

MINUTES
MEETING OF THE BOARD OF TRUSTEES
APPALACHIAN STATE UNIVERSITY

Friday, June 22, 2018
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, June 22, 2018, 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. James M. Barnes, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

James M. Barnes
M. Lee Barnes, Jr.
Donald C. Beaver
John M. Blackburn
Susan M. Branch
Robert C. Hatley
Scott K. Lampe
DeJon M. Milbourne
D. Kenan Smith
Carole P. Wilson

MEMBERS PRESENT VIA PHONE:

E. Bonnie Schaefer

MEMBERS ABSENT:

Charles V. Murray

CONSTITUENCY REPRESENTATIVES
PRESENT (ex-officio):

Barbara B. Howard, Chair
Faculty Senate
Katie S. Howard, Chair
Staff Senate
Wayne Miller, President
Alumni Council

MEDIA PRESENT:

Alex Jenson
University Communications
Anna Oakes
Watauga Democrat

CONFLICT OF INTEREST NOTICE: Chair Barnes 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 Barnes welcomed Governor Philip Byers, UNC Board of Governors member, The Honorable Rebecca Eggers-Gryder, District Judge, Mr. Alex Jenson, University Communications and Ms. Anna Oaks, *Watauga Democrat*.

ADMINISTRATION OF OATH OF OFFICE: Chair Barnes recognized The Honorable Rebecca Eggers-Gryder of Watauga County, who administered the oath of office for new Trustee DeJon McCoy-Milbourne.

APPROVAL OF ABSENCE: Chair Barnes stated that Trustee Murray was absent due to personal reasons. Upon motion duly made, seconded and approved, the absence was approved as presented.

APPROVAL OF MINUTES: The minutes of the March 16, 2018 and June 5, 2018 meetings had been delivered to all members via email. Upon motion duly made and seconded, the minutes of the meeting were approved as presented.

REMARKS FROM CHANCELLOR EVERTS: (See Attachment 1).

REPORT FROM ACADEMIC AFFAIRS COMMITTEE: Chair Barnes recognized Trustee Susan M. Branch, Chair of the Academic Affairs Committee, for this report.

Trustee Branch stated that the Academic Affairs Committee met on Thursday afternoon, and heard the following reports:

Honors College Update

Dr. Jefford Vahlbusch, inaugural dean of the Honors College, provided an update on the College. Jeff was joined by two May 2018 Honors College graduates: Sydney Blume, B.A., double major in Sustainable Development and Spanish, and Amber Daniel, B.S., major in Exercise Science, pre-professional track, with minors in Biology and Psychology.

UNC System 120 Credit Hour Update

Dr. Mark Ginn, Vice Provost for Undergraduate Education discussed the updated System regulation related to fostering undergraduate student success. Effective, beginning fall 2019 semester, baccalaureate degree programs shall require no more than 120 semester credit hours; however, an institution with compelling reasons as to why a program's requirement must exceed 120 semester credit hours may petition to have an exception approved by the BOT.

ASU Faculty Handbook Revisions

Dr. Darrell P. Kruger, Provost and Executive Vice Chancellor presented the proposed changes to the *Faculty Handbook*.

Trustee Branch, on behalf of the Academic Affairs Committee, recommended approval of the ASU *Faculty Handbook* revisions as presented. The Committee's recommendation was unanimously approved.

Stanley R. Aeschleman Distinguished Professorship in Psychology

Dru Henson, Associate Dean, College of Arts and Sciences, discussed the need for a minor change to the Stanley R. Aeschleman Distinguished Professorship in Psychology. In short, since the Aeschleman Professorship is partially funded through the C.D. Spangler Endowment Fund (CDSEF) the Endowment requires the following stipulation and appointment at rank of Professor. Therefore, the iteration presented honors the CDSEF terms.

Trustee Branch, on behalf of the Academic Affairs Committee, recommended approval to accept the Stanley R. Aeschleman Distinguished Professorship in Psychology revisions as presented. The Committee's recommendation was unanimously approved.

Acquisition of Real Property

Property is needed for office space for the University's Appalachian Senior Programs. The office space in Jefferson, NC centrally locates the office to provide services for five adjoining counties. The Appalachian Senior Programs consists of the Senior Companion and the Foster Grandparent Programs. These two Senior Corps programs are funded primarily by the Corporation for the National and Community Service with additional funding from local grants.

Trustee Branch, on behalf of the Academic Affairs Committee, recommended approval to accept the Acquisition of Real Property as presented. The Committee's recommendation was unanimously approved.

Trustee Branch indicated that this concluded the report from the Academic Affairs Committee (see Appendix A).

REPORT FROM ATHLETICS COMMITTEE: Chair Barnes recognized Trustee Robert Hatley, Chair of the Athletics Committee, for the report. Trustee Hatley reported the following:

Report from Student-Athletes

The Athletics Committee met on Thursday afternoon, and began with presentations given by student-athletes at Appalachian. Junior student-athletes, Heidi Swope from Women's Tennis, and Alex Burriss from Men's Golf, gave the Committee insight into their transformational experiences as student-athletes at Appalachian. Heidi is an Electronic Media/Broadcasting major in the

Department of Communication, while Alex is a Finance and Banking major in the Walker College of Business. Both student-athletes will be representing their programs as they compete in the 2018 Sun Belt Conference Championship in their respective sports next month.

Presentation from Director of Athletics

Director of Athletics, Doug Gillin, then presented several updates to the Committee. Mr. Gillin outlined in detail the recent academic success of Appalachian student-athletes, including the achievement of a 3.1 cumulative Grade Point Average following fall 2017.

Athletics facilities enhancements were then reviewed which included:

- Progress updates on the future facility in the Kidd Brewer Stadium North Endzone;
 - Developing plans for the addition of locker rooms and other essential facilities for Women's Field Hockey;
 - Plans to renovate the Team Room for the Wrestling program;
 - Completed renovations to the Women's Volleyball Locker Room; and
 - A review of Athletics' 5-Year Facilities Plan.
- To conclude the meeting, Mr. Gillin provided several additional updates to the Committee:
- In fundraising, over \$29 million to date has been raised toward A Mountaineer Impact Initiative's \$60 million goal;
 - Athletics has been actively involved in meeting with local leaders on the development of a local Sports Commission;
 - In the area of Sports Medicine, in order to mitigate risk and strengthen practices, a comprehensive review of the unit is in progress; and
 - Finally, an update on the Men's Tennis Program, and progress on the development of a Diversity & Inclusion Assessment in the Department of Athletics were discussed with the Committee, which concluded the open session.

Trustee Hatley indicated he has an item for closed session and that this concluded the report from the Athletics Committee, (see Appendix B).

REPORT FROM AUDIT COMMITTEE: Chair Barnes recognized Trustee John M.

Blackburn, Acting Chair of the Audit Committee, for the report. Trustee Blackburn reported the following:

There was review and discussion of the updated Internal Audit Activity Charter. This charter defines the purpose, authority, and responsibility of the internal audit activity. It is consistent with the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework.

Trustee Blackburn, on behalf of the Audit Committee, recommended approval of the Audit Activity Charter as presented. The Committee's recommendation was unanimously approved.

The UNC Board of Governors requires that the Office of Internal Audits at each University develops and implements 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. There was review, discussion, and approval of the 2018-2019 Internal Audit Plan by the Audit Committee.

Trustee Blackburn, on behalf of the Audit Committee, recommended approval of the 2018-19 Audit Plan as presented. The Committee's recommendation was unanimously approved.

Internal Audits

GEAR UP Audit to determine compliance with the grant terms and guidelines. No findings reported.

"Payments to Students" Policy Compliance Review. Remediation was recommended for certain unallowed expenditures. In addition, management has strengthened the mechanism to capture information required for tax reporting and administration of Financial Aid.

A review of the AiM Capital Planning and Project Management Module. Recommendations were made to strengthen reconciliation and exception-reporting business process controls.

A review of the annual completion and approval of the IT Security Risk Assessment was completed. This risk assessment was not completed in 2017 due to changes in ITS leadership. However, the 2018 assessment was completed and has been provided to senior administration for review and approval.

An evaluation of Compliance and Controls over Comp Time Practices for FLSA Exempt Non-Faculty Employees was completed. To ensure compliance, a recommendation was made to align departmental procedures with University guidance. In addition, recommendations were made to strengthen processes for monitoring leave usage and to strengthen written policy.

Follow-Up Reviews monitor management's implementation of recommendations from previous audits that were performed. A follow-up review for this quarter was conducted regarding CS Access and is considered resolved.

Campus-Wide Reviews

An update was also given regarding two external audits that are in progress. Interim fieldwork has begun for the 2018 ASU Financial Audit as well as the 2018 ASU Foundation Financial Audit.

The Office of Internal Audits provided an annual report on their Quality Assurance and Improvement Program. They also updated the committee on the external Quality Assessment Review in progress.

Mr. David Hayler, Associate Vice Chancellor and Chief Information Officer, presented a review of UNC Policy 1400.1 “IT Governance” and UNC Policy 1400.3 “User Identity and Access Control.” Also, Mr. James Webb, Chief Information Security Officer, presented on the State of IT Security.

Trustee Blackburn indicated that this concluded the report from the Audit Committee (see Appendix C).

REPORT FROM BUSINESS AFFAIRS COMMITTEE: Chair Barnes recognized Trustee Scott K. Lampe, Chair of the Business Affairs Committee, for the report. Trustee Lampe reported the following:

Trustee Lampe stated the Business Affairs Committee had one informational item and three action items for today’s Board meeting.

Write-off of Uncollectible Accounts

Associate Vice Chancellor for Finance Sharon Bell presented the annual request to write off uncollectible accounts from both the University and New River Light and Power. A very thorough process is used to attempt to collect accounts, and every attempt to collect these accounts has been exhausted. Accounts receivable write offs are an accounting transaction. All debts owed to the University are still valid and all registration, transcript, diploma, and other holds are not removed when an account is written off.

Trustee Lampe, on behalf of the Business Affairs Committee, recommended approval of the Write-off of Uncollectible Debt as presented. The Committee’s recommendation was unanimously approved.

Update Parking & Traffic Manual

Associate Vice Chancellor for Finance Sharon Bell presented updates to the Parking and Traffic Manual. Per NC General Statute 116-44.4, Board of Trustees approval is required for changes to the University’s Parking and Traffic Manual. In addition to changes in dates, a rate increase of \$3 a month for most categories and minor changes in other rates are being requested.

Trustee Lampe, on behalf of the Business Affairs Committee, recommended approval to Update the Parking & Traffic Manual as presented. The Committee’s recommendation was unanimously approved.

Capital Projects Update

Mr. Steve Martin gave an overview of the main Capital Projects progress on campus. This included status updates on the following projects: Leon Levine Hall of Health Sciences, End Zone, P3 Housing, Sanford Hall and other projects.

Chair Lampe presented a request to expand the University’s Millennial Campus. The request will increase its Millennial Campus by approximately 90 acres on four sites.

These include:

The Old Watauga High School Property, consisting of approximately 75 acres - (Map 1)

The Legends site, consisting of approximately 2.1 acres - (Map 2)

Howard Street property, consisting of approximately .6 acres - (Map 2)

Appalachian Panhellenic Hall, consisting of approximately 5.5 acres - (Map 3)

Expansion of the existing University Hall millennial site, consisting of approximately 6.7 acres - (Map 4)

These properties have the potential for multiple opportunities to enhance the University's research, teaching, and service missions, as well as both short-term and long-term economic development of its service area. Potential construction projects could take advantage of public/private partnerships made possible by Millennial Campus designation.

Trustee Lampe indicated that this concluded the report from the Business Affairs Committee (see Appendix D).

REPORT FROM STUDENT AFFAIRS COMMITTEE: Chair Barnes recognized Trustee Carole P. Wilson, Chair of the Student Affairs Committee, for the report. Trustee Wislon reported the following:

Trustee Wilson stated the Committee meeting's agenda consisted of three informational items:

Mr. J.J. Brown, Vice Chancellor for Student Affairs, and Matt Dull, Assistant Vice Chancellor, provided an update on the University Housing Public Private Partnership (P3) project. Information was shared about the project, and the continued negotiations with the developer RISE. In May, the UNC Board of Governors approved to allow Chancellor Everts to sign a pre-development agreement with RISE and its associated partners. The project continues to be in negotiations and continues to move forward with the design of the first phase of the building.

Mr. Leroy Wright, Associate Vice Chancellor for Student Affairs gave an update on the National Pan-Hellenic Council Plots and Garden. Mr. Wright provided an update on the design, fundraising and construction of the project. Over \$114,000 has been raised for the project and it will be dedicated at Homecoming in late September.

Student Body President and Trustee DeJon Milbourne presented an introduction to the goals for the Student Government Association this year.

Trustee Wilson indicated that this concluded the report from the Student Affairs Committee (see Appendix E).

ANNOUNCEMENT OF NOMINATING COMMITTEE: Chair Barnes announced the following Trustees have agreed to serve on the Nominating Committee for election of officers for 2018-19:

- 1.) E. Bonnie Schaefer
- 2.) Donald C. Beaver
- 3.) Robert C. Hatley

BOARD OF VISITOR NOMINATION: Chair Barnes announced the nomination of Jim Clement to serve on the Board of Visitors. This nomination was approved by Chancellor Everts. Upon motion duly made and seconded, the nomination was approved as presented.

REMARKS FROM CHAIR BARNES:

Chair Barnes made the following comments/announcements/reminders:

- Thanked the Committees and their Chairs for their reports.
- Thanked Chancellor Everts for hosting dinner last night.
- Thanked the Leadership Team for the guided tour of 105 property.
- The next scheduled Board of Trustees meeting will be held on Thursday and Friday, September 20 & 21, 2018.
- Thanked the Trustees for all their efforts on behalf of Appalachian's students, faculty and staff.

CLOSED SESSION: Chair Barnes announced that he would entertain a motion that the Board convene in closed session. Chair Barnes asked that the voting Trustees, Chancellor Everts, Governor Byers, Provost Kruger, Vice Chancellors, General Counsel, Deputy General Counsel, Director of Human Resources, Athletic Director and the Assistant Secretary join the voting members in closed session.

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

- prevent the disclosure of privileged information under North Carolina General Statutes 132-1.7, subsections (a) and (a2) of United States laws or regulations [N.C.G.S. §143-318.11(a)(1)];
- consult with our attorney to preserve the attorney-client privilege [N.C.G.S. §143-318.11(a)(3)];
- discuss matters relating to the location or expansion of industries or other businesses in the area served by this Board [N.C.G.S. §143-318.11(a)(4)];
- establish or instruct the staff or agent concerning negotiations of the amount of compensation or other terms of an employment contract [N.C.G.S. §143-318.11(a)(5)]; and
- hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee [N.C.G.S. §143-318.11(a)(6)].

PUBLIC SESSION RECONVENED: Upon motion duly made, seconded and approved, the Board reconvened in open session at 11:02 a.m.

Coaching Contract for Michael Curcio – Cross Country and Track and Field

Trustee Hatley, on behalf of the Athletics Committee, recommended the approval of the contract for Michael Curcio as the Head Cross Country and Associate Head Track and Field coach.

The recommendation was approved unanimously.

Coaching Contract for Damion McLean – Head Track and Field Coach

Trustee Hatley, on behalf of the Athletics Committee, recommended the approval of the contract for Damion McLean as the Head Track and Field coach.

The recommendation was approved unanimously.

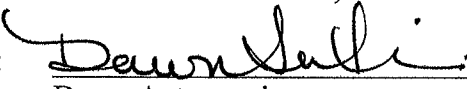
Designer Selections: Varsity Gym HVAC Upgrades

Trustee Lampe presented the four (4) recommended design firms interviewed by the Selection Committee for approval. (See Attachment 2)

The recommendation was approved unanimously.

ADJOURNMENT: There being no further business, the meeting adjourned at 11:04 a.m.

JAMES M. BARNES, Chair

By: 
Dawn Antonucci
Assistant Secretary

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Good morning. Welcome back to Appalachian's campus at such a beautiful time of year. In June, we have more flowers blooming on our campus than at any other point of the year, so I hope you have been able to take a few moments to enjoy the beauty of campus during your time here.

I'd like to begin my remarks by welcoming DeJon McCoy Milbourne to his first full board meeting in his new role as Student Government Association president. DeJon, congratulations again – I know I can speak for this entire board when I say we are looking forward to working with you in the year ahead.

I'd also like to welcome Katie Howard, our new Staff Senate President. Katie serves as Assistant Director for Grants Resources and Services in the Office of Research, and also was instrumental in organizing Staff Council's first Super Hero 5K to support AppKIDS, the senate's service project. For nearly 40 years, AppKIDS has provided new winter clothes and school supplies for local children.

I would also like to acknowledge Paul Meggett, who began in the role of general counsel for the university on Monday. Paul comes to us with general counsel and academy experience, as well as a solid history of volunteering his expertise and guidance to the communities in which he has lived. We are fortunate to welcome him to the Appalachian Community.

I am pleased to share some updates on key university initiatives with you this morning. First, I'd like to share a few accomplishments of our students, faculty, staff and alumni.

With the whirlwind of May Commencement behind us, we look to the future, with a solid base of nearly 127,000 living alumni. Our graduates can be found making real and powerful differences across the globe, and, it is important to note, more than 94,000 of our graduates are living and working right here in North Carolina, contributing to our state's communities and economies. We are immensely proud of each of our graduates, and – like them – are appreciative of the entire Appalachian Community that helped bring them across the commencement stage.

Our extraordinary faculty continue to earn accolades and publish research that garners attention far and wide.

At Spring Commencement, Dr. Joseph Gonzalez, associate professor in the Department of Cultural, Gender and Global Studies, received a 2018 Award for Excellence in Teaching by the University of North Carolina Board of Governors.

Dr. Gonzalez received the award for his innovative and creative teaching methods. Governor Byers presented him with a commemorative bronze medallion and a cash prize.

Dr. David Nieman, director of Appalachian State University's Human Performance Laboratory on the North Carolina Research Campus and professor of health and exercise science at

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Appalachian, recently completed a study that was written up in The New York Times and Men's Health, among other prominent media outlets. The study showed that after a workout, banana carbohydrates work equally to a sports drink to fuel athletes and help them with recovery. Additionally, his findings revealed that eating a banana potentially mimics the way ibuprofen works to reduce pain and swelling during intense exercise.

A cross-disciplinary team of faculty members from our College of Arts and Sciences and the Reich College of Education recently received a one-million-dollar grant from the National Science Foundation to establish a program for high achievers in Science, Technology, Engineering and Math, or STEM.

The program will help address the need for a high-quality STEM workforce and increase success for low-income, academically talented students who are pursuing degrees in STEM fields. Dr. Neva Specht, Dean of the College of Arts and Sciences, and Dr. Dru Henson, senior associate dean for the college and professor in the Department of Biology, will serve as the grant's administrators.

Our staff and faculty are furthering critical work over the summer months.

Nearly 75 employees participated in Appalachian State University's daylong Inclusion Infusion Summer Institute earlier this month. At this second annual event, organized by Chief Diversity Officer Willie Fleming, participants focused on strengthening awareness of how our campus community can encourage inclusionary practices and relationships that support a community in which everyone is valued, respected and supported. Dr. Elicka Sparks and Dr. Nancy Love, faculty in the Department of Government and Justice Studies, each spoke at the event about their areas of expertise related to diversity and inclusion. The event also included panel group discussions about ways to improve our students' experiences.

Also this month, Vice Chancellor for Student Affairs JJ Brown represented Appalachian at the UNC System Safety and Security conference. This event brought campus officials from each of the UNC System institutions to focus on safety and security. Officials shared best practices and resources throughout the state to help keep our campuses safe and continue fostering healthy learning environments. In addition to representing Appalachian at the conference, Vice Chancellor Brown also appeared in Asheville television media, sharing information about the important work taking place at the conference.

Our students continue to set standards for success:

Next month, we will again cheer on our champion Solar Vehicle Team, as they race in their third Formula Sun Grand Prix on the track at Motorsport Park in Hastings, Nebraska... before embarking on an 8-day, 1,700-mile cross country race along the Oregon Trail in the 2018 American Solar Challenge. Team Sunergy will unveil their new car this afternoon, and we are all looking forward to seeing the new vehicle!

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I am very pleased to share that the first three Wilson Scholars, Lily Shaw, Sarah Aldridge and Emma Labovitz graduated from Appalachian last month. As many of you know, the Wilson Scholars Program is the university's premier, merit-based scholarship program that blends academic excellence, leadership and service, and covers full institutional costs as well as an additional \$10,000 experiential learning stipend. These young scholars embody the Appalachian spirit, blending academic excellence with leadership and service. I know you join me in wishing them the best in their future endeavors.

We also recently announced the newest cohort of six scholars who will begin classes in the fall. For those of you who don't know, the scholarship was established in 2013 with a generous donation from Brad and Carole Wilson. Carole, thank you for your investment in these students, and in Appalachian.

I am also pleased to report we have selected ten incoming first-year students to receive Appalachian's prestigious Chancellor's Scholarship, which covers full institutional costs for four years of study. The Chancellor's Scholarship is Appalachian's oldest and most academically competitive merit-based scholarship. These incoming Chancellor's Scholars represent individuals eager to engage in and embrace the life-changing Appalachian experience. Their ambitious academic goals and demonstrated dedication to community service and leadership have earned them this honor. Appalachian will provide them an environment where they can thrive and become engaged global citizens.

Our alumni continue to make us proud, bringing added value to the Appalachian degree.

Rosemary Messick, a 2017 graduate of our Psychology-Business degree program, credits the diverse experiences she had at Appalachian for preparing her to work as a business development associate for Three Wheels United, a financial technology company aimed at establishing a pollution- and poverty-reducing urban transport system in Bangalore, India. In addition to her finance work, Rosemary is also leading a project aimed at onboarding more female drivers in order to provide financial independence for economically challenged women and a safer commuting for female passengers.

Carmen Lowe, a third-generation Appalachian graduate who received her Bachelor of Science degree in criminal justice in 2015 and her Master of Public Administration in 2016, is currently a special agent trainee at the NC Alcohol Law Enforcement Special Agent Academy. A \$5,000 grant from the State Employees' Credit Union Public Service Fellows internship program helped Carmen bridge her classroom work with an internship at the North Carolina State Bureau of Investigation her senior year, preparing her for the training and work she is doing now, and earning her a feature story in SBI Magazine.

Appalachian is on track to prepare more students for careers in law enforcement. Last month, University Director of Public Safety and Chief of Police Andy Stephenson opened a new, innovative police academy for Appalachian students. The program — which is only the second

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of its kind in the nation — will help meet the demand for well-trained and educated police officers in our state. Chief Stephenson participated in the original model while attending Indiana University, and brings valuable experience and knowledge with which to develop Appalachian's new program. Our program will continue efforts to build strong and positive relationships between our officers and students, will increase diversity within the department, and will be key to increasing rural student enrollment at Appalachian.

I'd like to thank you for your participation in #iBackApp day on April 19! Many members of the Appalachian Community stepped up, and in one day, 2,500 donors raised nearly \$178,000! As we all know, the funds raised make important differences in the lives of our students — from providing internship opportunities to — in some cases — bridging the gap so a student can complete his or her degree. So, we understand the incredible significance of the fund drive even as we celebrate the excitement of exceeding our goal.

As we plan for Appalachian's future, we use as our guide the UNC System strategic plan. The UNC System has recently implemented an online dashboard to provide real-time performance data for all UNC System campuses. You can view Appalachian's page at North-Carolina-dot-E-D-U. As you will recall from my March presentation, and as you will see when you visit this page, we are performing very well toward meeting the objectives President Spellings and I agreed upon last Fall. We are already meeting — and exceeding — many of these goals, which will continue to bring untold value to the state of North Carolina

We continue to place emphasis on exceeding our performance goals, which focus on the areas of increasing enrollment and achievement for low-income and rural students; increasing critical workforce credentials in programs such as health care, STEM and teacher education; and increasing research & development sponsored program awards and licensing income.

Earlier this month, Governor Byers and Chair Barnes joined me in making visits to our legislators in Raleigh. We were honored to have been recognized by House Speaker Tim Moore and extended the "courtesy of the gallery." It is clear that state lawmakers are passionate about higher education issues and supportive of Appalachian's strategic goals.

President Spellings recently praised the General Assembly for a budget that will allow the University of North Carolina System to build on the UNC System's strongest budget in a decade. I am heartened to see our legislators recognize the importance of compensation increases for our hardworking faculty and staff, yet I recognize we will be facing resource challenges in order to equitably implement raises, particularly for our lowest-paid employees. While there is still much to be determined, I am committed to seeking solutions that will meet the intent of the legislation.

The budget reflects support for initiatives key to our strategic mission, including retention and recruitment of students for whom earning a college degree is a challenge. Appalachian has many initiatives in place to attract and support students who want to achieve, stay enrolled,

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graduate and go on to be productive and proactive citizens. Our Early Intervention Team, Upward Bound program and services and supported by the Student Learning Center are just a few of the programs that have led to Appalachian's impressive overall retention rate to reach sophomore status. At 89 percent, Appalachian is performing 20 percent above the national average! I applaud the dedication to success our faculty and staff demonstrates every day.

Additionally, our legislators continue to recognize the importance of responding to our funding needs as we work toward opening the Appalachian Academy at Middle Fork in August.

In her State of the University remarks in Asheville this spring, President Spellings called attention to our work at the Academy as helping to fulfill the Legislature's vision for centers of innovation, research and teaching excellence. We are making excellent headway with the Academy's staffing and curriculum design, and while we are enmeshed in the many, many details and flurry of opening the school in August, we are excited to begin this new step in teaching and learning together.

Before closing, I'd like to share a brief update on some expansion and improvements:

The Levine College of Health Sciences building is on budget and on schedule, and will open for students in August. You will recall this is the largest capital project to date in our history, and will be the first completed Connect NC Bond project. I encourage you to drive past the building while you are here. The impressive progress being made is symbolic of the remarkable impact this building will have on Appalachian's ability to meet health care needs in our state.

You will recall the Board of Governors agreed with you that a student fee increase will be necessary to fund the much-needed renovations to Sanford Hall, the building that accommodates every Appalachian student for at least one class before graduating. Last week, the North Carolina General Assembly agreed. This was the final step in the approval process to fund the building's renovations, and we are on track to begin renovations in May of next year.

Last month, the Board of Governors approved our choice to move forward with a private developer on a major housing project that will renovate or replace seven residence halls. After considerable and careful review, Vice Chancellor Forte put forth a model that utilizes a public-private partnership to fund this project, which will allow us to replace nearly 1,800 beds – and add 325 – with better, more efficient parking, while saving more than 73 million dollars over the cost of developing the property on our own.

We will retain control over the buildings, with University Housing maintaining staffing, and all university policies remaining in place for the building residents.

We will also implement sustainability measures in the building and development of this project, and the energy efficiency alone will result in less impact on housing costs for our students. The first phase of the project will begin at the Winkler site, with 300 to 400 beds ready for occupancy in the fall of 2020.

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The Board of Governors has also approved \$2.5 million dollars for us to enter the design phase for the north end zone project at Kidd Brewer Stadium. The mixed-use facility will provide 80 to 100 thousand square feet of space designed to accommodate various athletics and academic uses, including athletic training, and nutrition science research, as well as conference and continuing education training space, an orthopedic clinic, dining facilities, a team store, hydrotherapy, more than 1,000 club seats, and offices for coaches and athletics staff. Our plan is to open for the Fall 2020 football season.

In recognition of 1989 alumnus Mark Ricks' \$10 million commitment to the university's A Mountaineer Impact initiative, we named the Mark E. Ricks Athletics Complex in April. As you know, Mark's gift represents the university's largest outright gift to date, and it is already making an impact on the lives of our students.

As part of the Seventh Annual Appalachian Energy Summit, which will take place on our campus July 30-August 1, we will dedicate grounds for a new Biology conservatory on the former site of the Broyhill Inn. We are investigating new ways this site can be used – to support our academic mission and – as the Broyhill Inn did – to continue serving as an economic driver for our region.

A biology research facility and conservatory will offer a new location for faculty and students to conduct research. Connected to the biological reserve, this location is ideal for learning and teaching. This project is a true sustainability initiative, where everyone comes out with a “win,” from the undergraduates engaged in applied and laboratory research, to the surrounding region that will be able to utilize the resources and reap the benefits.

Properties designated by the Board of Governors as having millennial campus status, which often involve repurposing decommissioned property and re-envisioning inactive building sites, are allowing us to think strategically and creatively about how we can operate as a campus and meet the needs of our region in the long term. These millennial status-designated projects present us with opportunities to think and act more creatively, quickly and nimbly in ways that further our research, teaching, and service mission, while also enhancing the economic development of the region we serve.

Finally, an update on the NPHC Plots and Garden. A year ago, student representatives Malik Hargrave and Alan Lee shared their research on NPHC plots and gardens on other campuses. I am pleased to report one year later that under the leadership of alumna Trustee Branch and distinguished alumnus James Tolliver, fundraising efforts for the plots and garden have surpassed their \$100,000 goal! Chief Diversity Officer Willie Fleming, Vice Chancellor JJ Brown and Associate Vice Chancellor Leroy Wright, as well as many others on our university staff, have been supporting their efforts, which includes not only construction dollars, but important leadership development scholarships for our NPHC members. Construction is underway, and I applaud the leadership of our alumni, and the dedication of our staff to helping realize this important goal. What a remarkable accomplishment for our campus! Thank you, Susan for your leadership with this project.

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With these significant accomplishments in the works, I'd like to remind you of a few key dates we'd like you to save on your calendars.

An Appalachian Summer Festival begins in just a few days, and the celebration of the arts, which has been a cornerstone of the region's summer experience for more than 3 decades, will last through the 4th of August.

September is a busy month, beginning with our Founders Day Plaza dedication and luncheon on Wednesday, September 5th. This new tradition will be celebrated each fall to honor our founders and the first day of classes in 1899. The plaza will be a larger, more iconic setting for the Appalachian sign, as well as for the university's sculpture of B.B. Dougherty, and will provide a new outdoor space for studying, small gatherings and scheduled campus events.

We will celebrate the opening and ribbon cutting for Levine Hall on Friday, September 21st.

... And the following week is Homecoming! The festivities will include a celebration at our new NPHC Plots and Garden, the Alumni Awards luncheon, and many other traditions and festivities before we BEAT South Alabama in football!

You will receive invitations to all of these events, but please be sure to hold the dates. Thank you all for your time today, and for the work you continue to do to champion and advocate for our university every day. Mr. Chair, as I conclude my remarks, I have asked Director of Scholarship Giving, Kelli Wilson, to share some important information with you about scholarships at Appalachian.

To further highlight the significant need, I have also asked our very own DeJon McCoy Milbourne to share his scholarship story.

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

Thursday, June 21, 2018
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 Chairperson, Susan M. Branch, on Thursday, June 21, 2018, at 3:00 p.m. in the Beacon Heights of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Chairperson Susan M. Branch presided and called the meeting to order.

MEMBERS PRESENT:

Susan M. Branch, Chairperson
M. Lee Barnes, Jr.
Donald C. Beaver
Barbara Howard
D. Kenan Smith

CONSTITUENCY

REPRESENTATIVE PRESENT:

Barbara Howard, Chair, Faculty Senate

OTHERS PRESENT:

Sydney Blume
Christy M. Cook
Amber Daniel
James Douthit
Randy Edwards
Mark Ginn
Megan Hayes
Dru Henson
Darrell P. Kruger
Heather Langdon
Angela Mead
Heather Norris
Melba Spooner
Jeff Vahlbusch

CONFLICT OF INTEREST NOTICE: Chairperson Branch 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.

EXPECTATION OF CONDUCT NOTICE: Chairperson Branch read the following statement:

As we begin the business portion of the meeting, I would like to remind everyone of the Committee’s expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest.

APPROVAL OF MINUTES:

A motion was made by D. Kenan Smith and seconded by M. Lee Barnes, Jr. to approve the open and closed session meeting minutes from the Academic Affairs Committee meeting on March 15, 2018. The motion was approved unanimously.

Honors College Update

Dr. Jefford Vahlbusch, inaugural dean of the Honors College, provided an update on the College. Dr. Vahlbusch was joined by two May 2018 Honors College graduates: Sydney Blume, B.A., double major in Sustainable Development and Spanish, and Amber Daniel, B.S., major in Exercise Science, pre-professional track, with minors in Biology and Psychology. The Honors College serves students and faculty from every college and major on campus. The College helps students pursue high-level intellectual, personal, and professional development through innovative interdisciplinary courses and experiences; a vibrant residential, social, and intellectual community; a required international experience; dedicated mentoring and advising; and a culminating Honors thesis or senior project, often in the student’s major. The Honors College also gives Appalachian faculty valuable opportunities to engage in innovative Honors teaching and learning and one-on-one work with Honors students. Dr. Vahlbusch talked about the state and strategic goals of the Honors College, and gave glimpses of admissions philosophy and numbers. Amber and Sydney talked about what their Honors education and opportunities have meant to them.

System 120 Credit Hour Update

Dr. Mark Ginn, Vice Provost for Undergraduate Education, discussed the updated System regulation related to fostering undergraduate student success. Effective beginning fall 2019 semester, baccalaureate degree programs shall require no more than 120 semester credit hours; however, an institution with compelling reasons as to why a program’s requirement must exceed 120 semester credit hours may petition to have an exception approved by the Board of Trustees. Appalachian State University will have a few exceptions and those exceptions will be presented to the Board of Trustees for approval in December 2018. Compelling reasons for exemptions include, but are not limited to; programmatic accreditation standards; licensure requirements; and

other state, federal, or professional regulations. Reference Exhibits A-1 (red line) and A-2 (clean).

ASU Faculty Handbook Revisions

Dr. Darrell P. Kruger, Provost and Executive Vice Chancellor, presented the proposed changes to the *Faculty Handbook*. Reference Exhibits A-3 (red line). The Provost noted the justifications outlined in the redline version.

A motion was made by M. Lee Barnes, Jr. and seconded by D. Kenan Smith to accept the ASU *Faculty Handbook* Revisions, as presented in Exhibit A-3. The motion was approved unanimously.

Stanley R. Aeschleman Distinguished Professorship in Psychology

Dr. Dru Henson, Associate Dean, College of Arts and Sciences, discussed the need for a minor change to the Stanley R. Aeschleman Distinguished Professorship in Psychology. In short, since the Aeschleman Professorship is partially funded through the C.D. Spangler Endowment Fund (CDSEF) the Endowment requires the following stipulation and appointment at the rank of Professor. Therefore, the iteration presented honors the CDSEF terms. Reference Exhibit A-4 and Exhibit A-5.

A motion was made by Donald C. Beaver and seconded by D. Kenan Smith to accept the Stanley R. Aeschleman Distinguished Professorship in Psychology revisions and recommend to the full Board for approval, as presented in Exhibit A-4 and Exhibit A-5 (clean). The motion was approved unanimously.

Acquisition of Real Property Renewal

Chairperson Branch shared the following information prepared by Appalachian's Office of General Counsel. In May 2004, the State of North Carolina on behalf of Appalachian State University and its "Appalachian Senior Programs" entered into a lease with Barker Brothers Partnership for office space located in Jefferson, NC. The program is funded by a grant and serves five counties and the University has utilized this space since 2004. On February 2018, the University learned that both Barkers were deceased. The current lease will terminate on August 31, 2018. Nathan Barker, son of one of the previous owners, inherited the property and formed a new limited liability company named NB Properties, LLC. He wishes to continue the relationship with Appalachian and enter into a new three-year lease, with a new term of September 1, 2018 – August 31, 2021. The Office of General Counsel notified the State Property Office of the change in ownership. In order to enter into a new lease and for the program to remain in the office space, the Board of Trustees needs to approve the lease of the office space, approximately 1,323.45 square feet at \$16,200 annually. If the Board approves the expenditure, the Chancellor will sign the PO-1 Form (State Property Form attached as Exhibit A-6) and return it to the Office of General Counsel for further processing. The State Property Office will approve the final draft of the lease and a representative from that office will sign the lease with Nathan Barker (Office of General Counsel will oversee this process).

A motion was made by Donald C. Beaver and seconded by D. Kenan Smith to accept Acquisition of Real Property revisions and recommend it to the full Board for approval, as presented in Exhibit A-6. The motion was approved unanimously.

ADJOURNMENT: There being no further business, the meeting adjourned.

Respectfully submitted,

Christy M. Cook
Recording Secretary

Form PO-1(L)

STATE PROPERTY OFFICE
DEPARTMENT OF ADMINISTRATION
* ACQUISITION OF REAL PROPERTY

Exhibit A-6

NEW LEASE
 RENEWAL
Associated File # 5-504

INSTITUTION OR AGENCY: Appalachian State University DATE: June 8, 2018

The Department of Administration is requested, as provided by G.S. 146-22 et seq. to acquire the real property herein described, by **LEASE**. **Proposed TERM:** 09/01/18 – 08/31/21

This property is needed for the following purposes: (attach additional pages if needed)

Office space for the university's Appalachian Senior Programs. The office space in Jefferson, NC centrally locates the office to provide services for five adjoining counties. The Appalachian Senior Programs consists of the Senior Companion and the Foster Grandparent Programs. These two Senior Corps programs are funded primarily by the Corporation for National and Community Service with additional funding from local grants.

Name & Address of Present Owner: NB Properties, LLC
(or TBD if advertised) 220 North Star Lane
Deep Gap, NC 28618
Attn: Nathan Barker

Description of Property: (give physical address or for advertisement give City and County)
Office Space consisting of ~ 1,500 SF square feet of office space, located at the following address :
414 East Main Street
Jefferson, NC 28640
In the County of Ashe (attach additional sheets if necessary)

Annual Rent : \$16,200.00	Rent / NSF:	1,323.45 sq.ft.	Includes: (check all that apply)	<input type="checkbox"/> Utilities	<input type="checkbox"/> Janitorial	<input type="checkbox"/> Water & Sewer
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Funds for the acquisition of this property are available in our budget under code:

Company: 6080 **Account:** 532512 **Center:** U800

% State: _____

% Federal: 100 **Approved by (as needed):** _____

% Other: (explain below) _____ **Title:** _____

Details (rent acceleration, special funding, etc.): Funding for the annual rent will be split between 552172 and 552173 fund numbers.

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirements of your agency? If so, give details.

Action recommending the above request was taken by the Board of Trustees of Appalachian State University on June 22, 2018, and is recorded in the minutes thereof.

Certification is given to the Department of Administration by Department of Sociology, Appalachian State University (Agency) that it has searched existing State-owned or leased property, contacted other State agencies to identify existing unused State-owned or leased property and found none that would be suitable for the agency's needs.

Signature: [Signature] **Date:** 6.27.18
Print: Sheri N. Everts **Title:** Chancellor

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

Thursday, June 21, 2018

4:00-5:00 p.m.

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, June 21, 2018, 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. Robert C. Hatley presided and called the meeting to order.

MEMBERS PRESENT:

Robert C. Hatley
Scott K. Lampe
Carole P. Wilson

CONSTITUENCY REPRESENTATIVE PRESENT:

Wayne Miller, President Alumni
Council

OTHERS PRESENT:

James M. Barnes
Steve Behr
Sharon B. Bell
John M. Blackburn
J.J. Brown
C. Philip Byers
Randy K. Edwards
Sheri N. Everts
Willie C. Fleming
Hank T. Foreman
Denise N. Foutz
Rachel Gaines
Douglas P. Gillin
Mark C. Ginn
Alan J. Hauser
David T. Jamison
Tom L. Kane
Barbara L. Krause
Darrell P. Kruger
Paul A. Meggett
Suzette S. Mauney
Jonathan B. Reeder
Scott Satterfield
D. Kenan Smith
Leroy Wright

CONFLICT OF INTEREST NOTICE: Chair Hatley 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.

OPENING STATEMENT ON EXPECTATIONS OF CONDUCT: Chair Hatley read the statement: “As we begin the business portion of the meeting, I would like to remind everyone of the Committee’s expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest.”

APPROVAL OF MINUTES: Chair Hatley stated the March 15, 2018 Athletics Committee meeting minutes were included in Committee members’ materials. A motion was made, seconded and approved to accept the minutes as distributed.

COMMENTS FROM STUDENT-ATHLETES: Sophomore student-athlete, Rachel Gaines from Women’s Field Hockey, gave the Committee insight into her transformational experience as a student-athlete at Appalachian State University. To conclude the presentation, Rachel discussed her plans following graduation.

COMMENTS FROM HEAD FOOTBALL COACH: Mr. Scott Satterfield, Head Football Coach, addressed the Committee on the recent success of the Appalachian State Football program, and gave the Committee insight into the upcoming 2018 season. Mr. Satterfield also discussed the End Zone Facility project and the future vision of Appalachian State Football.

PRESENTATION BY DIRECTOR OF ATHLETICS: Mr. Doug Gillin, Director of Athletics, presented several athletics updates to the Committee, beginning with a recap of the 2017-18 academic year:

- Academically, student-athletes achieved a 3.12 cumulative grade point average following the spring 2018 semester
- Student-athlete community service doubled in 2017-18, for a total of 4,529 hours
- Competitively, conference championships were achieved by Men’s Cross Country, Wrestling and Football, while 50 total student-athletes earned All-Conference honors across all sports
- Over \$32.2 million have been raised to-date toward A Mountaineer Impact Initiative’s \$60 million goal, including the largest outright gift in University history of \$10 million
- New strategic investments were made in the areas of Sports Medicine, Strength & Conditioning, Nutrition and Counseling to enhance student-athlete well-being
- Appalachian Athletics collaborated with many units across Appalachian’s campus to enhance the student experience, and provide many graduate assistantship and internship opportunities in various courses of study

Mr. Gillin then provided the Committee with an overview of facilities enhancements with the committee, which included:

- Progress on the future facility in the Kidd Brewer Stadium North End Zone
- Locker and team room renovations for the Wrestling program
- Construction of locker rooms and other essential facilities for Women's Field Hockey

Several challenges facing intercollegiate athletics were then discussed, as new sports wagering and tax reform legislation was recently passed, and the public debate over paying student-athlete continues.

To conclude his remarks, Mr. Gillin discussed recent efforts to grow the Appalachian State brand, including the following:

- Appalachian State Athletics recently released a slogan entering the 2018-19 academic year called "Make an Impact"
- The annual Yosef Club Spring Tour conducted during the months of May and June 2018, stopping in twelve different cities around the region
- Appalachian State Baseball's "rain delay" video during their final home series against Coastal Carolina University, which was viewed over 937,000 times on Twitter
- Country music "Pop-Up Show" at the Valborg Theater performed by Appalachian alum, Luke Combs, on June 19
- Over a 45-day period during the spring semester, people from 147 different countries visited AppStateSports.com

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

1. prevent the disclosure of confidential or 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 protect the attorney-client privilege [N.C.G.S § 143-318.11(a)(3)];
3. discuss matters relating to the location or expansion of business in the area served by this body [N.C.G.S § 143-318.11(a)(4)];
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)]; and
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)].

The motion was approved unanimously. Chancellor Sheri N. Everts, Board of Trustees members, General Counsel, Mr. Doug Gillin, Director of Athletics, and Mr. Jonathan Reeder, Recording Secretary, were asked to remain for closed session. All others were excused.

OPEN SESSION RECONVENED: Chair Robert C. Hatley reconvened the open session.

ADJOURNMENT: After the open session reconvened, the meeting of the Athletics Committee adjourned at 5:09 p.m.

Respectfully submitted,

Jonathan B. Reeder
Recording Secretary

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

Thursday, June 21, 2018
Room 417 – Beacon Heights
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, June 21, 2018, at 1:00 p.m. in the Beacon Heights 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:

Charles V. Murray, Chair
John M. Blackburn
Robert C. Hatley
Donald C. Beaver

CONSTITUENCY REPRESENTATIVE PRESENT:

Katie Howard, Chair, Staff Senate

OTHERS PRESENT:

Eloise Covalt
Denise Foutz
David Hayler
David Jamison
Sharon Bell
Mark Bachmeier
James Webb
Paul Meggett
Barbara Krause
Darrell Kruger
Megan Hayes
Heather Stewart
Charisse Rogers

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.]

EXPECTATION OF CONDUCT NOTICE: Chair Murray also read the following:

“As we begin the business portion of the meeting, I would like to remind everyone of the Committee’s expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest.”

REQUEST TO AMEND THE AGENDA TO INCLUDE A CLOSED SESSION: Chair Murray called for a motion to move the last item on the agenda to a closed session discussion pursuant to NC General Statute Section 132-6.1c. Upon motion duly made and seconded, the motion was unanimously approved to revise the agenda accordingly.

APPROVAL OF MINUTES: The minutes of the March 15, 2018 Audit Committee meeting were delivered to all members of the Audit Committee prior to the meeting. Chair Murray called for a motion to approve the minutes of the March 15, 2018 Audit Committee meeting. There being no corrections, upon motion duly made and seconded, the minutes of the meeting were approved as presented.

SUMMARY OF 2017-2018 AUDIT PLAN AND RECENT INTERNAL AUDIT ACTIVITY UPDATE: Mrs. Eloise Covalt reviewed the 2017-2018 Audit Plan and the percentage of “Completed and In-Progress” to “Active Assignments Included on the Plan” was reported. Mrs. Covalt also provided the Committee with a summary of internal audit reports completed in the recent quarter. The following reports were presented and discussed:

- 2017 Gear Up Audit
- ASU Policy 501.1 “Payments to Students” Compliance Audit
- IT Application Controls and Business Process Controls Audit: AiM CPPM Module
- 2017 IT Security Risk Assessment Review
- FLSA Exempt Employees Hours of Work and Comp Time Audit
- Follow up to CS Access – Application Controls Audit
- Campus-Wide Review: Departmental Fund Activity Reconciliation – JFM 2018
- Campus-Wide Review: Educational & Technology Funds – JFM 2018
- Campus-Wide Review: P-Card Expenditure – JFM 2018
- Campus-Wide Review: Fixed Asset Control – JFM 2018
- Campus-Wide Review: Travel Disbursements – JFM 2018
- Campus-Wide Review: Foundation Expenditures – JFM 2018
- Campus-Wide Review: Computer Access – JFM 2018

RECENT EXTERNAL AUDIT UPDATE: Mrs. Covalt provided an update regarding two external audits that are in progress:

- ASU Financial Audit for FY 2018. Auditor: NC Office of the State Auditor
- Foundation Financial Audit for FY 2018. Auditor: Elliott Davis Decosimo

REVIEW AND APPROVAL OF THE 2018-2019 AUDIT PLAN: Mrs. Covalt presented the following reports to the Committee and explained how this risk-based audit plan was developed.

- 2018-19 Audit Plan Summary
- 2018-19 Audit Plan in the UNC System Format

Chair Murray entertained a motion to recommend the approval of the 2018-2019 Audit Plan to the full Board. The motion was seconded and approved.

REVIEW AND APPROVAL OF INTERNAL AUDIT ACTIVITY CHARTER: Mrs. Covalt presented the following documents to the Committee:

- Internal Audit Activity Charter 2018 – Exhibit C-1
- Internal Audit Activity Charter 2018 – Changes Highlighted

In conjunction with the review of the Internal Audit Activity Charter, Mrs. Covalt confirmed that:

- The Office of Internal Audits recognizes the mandatory nature of the Definition of Internal Auditing, the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the IIA Standards.
- The Office of Internal Audits is structured to ensure the organizational independence of the internal audit activity.
- During 2017-18, there was no interference regarding determining the scope of internal auditing, performing the work, and communicating the audit results.

Chair Murray entertained a motion to recommend the approval of the Internal Audit Activity Charter to the full Board. The motion was seconded and approved.

QAIP ANNUAL REPORT: Mrs. Covalt presented the report to the Committee. These are ongoing internal assessments and all goals were met.

- Quality Assurance and Improvement Program (QAIP) – Summary for 2017-18

QAR EXTERNAL REVIEW UPDATE: Mrs. Covalt discussed this quality assessment review, which is done every five years. Derek Allred, (NC Department of Agriculture) and Kathy Qualls (UNC-G) will be conducting the external peer review. One individual from an outside agency and one individual from another university within the system is assigned to conduct the peer review. Qualifications and independence of the assessment team were discussed.

NEW UNC POLICY UPDATE: Mr. David Hayler, Associate Vice Chancellor and Chief Information Officer, presented the report to the Committee. Mr. Hayler discussed UNC Policy 1400.2, which was discussed at the last meeting. That policy was approved; however, IT Governance and User Identity and Access Control are now additional separate policies.

- UNC Policy 1400.1 “IT Governance” – Ensures that we actively have a governance policy in place. Mr. Hayler has vetted the policy across campus with various groups. Mr. Hayler stated that this creates institutional ownership of IT. This policy also authorizes the CIO to implement policies and procedures, identify gaps in policies and set action plans as needed as

well as creating oversight for the IT information security program, which ensures transparency. Mr. Hayler stated that the System Office CIO would work with the CIO Council on these processes. Mr. Hayler also stated that we would like to do more from a process standpoint but that would require more resources. The IT Department will look at a commercial approach to our system as users migrate through campus systems but overall, Jim Webb and our IT group are doing an excellent job maintaining security with our system.

- UNC Policy 1400.3 “User Identity and Access Control” – Built into Identity management solution.

CLOSED SESSION: Trustee Blackburn moved that the Committee move into closed session. This was seconded and approved.

RECONVENED INTO OPEN SESSION

ADJOURNMENT: There being no further business, the meeting of the Audit Committee adjourned at 1:54 p.m.

CHARLES V. MURRAY, Chair

By: _____
Charisse Rogers
Recording Secretary

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

Thursday, June 21, 2018
2:00-3:00 pm
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 Thursday, June 21, 2018, at 2:00 p.m. in the Rough Ridge Room of the Plemmons Student Union on the campus of Appalachian State University, Boone, North Carolina. Mr. Scott K. Lampe presided.

MEMBERS PRESENT:

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

CONSTITUENCY REPRESENTATIVES
PRESENT:

Barbara B. Howard, Chair
Faculty Senate
Katie Howard, Chair
Staff Senate
De-Jon McCoy-Milbourne, President
Student Government Association

OTHERS PRESENT:

Mark Bachmeier
Philip Byers
J.J. Brown
Matthew Dockham
Matt Dull
Randal Edwards
Chancellor Sheri Everts
Willie Fleming
Hank Foreman
Mark Ginn
Megan Hayes
Tom Kane
Barbara Krause
Darrell Kruger
Heather Langdon
Jason Marshburn
Paul Meggett

Heather Norris
 Diane Pitts
 Heather Stewart
 Ken Smith

MEDIA PRESENT:

Ms. Kayla Lasure, *Watauga Democrat*

CONFLICT OF INTEREST NOTICE: Mr. Scott Lampe 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]

The following statement was also read, as we begin the business portion of the meeting, I would like to remind everyone of the Committee's expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest."

APPROVAL OF MINUTES:

The minutes of the March 15, 2018 meeting of the Business Affairs Committee have been reviewed and, upon motion made and seconded, were approved as submitted.

WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS - UNIVERSITY TREASURER/STUDENT ACCOUNTS:

The write-off of uncollectible accounts in excess of \$1,000 requires action by the Board of Trustees. All attempts to collect these accounts have been exhausted. Accounts receivable write-offs are an accounting transaction. All debts owed to the University are still valid and all registration, transcript, diploma, and other holds are not removed when an account is written off. The administration is seeking approval to write-off these account balances.

	2018	2017	\$ _Variance	% _Variance
Tuition	125,592.50	63,311.99	62,280.51	98.37%
Fees	33,628.87	20,198.62	13,430.25	66.49%
Financial Aid	195,349.94	83,019.80	112,330.14	135.31%
Late Fees/ Interest	132,232.63	43,559.06	88,673.57	203.57%
Library	1,853.10	689.3	1,163.80	168.84%
Other State Funds	3,948.46	1,500.16	2,448.30	163.20%
Payroll	4,591.35	-	4,591.35	100.00%
Food Services	14,782.83	5,813.92	8,968.91	154.27%
Health Services	25,287.77	14,727.88	10,559.89	71.70%
Housing	15,046.40	6,462.24	8,584.16	132.84%
Bookstore	10,886.28	2,666.23	8,220.05	308.30%
Other Trust Funds	14,700.14	2,190.00	12,510.14	571.24%
	577,900.27	244,139.20	333,761.07	136.71%

Total University and Student Accounts

\$577,900.27

WRITE-OFF UNCOLLECTIBLE ACCOUNTS - NEW RIVER LIGHT AND POWER COMPANY:

Action is required by the Board of Trustees for the write off of uncollectible accounts in excess of \$1,000. The Administration is seeking permission to write off the following New River Light and Power Company account balances.

Total New River Light & Power Accounts

\$9,362.01

Following discussion, the motion was made and seconded to write-off these uncollectible accounts. The motion carried.

UPDATE PARKING AND TRAFFIC MANUAL:

Associate Vice Chancellor for Finance and Administration, Sharon Bell, presented the 2018-2019 proposed updates to the Parking and Traffic Manual. The proposed updates include editorial changes, dates, a rate increase of \$3.00/month for most categories and minor changes in other rates. Following discussion, the motion was made and seconded to accept these changes to the Parking and Traffic Manual. The motion carried.

UPDATE ON CAPITAL IMPROVEMENT PROJECTS

Associate Director for Planning, Design and Construction and University Architect, Steve Martin, gave the following update on capital improvement projects:

LEON LEVINE HALL – BEAVER COLLEGE OF HEALTH SCIENCES

This project is approximately 80% complete. It is on budget with a total budget of \$80 million. A four week staggered occupancy is planned for Fall 2018 beginning at the end of July, with the fifth floor complete the end of August. Wayfinding and interior signage packages have been bid. The interior finishes and exterior landscaping are being finished.

STADIUM ENDZONE PROJECT

This project is authorized for advanced planning of \$2,558,174. CJMW of Winston-Salem was selected as the designer. The total project cost is \$38,000,000. The design phase will be Spring 2018-2019 with construction commencing hopefully Spring 2019, with a fall 2020 occupancy.

SANFORD HALL COMPLETE RENOVATION

This \$18,000,000 project was approved at the March, Board of Governors meeting. The project is self-liquidating paid by student fees. The advertisement for designers will be out in July 2018 and the construction phase will be May 2019 - August 2020.

P3 PROJECT SCHEDULE

Requests for Qualifications were submitted in October, 2017, of which four developers were invited to submit a request for proposals. The Board of Governors approved the pre-development agreement at the May 2018 meeting. The schematic design submittal was submitted to the Town of Boone in June 2018. Construction of the parking deck will begin in August 2018, construction on building 100 and 200 will begin in Spring 2019 in Spring 2018 with construction to begin in Spring 2019 for occupancy in Fall 2020.

PROJECTS IN PROGRESS

- Campus Improvements - NPHL Greek Plots \$300,000
 - Designer: Benesch
 - Contractor: VPC Construction
 - Project completion scheduled for summer 2018
- Varsity Gym - HVAC Upgrades \$684,400
 - Designer: McKim & Creed Engineers
 - Contractor: TBD
 - Project completion: Winter 2018
- Appalachian Heights - HVAC upgrades/Humidity Controls \$1,650,000
 - Designer: Stanford-White Engineers
 - Contractor: TBD
 - Project completion: Fall 2019
- Peacock Hall/Rankin West - Restroom Renovations \$1,200,000
 - Designer: Watson Tate Savory
 - Project completion: May 2019
- Garwood Hall - Lab Renovations \$1,750,551
 - Designer: Watson Tate Savory
 - General Contractor: Green Construction
 - Project completion: Fall 2018
- Founder's Plaza - Campus improvements \$350,000
 - Designer: Benesch
 - Contractor: Green Construction
 - Project completion: Fall 2018
- Harper/Scott Halls – Window replacement \$375,000
 - Designer: Innovative Design
 - Contractor: TBD
 - Project completion: Fall 2018
- Athletics - New Women's Field Hockey Fieldhouse \$575,000
 - Designer: Innovative Design
 - Contractor: Green Construction
 - Project completion: Fall 2018
- Campus Road Improvements - Academy Street \$675,000
 - Designer: Benesch
 - Contractor: VPC Construction
 - Project completion: May 2019
- Wey Hall - Interior Renovations – Third Floor \$2,000,000
 - Advanced Planning Authorization from BOG: May 2018
 - Designer: TBD

ADJOURNMENT:

There being no further business, the meeting adjourned at 2:20 p.m.

Respectfully submitted,

Diane Pitts
Recording Secretary

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

Thursday, June 21, 2018
Room 415 – Rough Ridge
Plemmons Student Union

CALL TO ORDER: The Student Affairs Committee of the Board of Trustees of Appalachian State University met at the call of Chairperson and the Chancellor on Thursday, June 21, 2018, at 3:00 p.m. in the Rough Ridge room of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Carole P. Wilson presided and called the meeting to order.

MEMBERS PRESENT:

Carole Wilson, Chairperson
DeJon Milbourne-McCoy

CONSTITUENCY REPRESENTATIVES
PRESENT:

Katie Howard
Wayne Miller

OTHERS PRESENT:

James Barnes
Sharon Bell
John Blackburn
Brian Brown
J.J. Brown
Phillip Byers
Danielle Carter
Jeff Cathey
Matthew Dockham
Matt Dull
Lori Eggers
Sheri Everts
Willie Fleming
Hank Foreman
Denise Foutz
Jaylin Howard
David Jamison
Tom Kane
Barbara Krause
Scott Lampe
Susan McCracken
Paul Meggett
Kendall Rankin

Alan Rasmussen
Traci Royster
Heather Stewart
Joanna Williams
Leroy Wright

MEDIA PRESENT:

Kayla Lasure, *Watauga Democrat*

CONFLICT OF INTEREST NOTICE: Chair Wilson 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.” There were none reported.

EXPECTATIONS OF CONDUCT: Chair Wilson read the following statement regarding conduct at the meeting:

“As we begin the business portion of the meeting, I would like to remind everyone of the Committee's expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest.”

APPROVAL OF MINUTES: Chair Wilson stated the March 15, 2018 Student Affairs Committee minutes were provided as an attachment in BoardEffect. A motion was made, seconded and approved to accept the minutes.

Chair Wilson stated the March 15, 2018 Student Affairs Committee Closed Session minutes were also provided as an attachment in BoardEffect for the Committee. A motion was made, seconded and approved to accept the minutes.

HOUSING MASTER PLAN AND PUBLIC PRIVATE PARTNERSHIP: Chair Wilson introduced the presenters for the Housing Master Plan and Public Private Partnership (P3), Mr. J.J. Brown, Vice Chancellor for Student Affairs, and Mr. Matt Dull, Assistant Vice Chancellor for Finance and Operations.

Mr. Brown provided a brief update on the P3 project that will replace aged-out residence halls and construct approximately 2,200 bed spaces; replacing approximately 1,800 beds and creating 300-400 new bed spaces. The project site is within the University's Millennial Campus boundary and is part of the Campus Master Plan. Mr. Brown reported the project was presented to the Board of Governors in May 2018, and delegated authority to Chancellor Everts to negotiate a pre-development agreement.

Mr. Dull explained the developer selection process through Request for Qualifications (RFQ) issued on September 27, 2017, and Request for Proposal (RFP). Developers had to submit a proposal based on six areas developed by the Evaluation Committee. The developer RISE was selected.

Mr. Dull further explained the project site concept will include a new parking deck that will begin construction in August 2018. Four new residence halls will be constructed and the entire project should take four years to complete from start to finish. Mr. Dull expressed it has been an incredible partnership and collaboration with Academic Affairs, Business Affairs and Physical Plant.

Chair Wilson thanked Mr. Brown and Mr. Dull for their continued efforts and involvement with the P3 project.

NATIONAL PAN-HELLENIC COUNCIL PLOTS AND GARDEN PROJECT: Chair Wilson then introduced Leroy Wright, Associate Vice Chancellor for Student Affairs, who presented on the National Pan-Hellenic Council (NPHC) Plots and Garden Project.

Mr. Wright began by thanking Chancellor Everts for her continued support for this historic opportunity for the Appalachian community. Mr. Wright briefly reviewed the project leadership team that includes NPHC alumni, Appalachian State staff and current NPHC students. Mr. Wright explained the ongoing fundraising efforts which have currently raised over \$114,900, surpassing the \$50,000 goal. The cost of the project is less than \$300,000 and should be completed in August 2018. The design includes monuments for each of the “Divine Nine” Greek organizations. There will be an unveiling event Homecoming weekend. Mr. Wright shared a rendering design of the plots and garden that was designed by students.

Chair Wilson thanked Mr. Wright for his leadership on the project and acknowledged Trustee Branch for her involvement and support on the project.

STUDENT GOVERNMENT ASSOCIATION UPDATE: Chair Wilson introduced DeJon McCoy-Milbourne, Student Government Association President, for the final presentation to the Committee.

Mr. McCoy-Milbourne began by thanking everyone in the room for being present today, supporting students and helping students in their experience at Appalachian. Mr. McCoy-Milbourne gave a brief background of himself. He stated after he was elected in March, he began reaching out to club presidents, administrators and key players with intention of partnering and collaborating to engage students and increase involvement. Mr. McCoy-Milbourne shared some key initiatives for the next academic year including: Mountaineer Meal Share, strategic partnerships and collaboration, keeping education as priority, being the voice box for students who are not connected, and efforts for recruitment and retention of diverse students, faculty and staff. Mr. McCoy-Milbourne expressed he wants to relay information to students and allow them to hear tangible things going on. He also wants to work on health and safety for accessibility for student access, and encourage students to vote in election midterms. Mr. McCoy-Milbourne then

shared how students would like transparent relationships with departments to relay current and accurate information.

Chair Wilson thanked Mr. McCoy-Milbourne for the SGA update and presenting their goals for the upcoming year.

ADJOURNMENT: There being no further business to come before the Committee, a motion was made, seconded and approved to adjourn the meeting.

Respectfully submitted,

Lori Eggers
Recording Secretary