

REGULAR MEETING OF THE BOARD OF TRUSTEES OF WESTERN CAROLINA UNIVERSITY

H.F. Robinson Building, Room 501A

March 6, 2020

The Board of Trustees of Western Carolina University met in regular session on March 6, 2020 in room 501A of the H.F. Robinson Building. Chair Kinney called the meeting to order at 9:30 a.m.

ATTENDANCE

Present from the Board: Chair Bryant Kinney, Mr. Bob Roberts, Mrs. Haden Boliek, Mr. Casey Cooper, Mr. Tim Haskett, Mr. John Lupoli, Mr. Kenny Messer, Mr. Ken Hughes, Mrs. Kathy Greeley, Mrs. Rebecca Schlosser, and Mr. David Rhode.

Board Members Absent: Ms. Joyce Dugan.

Present – Board of Governors Member, David Powers; Faculty and staff of Western Carolina University: Chancellor Kelli R. Brown; Dr. Richard Starnes, Interim Provost; Ms. Alison Joseph, Staff Senate Chair; Dr. Enrique Gomez, Faculty Senate Chair; Mr. Ed Holland, Alumni Association President; Dr. Melissa Wargo, Chief of Staff; Mr. Mike Byers, Vice Chancellor for Administration and Finance; Mrs. Lisa Gaetano, Internal Audit; Mr. Shea Browning, General Counsel; Mr. Bill Studenc, Chief Communications Officer; Ms. Jamie Raynor, Interim Vice Chancellor for Advancement; Dr. Sam Miller, Vice Chancellor for Student Affairs; Mr. Craig Fowler, Chief Information Officer; Dr. Cory Causby, Associate Vice Chancellor for Human Resources and Payroll; Ms. Ivy Gibson, Associate General Counsel; Ms. Myah Baird, Administrative Support Associate; Ms. Karen Woody, Budget Officer; Mr. Dawson Spencer, SGA President-Elect; and Ms. Jessica Woods, Assistant Secretary to the Board of Trustees.

ROLL CALL

Ms. Woods called the roll of the Board members in attendance. A quorum of the board was present.

ETHICS STATEMENT

Mr. Kinney read the Ethics Statement as follows:

“As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflicts of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees’ meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.” **No conflicts of interest were disclosed.**

Chair Kinney reminded the board that the meeting was being streamed live to room 540 in H.F. Robinson Building”.

APPROVAL OF MINUTES

Chair Kinney asked for a motion to approve the minutes of the December 6, 2020 Regular Board meeting and January 21, 2020 Special Telephone meeting, and February 28, 2020 Special Telephone meeting. Mr. Lupoli made a motion to approve minutes. Mr. Cooper seconded the motion. The minutes were unanimously approved.

COMMENTS FROM BOG MEMBER

Chancellor Brown and Chair Kinney welcomed and recognized BOG member, David Powers. David Powers thanked the board for the opportunity to attend the BOT meeting. Governor Powers provided an update on the UNC President search.

COMMENTS FROM CHANCELLOR KELLI R. BROWN

Chancellor Brown thanked the board of trustees for their service to Western Carolina University and thanked them for attending the BOT meeting. Chancellor Brown shared an update on the Coronavirus. Chancellor Brown shared that WCU is treating the situation very seriously, both here on campus and at the UNC System level and is monitoring the evolving situation and communicating with staff, faculty, and students. She shared that she participated in a call with other chancellors to start laying the groundwork for response and communications on coronavirus. President Roper called for the creation of a Coronavirus Coordinating Group of chancellors, provosts, and health professionals from across the system that will identify, evaluate, and coordinate the many activities already underway. The Coronavirus Coordinating Group will be chaired by Chancellors Harold Martin of North Carolina A&T and Randy Woodson of NC State; Dr. Wesley Burks, CEO of UNC Health Care and dean of the UNC School of Medicine; and supported by UNC System Chief of Staff Chris McClure. Interim Provost Richard Starnes has agreed to represent Western Carolina University on this group. Chancellor Brown shared that the campus response team held its first meeting this week and the team will meet regularly to plan internally as well as with our community partners for a swift response. Chancellor Brown noted that she has informed the campus community to use their best judgement about travel plans and monitor the CDC travel notices for information related to outside the country. She noted that the situation is impacting the WCU travel abroad programs. Chancellor Brown noted that WCU has already cancelled student exchange and faculty-led travel to CDC Level 2 and Level 3 countries for the spring semester and those planned for summer. The university is closely monitoring CDC and Department of State advisories for other countries and will adjust accordingly. Chancellor Brown shared that the Communications and Marketing folks are putting together a specific website with information about coronavirus, and are assisting with the development of posters, flyers and digital signage reminding our campus community of the basic steps that can be taken to avoid exposure to this virus.

Chancellor Brown provided an update on the State Budget. She mentioned that we still do not have a budget and indications are that we will see no movement on the budget until the General Assembly reconvenes in late April or possibly beyond. Chancellor Brown reminded the Trustees that we still have an ongoing base budget - North Carolina law mandates that the state and its agencies (including the UNC System) continue to operate under the prior year's budget until a new spending plan is approved. Chancellor Brown shared that we do have money to maintain current operations but that we don't have new money to support our growth and other critical priorities. Chancellor Brown shared that President Roper and team were on campus yesterday, as the first stop on a statewide tour across the UNC System to draw attention to the impact of the budget impasse on our institutions and met with WCU leaders and State Representatives Joe Sam Queen, Kevin Corbin and Brian Turner. Chancellor Brown noted that the main thing that President Roper wanted to discuss was the impact of the budget statement on our efforts to replace our century-old steam plant. Chancellor Brown reminded the Trustees, that the General Assembly provided the first of two planned installments of \$16.5 million for the project in the previous year's budget, with the remaining \$16.5 million scheduled to come this year and those dollars remain tied up in the stalemate. Chancellor Brown noted that we have been able to complete planning and the project design, but we cannot award a construction contract until we have all funding in hand.

Chancellor Brown shared that they also talked about the impact of the budget deadlock related to NC Promise. We are more than \$4 million short of the funding needed to cover between the true cost of

tuition and the \$500 per-semester tuition rate for North Carolina students. Chancellor Brown mentioned that we are teaching and providing services to more than eleven-hundred students without the additional financial resources needed to serve them. Chancellor Brown shared that she is concerned about the impact the impasse will have on the quality of classroom instruction if the situation continues, but she is even more concerned about the ability to meet their needs in terms of health, especially mental health. Chancellor Brown also shared her concern about the ability to provide adequate compensation to the hard-working faculty and staff. She mentioned that years of stagnant salary increases and non-competitive benefits packages are making faculty and staff recruitment and retention a very real problem. Chancellor Brown shared her appreciation of the board's action in January approving a resolution calling for a rapid conclusion to this on-going budget impasse and urging all elected state officials to move swiftly to enact House Bill 966 and approve, with the salary increase provisions originally included in Senate Bill 354. Chancellor Brown noted that we are moving forward as best we can to address some of the most critical compression and inversion issues in faculty and staff salaries. Chancellor Brown shared that the process of promoting all lecturer positions to the instructor level is complete and faculty and staff compensation and seeking meaningful salary adjustments will remain a top legislative priority. She asked that the board contact their local legislators and those they know in office in Raleigh and let them know about the ongoing pain that this budget situation is having on our university.

Chancellor Brown also shared updates on leadership searches. Chancellor Brown thanked the board for their approval of the contract for the new athletics director, Alex Gary. Chancellor Brown noted that Alex comes from Oregon State university and has a strong track record as a leader in athletics and in development, which she believes will serve WCU well as we begin to implement the athletics facilities master plan that the board requested last year. Chancellor Brown mentioned that it is great to be able to welcome a former Catamount student-athlete back to the team in such an important leadership position. Chancellor Brown thanked associate general counsel, Ivy Gibson, for her work in chairing the search committee and to all the members of the committee for working quickly and efficiently to bring this search to a successful conclusion. Chancellor Brown also thanked Mike Byers for continuing to hold the reins of the athletics department until Alex joins us on May 1st.

Chancellor Brown shared that she appointed a 13-member committee to conduct the national search for our next provost in April. Dale Carpenter, professor of special education and former dean of the College of Education and Allied Professions, has agreed to chair the committee. Chancellor Brown asked the committee to work toward the goal of us being able to announce our next provost by May 1st, which is the last day of classes for the spring semester. Chancellor Brown thanked Richard Starnes for serving as interim provost.

Chancellor Brown shared that the search for our next vice chancellor for advancement is in high gear. The committee, chaired by Craig Fowler and working with Aspen Leadership Group, solicited input from campus stakeholders back in December to help develop the position prospectus. Chancellor Brown shared that the committee has met several times to narrow the candidate pool down to 10 for airport interviews that took place the last week of April. The committee has extended invitations to three finalists to take part in campus visits mid-March through early April, with the hope that we'll be able to announce our new vice chancellor for advancement by June 1, and earlier if possible. Chancellor Brown thanked Jamie Raynor for agreeing to serve as interim vice chancellor for advancement.

Chancellor Brown shared information on the fourth annual "I LOVE WCU" campaign. The campaign focused on faculty and staff engagement. Advancement tracked the hours that faculty and staff devoted to community service projects, in addition to their charitable giving to areas of importance. Chancellor Brown shared that 462 faculty and staff contributed \$155,631 in gifts and monetized volunteer hours to

areas that were important to them. This factors in 2,694 hours of time donated by faculty and staff to their local communities within the month of February.

Chancellor Brown noted that the Southern Conference Basketball Tournament will be held this weekend at the Harrah's Cherokee Center in Asheville and invited Trustees to attend the Tournament. Chancellor Brown shared that the first-year head coach Kiley Hill has his team playing well, and two of our players were named to the All-Freshman team. Chancellor Brown shared that second-year coach Mark Prosser has guided his team to the best turnaround in the country, comparing this season's number of wins to last year. She shared that we have two players on the All-Conference first team - Carlos Dotson and Mason Faulkner.

COMMENTS FROM THE CHAIR

Chair Kinney thanked Chancellor Brown for her Chancellor's Report. Chair Kinney thanked WCU faculty and staff on the accomplishments and upward trajectory. Chair Kinney also thanked the board for their active participation in their membership on this board. Chair Kinney reminded the board that Spring ceremonies are scheduled for May 8th at 7:00 pm for Graduates and May 9th at 10:00 am and 3:00 pm for Undergraduates. Chair Kinney mentioned that we have a great team of board members attending AGB in Washington in April. Chair Kinney shared that Chancellor Brown's Welcome Tour is almost complete and recognized her for coming to Western Carolina University and going at full speed for her first eight months. He shared that she has moved quickly to initiate searches for key staff positions, including the hiring of Athletics Director, Alex Gary. He also shared that Chancellor Brown is attending student events on campus and thanked her for all that she is doing.

Chair Kinney thanked the executive team, faculty and staff for their "excellent" response to the hazmat event at HHS. He noted that it was reassuring that the team responded quickly, coordinated with local and state resources and ensured the safety of students, faculty and staff. Chair Kinney asked the executive team to pass along the sincere thanks of the board to everyone involved.

Chair Kinney reminded everyone that it is imperative that we remain focused on doing all we can to remove the budget stalemate for the funding we need for salaries, capital programs and the additional funding of NC Promise for increases in enrollment. He shared that he appreciated the board's support of the resolution concerning the need to pass a state budget that provides the support we require to serve our students.

Chair Kinney reminded the board of Chancellor Brown's Installation Celebration Events. He shared that Ms. Woods sent the board information concerning the event and associated logistics. He reminded the board that they can contribute to help with the celebration events. Chair Kinney noted that we currently have 11 members of the board that have contributed to the university this year and reminded them of our goal to have 100 percent participation.

REPORT OF ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Chair Kinney recognized Mr. Lupoli to give the report of the Academic Affairs and Personnel Committee. The Academic Affairs and Personnel Committee reviewed several discussion and informational items. Dr. Starnes provided updates on the Division of Academic Affairs current Administrative Searches: College of Health and Human Sciences Dean, College of Business Dean, Educational Outreach Executive Director, and International Programs and Services Director. Dr. Causby provided a Human Resources Report. Dr. Causby provided an update on the 2020 UNC System Employee Engagement Survey, shared the Annual HR Compliance Report FY 2018-19 in TAB C-2, and

provided an update on the UNC System Paid Parental Leave Policy implemented on January 1, 2020 in TAB C-3. The committee moved to approve the WCU Management Flexibility to the Chancellor as presented, to the full board. The motion comes from committee and does not require a second. The WCU Management Flexibility was unanimously approved.

Dr. Starnes shared information on faculty appointments, administrative appointments, and athletic appointments in TAB C-3a.

The committee also considered one item in closed session.

REPORT OF ADMINISTRATION, GOVERNANCE, AND TRUSTEESHIP COMMITTEE

Chair Kinney recognized Mr. Roberts to give the report of the Administration, Governance, and Trusteeship Committee. The Administration, Governance and Trusteeship Committee discussed five (5) action items and reviewed several discussion and informational items.

The committee considered the Naming Policy in Tab D-2a and D-2b of the Trustee materials. The committee recommended the Naming Policy to the full board of approval. The motion comes from committee and does not require a second. The Naming Policy was unanimously approved. The committee considered the Honorary Doctorate Guidelines in Tab D-3a and D-3b of the Trustee materials. The committee recommended to the full board the approval of the Honorary Doctorate Guidelines. The motion comes from committee and does not require a second. The Honorary Doctorate Guidelines were unanimously approved. The committee considered the Board of Trustees of the Endowment Fund slate for election to complete the 2019-20 year: Kenny Messer, June 30, 2021; Ken Hughes, June 30, 2020; Grace Battle, June 30, 2020; and Haden Boliek, June 30, 2020 in Tab D-4. The committee recommended to the board that they approve the appointment of Endowment Fund Board members. The motion comes from committee and does not require a second. The slate of Endowment Fund Board members was unanimously approved. The committee considered the nomination of WCU alumnus Ron Sink as a new Foundation Director to complete the term vacated by alumnus Kevin Vasquez in Tab D-5 of the Trustee materials. The committee recommended the election of Ron Sink as the new Foundation Director to the full board of approval. The motion comes from committee and does not require a second. The nomination of Ron Sink as a new Foundation Director was unanimously approved. The committee considered the proposed revision to the Tailgating Policy in Tab D-6 of the Trustee materials. The committee recommended to the full board that they approve the proposed revision to University Policy 103 – Tailgating as related to the designated parking lots and areas for tailgating for alcohol permissible areas and alcohol permissible student areas. The motion comes from committee and does not require a second. The University Policy 103 – Tailgating was unanimously approved.

Mr. Roberts asked Mr. Rhode to give the SGA Report. Mr. Rhode shared updates on advocacy, environmental sustainability, safety and diversity and inclusive excellence projects. Mr. Rhode shared information on SGA elections and events. (SGA REPORT IS IN REPORT MATERIALS AND AGT MINUTES ON FILE).

Ms. Meredith Whitfield provided information on the Legislative Policy Agenda and provided a Legislative Update. Ms. Whitfield shared that the state continues to operate without a budget. Ms. Whitfield shared that Rep. Chuck McGrady visited WCU and had a very productive meeting discussing budget strategies for when the legislature comes back into session. Ms. Whitfield will continue to keep the board updated on the success of the approach for the legislature to pass a University mini-budget for immediate needs, if the full budget cannot be passed. Ms. Whitfield shared that President Roper visited campus this morning to hear from stakeholders at a roundtable discussion and toured the steam plant, and

held a press conference with Chancellor Brown to detail the need for WCU to be funded as soon as possible.

Ms. Jamie Raynor, Interim Vice Chancellor for Advancement, presented an update of the current fiscal year fundraising activity. The presentation can be found behind TAB D-7 of the Trustee materials. Ms. Raynor provided updates through March 5, which included \$6,245,097 in cash gifts, \$1,967,643 in pledges, and \$1,045,779 in private grants for a total of \$9,258,520 raised to date in FY2020. This represents 73.7% towards the goal of \$12,554,690 by June 30th - raised from over 6,500 gifts by 2,620 hard credit donors. Ms. Raynor noted that the 4th annual I Love WCU month concluded with 29% of all faculty and staff giving back to WCU through gifts and community service. Ms. Raynor noted that the How We Thank Initiative has wrapped up its task force work, and is ready to implement its recommendations for outstanding stewardship of donors. Ms. Raynor shared that Advancement has partnered with PCI to complete the Alumni Directory, which is done every ten years. This project secures valuable updates in alumni data including employment and contact information. Ms. Raynor shared that Advancement is formalizing Giving Societies for planned giving donors, cumulative lifetime giving, and annual giving. These new Giving Societies will be presented to the Board of Trustees at the June meeting.

Mr. Mike Byers, Mr. Shea Browning, and Dr. Sam Miller provided an update on Beer and Wine Sales at Athletic Events. Mr. Byers shared that progress has been made on the plan for beer and wine sales at athletic events, and Aramark will be the vendor. Mr. Byers noted that WCU is on schedule to sell alcohol at the football and basketball game at the 2020 fall season, and softball in the 2021 spring season. Mr. Byers mentioned that WCU will not be prepared to sell alcohol at the baseball games in spring 2021, since a secure location is required for points of sale, which is not currently available at the baseball field.

Mr. Browning shared the Athletic Coach/hiring protocols in Tab D-8 of the Trustee materials and stated that they have been put into place. Mr. Browning shared that the chosen applicant's name will be provided to legal counsel for review and background checks. Mr. Tim Haskett suggested that in addition to a criminal background check, a civil background check should be added. Mr. Browning noted the time constraints on that civil process.

Ms. Joyce Carpenter shared the Board of Trustee Meeting Schedule for 2020-2021 with the committee. The schedule can be found in Tab D-9 of the Trustee materials. Please note the important dates of the regular Trustee meetings; the BOT Retreat which is scheduled for November 5-6, 2020; the Commencement, which is scheduled for May 8 and 9, 2020; and the AGB conference which is scheduled for April 5-8, 2020 in Washington, D.C. Also, included on the schedule are the Board of Governors 2020 meetings.

REPORT OF FINANCE AND AUDIT COMMITTEE

Chair Kinney recognized Mr. Messer to give the report of the Finance and Audit Committee. The Finance and Audit Committee discussed five (5) action items and reviewed several discussion and informational items.

Mr. Messer shared that the committee heard from Mr. David Ericht of the NC State Auditor's Office and reported on WCU's 2019 Financial Statement audit. No reportable findings or deficiencies were found. The Finance and Audit committee recommended to the full board the acceptance of the 2019 audited financial statements as president in Tab E-2 of the Trustee materials. The motion comes from committee and does not require a second. The 2019 audited financial statements were unanimously approved. Mr. Messer shared that the committee heard from Mr. David Steinbicker about the 2019 financial statements as presented in Tab E-3 of the Trustee materials. Mr. Byers recommended that the board adjust the "Debt

Service to Operating Expenses ratio” parameter from not-to-exceed 5.4% to not-to-exceed 6.5% to allow for future project financing while remaining in line with system institutions. The Finance and Audit committee recommended to the full board for approval of WCU’s proposed Debt Strategy Adjustment as presented in Tab E-4 of the Trustee materials. The motion comes from committee and does not require a second. The Debt Strategy Adjustment was unanimously approved.

Mr. Messer shared that Ms. Ivy Gibson walked the committee through the Compliance and Enterprise Risk Management Plan as presented in Tab E-5 of the Trustee materials. Mr. Messer noted that Ms. Gibson discussed the five top risks General Counsel submitted to the UNC System Office. Note: The plan was misidentified on the agenda as an action item. The plan was only for information and was not brought forward to the committee for approval and therefore, to the full board for approval.

Mr. Messer shared that Mr. Joel McKenzie explained to the committee the purpose of the Identity Theft Prevention Program as presented in Tab E-6a and E-6b in the Trustee materials. The Finance and Audit committee recommended to the full board the approval of the adoption of the Identify Theft Prevention Program as presented. The motion comes from committee and does not require a second. The Identify Theft Prevention Program was unanimously approved.

Mr. Messer shared that an Internal Audit update was provided in the board materials in Tab E-7, outlining current audits and related work. Mr. Messer also shared that a Capital Improvements Update was also provided and can be found in the Trustee Board materials in the section labeled Tab E-8.

STAFF SENATE INFORMATION REPORT

Chair Kinney thanked Ms. Joseph for her service as Staff Senate Chair. Chair Kinney recognized Ms. Joseph to give the Staff Senate Report. Ms. Joseph shared information on Employee Reward and Recognition, Professional Development, and Orientation and Onboarding. Ms. Joseph also shared information on the Staff Forum hosted by Senate on February 10th, Staff Senate Scholarship fundraising and award process, Community service engagement for employees, Human Resources update, and internal governance and improvement to Senate processes and documentation. (REPORT IS IN REPORT MATERIALS ON FILE).

FACULTY SENATE INFORMATION REPORT

Chair Kinney thanked Dr. Gomez for his service as Faculty Senate Chair. Chair Kinney recognized Dr. Gomez to give the Faculty Senate Report. Dr. Gomez shared information on the business of shared governance. Dr. Gomez thanked the board for the approval of the resolution urging a resolution of the budget impasse. Dr. Gomez saluted the initiative from the Chancellor to promote lectures to instructors and mobilize funds to deal with the most serious faculty salary compression and inversion issues. Dr. Gomez shared a graph prepared by Sean Mulholland showing the salary trend for WCU and other institutions. Dr. Gomez shared some key initiatives that the Faculty Senate continues to work on. Dr. Gomez provided an update on the biannual UNC System Employee Engagement Survey partnership with Human Resources. (REPORT IS IN REPORT MATERIALS ON FILE).

ALUMNI ASSOCIATION INFORMATION REPORT

Chair Kinney recognized President Ed Holland to give the Alumni Association Report. President Holland gave an update on the December 14, 2019 Commencement, Chancellor’s Welcome Tour, Greater Hendersonville Alumni Club Kick-Off Event, WCU Alumni Association Board of Directors Meeting, New Positions, and upcoming alumni events and initiatives. (REPORT IS IN REPORT MATERIALS ON FILE.)

CLOSED SESSION

Chair Kinney asked for a motion to go into closed session. Mr. Roberts made a motion to go into closed session to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial appointment, of a public officer or employee or prospective officer or employee; prevent the disclosure of privileged or confidential information, or information not considered a public record within the meaning of the NC Public Records Act; to protect the attorney-client privilege to discuss a legal issue; to consider and give instructions concerning the handling or settlement of a potential or actual claim, administrative procedure, judicial action, mediation or arbitration; and to consider and give instructions concerning existing lawsuits as noted on the closed session agenda provided before the regular board meeting. The motion was seconded by Mr. Messer. The motion was unanimously approved by the board.

Chair Kinney asked Chancellor Brown, Dr. Starnes, and Mr. Browning to remain for the first closed session item. Chair Kinney asked Chancellor Brown and Mr. Browning to remain for the second closed session item. Discussion followed on the Closed Session Agenda Items.

RESUMPTION OF OPEN SESSION

Chair Kinney asked for a motion to return to open session. Mr. Roberts made the motion to return to open session. The motion was seconded by Mr. Cooper. The board unanimously approved.

TRUSTEE EXPECTATIONS FOR THE INSTALLATION AND AGB

Chair Kinney recognized Dr. Wargo for the discussion on Trustee Expectations for the Installation and AGB. Discussion followed. Melissa shared the Chancellor's Installation Events for Saturday, March 21st and week of March 23rd.

ADJOURNMENT

Chair Kinney asked for a motion and a second to adjourn. Motion to adjourn from Mr. Messer and a second from Mr. Lupoli. The motion was unanimously approved by board.

The meeting was adjourned at 12:30 p.m.