

MINUTES
MEETING OF THE BOARD OF TRUSTEES
APPALACHIAN STATE UNIVERSITY

Friday, November 22, 2019
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, November 22, 2019, at 2:00 p.m. in the Parkway Ballroom of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Mr. John M. Blackburn, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

James M. Barnes
M. Lee Barnes, Jr.
Donald C. Beaver
John M. Blackburn
Scott K. Lampe
DeJon M. Milbourne
Charles V. Murray
James K. Reaves
Mark E. Ricks
E. Bonnie Schaefer
Kimberly M. Shepherd
R. Thomas Sofield
Carole P. Wilson

CONSTITUENCY REPRESENTATIVES

PRESENT (ex-officio):

Katie S. Howard, Chair
Staff Senate
Diona Fiori, President
Alumni Council
Michael C. Behrent, Chair
Faculty Senate

MEDIA PRESENT:

Moss Brennan
The Appalachian
Kayla Lasure
Watauga Democrat
Jessica Stump
University Communications

CONFLICT OF INTEREST NOTICE: Chair Blackburn 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 Blackburn welcomed Governor Philip Byers, UNC Board of Governors member, The Honorable Rebecca Eggers-Gryder, District Judge, Appalachian’s Board of Visitors members, Ms. Jessica Stump, University Communications, Ms. Anna Oakes, *Watauga Democrat* and Moss Breenan with *The Appalachian*.

ADMINISTRATION OF OATH OF OFFICE: Chair Blackburn recognized The Honorable Rebecca Eggers-Gryder of Watauga County, who administered the oath of office for Trustee James M. Barnes.

APPROVAL OF ABSENCE: None to report.

APPROVAL OF MINUTES: The minutes of the September 13, 2019 and November 5, 2019 meetings had been delivered to all members via BoardEffect. Upon motion duly made and seconded, the minutes of both meetings were approved as presented.

REMARKS FROM CHANCELLOR EVERTS: (See Attachment 1).

REPORT FROM ACADEMIC AFFAIRS COMMITTEE: Chair Blackburn recognized Trustee M. Lee Barnes, Chair of the Academic Affairs Committee, for the report. Trustee Barnes reported the following:

Enrollment Update

Dr. Darrell Kruger, Provost and Executive Vice Chancellor, provided an update on enrollment efforts and projections for the 2020-21 Academic Year.

College of Fine and Applied Arts, Department of Art, Research Presentation

Ms. Jody Servon, Professor of Art, shared her research which focuses on creating opportunities for public exchange, democratic interactions, and personal explorations. Ms. Servon shared that behind each image, object, and handwritten notation is the voice of a person sharing something about themselves. Although inspired by her experiences, her works are collections of personal histories shared by others. In her socially engaged works, she provides prompts for people to respond to in a variety of ways. Because she is committed to providing moments for reflection during people’s daily routines, these works often occur in public spaces and online.

Honorary Degree

Trustee Barnes shared that Dr. Randy Edwards, Vice Chancellor for University Advancement, presented the nomination of Mr. Glenn W. Wilcox, Sr. for an honorary baccalaureate degree. Dr. Edwards stated Mr. Wilcox has had a distinguished career as the founder, chair, and CEO of Wilcox Travel Agency, Inc., president and chair of Tower Associates, and chair of Blue Ridge Printing. In addition to his long and illustrious career as a businessperson, he has had an exceptional record of community leadership having served as a board member for numerous organizations including United Way of Asheville and Buncombe County, Asheville Chamber of Commerce, Alzheimer's Association of Western North Carolina, and Pediatric Brain Tumor Foundation. He also served as a trustee at various North Carolina Colleges as well as in Foundation boards at Western Carolina University and Southern Baptist Seminary. Mr. Wilcox has been a long-time supporter of Appalachian State University. He served on the Board of Trustees from 1997 to 2005, and chaired the Board in 2001-2003.

Trustee Barnes, on behalf of the Academic Affairs Committee, recommended approval of the Honorary Degree for Mr. Glenn W. Wilcox, Sr. The Committee's recommendation was approved unanimously.

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

REPORT FROM ATHLETICS COMMITTEE: Chair Blackburn recognized Trustee Mark E. Ricks, Chair of the Athletics Committee, for the report. Trustee Ricks reported the following:

Student-Athlete Presentations

Sophomore student-athletes, Ryan Brown from Men's Cross Country Track and Field, and Kate Earnhardt from Women's Tennis, gave the Committee insight into their transformational experiences as student-athletes at Appalachian. Ryan is a Physics major in the College of Arts and Sciences, while Kate is an Economics major in the Walker College of Business. Recently, both student-athletes were part of Sun Belt Conference Championship teams in their respective sports, with Ryan being named First Team All-Sun Belt Conference, and Kate being named as an ITA Scholar-Athlete at the conclusion of their seasons.

Presentation from Director of Athletics

Director of Athletics, Doug Gillin, presented several updates to the Committee, beginning with a review of the Department of Athletics mission. Mr. Gillin then overviewed recent community connection efforts, including the following:

- The Luke Combs Concert announcement, which is to be held on Saturday, May 2nd at Kidd Brewer Stadium. The first five-thousand tickets were made available at a discounted price to App State students only, and the remaining concert tickets quickly sold out to the general public in early October.

- A pregame concert held at Legends prior to the App State vs. Georgia Southern Football game on Halloween, featuring the band “Magic Giant”. Student attendees at the concert were entered in a drawing for a 2020-21 academic year parking pass. Also, in collaboration with App State Athletics, the App State ACT office, and the equestrian sanctuary, Double Wood Farms, two prequalified students won either a \$2,500 campus meal plan, or free tuition for the upcoming academic year. App State Athletics collected money to sponsor six children during the recent AppKids event, which supports local children in need.
- The 2019 “Extra Yards for Teachers” week was held in September, where a ten thousand dollar grant obtained through the College Football Playoff Foundation was provided to the Watauga County Teachers of the Year Program. This program is a result of collaboration between Athletics, the Reich College of Education, and Watauga County Schools.
- App State Student-Athletes continue their strong effort in community service, where they have accumulated over 11,000 hours since May 1, 2019, currently first place in the Sun Belt Conference.
- Academic updates were then overviewed, in which App State Athletics currently holds a department graduation success rate of 84%. Recent academic achievement in the 2018-19 NCAA Academic Progress Rate data submission was also discussed, which saw 10 App State sport programs earn perfect student-athlete eligibility and retention rates.
- Athletics facilities updates were then reviewed, including progress on the North End Zone facility, the Appalachian 105 property, and the completed artificial turf replacement project for App State Baseball at Beaver Field at Jim and Bettie Smith Stadium.
- Recent fundraising efforts were then overviewed, including the ongoing sale of the North End Zone club seats, and continued success with A Mountaineer Impact Initiative, in support of Athletics scholarships, operating, and capital projects needs.
- Competitive updates were shared, which included a Sun Belt Conference Championship title for the Men’s Cross Country program, and great success thus far during the 2019 App State Football season.

Trustee Ricks 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 Blackburn recognized Trustee Charles V. Murray, Chair of the Audit Committee, for the report. Trustee Murray reported the following:

Internal Audits

Internal audits assessment of financial controls for fund transfers within the College of Fine and Applied Arts and for the Child Development Center were completed. No findings were reported.

A review was completed evaluating the University’s oversight and controls of the University Housing P3 processes for alignment with good controls and business practices. No findings were reported.

Follow-Up Reviews monitor management's implementation of recommendations from previous audits that were performed. One follow-up review was performed for this quarter and the previous audit was found to be fully resolved.

Campus-Wide Reviews: Quarterly reviews were conducted in the areas of E&T fund disbursements, fixed assets, and travel expenditures. In addition, a quarterly review was conducted regarding the removal of network access for terminated employees. Also, if necessary, follow-up procedures were performed to determine the resolution of previous findings concerning the campus-wide reviews. Recommendations were made regarding following ASU Policy concerning compliance with fund requirements, fixed assets, and the processing of travel advances.

External Audits

The NC State Education Assistance Authority completed an external program review. The report contained two findings and recommendations were made to strengthen controls to ensure compliance with all related program requirements. An external audit for the Appalachian State University Foundation, Inc. was also completed. The external auditors found that the financial statements are fairly presented, and in accordance with generally accepted accounting principles.

Faith Cope, a new internal auditor with the Office of Internal Audits was introduced to the Audit Committee. Faith will primarily be responsible for conducting campus-wide quarterly and annual internal audits.

Risk Manager Denise Godwin provided the Audit Committee with an update concerning University Insurance coverage.

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

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

Student Tuition and Fees

Vice Chancellor Paul Forte presented an overview of the Tuition and Fee increase requests for FY2020 - 2021. The UNC System Office issued guidelines in the fall, tuition increases allowed for resident up to 3%, market increases for non-resident undergraduate and graduate students this year. Fee increases are capped at 3% by the legislature. The student fee increase recommended is 3% overall, which equals \$90. Student fee increases are \$25 Educational and Technology, \$30 for the Athletics, \$24 for Student Education/Recreation/REI, and \$10 Campus Security. Tuition and Mandatory Fee increases also requires Board of Governors approval. Proposal rates increases for Miscellaneous Service Charges was presented for Dining 3.5% or \$98, Textbook Rental 4.5% or \$12, Housing 1% for standard room, or \$46. These increases only require Board

of Trustees approval. Other Miscellaneous Service Charge rate proposals for Parking and Transportation will be presented at a late Board of Trustees meeting.

Chair Lampe, on behalf of the Business Affairs Committee, recommended approval of the Student tuition and fees. The Committee's recommendation was approved as presented.

Restructuring of Dining Meal Plan

Vice Chancellor Paul Forte presented the proposal to restructure the dining meal plan from a declining balance system where students spend their meal account funds dollar for dollar in an a la carte system, to one where students can pay one amount to eat as much as they want, whenever they want. The new meal plan is targeted for Fall 2021.

Budget Update

Vice Chancellor Paul Forte gave an update on the status of the FY2020 budget.

Capital Project Updates

Vice Chancellor Paul Forte gave an overview of current and planned capital projects, including the P3 Housing project, the End Zone project, and Sanford Hall.

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

REPORT FROM STUDENT AFFAIRS COMMITTEE: Chair Blackburn recognized Trustee James M. Barnes, Chair of the Student Affairs Committee, for the report. Trustee Barnes reported the following:

2020-2021 Fee Request – Housing

Mr. Matt Dull provided an update on the 2020-2021 Student Affairs fee request. Mr. Dull provided information about the Education, Recreation, and Renewable Energy Initiative Fee, as well as the Student Union Fee. The Committee heard how the fees support student employees, staff, student organizations as well as departments in Student Affairs. These areas receive no state funding therefore this increase will support operating costs such as utilities, a reduction in state appropriation, as well as maintain an appropriate fund balance for emergencies.

Public Private Partnership Update

Mr. Matt Dull also provided an update on the University Housing Project. Mr. Dull reported the first two buildings are on schedule for completion in summer 2020. In the coming weeks, we will see continued progress on framing, sheathing, roofing, interior plumbing, electrical and windows being installed.

The second phase of the Housing Project has also been in design and is scheduled for a financial close in mid-February 2020. Mr. Dull shared that construction documents have been submitted to the Town of Boone for building and zoning permits.

Career Development Center Relocation Project

Dr. Susan McCracken and Mr. Matt Dull shared information about the Career Development Center. In the last year Career Development had 550 employers visit campus. First Destination data from 2017-2018 reported that 97.6% of Appalachian graduates are employed or enrolled in post-secondary education. Information about the Career Development Center relocation to the Student Union from the John E. Thomas Building was also provided. By moving the Career Development Center to the heart of campus, this modern career hub will allow for incidental connections with students and lead to greater utilization of services available to them.

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

ENDOWMENT FUND BOARD ELECTION: Chair Blackburn, on behalf of the Governance Committee, nominated the following members for three-year terms on the Endowment Fund Board:

- Trustee Donald C. Beaver
- Vice Chancellor for Business Affairs Paul Forte

The Committee's recommendation was approved unanimously.

REPORT FROM THE GOVERNANCE COMMITTEE: Chair Blackburn shared each university board of trustees has a responsibility, under UNC System policies, to provide oversight of university-affiliated entities to ensure that such entities are acting within the best interest of their respective constituent institution. On November 5, the Trustees approved an update to the Board of Trustees *Bylaws* to incorporate the Governance Committee and its role in electing members to University leadership boards. In the weeks ahead, the Governance Committee will be reaching out to work collaboratively with the leadership of the university-affiliated entities to move forward in updating each entities bylaws.

REMARKS FROM CHAIR BLACKBURN:

Chair Blackburn made the following comments/announcements/reminders:

- Thanked the Committees and their Chairs for their reports.
- Thanked all our volunteers who have agreed to serve on our leadership Boards.
- Thanked Chancellor and Provost for data provided regarding enrollment.
- Thanked faculty and staff for all their diligent work providing access to students.
- The next scheduled Board of Trustees meeting will be held on Friday, March 27, 2020.
- Thanked the Trustees for all their efforts on behalf of Appalachian's students, faculty and staff.

CLOSED SESSION: Chair Blackburn announced that he would entertain a motion for the Board to convene in closed session. Chair Blackburn asked that the voting Trustees, Chancellor Everts, Governor Byers, Provost Kruger, Vice Chancellors, General Counsel, Athletic Director, Daniel Lightfoot 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)];
- prevent the premature disclosure of an honorary award or scholarship [N.C.G.S. §143-318.11(a)(2)]; and
- consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective 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 3:53 p.m.

ADDITION OF AGENDA ITEM: Chair Blackburn recognized Trustee Scott K. Lampe for this item. Trustee Lampe requested the addition of the Governance Committee update as an agenda item.

Upon motion duly made and seconded, the request was approved as presented.

Chair Blackburn stated the Governance Committee has provided general guidance for *Bylaws* revisions to the staff assigned to work with our university-affiliated boards. The Governance Committee has asked General Counsel Paul Meggett to work with university staff and board leadership to craft *Bylaws* revisions for each board's adoption. The Governance Committee will provide the university staff for each board with a nomination form to be submitted by January 31, 2020. The election of university-affiliated board members will occur at the March 27, 2020, Board of Trustees meeting.

Coaching Contract for Shelly Hoerner – Softball Head Coach

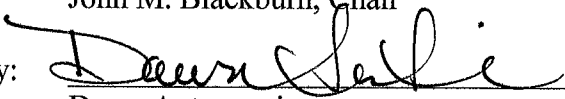
Trustee Ricks, on behalf of the Athletics Committee, recommended the approval of the contract for Shelly Hoerner as the Softball Head coach, as presented. (See Attachment 2)

The recommendation was approved unanimously.

ADJOURNMENT: There being no further business, the meeting adjourned at 4:07 p.m.

John M. Blackburn, Chair

By:

A handwritten signature in cursive script, appearing to read "Dawn Antonucci", written over a horizontal line.

Dawn Antonucci
Assistant Secretary

Remarks by Sheri Everts, Chancellor

Good afternoon, Trustees, and welcome again to the members of Appalachian's Board of Visitors, who are joining the meeting today. I echo Chair Blackburn's comments and know I speak for the entire room when I say we are so pleased you are here. Your excitement and enthusiasm extended to your attendance to the committee meetings, and we thank you for that! It's hard to believe the end of the Fall semester is a few short weeks away! We do expect a few exciting things to happen in the next three weeks: a win against Texas State on Saturday; another win next week against Troy; a Championship game on December 7th; and a Bowl Game win! I'm (not really) joking, but I know we are all so proud of our football student-athletes, Coach Drinkwitz and the entire coaching staff for getting us ranked number 23 in the AP Poll and number 22 in the Coaches Poll.

In fact, ALL of our student-athletes make us proud, with their athletic AND academic success! Our student-athlete cumulative GPA has exceeded 3.0 for 14 semesters running, and we hold the highest graduation rate in the Sun Belt Conference. They are smart and athletically talented! Athletics success brings with it exposure to Appalachian that benefits the entire institution. In October, Appalachian was the recipient of continued philanthropy from Board of Trustees Secretary Mark Ricks, who not only has made each of our home games a little sweeter with his contributions of Mars candy and ice cream to our students and Mountaineer sports fans, but also continues to demonstrate the power of giving back to his alma mater. He always finds a way to make it fun!

Ashley Thomasson, a junior Global Studies major from Mooresville, and Taylor Houston, a first-year Apparel Design and Merchandising major from Matthews, were the recipients of scholarships from Mark's Double Wood Farms.

After attending a free tailgate party and concert sponsored by Mars, Ashley and Taylor, who were qualified by their excellent academic records and commitment to service, faced off during halftime for a snowy game of Connect 4 on the football field.

Ashley – who unknowingly had been preparing for the moment by playing Connect 4 regularly with the children she babysits – won a scholarship for a year of free tuition, and Taylor, who also played quite competitively, received a scholarship for a \$2,500 meal plan credit.

It was great fun, and a wonderful surprise to these remarkable students, and they enjoyed the view from the Chancellor's Suite. Thank you, Mark, for your continued generosity.

On Tuesday, we held the first of what will become an annual Chancellor's Service Awards event. We celebrated more than 120 staff members, who have worked for Appalachian for 20, 25, 30, 35, 40 and 45 years. Combined, these dedicated professionals have served Appalachian and the state of North Carolina for nearly 3,000 years! It was a lovely event, made even more special by the fact that two sisters – Sheila Perry in the Office of Athletics and Kathy Deas in the Office of General Counsel – shared a 30th anniversary year and two brothers, Vice Chancellor for University Advancement Randy Edwards and Terry Edwards, who recently retired from the Office of Internal Audits, were recognized for 35 years of service. Randy, congratulations and thank you for your decades of service to Appalachian.

I am so appreciative of Appalachian's hard-working staff members, who continue to make real and powerful differences in the lives of our students, faculty and other staff. They elevate the Appalachian Experience, and for that, our university is so very, very grateful. I would like to recognize and thank Mallory Sadler for her leadership of Staff Senate – Mallory, thank you for your very thoughtful remarks at the event on Tuesday. Thanks also, to Mark Bachmeier and the

entire Human Resources staff for the work they do every day – often behind the scenes – to support staff at Appalachian.

Our faculty continue to distinguish themselves for excellence. Dr. Kathryn Kirkpatrick, who is a literary scholar, award-winning poet and professor in the Department of English was recognized again recently for her work. The North Carolina Literary and Historical Association presented her with the 2019 Roanoke-Chowan Award for Poetry for her newest collection — “The Fisher Queen: New & Selected Poems.” The award recognizes one North Carolina poet for the best book of poetry. This is the second time Dr. Kirkpatrick has won this prestigious award.

Dr. Kurt Michael, Appalachian’s Stanley R. Aeschleman Distinguished Professor of Psychology will serve as principal investigator for a \$2.5 million U.S. Department of Education grant that will expand mental health services in rural schools. The 5-year grant will support developing and sustaining training sites called Assessment, Support and Counseling Centers, of which Dr. Michael is the co-founder. The grant is based on a three-way partnership between the Ashe County School District, Appalachian and RTI International, a nonprofit research institute. This funding will help scale up a long-standing partnership between Appalachian and rural K–12 schools that provides mental health services to youth and families in North Carolina communities while also deepening our students’ pre-professional training.

Our students are gaining valuable professional experience prior to graduation. One additional example comes from the Department of Applied Design. Appalachian interior designs majors Jake Still, a senior from Wesley Chapel, Florida, left, and Grace McCormick, a senior from Greensboro, designed a prototype, 10-by-10-foot pop-up shop that packages key essentials for college students to organize their living spaces. What began as a design project in their applied design studio class led to a collaboration with The Container Store and the opportunity to see their design actually fabricated for retail display. Their winning design was chosen by The Container Store as part of the 2019 Planning and Visual Education GlobalShop Design Challenge. It was installed at The Container Store’s flagship location in Dallas in time for college move-in weekends.

There has been some recent media attention paid to Appalachian’s 2020 enrollment goal of 20,000 students. I’d like to address this, beginning with some broader context:

This summer, Governor Cooper signed into law one of the highest educational attainment targets in the nation: to equip 2 million additional North Carolinian adults, ages 25-44, with a high-quality postsecondary degree or credential by 2030. This legislation codifies an ambitious goal of myFutureNC, a statewide nonprofit organization focused on educational attainment for which I chaired the post-secondary subcommittee at the request of then-President Margaret Spellings.

At last week’s Board of Governors meeting, President Roper addressed the UNC System’s priority to be proactive in the face of demographic trends that are already having an impact across the country, and which indicate a decline in enrollment may be in the future for UNC System institutions. I was encouraged by his commitment to also ensure our state can attract and retain faculty and staff. Specifically, he indicated an upcoming analysis of faculty salaries, a revision of the guidelines for utilizing the Faculty Recruitment and Retention fund, and an assessment of compensation for SHRA employees.

What does this mean for Appalachian?

In short, it means continuing the trend we have been following for 5 years.

I think many of you have heard me repeat the phrase “slow and steady growth” so many times you are tired of hearing me say it! Our goal has been to grow enrollment at a rate of 1 to 2 percent. At the Academic Affairs committee meeting today, Provost Kruger reported information

he also presented to Faculty Senate: that Appalachian's growth over the past five years has ranged from as low as negative 0.5% to as high as 2.8%, with an overall average of about 1.4%. Reaching 20,000 in fall 2020 will mean a growth rate of 3.7% from this year, and an overall 6-year average of 1.75%, which is consistent with our slow and steady approach.

There are three key points I'd like you to take away from this:

Last year, while we grew at just under 1%, we came in under our target.

In our goals for next year, nearly 60% of our projected growth will be online or at satellite locations.

Moving forward, online and satellite location growth are the areas we see as having the most potential for any increased enrollment.

In September, I shared with campus and with this board that reaching our goal of 20,000 students will bring in tuition revenue we need. I believe it will also bolster our position in Chapel Hill AND in Raleigh, and while I advocate for Appalachian continually in these areas, we all know we cannot control the decisions made there. What we CAN control is enrollment.

Appalachian is characterized by – and proud of – our capabilities to take charge and problem-solve. We are now operating from a position of strength in a volatile market environment, and we will do everything possible to continue doing so.

We will continue to admit qualified students and further our founders' mission of serving rural areas in North Carolina. I would remind everyone that when we began discussions five years ago about diversifying our student population, we heard questions and even some skepticism that the "quality" of our students would decrease. Our data show that has not proven to be the case. I ask that we all keep this in mind, as we continue the necessary planning and resource allocation to maintain strong recruitment and enviable retention rates.

Planning and resource allocation comes in the form of additional faculty and adviser positions, and Provost Kruger reported to Faculty Senate last week his plans to fund 10 new tenure-track faculty positions and three new academic advisors. In the last five years we have added 43 new faculty lines and 11 advisors. Last year we added 7 new faculty lines, and for the first time in Appalachian's history we had over 1,000 full-time tenured, tenure-track and instructor faculty. I am pleased to share we will be able to provide promotion and tenure raises before the calendar year's end. Those faculty who have earned promotions and tenure this year will see these salary increases – retroactive to July 1, 2019 – in their December paychecks. Thank you, Paul and your staff, for making this happen.

Support for faculty and students also comes in the form of buildings and infrastructure. When I arrived on this campus five years ago, I saw substandard working and learning environments. In the hours I have spent taking tours, I have seen: classrooms and offices subject to frequent flooding, substandard bathrooms, elevators that didn't work, and broken HVAC systems diminishing air quality.

I care about building physical infrastructure to support and empower the vast human potential on our campus. I believe in thinking big. I believe in shining a light on what has been neglected – then fixing it.

To this end, work on Sanford Hall continues, and the project remains on budget, and the timeline for opening the building remains Spring of 2021. This building had been accommodating 4,600 students per day — 23,000 students per week, and more than 90 faculty whose offices are currently housed in other buildings on campus are looking forward to getting back into a newly renovated building! We expect the work underway will extend the life of this building up to 40 years. Ambassadors may actually include the new Sanford Hall on their tours again!

Wey Hall is another building badly in need of renovation. With state budget approval, we hope to begin construction on the project soon. It is our oldest academic building that has never been renovated.

The Stadium End Zone project is progressing on schedule for completion in Fall 2020. Academic space will be incorporated into the End Zone facility. Spaces that are used for football events will be multi-purpose spaces that will also be utilized for academic needs, events, conferences, and meetings.

Our residence hall project is progressing smoothly and showing visible progress every day. You will recall this project will replace nearly 1,800 beds — and add 400 more. The project is on schedule for Phase I to be online for Fall 2020, and we will see windows installed and exterior brick completed before December Commencement!

Our current construction projects total nearly \$250 million, and represent the largest infrastructure investment in the entire UNC System. Each of these projects supports and elevates our educational mission.

Before I close my remarks, I'd like to invite you to join us for Fall Commencement on Friday, December 13, which will be remembered as a VERY happy day for hundreds of Appalachian's newest graduates.

I'd like to end my remarks today by showing you our latest university institutional ad, which you no doubt have seen during televised football games. Thanks to Trustee Ricks – again – for assisting us with additional advertising placements on ESPN. In addition to reaching thousands of ESPN viewers, this ad, along with companion ads, has reached 12 million viewers, and are also being delivered to prospective students across the state, via targeted digital advertising, as well as on broadcast television and radio in key rural markets.

The pride we all hold for Appalachian stems from many different sources:

From our roots in serving rural North Carolina;

From our 120-year history of academic excellence;

From our athletics' successes;

From our pride in our personal commitment to serving our region and our state;

From our students, to whom we are dedicated, and who motivate us to be better each day;

From the achievements of our alumni, whose pride and love for Appalachian is inspirational;

From our exceptional faculty, who continue to distinguish themselves on a national scale.

These and many other factors continue to bring Appalachian recognition as the premier, public, undergraduate institution in the state of North Carolina.

Thank you for your time today, and thank you, Trustees and Board of Visitors members for your continued work in support of our faculty, staff and students.

Trustees, your annual "thank you" gift is at your seats. It is a small token and piece of history commemorating our 120th year and the dedication of the Lillie Shull Dougherty statue.

EMPLOYMENT AGREEMENT FOR SOFTBALL HEAD COACH

This Employment Agreement (the “Agreement”) is made as of the last date signed by the Parties and approvers below, by and between Appalachian State University (“Appalachian”) and Shelly Hoerner (“Coach”) (singularly referred to as the “Party” and collectively as the “Parties”). In consideration of the mutual covenants, promises and conditions in this Agreement, Appalachian and Coach agree as follows:

1.0 Employment:

1.1 Subject to the terms and conditions stated in this Agreement, Appalachian agrees to employ Coach as head Softball coach at Appalachian, and Coach agrees to and accepts the terms and conditions of employment outlined in this Agreement.

1.2 Coach’s employment at Appalachian will be subject to all applicable policies and procedures adopted and approved by the Board of Governors of The University of North Carolina (the “University”), the Board of Trustees and the Chancellor of Appalachian and Appalachian’s Department of Athletics (the “Department”). Coach’s position is classified as EHRA non-faculty and is not subject to the State Human Resources Act, North Carolina General Statutes, Chapter 126, except for articles 6, 7, 14 and 15 thereof. The employment policies contained in Chapter 300 of The UNC Policy Manual, approved by the Board of Governors of the University, and adopted as institutional policies by the Board of Trustees of Appalachian, as both may be revised from time to time (collectively, the “EHRA Policies”) apply to Coach. In the event of any conflict between the terms of this Agreement and the EHRA Policies, the EHRA Policies will govern. Coach acknowledges and agrees that Coach has reviewed and understands the policies and procedures of the University found at <http://www.northcarolina.edu/apps/policy/index.php> (in particular, Policy 300.2.1, a copy of which has been provided to Coach with this Agreement) and those of Appalachian found at http://policy.appstate.edu/Policy_Manual, and has been provided with a copy and has reviewed and understands those in the Appalachian Athletics Department Policies and Procedures Manual. Coach acknowledges and agrees that Coach’s position is not a position eligible for tenure.

1.3 Coach will work under the immediate supervision of the Director of Athletics of Appalachian, (the “Director of Athletics”) and/or the Director of Athletics’ designee. The Director of Athletics and the Chancellor will evaluate Coach’s performance on an annual basis and the Director of Athletics will provide Coach with an annual performance evaluation.

1.4 Coach will coach, manage and be responsible for the Softball team (the “Sports Team”), and perform such other duties in the intercollegiate athletics program of Appalachian as may be assigned from time to time by the Director of Athletics. Appalachian reserves the right to reassign Coach to duties other than as set forth in this Agreement while continuing the salary and benefits stated herein. In no event, however, will Coach be assigned to any position which is not consistent with Coach’s education and experience. In the event of reassignment, Appalachian will not be liable to Coach for loss of any collateral business opportunities or any other benefits, perquisites, or income from any other sources.

1.5 Appalachian is committed to providing equal opportunity in education and employment to all applicants, students, and employees. Appalachian does not discriminate in access to its educational programs and activities, or with respect to hiring or the terms and conditions of employment, on the basis of race, color, national origin, religion, sex, gender identity and expression, political affiliation, age, disability, veteran status, genetic information or sexual orientation (the "Equal Opportunity Policy" or "EO Policy"). Appalachian actively promotes diversity among students and employees. Coach will implement the EO Policy in all recruitment, supervision and other activities with applicants, students and employees.

1.6 Appalachian is committed to providing students equal opportunities to participate in and receive the benefits of its educational and extra-curricular programs and activities. Coach will not discriminate against students on any basis prohibited by federal or State law, or University or Appalachian policies, in any activity contemplated by this Agreement.

1.7 Notwithstanding any other provision of this Agreement, Coach may seek and obtain sport-related employment without prior consent of the Director of Athletics if Coach's employment is terminated pursuant to Sub-Section 5.1.8.

2.0 Term:

2.1 The employment conferred herein is for a stated, definite term commencing on November 22, 2019 and terminating on June 30, 2023, subject to the EHRA Policies and the conditions stated herein.

3.0 Compensation:

3.1 Base Salary: Coach's Base Salary shall be as defined in this Section 3.1 (Annual Salary and Car).

3.1.1 Annual Salary: Annual salary: The annual salary ("Annual Salary") for the work performed in this position during the stated term is payable in approximately equal monthly installments, less customary and applicable deductions and withholdings. Subject to all necessary approvals required by University policies the total Annual Salary shall be as follows:

- i. prorated from November 22, 2019 – June 30, 2020: Eighty-Eight Thousand Dollars (\$88,000);
- ii. from July 1, 2020 – June 30, 2021: Ninety Thousand Dollars (\$90,000);
- iii. from July 1, 2021 – June 30, 2022: Ninety-Two Thousand Dollars (\$92,000); and
- iv. from July 1, 2022 – June 30, 2023: Ninety-Four Thousand Dollars (\$94,000).

3.1.2 Car: In addition to the annual salary, dependent upon and subject to the availability of funds of the Athletics Department and at Appalachian's sole discretion, Coach may receive either a courtesy car or a car allowance in the amount of Three Hundred and Fifty Dollars (\$350) per month less customary withholding and deductions for vehicle expenses in lieu of mileage and/or rental car expenses incurred in the performance of Coach's employment

responsibilities. Coach shall use the courtesy vehicle in the performance of employment responsibilities in accordance with University policies and shall obtain the appropriate automobile insurance policy at his/her own expense, to cover any family members using the courtesy vehicle. Should the Director of Athletics, or the Director's designee, determine in his/her sole discretion, that the stipend shall no longer be provided to Coach, Coach will be informed as soon as practicable. Coach agrees to notify the appropriate personnel in Athletics when he returns the courtesy vehicle to the dealership. The foregoing notwithstanding, in the event of termination of this Agreement pursuant to Sections 5.0, 6.0, 7.0, or 8.0, Coach or Coach's representative shall return the car to the dealership within thirty (30) days of the effective date of the termination.

3.2 Coach's compensation may be reviewed periodically, subject to any policies adopted by the Board of Trustees of Appalachian or the Board of Governors of the University. Increases in salary during the term of Coach's employment, if any, are at the sole discretion of the Director of Athletics and subject to the approval, as applicable, by the Chancellor of Appalachian, the Board of Trustees of Appalachian and/or the Board of Governors of the University. Currently, Appalachian's supplemental pay policy (the "Supplemental Pay Policy") limits supplemental income to 20% of an employee's base salary during the academic term and 38.4% during the non-academic term (i.e., the summer). A copy of the existing Supplemental Pay Policy can be found at https://policy.appstate.edu/Supplemental_Pay_Policy. Coach acknowledges and agrees that Coach has reviewed and understands the Appalachian Supplemental Pay Policy. The sum of the amounts described in Sub-Sections 3.1.1 and 3.1.2 constitute Coach's base salary for purposes of the Supplemental Pay Policy only. Incentive compensation, if any, will be provided in accordance with the Addendum attached hereto and incorporated herein.

3.3 While actively employed, Coach will be entitled to receive all employment-related benefits that are normally available to other EHRA non-faculty employees with like appointments. Such benefits may include group family health insurance, group family life insurance, and a retirement program. Coach acknowledges that fringe benefits provided by Appalachian are subject to change from time to time by Appalachian, the University and/or the North Carolina General Assembly.

3.4 Coach may earn revenue other than as provided by this Agreement while employed by Appalachian with prior written approval of the Director of Athletics and the Chancellor. Any outside compensation opportunities are specifically subject to compliance with the "Policy on External Professional Activities for Pay" of the Board of Governors of the University (specifically, UNC Policy 300.2.2.1[R]), found at https://www.northcarolina.edu/apps/policy/index.php?tab=policy_manual, and Appalachian's policies on external professional activities and conflicts of interest and commitment, found at http://policy.appstate.edu/Policy_Manual. Coach acknowledges and agrees that Coach has reviewed and understands such policies. Additionally, such opportunities are subject to all other relevant State and federal laws concerning conflicts of interest. Such activities are independent of Coach's employment with Appalachian, and Appalachian will have no responsibility for any claims arising therefrom. Opportunities for outside compensation will include, but are not limited to, engaging in any radio, television, motion picture, Internet, stage, writing or any similar activity, personal appearances, speeches, commercial endorsements, camps and clinics, except as outlined below. Subject to specific reporting requirements established by Appalachian, no external activities

for pay will be allowed unless the Athletics Director has approved Coach's signed "Notice of Intent to Engage in External Professional Activities for Pay" prior to engaging in those activities.

3.5 In accordance with Appalachian policies and National Collegiate Athletic Association ("NCAA") Bylaw 11.3.2, which are incorporated herein by reference, Coach will report annually on July 1 to the Chancellor through the Director of Athletics all athletically-related income from sources outside Appalachian, including, but not limited to, income from annuities, sports camps and clinics, television and radio programs, consulting agreements, and all other athletically-related income from any source other than Appalachian. Further, Coach agrees to provide or cause to be provided to Appalachian reasonable and prompt access to all records related to such income.

3.6 While actively employed, Coach will be entitled to annual leave in accordance with the EHRA Policies.

4.0 Coach's Duties and Responsibilities:

4.1 Coach is employed by Appalachian as Head Coach of the Sports Team with all the duties, responsibilities, and obligations normally associated with such position at a university such as Appalachian. Duties will include, but not be limited to, the following:

4.1.1 Coach and oversee conduct of all activities of the Sports Team in keeping with the educational purpose, traditions, integrity and ethics of Appalachian by fostering educational values and maintaining a program of integrity;

4.1.2 Conduct himself/herself and the Sports Team in accordance with the Constitution and the Bylaws of the Sun Belt Conference ("the Conference") and of the NCAA, all applicable State and federal laws, the University's policies and procedures, Appalachian's policies and procedures, and the Department's policies and procedures, all of which as may be amended from time to time. Coach shall conduct himself/herself within the traditional high standards associated with Coach's profession and the material failure of Coach to so comply with such standards, as reasonably determined by Appalachian, will, at the option of Appalachian, be deemed a violation of the provisions of this Agreement and may, pursuant to the terms and conditions contained in Section 5.0 herein, be determined to be grounds for disciplinary action up to and including termination of this Agreement;

4.1.3 Use Coach's best reasonable efforts to recruit and retain only academically qualified student-athletes and promote, contribute to and encourage academic progress, in conjunction with Appalachian's faculty and administrators, of such student-athletes toward graduation in defined degree programs;

4.1.4 Use Coach's best reasonable efforts to ensure that student-athletes on the Sports Team conduct themselves in a sportsmanlike manner and in other ways, both on and off the field that will result in a positive image of Appalachian

4.1.5 Use Coach's best reasonable efforts to ensure that assistant coaches, team managers, trainers, strength and conditioning coaches, support staff and other personnel who

may be so assigned to work with the Sports Team from time to time, conduct themselves in a professional manner, both on and off the field that will reflect positively on Appalachian. This includes taking appropriate management measures to correct any conduct that does not adhere to the standards set by Appalachian;

4.1.6 Maintain responsibility for the fiscal and budgetary functions associated with the Sports Team under the direction of the Director of Athletics;

4.1.7 Provide a positive energy and excitement to the campus community and Appalachian's fan base in order to increase student and fan attendance for the Sports Team;

4.1.8 Maintain a visible and positive presence with students, faculty, and staff;

4.1.9 Contribute to the positive culture of the Department by making best reasonable efforts to attend coaches' meetings, departmental staff functions, outings, etc., as well as requiring that Coach's staff does the same;

4.1.10 Maintain responsibility for and promote an atmosphere of compliance within the program overseen by Coach, and monitor the activities regarding compliance of all assistant coaches and other administrators who report directly or indirectly to Coach. In addition, Coach is responsible for compliance with policies of the University, Appalachian, the Department, the Conference and the NCAA. Coach stipulates that Coach's employment may be suspended for a period of time, without pay, or terminated, if Coach is found to be responsible for a violation of NCAA Bylaw 11.1.1.1 by the NCAA Committee on Infractions. Further, Coach will provide annual performance evaluations for all assistant coaches and staff who report to Coach, and cause annual performance evaluations to be provided to all other staff engaged in the Sports Team program;

4.1.11 Conduct recruiting activities, practices, game preparation, and coaching duties so as to develop and maintain a program of the highest quality and which competes within the Conference and the NCAA;

4.1.12 Maintain and enforce any and all disciplinary policies and drug policies of the University, Appalachian, the Department, the Sports Team, the Conference and the NCAA; and

4.1.13 Comply with such other directives that the Director of Athletics may reasonably make from time to time.

4.2 It is recognized by the parties that a student-athlete may be declared ineligible for competition for academic reasons, because Appalachian believes such student-athlete would not be an appropriate representative of Appalachian, as a disciplinary sanction under Appalachian's student conduct code, because Appalachian believes that such student-athlete is not eligible according to the rules for athletic competition specified by the Conference or the NCAA, or for similar reasons. This decision may be made either by Coach, the Director of Athletics, the Chancellor or the Chancellor's designee.

4.3 Coach will participate in weekly radio and television programs during the softball season, including postseason, and seek to maximize print, radio, television and/or other media coverage favorable to Appalachian.

4.4 If Coach is found to be in violation of NCAA or Conference rules and regulations, whether while employed by Appalachian or during prior employment at another NCAA member institution, Coach will be subject to disciplinary action as set forth in NCAA enforcement procedures, applicable Appalachian policies, rules or regulations, and/or as set forth in this Agreement. Such disciplinary action may include termination for cause in accordance with Section 5.0 of this Agreement.

4.5 Coach agrees to faithfully and diligently perform the duties of this position, and to devote such time, attention, and skill to the performance of those duties as necessary to perform the responsibilities of the position of Head Coach for the Sports Team. During the term of this Agreement, Coach will report to and be under the immediate supervision of the Director of Athletics and/or designees, and will regularly confer with the Director of Athletics or the Director's designee on matters concerning administrative and technical decisions. Coach agrees that Coach's willful failure to discharge any of these duties constitutes a breach of this Agreement that would allow Appalachian to terminate this Agreement "for cause" pursuant to Section 5.0, below.

5.0 Termination for Cause:

5.1 Appalachian has the right to terminate this Agreement "for cause" in accordance with EHRA Policies. In addition to the meaning of "for cause" in University and/or Appalachian policies and procedures, the term "for cause" includes any of the following:

5.1.1 A violation of the duties set forth in this Agreement after receiving written notice from Appalachian and failing to cure such violation within ten (10) days or refusal or unwillingness to perform such duties in good faith and to the best of Coach's abilities;

5.1.2 A violation by Coach of any of the other terms and conditions of this Agreement after receiving written notice from Appalachian and failing to cure such violation within ten (10) days;

5.1.3 Any conduct of Coach that constitutes moral turpitude, or which brings significant public disrespect, contempt or ridicule upon Appalachian, or material failure to follow the high moral and ethical standards commonly expected of a coach as a leading representative of the Department at Appalachian;

5.1.4 A major (Level I or Level II) violation by Coach, or knowing participation by Coach in a major violation, or similar violation resulting in the Coach being found responsible for a violation of NCAA Bylaw 11.1.1.1 by the NCAA Committee on Infractions. For purposes of this subsection, whether or not a major or similar violation has occurred shall be reasonably and in good faith determined in the discretion of Appalachian after its review of the relevant facts and circumstances, and Appalachian shall consider any such violation for purposes of termination with cause regardless of whether said violation occurred while Coach, an assistant coach or staff

member was employed by Appalachian or during prior employment at another NCAA member institution ;

5.1.5 Egregious misconduct of Coach, or of assistant coaches or staff of which Coach knew, had reason to know, or should have known through the exercise of reasonable diligence, and thereafter Coach failed to take reasonable steps to prevent, minimize, or report such violation, or which Coach condoned, of such a nature that offends the traditions and ethics of Appalachian, or which brings discredit to Appalachian;

5.1.6 Any conduct of Coach that would constitute legitimate grounds for termination under the common law of North Carolina or under case law interpreting Title VII of the Civil Rights Act of 1964, as amended, including insubordination, willful failure or refusal to cooperate with others in the Department or Appalachian, serious misconduct that adversely affects morale or a supervisor's ability to supervise in the Department or Appalachian, and other conduct that is substantively detrimental to Appalachian's legitimate interests;

5.1.7 Failure to promptly report to Appalachian's Title IX coordinator, any known violations of Appalachian's Discrimination, Harassment and Retaliation Policy or Workplace Violence Policy (including but not limited to, sexual harassment, sexual assault, sexual exploitation, intimate violence, and stalking) that involves any student, faculty, or staff.

5.1.8 Any serious misconduct by Coach, regardless of whether in a public or private forum, including but not limited to: (i) dishonesty; (ii) theft; (iii) misappropriation of Appalachian property; (iv) any act that will tend to degrade Coach in society or bring him/her into public disrepute, ridicule, controversy, embarrassment or scandal; (v) any act that will tend to shock, insult or offend the community or public morals or decency; (vi) injuring, abusing or endangering others; (vii) any act or thing that would lead Appalachian to reasonably believe that public association with Coach: (x) would tend to subject Appalachian to public disrepute, ridicule, controversy, embarrassment or scandal, (y) is seriously prejudicial to the best interests of Appalachian or its Sports Team, or (z) violates Appalachian's mission; or

5.1.9 Financial exigency or program curtailment or elimination as provided for in the EHRA Policies.

5.2 In the event of termination of the Coach's employment "for cause" prior to the expiration of this Agreement, all obligations of Appalachian to make further payments and/or provide any Incentive Compensation, courtesy car and/or car allowance, or any other consideration hereunder will cease as of the end of the month in which such termination occurs. In addition, Appalachian will not be liable to Coach for loss of any collateral business opportunities or any other benefits, perquisites, or income from any other sources.

6.0 Termination without Cause:

6.1 Appalachian may terminate this Agreement without cause at any time by giving written notice to Coach, subject to the following provisions:

6.2 Appalachian shall, on or before the expiration of sixty (60) days following the effective date of termination, pay Coach any Incentive Compensation already earned, but not yet paid, under the Addendum to this Agreement.

6.3 The parties recognize that a termination of this Agreement by Appalachian without cause prior to its natural expiration could cause Coach to lose certain benefits, supplemental compensation, or external compensation relating to Coach's employment at Appalachian, which damages are difficult to determine with certainty. Therefore, the parties have agreed upon this liquidated damages provision.

6.3.1 In the event of a termination without cause pursuant to this Section, Appalachian shall pay Coach liquidated damages in lieu of any and all other legal remedies or equitable relief on the decreasing graduated scale below based on percentage of Annual salary for the contract year in which notice of termination is given:

Termination Notice Provided on or Before	Amount to be Paid in Damages
July 1, 2020	\$70,400
July 1, 2021	\$54,000
July 1, 2022	\$36,800
July 1, 2023	\$18,800

Appalachian will make such payment on or before the expiration of ninety (90) days following the effective date of termination.

6.3.2 The Parties agree that, pursuant to this liquidated damages provision, Appalachian will not be liable to Coach for any loss of any collateral business opportunities or any other employee benefits except as otherwise required by applicable law, perquisites, or income from any sources whatsoever that might ensue as a result of Appalachian's termination of this Agreement without cause, effective as of the date of termination. The Parties further agree that the full payment of such liquidated damages by Appalachian and acceptance thereof by Coach shall constitute 1) adequate and reasonable compensation to Coach for any damages and injuries suffered by Coach as a result of Appalachian's termination under this section; and 2) a full release of any claim relating to such termination that the Coach might otherwise assert against Appalachian, or any of its representatives, agents, or employees. The foregoing shall not be, nor be construed to be, a penalty.

6.4 Notwithstanding any other provision of this Agreement, and consistent with Coach's common law obligations, Coach agrees to mitigate Appalachian's obligation to pay liquidated damages to Coach during the Remainder Contract Year pursuant to Section 6.3.

6.4.1 Coach agrees to make every reasonable effort to seek and secure other employment at the market rate for positions comparable to Coach's new position.

6.4.2 Appalachian’s obligation to pay liquidated damages pursuant to Section 6.3 of this Agreement shall cease as of the date Coach accepts new employment. Coach agrees to notify Appalachian in writing within fourteen (14) days after Coach accepts new employment.

7.0 Termination by Coach:

7.1 Coach agrees that the promise to work for Appalachian for the entire term of the Agreement is essential to Appalachian. The Parties agree that the Coach has special, exceptional, and unique knowledge, skill and ability as a Coach for the Sports Team, which, in addition to the continuing acquisition of coaching experience at Appalachian, as well as Appalachian’s special need for continuity in its Sports Team, render Coach’s services unique. Coach therefore agrees, and hereby specifically promises, not to actively seek, negotiate for or accept Softball-related employment, under any circumstance, without first obtaining written permission from the Director of Athletics, such employment including, but not limited to, a Softball coach or administrator of or over a Softball program at any institution of higher education which is a member of the NCAA or for any professional team participating in any professional league or conference in the United States or elsewhere, or in Softball broadcasting, requiring performance of duties prior to the expiration date of the term of the Agreement or any extension thereof.

7.2 Coach agrees that Appalachian will have the right, in addition to any other rights which Appalachian may possess, to obtain an injunction by appropriate judicial proceedings to prevent Coach from performing coaching activities or other related services in violation of this Agreement, for any person, university, firm, corporation or other entity; and against any other breach of this Agreement. Coach also agrees to indemnify and hold Appalachian harmless for its costs in any judicial proceeding necessary or appropriate to enforcement of Appalachian’s rights under this Agreement, including court costs and attorneys’ fees.

7.3 Coach acknowledges that Coach’s acceptance of employment from any other person or entity with or without first obtaining the permission of the Director of Athletics constitutes a breach of this Agreement. In the event of such breach, Coach shall pay Appalachian liquidated damages in lieu of any and all other legal remedies or equitable relief on the decreasing graduated scale below based on percentage of Annual salary for the contract year in which notice of termination is given:

Termination Notice Provided on or Before	Amount to be Paid in Damages
July 1, 2020	\$70,400
July 1, 2021	\$54,000
July 1, 2022	\$36,800
July 1, 2023	\$18,800

Coach will make such payment to Appalachian on or before the expiration of ninety (90) days following the effective date of termination.

7.4 This is an agreement for personal services. The Parties recognize and agree that a termination of this Agreement by Coach prior to its natural expiration could cause Appalachian to lose its valuable investment in Coach’s continued employment at Appalachian and could cause Appalachian additional damages beyond its lost investment, including, but not limited to, a possible

adverse effect on recruiting. The Parties further agree that it is difficult or impossible to determine with certainty the damages that may result from such termination by Coach and that the liquidated damages provision of this section are not to be construed as a penalty, but as an attempt by Coach and Appalachian to establish adequate and reasonable compensation to Appalachian in the event Coach terminates this Agreement prior to its natural expiration. Therefore, the Parties have agreed on this liquidated damages provision.

8.0 Termination for Death or Disability of Coach:

8.1 This Agreement shall terminate automatically if Coach dies, or if Coach becomes disabled and is unable to perform the essential functions of the job with or without a reasonable accommodation.

8.1.1 If this Agreement is terminated pursuant to this section because of death, Coach's salary and all other benefits shall terminate as of the calendar month in which death occurs, except that Coach's personal representative or other designated beneficiary shall be paid all such death benefits, if any, as may be contained in any benefit plan now in force or hereafter adopted by Appalachian and due to Coach as an EHRA non-faculty employee. Coach's personal representative or designated beneficiary shall be paid all earned but unpaid compensation pursuant to the terms of this Agreement.

8.1.2 In the event that Coach becomes and remains unable, in the sole judgment of the Director of Athletics, to perform the essential functions of Coach's employment hereunder for a period of ninety (90) days because of medical illness or incapacity and Appalachian thereupon affords notice of termination, except for payment of amounts due Coach accrued hereunder prior to the date of termination and payment of any disability benefits to which Coach may be entitled pursuant to any disability program in which Coach is enrolled through Appalachian, Appalachian shall have no further liability to Coach pursuant to this Agreement. Specifically and without limitation, at the end of such ninety (90) day period, all salary and other benefits shall terminate, except that Coach shall be entitled to receive any disability benefits to which Coach is entitled under any disability program in which Coach is enrolled through Appalachian, as well as any theretofore unreimbursed business expenses incurred by Coach in the performance of his/her duties.

9.0 Restrictions on Other Employment:

In the event of a termination of this Agreement prior to its natural expiration, Coach agrees that Coach will not obtain employment as a coach with any Conference member institution for the Remainder Term under this Agreement. The Parties agree that money damages would be inadequate to remedy a breach of this covenant; therefore, Appalachian shall have the right to obtain from any court such equitable, injunctive, or other relief as may be appropriate, including a decree enjoining Coach from violating this section.

10.0 Relationship between the Parties:

The relationship between Coach and Appalachian will be determined solely by the terms and conditions of this Agreement, including, but not limited to, the EHRA Policies and all other applicable Appalachian, Department and University policies and procedures as they may be amended from time to time.

11.0 Ownership of Information:

All materials or articles of information including, without limitation, personnel records, recruiting records, team information, films, statistics or any other material or data 1) furnished to Coach by Appalachian; or 2) developed by Coach on behalf of Appalachian or at Appalachian's direction, or for Appalachian's use or otherwise in connection with Coach's employment hereunder; are and shall remain the sole and confidential property of Appalachian. If Appalachian requests access to or the return of such materials at any time during, or at or after the termination, of Coach's employment, Coach shall immediately deliver all such information to Appalachian.

12.0 Taxes:

Coach acknowledges that, in addition to the salary provided for in this Agreement, certain benefits that Coach receives incident to this employment relationship with Appalachian may give rise to taxable income. Coach agrees to be responsible for the payment of any taxes (including federal, state and local taxes) due on such income. Coach also understands that Appalachian shall withhold taxes on amounts paid or due to Coach, and the value of benefits provided to Coach, to the extent required by applicable laws and regulations.

13.0 Public Record:

Coach acknowledges and understands that, upon execution of this Agreement, the payment amounts and other terms and conditions contained herein shall not be confidential and shall be considered a public record within the meaning of the North Carolina Public Records Act, N.C. Gen. Stat. § 132-1 *et seq.*

14.0 Governing Law:

This Agreement will be governed by and construed under the laws of the State of North Carolina without regard to its conflicts of law provisions. The courts of North Carolina will be the forum for any lawsuits arising from or incident to this Agreement. The Parties agree that any rule to the effect that an agreement shall be construed against the Party drafting it shall have no application to this Agreement.

15.0 Severability:

If any provision of this Agreement is determined to be void, invalid, unenforceable or illegal for any reason, it will be ineffective only to the extent of such prohibition and the validity and enforceability of all the remaining provisions will not be affected thereby.

16.0 Board of Trustees' Approval:

The Parties understand that, in accordance with a policy of the Board of Governors of the University, this Agreement will not be valid until it is approved by the Board of Trustees of Appalachian.

17.0 Compensation Conditional:

Since support for this position is funded in whole or in part from sources other than continuing State budget funds, the continuation of your employment in this position is contingent upon the continued availability of funds from such other sources to support this position. The source of funding for compensation described in Sub-Sections 3.1.1, 3.1.2, 3.3, and the Addendum is Athletics Department receipts. The source of funds for compensation described in subsection 3.2 is revenue from existing or future radio, television and/or other media or marketing contracts. The effect of this contingency may apply without the additional notice of intent not to renew otherwise required by Sections III.A and III.C of The UNC Policy Manual, Policy 300.2.1; provided, you shall be informed at the earliest practicable date of the occurrence of such a funding contingency. In the event Coach's compensation is negatively impacted due to funding issues described in this Section 17.0, Appalachian will waive the liquidated damages required by Section 7.0 herein.

18.0 Non-assignment:

Neither party to this Agreement will assign this Agreement as a whole, or in part, without the written consent of the other. Any attempt to do so will render this Agreement null and void. No provision of this Agreement may be construed to benefit a third party.

19.0 Notices:

Whenever it will be required or permitted that notice or demand be given or served by either Party to this Agreement on the other, unless otherwise specifically provided, such notice or demand will be given or served in writing by hand delivery or certified mail, return receipt requested, addressed as follows:

If to Appalachian:

Mr. Douglas P. Gillin
Director of Athletics
Appalachian State University
Athletics Center
Boone, NC 28608
Facsimile: 828-262-2556

If to Coach:

Shelly Hoerner
Softball Head Coach
Appalachian State University
Athletics Center
Boone, NC 28608
Facsimile: 828-262-2556

With copy to:

Office of General Counsel
Appalachian State University
PO Box 32126
Boone, NC 28608

20.0 Entire Agreement:

This Agreement constitutes the full and complete agreement of the Parties. No prior or subsequent written or oral understandings or representations pertaining to the subject matter of this Agreement shall be binding upon the Parties unless contained herein or set forth in the form of written amendments(s) to this Agreement, executed by both Parties prior to becoming effective.

Sincerely,

Douglas P. Gillin
Director of Athletics

Sheri Everts
Chancellor

AGREED AND ACCEPTED:

Signature

Print Name

Date

APPROVED by the Board of Trustees of Appalachian State University at its meeting on November 22, 2019.

John M. Blackburn, Chair
Board of Trustees of Appalachian
State University

Date

CC: Office of General Counsel
Office of Human Resources
Payroll

Addendum for Softball Head Coach

Shelly Hoerner - Incentive Compensation

1. Academic Performance of Softball Team (the “Sports Team”)

1.1 In years in which the Academic Progress Rate (APR) is 950 or above, Coach will receive additional compensation in the amount of Two Thousand Five Hundred Dollars (\$2,500).

1.2 Coach shall receive additional compensation of Two Thousand Five Hundred Dollars (\$2,500) for each academic year (fall and spring term combined) that the aggregate team grade point average is 3.0 or above, as determined by the Director of the Academic Support Program for Student-Athletes.

2. Competitive Team Success

2.1 In years in which Appalachian’s softball team wins outright or shares the regular season Conference championship, Coach will receive additional compensation in the amount of Five Thousand Dollars (\$5,000) for coaching in the games.

2.2 In years in which Appalachian’s softball team advances to the NCAA Regionals, Coach will receive additional compensation in the amount of Five Thousand Dollars (\$5,000).

2.3 In years in which Appalachian’s softball team advances to the NCAA Super Regionals, Coach will receive additional compensation in the amount of Five Thousand Dollars (\$5,000).

2.4 In years in which Appalachian’s softball team advances to the NCAA College World Series, Coach will receive additional compensation in the amount of Ten Thousand Dollars (\$10,000).

2.5 In years in which Coach is named the Conference Coach-of-the-Year, in addition to the compensation specified above, Coach will receive additional compensation in the amount of Two Thousand Five Hundred Dollars (\$2,500).

3. Camp/Clinic Compensation

Coach may earn income derived from Coach’s operation of camps and/or clinics on behalf of Appalachian. Such camps or clinics will be conducted using Appalachian service marks, trademarks, and other indicia, and must be operated on property owned or leased by Appalachian. Camps or clinics subject to this Section will only be allowed with the prior written approval of the Director of Athletics, and will be conducted in accordance with all applicable Appalachian policies, including those requiring the payment of fees for use, if any, of Appalachian facilities, indicia or other property. To the extent any such camp or clinic is operated through Appalachian or is otherwise under the sponsorship of Appalachian, Coach’s compensation therefrom will be the net proceeds of the payment of fees by camp or clinic participants after completion of the camp or clinic, less Appalachian’s expenses for facility use,

administrative support, and/or sponsoring the camp or clinic. Appalachian expressly makes no guarantee of any compensation to Coach from such activities.

4. Compensation Subject to Withholding

All incentive compensation paid under the provisions of this Addendum will be subject to customary and applicable deductions and withholdings, including but not limited to State and federal income tax withholdings.

5. Time of Payment

All amounts owed to Coach pursuant to this Addendum shall be paid within sixty (60) days of the close of the Sport Team's season or the satisfaction of the condition stated if such condition occurs after the close of the season. If Coach is terminated (for cause or without cause) or voluntarily terminates his/her employment agreement early, Coach will only receive Incentive Compensation that was earned prior to Coach's end of employment and shall not be eligible for any Incentive Compensation after the last date of employment.

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

Friday, November 22, 2019
Room 415 – Rough Ridge
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, Lee Barnes, on Friday, November 22, 2019, at 11:00 a.m. in the Rough Ridge of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Chairperson Lee Barnes presided and called the meeting to order.

MEMBERS PRESENT:

Lee Barnes, Chairperson
Donald Beaver
Scott Lampe
Charles Murray
Kimberly Shepherd
Thomas Sofield
Mark Ricks

MEMBERS OF MEDIA PRESENT:

Kayla Lasure, *Watauga Democrat*
Moss Brennan, *The Appalachian*

CONSTITUENCY

REPRESENTATIVES PRESENT:

Michael Behrent, Chair, Faculty Senate
Donna Fiori, Alumni Representative

CONSTITUENCY

REPRESENTATIVES ABSENT:

Mallory Sadler, Chair, Staff Senate

OTHERS PRESENT:

John Adams
Mark Bachmeier
Jane Barghothi
Cindy Barr
Sharon Bell
Talana Bell
Jacqui Bergman
Mark Browder
J.J. Brown
Kathy Brown

Megan Bruffy
Philip Byers
Jennifer Chrisohon
Matthew Dockham
James Douthit
Randy Edwards
Sheri Everts, Chancellor
Claudia Farnandez
Willie Fleming
Paul Forte
Bailey Gardin
Anna Gaugert
Mark Ginn
Megan Hayes
Marie Huff
Darrell P. Kruger
Heather Langdon
Liz Mason
Dave McEvoy
Mike McKenzie
Heather Norris
Paul Orkiszewski
Ben Powell
Jody Servon
Luther Snyder
Neva Specht
Melba Spooner
Allison Stewart
Heather Stewart
Meredith Taylor
Jim Toub
Jeff Vahlbusch
Elisabeth Wall
Melissa Weddell

CONFLICT OF INTEREST NOTICE: Chairperson 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.

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

As we begin the business portion of the meeting, I would like to remind everyone of the Subcommittee’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 Charles Murray and seconded by Donald C. Beaver to approve the meeting minutes from the Academic Affairs Committee meeting held on September 13, 2019. The motion was approved unanimously.

2019-2020 ENROLLMENT UPDATE PRESENTATION

Darrell Kruger, Provost and Executive Vice Chancellor, presented an update on ASU enrollment for Academic Year 2019-2020. The overall growth target is 3.7% for 2020. The undergraduate goal is for a net increase of 351 students and graduate, online and satellite campus goals total a net increase of 500, for an overall enrollment goal of 20,000 students by fall 2020. Applications are up from this time last year, which is attributable to excellent faculty, a strong university brand and innovative marketing. Provost Kruger provided 5-year context for enrollment growth. Overall enrollment growth has averaged 1.75% over the course of the last six years. On-campus enrollment growth has averaged 1.53% over the last six years with projected growth of 1.3% in 2020. Provost Kruger indicated he is committing more resources to ensure continued high-quality faculty instruction. Undergraduate admissions projections are for a modest increase in the admit rate, which is consistent with market conditions.

DR. JODY SERVON, PROFESSOR, COLLEGE OF FINE AND APPLIED ARTS
DEPARTMENT OF ART: PARTICIPATORY PROJECTS

Dr. Jody Servon, Professor of Art, shared her research which focuses on creating opportunities for public exchange, democratic interactions, and personal explorations. Behind each image, object, and handwritten notation is the voice of a person sharing something about themselves. Although inspired by her experiences, her works are collections of personal histories shared by others. In her socially engaged works, she provides prompts for people to respond to in a variety of ways. Because she is committed to providing moments for reflection during people's daily routines, these works often occur in public spaces and online.

Chairperson Barnes announced to the Committee members and others present that the Committee would convene in closed session in order to prevent the disclosure of privileged information. The Chair appointed Donald C. Beaver to read the "Motion to Convene in Closed Session".

Mr. Beaver made the following motion: I move to convene in closed session in order to: 1) prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award. [N.C.G.S §143-318.11(a)(2)] and 2) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an

individual public officer or employee or prospective public officer or employee. [N.C.G.S §143-318.11(a)(6)].

Reconvene Open Session

Chairperson Barnes called for the meeting to adjourn.

ADJOURNMENT: There being no further business, upon motion duly made, seconded and approved, the meeting adjourned.

Respectfully submitted,

Kathy Brown
Recording Secretary

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

Friday, November 22, 2019
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 Friday, November 22, 2019, at 1:00 p.m. in the Rough Ridge Room of the Plemmons Student Union on the campus of Appalachian State University, Boone, North Carolina. Mark E. Ricks presided and called the meeting to order.

MEMBERS PRESENT:

Scott K. Lampe
James K. Reaves
Mark E. Ricks
R. Thomas Sofield
Carole P. Wilson

CONSTITUENCY REPRESENTATIVE PRESENT:

Donna Fiori

OTHERS PRESENT:

Bill Aceto
George M. Baldwin
Jane Barghothi
Steve Behr
John M. Blackburn
Ryan A. Brown
C. Philip Byers
Moss P. Brennan
J.J. Brown
James Clement
Michael Davis
Aubry Dix
Kate L. Earnhardt
Randy K. Edwards
Brenton M. Ervin
Sheri N. Everts
Marie W. Freeman
Douglas P. Gillin
Mark C. Ginn
Paul A. Meggett
DeJon M. Milbourne
Susan Mills
Doug Miskew
Jonathan B. Reeder
Rene A. Salinas
Kimberly Shepherd
Eddie D. Simmons
Heather H. Stewart

CONFLICT OF INTEREST NOTICE: Chair Ricks 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 Ricks 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.”

COMMENTS FROM STUDENT-ATHLETES: Sophomore student-athletes, Ryan Brown from Men’s Cross Country and Track & Field, and Kate Earnhardt from Women’s Tennis, gave the Committee insight into their transformational experiences as student-athletes at Appalachian State University. To conclude their presentations, both student-athletes discussed their plans following graduation.

PRESENTATION BY DIRECTOR OF ATHLETICS: Mr. Doug Gillin, Director of Athletics, presented several updates to the Committee:

- Recent community connection efforts, including:
 - The Luke Combs Concert announcement, which is to be held on Saturday, May 2nd at Kidd Brewer Stadium. The first five-thousand tickets were made available at a discounted price to App State students only, and the remaining concert tickets quickly sold out to the general public in early October
 - A pregame concert held at Legends prior to the App State vs. Georgia Southern Football game on Halloween, featuring the band “Magic Giant”. Student attendees at the concert were entered in a drawing for a 2020-21 academic year parking pass. Also, in collaboration with App State Athletics, the App State ACT office, and the equestrian sanctuary, Double Wood Farms, two prequalified students won either a \$2,500 campus meal plan, or free tuition for the upcoming academic year
 - App State Athletics collected money to sponsor six children during the recent AppKids event, which supports local children in need
 - The 2019 “Extra Yards for Teachers” week was held in September, where a ten thousand dollar grant obtained through the College Football Playoff Foundation was provided to the Watauga County Teachers of the Year Program. This program is a result of collaboration between Athletics, the Reich College of Education, and Watauga County Schools
 - App State Student-Athletes continued strong involvement in community service, where they have accumulated over 11,000 hours since May 1, 2019, currently first place in the Sun Belt Conference
- Academic updates, in which App State Athletics currently holds a department graduation success rate of 84%. Recent academic achievement in the 2018-19 NCAA Academic Progress Rate data submission was also discussed, which saw 10 App State sport programs earn perfect student-athlete eligibility and retention rates

- Athletics facilities and fundraising updates, including progress on the North End Zone facility, the Appalachian 105 property, and the completed artificial turf replacement project for App State Baseball at Beaver Field at Jim and Bettie Smith Stadium
- Recent competitive updates, including:
 - The Men's Cross Country program, who earned a Sun Belt Conference Championship title last month
 - The tremendous App State Football success during their 2019 Football season was reviewed. This includes a 9-1 start to the 2019 season, multiple weeks ranked in the national Top 25 Associated Press and Coaches polls, and two consecutive weeks ranked in the highly significant College Football Playoff rankings
 - The unprecedented media coverage from App State Football, including feature stories from The Athletic and ESPN, five weeks on ESPN nationally televised platforms against Sun Belt Conference and Southeastern Conference opponents (which is an all-time high for App State Football), and countless interviews and coverage from various regional and national media outlets, radio, and television programs
 - App State Football also became the first Sun Belt Conference team to defeat two "Power Five Conference" programs, with wins over the University of North Carolina at Chapel Hill, and the University of South Carolina

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. 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
3. 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, Executive Associate Athletics Director, were asked to remain for closed session. All others were excused.

OPEN SESSION RECONVENED: Chair Mark E. Ricks reconvened the open session.

ADJOURNMENT: After the open session reconvened, the meeting of the Athletics Committee adjourned at 2:00 p.m.

Respectfully submitted,

Jonathan B. Reeder
Recording Secretary

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

Friday, November 22, 2019
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 Friday, November 22, 2019, at 12:56 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
M. Lee Barnes
James M. Barnes
Donald C. Beaver

CONSTITUENCY REPRESENTATIVE PRESENT:

Mallory Sadler, Chair, Staff Senate

OTHERS PRESENT:

John Adams
Wes Armstrong
Mark Bachmeier
Cindy Barr
Sharon Bell
Megan Bruffy
Jennifer Chrisohon
Clayton Christian
Crawford Cleveland
Faith Cope
Eloise Covalt
Matt Dull
John Eckman
Paul Forte
Denise Godwin
David Hayler
Timothy James
David Jamison
Darrell Kruger
Heather Langdon
Adam McCourry
Monica Saner
Luther Snyder
Craig Stephenson

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."

APPROVAL OF MINUTES: The minutes of the September 13, 2019 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 September 13, 2019 Audit Committee meeting. There being no corrections, upon motion duly made and seconded, the minutes of the meeting were approved as presented.

SUMMARY OF 2019-2020 AUDIT PLAN AND RECENT INTERNAL AUDIT ACTIVITY UPDATE: Mrs. Eloise Covalt, Chief Audit Officer, reviewed the 2019-2020 Audit Plan and the progress to date. 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:

- AUDIT OF TRANSFERS OF ASU FOUNDATION FUNDS FOR COLLEGE OF FINE AND APPLIED ARTS: There was discussion regarding the purpose of the audit which was to assess that controls are in place and operating as intended according to ASU and ASU Foundation financial policies and procedures regarding transfers of funds from Foundation sources. There were no written findings or recommendations.
- REVIEW OF ASU'S OVERSIGHT/CONTROLS RE: UNIVERSITY PUBLIC – PRIVATE HOUSING PARTNERSHIP (P3): Mrs. Covalt reviewed the report regarding the evaluation of the University's oversight/controls of the P3 for alignment with good controls and business practices. After a comprehensive review, there were no reported written findings or recommendations
- CHILD DEVELOPMENT CENTER: The purpose of the audit was to assess if internal controls are adequate to accomplish the fiscal objectives of the department and to present instances of noncompliance, if any, with University policies and procedures. Mrs. Covalt reported no findings.
- FINAL FOLLOW-UP REPORTING: Mrs. Covalt reported a final follow up regarding the Volleyball Camp Store. The follow-up purpose was to ensure internal controls over receipting/timely deposits, and inventory are being followed. The ASU Departments responsible for administering include Athletics and The Office of Conference and Camp Services. The initial finding is resolved and there will be no additional follow up regarding this matter.
- QUARTERLY REVIEWS – Quarter Ended September 2019:
 - TRAVEL DISBURSEMENTS: Mrs. Covalt reported written findings and recommendations as follows: the report noted multiple travel advances were non-compliant with the 30-day requirement. Recommended that the processing of these advances be completed immediately, if still outstanding. A separate engagement is

necessary due to potential control deficiencies regarding timeliness of processing travel advances and this engagement has been added to the 2019-20 Audit Plan.

- EDUCATIONAL AND TECHNOLOGY (E&T) FUNDS: Mrs. Covalt reported written findings and recommendations, as follows: 1) an improperly coded transaction – a correcting journal entry is recommended; and 2) split transactions by two departments - increased training is recommended.
- FIXED ASSETS: Mrs. Covalt reported that one asset had been transferred to another department without the proper documentation completed. Also, follow-up results from the previous report are resolved.
- BANNER USER ACCESS CONTROLS (QUARTERLY REVIEW – Quarter Ended June 2019): Mrs. Covalt reported no written findings or recommendations regarding the Banner user access controls quarterly review.

RECENT EXTERNAL AUDIT ACTIVITY UPDATE: Mrs. Covalt provided a summary of the external audits in progress and also provided a summary of the following external audits completed:

- NCSEAA PROGRAM REVIEW: Two findings were reported. Both findings were considered resolved at the report date, and no further action deemed necessary. Management has reorganized staff to form a Compliance team and is reviewing all processes with the assistance of the Controller's Office to strengthen controls over processing refunds.
- ASU FOUNDATION AUDIT: Mrs. Covalt reported that this external audit received an unqualified opinion.

NEW STAFF OFFICE OF INTERNAL AUDITS: Mrs. Covalt announced that Faith Cope has joined the Office of Internal Audits as an Internal Auditor – Contributing on 11/4/19.

ENTERPRISE RISK MANAGEMENT UPDATE: Risk Manager, Mrs. Denise Godwin, reported to the Committee an update regarding Appalachian State University's insurance coverage. She discussed cost, policy renewal dates, and requirements that must be maintained regarding proper coverage.

CLOSED SESSION: Audit Committee Member James M. Barnes made a motion for the Committee to convene in closed session to 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)]. The motion was seconded and approved. Chair Murray asked that Mr. Paul Forte, Mrs. Sharon Bell, Mr. Christian Clayton, Mr. Paul Meggett, and Mr. James M. Barnes, Mr. Don Beaver, Chief Audit Officer, Mrs. Eloise Covalt, Mr. David Jameson, Mr. Mark Bachmeier, Mr. Lee Barnes, Mr. Timothy James, and Ms. Monica Saner, the recording secretary, join the voting members in closed session.

RECONVENE IN OPEN SESSION: After the closed session was adjourned, the Committee reconvened in open session.

ADJOURNMENT: There being no further business, the meeting of the Audit Committee adjourned at 1:57 p.m.

CHARLES V. MURRAY, Chair

By: _____
Monica Saner
Recording Secretary

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

Friday, November 22, 2019
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, November 22, 2019, at 10:00 a.m. in the Rough Ridge Room of the Plemmons Student Union on the campus of Appalachian State University, Boone, North Carolina. Mr. Scott Lampe presided.

MEMBERS PRESENT:

John Blackburn
Scott Lampe
James Reeves
Mark Ricks
Kim Shepherd
Thomas Sofield
Carole Wilson

CONSTITUENCY REPRESENTATIVES
PRESENT:

Michael Behrent, Chair
Faculty Senate

OTHERS PRESENT:

John Adams
Mark Bachmeier
Jane Barghothi
Sharon Bell
Talana Bell
J.J. Brown
Philip Byers
Mark Bachmeier
Jennifer Chrisohon
Pam Cline
Crawford Cleveland
Linda Coutant
Aubrey Dix
Matthew Dockham
Matt Dull
Randy Edwards

Sheri Everts, Chancellor
Willie Fleming
Paul Forte
Frank Gentry
Mark Ginn
Megan Hayes
Nick Katers
Darrell Kruger
Heather Langdon
Paul Meggett
Susan Mills
Heather Norris
Jeff Pierce
Diane Pitts
Toussaint Romain
Will Sears
Neva Specht
Craig Stephenson
Heather Stewart
Steve Wyatt

MEDIA PRESENT:

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 September 13, 2019 meeting of the Business Affairs Committee had been

reviewed and, upon motion made and seconded, were approved as submitted.

PROPOSED 2020-2021 STUDENT TUITION AND FEES:

Mr. Paul Forte, Vice Chancellor for Business Affairs, gave an overview of the proposed tuition and fee increases for 2020-2021 which will be submitted to the Board of Governors and the Chancellor for approval. The following tuition and fee increases were proposed:

Base Tuition - (3% increase):

Undergraduate - (Resident - Incoming First Year)	\$129.00
Undergraduate - (Non-Resident)	\$580.00
Graduate (Resident)	\$147.00
Graduate - (Non-Resident)	\$557.00

Graduate Tuition Differentials:

M.S. in Athletic Training	\$3,000.00
M.S. Speech-Language Pathology	\$3,600.00

Program Fees:

Walker College of Business	
-Program Enhancement Fee - Majors	\$1,000.00
Walker College of Business	
- Program Enhancement Fee - Minors	\$500.00

Mandatory Fees:

General Fees:

Ed & Tech	\$25.00
Athletics	\$30.00

Student Activities:

Ed, Rec & REI	\$14.00
Student Union Operations	\$11.00
Campus Security Fee	<u>\$10.00</u>

 Total \$90.00

Miscellaneous Service Fees - (Chancellor Approved):

Room & Board	
Housing	\$158.00
Dining	\$98.00
Textbook Rental Fee	<u>\$12.00</u>
Total	\$268.00

Following discussion, the motion was made and seconded that the Committee approve the

proposed tuition and fee increases for 2020-2021 and present to the full Board for approval. The motion carried.

RESTRUCTURING OF DINING MEAL PLAN:

Mr. Paul Forte, Vice Chancellor for Business Affairs, recognized John Eckman, Associate Vice Chancellor for Campus Services, for information regarding the future of campus dining. Mr. Eckman stated that the dining program will transition to an "all you care to eat" plan over the declining balance plan now in place. This change will be effective Fall 2021. The all you care to eat dining will satisfy student requests for a diverse range of quality food, and allow students the flexibility to come and eat whenever they are hungry and potentially covering 100% of meals. The current plan only covers 58% of meals the student needs

UPDATE ON CAPITAL IMPROVEMENT PROJECTS:

Mr. Paul Forte, Vice Chancellor for Business Affairs, gave an update on capital improvement projects.

There being no further business, the meeting adjourned at 10:58 a.m.

Respectfully submitted,

Diane Pitts

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

Friday, November 22, 2019
Room 417 – Beacon Heights
Plemmons Student Union

CALL TO ORDER: The Student Affairs Committee of the Board of Trustees of Appalachian State University met at the call of the Chairperson on Friday, November 22, 2019, at 11:00 a.m. in the Beacon Heights room of the Plemmons Student Union on the campus of Appalachian State University in Boone, North Carolina. Mr. James Barnes presided and called the meeting to order.

MEMBERS PRESENT:

James Barnes
DeJon Milbourne-McCoy
Carole Wilson

CONSTITUENCY REPRESENTATIVES
PRESENT:

Mallory Sadler,
Chair, Staff Senate

OTHERS PRESENT:

John Blackburn
J.J. Brown
Jeff Cathey
Crawford Cleveland
Aubry Dix
Allison Dodson
Matt Dull
John Eckman
Lori Eggers
Frank Gentry
Chris Hogan
Alex Howard
Tom Kane
Heather Jo Mashburn
Susan McCracken
Matt McNaney
Paul Meggett
Susan Mills
Alan Rasmussen
J.K. Reeves
Toussaint Romain
Eddie Simmons
Heather Strine-Patterson
Jessica Stump

CONFLICT OF INTEREST NOTICE: Trustee 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.”* There were none reported.

EXPECTATIONS OF CONDUCT: Trustee Barnes 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: Trustee Barnes stated the September 13, 2019 Student Affairs Committee minutes were provided as an attachment in BoardEffect. A motion was made, seconded and approved to accept the minutes as distributed.

2020-2021 FEE REQUEST: Mr. Matt Dull provided an update on the 2020-2021 Student Affairs fee request. Information was shared about the Education, Recreation, and Renewable Energy Initiative Fee, as well as the Student Union Fee. Mr. Dull presented how the fees support student employees, staff and student organizations as well as departments in Student Affairs. These areas receive no state funding therefore the increase will be to support operating costs including utilities, a reduction in state appropriation, as well as maintain an appropriate fund balance for emergencies.

HOUSING PUBLIC PRIVATE PARTNERSHIP: Mr. Dull then provided an update on the University Housing Project. Mr. Dull reported that the first two buildings are on schedule for completion in Summer 2020. Mr. Dull shared in the coming weeks, we will see continued progress on framing, sheathing, roofing, interior plumbing, electrical and windows being installed. Building 300 is scheduled for financial close in February 2020 and construction will begin on building 300. Building 400 is in schematic design phase.

CAREER DEVELOPMENT RELOCATION PROJECT: Dr. Susan McCracken and Mr. Dull then shared information about the Career Development Center relocation project. Dr. McCracken shared a brief overview of the Career Development Center and what they do. In the last year, Career Development had 550 employers visit campus. First Destination data from 2017-2018 reports that 97.6% of Appalachian graduates are employed or enrolled in post-secondary education. Dr. McCracken and Mr. Dull provided information on the expansion and relocation from the John E. Thomas building to the Plemmons Student Union. By moving to a more central location, the modern career hub will allow for incidental connections with students and lead to great utilization of services available to them.

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