence hall must be completed in the next few months to stay on schedule with the Housing Master Plan. Increasing on-campus housing is a reality for the University if it wants to meet student demands and anticipated enrollment growth. Ms. Cindy Wallace announced B&D has been hired to complete a faculty and staff housing study. The Committee discussed the presented information.

There being no further business to come before the Committee, the meeting adjourned at 10:23 a.m.

Respectfully submitted,

Molly Kadyk-Bruch
Recording Secretary

MINUTES
MEETING OF THE UNIVERSITY ADVANCEMENT COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, September 25, 2015
Room 415 - Rough Ridge
Plemmons Student Union

CALL TO ORDER: The University Advancement Committee of the Board of Trustees of Appalachian State University (the "Committee") met at the call of the Chair on Friday, September 25, 2015, at 9:32 a.m., in Room 415 (Rough Ridge) of Plemmons Student Union, on the campus of Appalachian State University in Boone, North Carolina. Carole P. Wilson, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

James M. Barnes
Donald C. Beaver
Robert C. Hatley
D. Kenan Smith
Carole P. Wilson

CONSTITUENCY REPRESENTATIVES
PRESENT: (ex-officio):

Stephanie L. Billings, President, Alumni
Council
Amy A. Sanders, Chair, Staff Senate

OTHERS PRESENT:

Beth A. Alexander
Dayton T. Cole
Nancy A. Dunfee
Randy K. Edwards
Henry T. Foreman
Ged E. Moody
Susan H. Pettyjohn
Alice G. Roess
Patrick K. Setzer

CONFLICT OF INTEREST NOTICE: Chair Wilson read the following:

"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." No conflicts were indicated.

Strategic Initiatives for Advancement: Mrs. Pettyjohn presented the initiatives that University Advancement will be implementing to continue the momentum of the Campaign for Appalachian and increase private resources for the University. She asked the Committee members to think about these initiatives and let her know what they need to better represent Appalachian and move the University forward. Mr. Smith noted that President Ross recently indicated that the universities need to focus on gifts from corporations.

2015 Homecoming Activities: Mr. Setzer shared the new Homecoming initiatives for 2015 which include moving the Alumni Awards Ceremony to Homecoming week. Homecoming highlights include campus tours, the Commemoration of Integration program, Friday evening parade, bonfire and fireworks.

Reunion Giving Program: Mrs. Alexander has developed a program for Reunion Giving for classes celebrating the 20th through 45th reunion years. She will be targeting classes that celebrate an important milestone in 2016. Leadership committees are being established for each year to solicit their classmates for reunion gifts and to invite them back to Homecoming 2016.

Chair Wilson called for a motion to move into closed session. Upon motion duly made by Mr. Barnes, seconded by Mr. Beaver, and approved, the Committee convened in closed session at 10:20 a.m. to:

prevent the premature disclosure of an honorary award or scholarship
[N.C.G.S. § 143-318.11(a)(2)].

The Committee members, Board of Trustees Vice Chair, Vice Chancellor, Legal Counsel, and recording secretary were asked to remain for the closed session.

ADJOURNMENT: After reconvening in open session at 10:22 a.m. and there being no further business, the meeting adjourned at 10:23 a.m.

Respectfully submitted,

Nancy A. Dunfee
Recording Secretary

MINUTES
MEETING OF THE AUDIT COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Thursday, September 24, 2015
Linn Cove Room
Plemmons Student Union

CALL TO ORDER: The Audit Committee of the Board of Trustees of Appalachian State University met at the call of the Chair on Thursday, September 24, 2015, at 3:00 p.m. in the Linn Cove Room of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Mr. Charles V. Murray, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

George M. Baldwin
M. Lee Barnes, Jr.
Stephanie L. Billings
Charles V. Murray
Robert C. Hatley

OTHERS PRESENT:

Bradley T. Adcock
Cathy J. Bates
Dayton T. Cole
Eloise H. Covalt
Randy K. Edwards
Sheri N. Everts
Denise N. Foutz
David Jamison
Darrell Kruger
Gregory M. Lovins
Rick C. Presnell
Kathy B. Roark
Alice G. Roess

CONFLICT OF INTEREST NOTICE: Chair Murray read the following:

"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.]

Summary of Recent Audits and Reviews/2014-15 Audit Plan

Chair Murray introduced Ms. Eloise Covalt, Chief Audit Officer, who provided the Committee with a review of the 2014-15 Audit Plan and a summary of the following internal audits and reviews made:

- Art Department (will target samples in the future; management very helpful in review).
- Division I Football Championship Subdivision (FCS) to Division I FBS Reclassification Compliance Audit – extensive set of requirements (no findings – full compliance).
- P-Card Review: North Carolina Research Campus in Kannapolis – written and oral findings, primarily with policy (lack of training with approver). Extensive training being done within department.
- Campus-wide reviews including areas of departmental inventory, receipt books, and cash funds. No significant findings to report.
- Quarterly reviews were conducted in the areas of travel disbursements, fixed assets, and fund reconciliations. No significant findings to report.
- Monthly reviews were conducted regarding the removal of network access for terminated employees. No significant findings to report.

Recent External Reviews:

- NC Department of Administration/Division of Purchase and Contract performed a compliance review. The report contained findings primarily related to compliance with the purchase and contract provisions in the North Carolina Administrative Code.
- The Corporation for National and Community Service, a federal agency, completed two compliance reviews to determine compliance with applicable federal laws and regulations governing the Foster Grandparent Program. No findings were reported.

Review and Approval of the 2015-2016 Audit Plan

Ms. Covalt presented the 2015-2016 Audit Plan to the Committee and reminded the members that this plan is for September 1-August 31, which is due to a requirement to move to a 9-month plan, effective June, 2016. The plan was reviewed and reasons for placement within the plan were discussed.

Upon motion made duly made and seconded, the 2015-16 (9-month) Audit Plan was unanimously approved for recommendation to the full Board.

Audit Committee Certification Letter

There was review and discussion of the Board of Trustees Audit Committee Certification letter. This certification, required by the UNC Board of Governors, attests to the Audit Committee's duties and responsibilities and certifies that these have been completed as prescribed.

Other

An update was given regarding the *Self-Assessment of Internal Controls over Financial Reporting for Fiscal Year 2015* required to be reported to the Office of State Controller by July 31, 2015. No major internal control deficiencies related to financial reporting were identified.

OPEN SESSION ADJOURNED: At 3:40 p.m., a motion was made and seconded that the Committee convene in closed session to:

1. consult with its attorney to preserve the attorney-client privilege [N.C.G.S § 143-318.11(a)(3)]; and
2. plan, conduct, or hear reports concerning investigations of alleged criminal conduct [N.C.G.S § 143-318.11(a)(7)].

The motion was approved unanimously. Chair Murray asked that everyone be excused at this time except for Trustees, Eloise Covalt, Chancellor Everts, Provost Kruger, General Counsel, and Kathy Roark.

OPEN SESSION RECONVENED: Chair Murray reconvened the open session.

ADJOURNMENT: There being no further business, the meeting of the Audit Committee adjourned at 4:00 p.m.

CHARLES V. MURRAY, Chair

By: Kathy B. Roark
Kathy B. Roark
Assistant Secretary, Board of Trustees

MINUTES
MEETING OF THE ATHLETICS COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Thursday, September 24, 2015
Room 415 - Rough Ridge
Plemmons Student Union

CALL TO ORDER: The Athletics Committee of the Board of Trustees of Appalachian State University met at the call of the Chairperson and the Chancellor on Thursday, September 24, 2015, at 4:00 p.m. in the Rough Ridge Room of the Plemmons Student Union on the campus of Appalachian State University, Boone, North Carolina. Mr. James M. Barnes presided and called the meeting to order.

MEMBERS PRESENT:

George M. Baldwin
James M. Barnes
Donald C. Beaver
Susan M. Branch
Robert C. Hatley
Carole P. Wilson

OTHERS PRESENT:

Bradley T. Adcock
Dayton T. Cole
Randy K. Edwards
Sheri N. Everts
Denise N. Foutz
Douglas P. Gillin
Alan J. Hauser
David T. Jamison
Heather H. Langdon
Gregory M. Lovins
Susan H. Pettyjohn
Jonathan B. Reeder
Jean H. Roberts
D. Kenan Smith

CONFLICT OF INTEREST NOTICE: Chair Barnes read the 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.

NCAA RULES EDUCATION: Mr. Jonathan Reeder, Assistant to the Chancellor for Athletics, presented NCAA rules education reminders related to Appalachian State University.

UNIVERSITY OF NORTH CAROLINA INTERCOLLEGIATE ATHLETICS SURVEY: Mr. Jonathan Reeder, Assistant to the Chancellor for Athletics, and Ms. Heather Langdon, Interim Director for Institutional Research, Assessment and Planning, reviewed the 2014-15 University of North Carolina Intercollegiate Athletics Survey and other reporting requirements. Information related to student-athlete academic performance, athletics department revenue and expenditures, and the 2015-16 projected athletics budget were presented. As a requirement of the report, an academic integrity study and course-clustering analysis of student-athletes were conducted. No corrective action was required.

COMMENTS FROM DIRECTOR OF ATHLETICS: Mr. Doug Gillin, Director of Athletics, provided the Committee with an athletics department update, including an update on facilities, how Appalachian State University Athletics programs are performing, and an update on competitors in the Sun Belt Conference. The strengths, weaknesses, opportunities, and threats of the athletics department were also discussed.

OPEN SESSION ADJOURNED: A motion was made and seconded that the Committee convene in closed session to:

1. prevent the disclosure of privileged information under Chapter 126 of North Carolina General Statutes or regulations [N.C.G.S § 143-318.11(a)(1)];
2. consult with its attorney to preserve the attorney-client privilege [N.C.G.S § 143-318.11(a)(3)];
3. 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)];
4. consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee [N.C.G.S § 143-318.11(a)(6)].

The motion was approved unanimously. General Counsel was asked to remain for closed session as well as Mr. Doug Gillin, Director of Athletics, and Mr. Jonathan B. Reeder, Recording Secretary. All others were excused.

OPEN SESSION RECONVENED: Chair James M. Barnes reconvened the open session.

ADJOURNMENT: There being no further business, the meeting of the Athletics Committee adjourned at 5:13 p.m.

Respectfully submitted,

Jonathan B. Reeder
Recording Secretary

APPENDIX G

MINUTES
MEETING OF THE BOARD OF TRUSTEES OF THE ENDOWMENT FUND
APPALACHIAN STATE UNIVERSITY

Thursday, September 24, 2015
Room 415 – Rough Ridge
Plemmons Student Union

CALL TO ORDER: The Board of Trustees of the Endowment Fund met at the call of the Chair and the Chancellor on Thursday, September 24, 2015 at 5:15 p.m. in the Rough Ridge Room of the Plemmons Student Union on the campus of Appalachian State University, Boone, North Carolina. Mr. Bradley T. Adcock, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

Mr. Bradley T. Adcock
Mr. M. Lee Barnes, Jr.
Mr. Donald C. Beaver
Dr. Randy K. Edwards
Dr. Sheri N. Everts
Mr. Gregory M. Lovins
Dr. Alice G. Roess
Mr. D. Kenan Smith

OTHERS PRESENT:

Mr. Dayton Cole
Dr. Don Cox
Mrs. Denise Foutz
Mr. David Jamison
Mr. Mike O'Connor
Mrs. Susan Pettyjohn
Mr. Rick Presnell
Ms. Diane Pitts
Mrs. Amy Roberts
Mr. Ken Smith

CONFLICT OF INTEREST NOTICE: Chair Bradley T. Adcock read the following:
"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]

IN-KIND GIFT REPORT:

Mr. Greg Lovins, Vice Chancellor for Business Affairs, discussed with the Board of Trustees of the Endowment Fund a list of gifts in-kind (Exhibit G-1) that are currently on the University Foundation records at an approximate total value of \$325,873.26. Following discussion, the

motion was made and seconded that the Board of Trustees of the Endowment Fund formally accept these gifts from the Foundation on behalf of the University. The motion carried.

ENDOWMENT INVESTMENT REPORT:

Mr. Lovins reported that as of July 31, 2015, the total investment with UNC Management Company, Inc. is \$29,705,338.10. The portfolio holdings are \$23,028,654.99 - Endowed Professorships, \$4,716,409.20- New River Light and Power Company and \$1,960,273.91 - University Bookstore. Mr. Lovins invited everyone to attend the next UNC Management meeting on October 16th.

ADJOURNMENT

There being no further business, the meeting adjourned at 5:25 p.m.

Respectfully submitted,
Diane Pitts

Appalachian State University Foundation, Inc.
In-Kind Gifts Transferred to the University
Fiscal Year 2014-15

Fund Title	Description	Amount
<u>In-Kind Gifts to ASU Foundation - Transferred to ASU</u>		
Alumni Affairs	Flowers for Homecoming, 30' tape for toolbox	109.74
Alumni Affairs	Homecoming luncheon	134.29
Alumni Affairs	Plants and flowers for Black and Gold Society events	106.07
An Appalachian Summer	Digital screen equipment in the Schaefer Center	6,059.00
Yosef Club	Meals (3) for the football team	1,003.50
Yosef Club	Signs (30) for cheerleaders	1,490.00
Yosef Club	Catering for Lunch and Learn	400.00
Yosef Club	Coaches meals	599.90
Yosef Club	Parts for softball washer	165.37
Yosef Club	Coaches meals	648.11
Yosef Club	Coaches meals	442.79
Yosef Club	Catering for Lunch and Learn	116.00
Yosef Club	Banner for Mountaineer Talk	110.00
Yosef Club	Catering for Lunch and Learn	100.00
Yosef Club	Football agility pads, replacement safety padding and repair	4,050.00
Yosef Club	Cookout for players	4,226.00
Fermentation Sciences Program	Beverages for program	486.50
ASU Solar Decathlon Europe 2014	Spray foam and styrofoam	3,170.00
Physics and Astronomy Department	Nexstar 5 telescope with mount and toolbox	800.00
Physics and Astronomy Department	Physics textbooks (217)	1,085.00
Sustainable Development Departmental Funds	30' X 90' High tunnel greenhouse with roll-up sides	4,000.00
Parent to Parent FSN-HC	Gift certificate for event	25.00
Appalachian Community of Educators Fund	Catering for volunteers	200.00
Theatre and Dance	Couch and chairs (2)	400.00
Theatre and Dance	Chinese kimono, fabric, tablecloths, napkins, silk runner and tunic	400.00
Theatre and Dance	Black tuxedo and doctoral robe	200.00
Theatre and Dance	Articles of women's clothing and costume history books (8)	600.00
Theatre and Dance	Articles of women's clothing	125.00
Department of Art - Current	Maple, ash and poplar boards	416.50
Michael R Patricelli Craft Enrichment	Kiln shelves	437.50
Athletics Facilities Campaign	Supplements and nutrition bars for student athletes	5,827.48
Athletics Facilities Campaign	Leather sofa	3,095.00
Athletics Facilities Campaign	Supplements and nutrition bars for student athletes	35,539.42
Women's Softball	Gas grill	95.01
ASU Baseball	Team meals	126.50
Appalachian Soccer	Team meals	1,219.24
Appalachian Soccer	Team meals	448.00
Appalachian Soccer	Team meals	560.00
ASU Men's Basketball	Team meals	250.00
ASU Wrestling	Team meals	500.00
ASU Wrestling	Team meals	865.00
ASU Women's Soccer	Team meals	675.00
Turchin Center Programming Fund	Amplifier/mixer for audio system	1,366.00
Turchin Center Programming Fund	Lemon Grass graphic by Tim Turner	374.07
Turchin Center Programming Fund	Artwork (12 pieces)	10,825.00
Turchin Center Programming Fund	Artwork	1,500.00
Turchin Center Programming Fund	Artwork	650.00
Turchin Center Programming Fund	Warhol print framing materials	2,484.84
Turchin Center Programming Fund	Oldenburg print	900.00
Turchin Center Programming Fund	"Andy's Rose" Print	1,200.00
Turchin Center Programming Fund	Pigmented ink photographic prints (2)	3,600.00
Belk Library and Information Commons	Symeon Shimin illustrations (7)	10,500.00
Belk Library and Information Commons	Handwritten manuscript	35,000.00
Belk Library and Information Commons	Symeon Shimin illustration	250.00
Information Technology Services Fund	Cisco Systems server blades for general research computer applications	81,438.42
Friends of the Library	English porcelain (26 pieces)	8,116.97
Friends of the Library	British history and literature (4 items)	5,014.18
Friends of the Library	British china	4,656.95
Friends of the Library	Framed pair of leaves and a book by Samuel Kent	5,591.43
Friends of the Library	Books (3)	12,908.75
Friends of the Library	Books (2)	2,665.74
Friends of the Library	Books (10) and comic book	250.00
Friends of the Library	Books (14)	250.00

Appalachian State University Foundation, Inc.
In-Kind Gifts Transferred to the University
Fiscal Year 2014-15

Fund Title	Description	Amount
School of Music	Beverages	200.00
Hayes School of Music Fund	Bach Stradivarius C trumpet	2,000.00
Hayes School of Music Guitar Program Fund	Hermann Hauser Senior 1946 Rendition guitar	2,569.90
Appalachian Energy Summit	Lighting retrofit for the McKinney Alumni Center	29,750.10
Blackburn Vannoy Farm Current Fund	Antique tool collection	4,987.00
Blackburn Vannoy Farm Current Fund	3D laser scan of the interior and exterior of the Blackburn farmhouse	2,500.00
Friends of Rankin GoTo Science Laboratories	STV CCD monochromatic camera, cords and control box	400.00
CJHPS General Fund	Sculptures (3)	12,000.00
Interior Design-Exhibition Fund	Materials for exhibition	616.99
		<u>325,873.26</u>
 <u>Payments by ASU Foundation - Transferred to ASU</u>		
Athletics Facilities Campaign		50.10
Schaefer Center for the Performing Arts		189,974.80
		<u>190,024.90</u>
		515,898.16
 <u>Payments by ASU Foundation - Transferred to ASU Athletics</u>		
Yosef Club		70,000.00
		<u>585,898.16</u>
 <u>Distinguished Professorship Transfers from ASU Foundation to ASU</u>		
John M. Blackburn Distinguished Professorship in Theatre		20,000.00
Dr. Daniel B. German Eminent Professorship in Political Science		1,750.00
Leon Levine Distinguished Professor		10,000.00
Stanley R. Aeschleman Distinguished Professorship in Psychology		720.00
		<u>32,470.00</u>