

6-22-2007

Board of Trustees Minutes, June 22, 2007

Coastal Carolina University

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Minutes
Coastal Carolina University
Board of Trustees

Wall Building, Board Room
June 22 2007, 9:00 a.m.

Presiding: Mr. Charles J. Hodge

Board Members Present:

Mr. William H. Alford
Mr. William S. Biggs
Mr. Joseph L. Carter
Mr. Fred F. DuBard, Jr.
Mr. Samuel H. Frink
Mr. J. Wayne George
Mr. William L. Lyles, Jr.
Mr. Daniel W. R. Moore, Sr.
Mr. Clark B. Parker
Mr. Robert L. Rabon
Dr. Oran P. Smith
Mr. Eugene C. Spivey
Mr. Tommy M. Stringer
Dr. Samuel J. Swad

Dr. David A. DeCenzo
Dr. Edgar L. Dyer
Mr. Bill Edmonds
Mr. Wilbur L. Garland
Mr. Stanyarne R. Godshall
Ms. Alison Hawk
Dr. Lloyd A. Holmes
Mr. Warren Koegel
Mr. Dan Lawless
Ms. Linda P. Lyerly
Mr. Tim Meacham
Ms. Anne T. Monk
Dr. Danny Nicholson
Ms. Ramona L. Prufer
Dr. William H. Richardson
Mr. Caesar C. Ross
Mr. Keith S. Smith
Dr. Judy W. Vogt
Dr. Lynn Willett
Dr. Dennis G. Wiseman
Ms. Nila S. Hutchinson
Ms. V. Chyrel Stalvey

Board Member Not Present:

Mr. Robert D. Brown

Others Present:

Dr. Teresa E. Burns
Mr. David A. Bredekamp
Dr. Janis W. Chesson
Mr. Josh M. Chesson

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda for the meeting. Ms. Jessica Foster and Mr. David Wren of The Sun News, Ms. Kathy Ropp of The Horry Independent and Ms. Lee McLaughlin of Channel 15 were in attendance.)

I. Call to Order

Chairman Hodge called the meeting to order at 9:00 a.m. Dr. Smith offered an invocation noting the passing of Trustee Jim Kane, the continued recovery of Trustee Duke Brown, and the new leadership for Coastal Carolina University. Happy birthday wishes were extended to Mr. Lyles.

The following were introduced: Will Garland, Interim Vice President for Business Affairs and Dan Lawless, Registrar.

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Mr. Godshall noted that President David Singleton of the Coastal Educational Foundation could not be in attendance. Mr. Godshall reported that the Foundation has developed the Memorandum of Understanding between the Foundation and Coastal Carolina. It will be reviewed today in the meeting for approval.

Dr. Dyer reported for Chairman Julie Rajotte of the Horry County Higher Education Commission. Dr. Dyer stated that the 2007-2008 budget has been developed. The Prince Building has been paid off and the Commission has dedicated monies for the library renovations. Their bylaws have been revised and the legislation has approved some minor changes to them.

Roll call was taken.

II. Approval of Minutes

Mr. Lyles moved to approve the minutes of May 4, 2007, and Mr. Frink seconded. The motion passed.

III. President's Report

Dr. DeCenzo asked Dr. Vogt to report on fall enrollment. The anticipated freshman class will be 1575-1625 students. Freshman statistics include: 254 minority freshmen; 1040 average SAT; students from 33 states; and a 15% increase in S.C. students from last year. Four hundred and forty-seven transfer deposits have been received. It is hoped to have a gain of 300-325 continuing students and an additional 500 students in all. The number of accounting majors has almost tripled, and this increase has been attributed to the addition of the MBA program.

A new Academic Center was developed last year. As a result freshman retention is up about 7% over last year. The seven freshman advisors not only advise them academically but they also help students with any kind of issues they may have.

A new scholarship program is being developed for Fall 2008 to include new levels of awards and higher award levels for high academic in-state students. More information will be coming in the fall. There is a signed partnership agreement with our Bridge Program with the Horry-Georgetown Technical College which includes a scholarship package.

Dr. Willett reported that the occupancy is 91% for University Place and 97% for the main campus.

As required by the state procurement code, Mr. George moved to approve the purchase of chairs for the President's office for \$1,456 and Mr. Carter seconded. The motion carried.

IV. Standing Committee Reports

Executive Committee

Nothing to report

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Academic Affairs Committee

Dr. Smith reported that the committee had items for Executive Session.

Audit Committee

Mr. Parker stated that in October 2006, Chairman Hodge, at the request of the Board of Trustees, appointed a standing Audit Committee to review the internal policies and practices of the University. This action was taken by Chairman Hodge in preparation for the appointment of the new president.

Though certainly not finished with the mission, the Audit Committee has reviewed the following issues at this point—the oversight of outside consultants, internal hiring practices, expansion of the internal audit staff, discretionary spending, leases and related foundations or other entities related to the University. As a result of the review, the Committee has drafted the following recommendations to be considered by the Board. These recommendations are the result of the first phase of our review of internal policies and practices.

- We recommend that the contracts of outside consultants be reviewed individually and all future contracts signed by the University and related foundations or entities be approved by the Planning & Fiscal Affairs Committee, regardless of the amount.
- We recommend that a Human Resources Policy be implemented that guarantees all applicants consideration for employment based solely on their individual qualifications, that each position be properly advertised and that each interview follow EEOC guidelines.
- We recommend that the internal audit staff be expanded to include an Information Technology Auditor and that the head of the Internal Audit Department report directly to the Board's Audit Committee and indirectly to the President of the University.
- We recommend that a Discretionary Spending Policy be implemented that requires any expenditure above \$20,000 be approved by the Planning & Fiscal Affairs Committee. We have referred the discretionary spending issues related to the past President to the External Auditor for recommendations.
- We recommend that all current leases be reviewed individually and all future leases be approved by the Capital Projects Committee regardless of the amount and the ownership of each lease being fully disclosed.
- We recommend that the Board adopt a policy prohibiting trustees from serving on the boards of any University related foundations or other related entities. We are continuing to review the policies of each related foundation and recommend the following:
 1. that each related foundation or entity should retain an external auditor separate from the University;
 2. that information be freely shared between the auditors of the University and each related foundation or entity; and
 3. that each related foundation or entity be responsible for the hiring, compensating and terminating of their respective employees.

The committee believes that these recommendations will give President DeCenzo and the Board the necessary authority to take corrective action concerning any improprieties at the University.

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As items were addressed inside of the committee and we brought forth issues related to internal control problems and procedures to Dr. DeCenzo's attention, he took immediate action to correct several items. He expressed appreciation to Chairman Hodge, Drs. DeCenzo and Dyer and other members of the administration for their help.

Chairman Hodge expressed concern regarding a policy prohibiting trustees from serving on the boards of any University related foundations or other related entities. These recommendations will be reviewed by the Board of Trustees.

Mr. Parker regrets that some individuals were caught in the crossfire but the committee's mission was more important to make the University stronger.

Chairman Hodge stated that there are always growing pains in the growth of companies or corporations. The policy changes are to make the University more fiscally sound for the future and expressed gratitude to the committee.

Capital Projects Committee

Mr. Moore asked Dr. Dyer to report on the items discussed in the committee meeting.

Dr. Dyer reported that papers are being finalized for the gifting of a plat of land located near the corner of International Drive and River Oaks Boulevard by Mr. Keith Hinson.

The total amount needed for construction of the athletic training facility/fieldhouse project is \$11,525,000--a 5.4 % increase in the original A-1 for the project. The increase will have to be approved by the Joint Bond Review Committee and the Budget and Control Board. If approval is received, the site work could begin in a month or so. Construction could start as early as December 2007.

After going through two bid processes for the Quail Creek irrigation project, the contract was finally awarded for \$715,000 for automating the irrigation. Upgrading the tees and greens is contingent with an automated system to improve the turf. The construction start date is anticipated for June 25 and final completion by October 8, 2007.

The current budget for the baseball batting cage project is \$400,000. This project will improve the practice hitting facility and provide offices for some coaches. Approximately \$365,000 remains for actual construction of the facility after A&E fees have been deducted. What has been designed is a little bit out of standard. The long span steel necessary for the project would probably put the project over the budgeted amount and alternatives are being investigated by the architect. The baseball coaches have been housed in temporary trailers for many years and they will have offices in this new project.

Coastal Carolina's Center for Marine and Wetland Studies, Clemson University, and Santee Cooper are working cooperatively on a wind study at Waties Island facility. The wind tower is measuring wind velocity to determine whether or not it will be feasible for Santee Cooper to put windmills up to generate green electricity.

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The laundry facility for the dorms should begin late fall or early 2008 and come in under budget. We are awaiting final drawings for an additional 3,000 sq. ft. to be added to the Student Center. This is a combined project with Aramark to expand the CINO Grill for seating another 90 students. The Environmental Quality Lab and chemistry labs in the Center for Marine and Wetland Studies are being designed and preliminary sketches should be available soon.

The band building is currently being leased and will be appraised in order to make a decision on whether or not to purchase it.

Development & Alumni Affairs Committee

Mr. Moore asked Dr. Nicholson to report on the committee meeting.

Dr. Nicholson reported that Advancing the Dream, the follow-up fundraising campaign to the 50th Anniversary Initiatives, raised a total of \$8,606,001. It has surpassed the \$8 million goal. Almost half of the amount is for the fieldhouse.

Mr. Patrick Ransdell has been hired as a major gifts officer for athletics.

Plans continue to introduce Dr. DeCenzo to the state, region and ultimately the nation. In the fall he will visit Columbia, Charleston, Florence, Greenville, and Spartanburg and meet with potential major donors and receptions.

We are currently low in unrestricted funds. We would like to introduce a new President's Circle and ask donors to invest \$1,000 for three years. More information on this will come forward in the fall.

Dr. DeCenzo and Messrs. Alford and Falk have been instrumental in leading the development of a south end Board of Visitors with 50-100 people. They will be asked to play a leadership role in the institution.

Dr. DeCenzo's priorities on campus are the student center, library and the science center. Plans are being developed for a new fundraising campaign and a feasibility study will be initiated in the spring. It is hoped to announce the campaign in the fall of 2008

As Dr. Nicholson meets the public, questions are asked daily whether or not the recent adverse press has affected fundraising--reputation and prestige are very important in fundraising. The large donors with gifts currently on the table realize that we have some things to work out but they are proud of Dr. DeCenzo's leadership and the decisions made. They are confident that the potential of the University will be captured and are ready to continue to support the University.

Alumni Relations is planning events to increase alumni participation.

Student Affairs Committee

Mr. Lyles asked Dr. Willett to report on the committee's meeting.

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Dr. Willett stated that there were three items, but none for action:

- There is a change in the funding structure for health services to fund the operations from the general University budget.
- There was discussion on changes in the management structure of University Place which has been taken over by the firm of Campus Advantage.
- The Student Center will receive a facelift with new furniture, carpet, and paint by the fall opening prior to the more extensive renovations. Although these improvements are most welcome, they will not solve the issue of a Student Center willfully outdated and built for a much smaller student population.

Mr. Koegel stated that the growth of the University is reflected in the student-athletes attracted to the University. Coastal Carolina won the Sasser Cup for the fourth straight year. Football player Anthony Franklin was named one of the Big South's Graduate Fellowships provided by Renaissance Insurance and winner of the league's Christenberry Award as the top academic male graduate. He will further his studies towards a Ph.D. in statistics. Golfer Dusty Johnson was named First Team All-American. He is proud of the academic achievements of the student athletes with an overall cumulative grade point average of 3.01. There were four Big South Scholar-Athletes of the Year, 105 All-Conference selections and three Big South Coaches of the Year.

The men's golf team advanced to the NCAA Championship and finished a league-record fifth in the nation.

There has been immense interest in the search for a men's basketball coach and five candidates have come to campus. A decision will be made next week. He believes that Coastal Carolina has become a household name throughout the country.

In 2008, Coastal Carolina will pay Penn State and the date is forthcoming.

When hosting the NCAA Regional Baseball Tournament, Coastal Carolina received national television exposure. The Pelican organization was very cooperative, and the event was very successful. Baseball set a single-game attendance record in the regional game against Coastal Carolina and Clemson with 6,231 fans. The NCAA received reports that it was one of the best run tournaments in the country and highly recommends awarding the university a tournament in the future.

Mr. Rabon would like to have thank-you letters sent to the City of Myrtle Beach and Conway for the t-shirts they supplied for the tournament and their support. Mr. Koegel stated that a thank-you letters had gone out and the Pelican organization will be the guest of Dr. DeCenzo at the first home football game.

Football player Tyler Thigpen has been drafted by the Minnesota Vikings; Quinton Teal has signed as a free agent with Carolina Panthers; and Rodney Burgess signed with the New York Giants.

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Mr. Koegel is excited about the future of athletics at Coastal Carolina.

Transition Ad Hoc Committee

Dr. DeCenzo reported that Board members and staff have been working together on the transition to put in place the launching of a major strategic planning initiative the first of July.

The University of Wisconsin-Stout was the first institution of higher learning to win the prestigious Baldrige quality award. To start our strategic planning, a group out of the University of Wisconsin-Stout will come to campus in late July or early August for a comprehensive review of not only academics but also all components of the University. The intent is to look at ways to make the institution more effective and more efficient.

V. Executive Session

Mr. Carter moved to go into Executive Session and Mr. Spivey seconded. After reconvening, it was noted that no action was taken.

VI. Standing Committee Report (continued)

Planning & Fiscal Affairs

Mr. Spivey reported that the committee had reviewed very thoroughly the proposed budget for 2007-2008 which comes before the Board today for voting.

At the recommendation of the Planning & Fiscal Affairs Committee, Mr. Rabon made a motion that the tuition for full-time in-state students for 2007-2008 be increased from \$50/semester, to a total of \$3,800/semester, and that the tuition for full-time out-of-state students increase by \$200/semester, to a total of \$8,295/semester. Further, that the rates for part-time, graduates, exceptions to regular tuition rates, and the fees and allocations be established as shown on page 8 of the original Budget Overview and Budget Proposal 1 in the Revised Budget Handout. Mr. Biggs seconded and the motion carried unanimously.

Mr. Biggs noted that we have been asked to keep tuition in check. This year's proposed 1.33% increase includes student health services. For incoming freshmen living on campus, this will be a decrease in the cost from last year with an increase in services. The health services will be available to all students. Chairman Hodge stated that the Legislative Delegation was very pleased with this.

At the recommendation of the Planning & Fiscal Affairs Committee, Mr. Biggs recommended amending the room, board, and health fees approved at the January 12, 2007, Board meeting by eliminating the health fee and making Health Services available to all students through payment of regular tuition rates. Mr. Rabon seconded, and the motion carried.

At the recommendation of the Planning & Fiscal Affairs Committee, Mr. Spivey recommended that the "10" funds operational budget for 2007-2008 be approved with "10

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funds operational revenues and expenditures projected as shown in column 2 of the Revised Budget handout - \$74,051,584. The administration will adjust revenues and/or expenditures as required if conditions change, to ensure that the University maintains a positive operating fund balance. Mr. Rabon seconded and the motion carried.

At the recommendation of the Planning & Fiscal Affairs Committee, Mr. Parker moved to approve the following changes on page 10 of the Expenditure Policy: Teacher-of-the Year Award - \$1,000 instead of \$500; Staff Excellence Award - \$500 instead of \$300; and Expenditures \$20,000 and over from 19-funds approved by the Planning & Fiscal Affairs Committee. Mr. Carter seconded, and the motion passed.

Also, at the recommendation of the Planning & Fiscal Affairs Committee, Mr. Frink moved to reimburse Messrs. Parker and Stringer for consulting expenses incurred in the Audit Committee work conducted beginning March 29, 2007 up to the amount of \$10,000. This should be paid from University Discretionary Funds. Mr. Biggs seconded, and the motion carried.

Academic Affairs (continued)

After discussion in Executive Session, Dr. Smith brought forth the following motions:

At the recommendation of the Academic Affairs Committee, Mr. Frink moved to award tenure to Dr. Robert Sheehan at his hiring of Provost. Mr. George seconded, and the motion passed.

After review of the post-tenure grievance filed by Dr. Paul C. Peterson on the verdict of his post tenure review, the Academic Affairs Committee has determined that procedural errors occurred preventing him from being properly rated as “exceptional.” Mr. Carter made a motion that Dr. Peterson be granted the post-tenure rating of “exceptional” with all the rights and benefits thereof. Mr. Frink seconded, and the motion passed.

VIII. Chairman’s Report

Mr. Lyles moved to approve the Memorandum of Understanding with Coastal Carolina University and the Coastal Educational Foundation. Mr. Biggs seconded and the motion carried.

Mr. Lyles moved to approve the following resolutions to Messrs. Brown, Burroughs, and DuBard. Mr. Frink seconded and the motions carried:

*Resolution
State of South Carolina
County of Horry
Coastal Carolina University*

WHEREAS, Robert D. Brown has served ably, wisely, and fervently as a Trustee of Coastal Carolina University from its 1993 beginning as an independent public institution;

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WHEREAS, he demonstrated uncommon foresight in appreciating the promise and possibilities of a strong program of academics and athletics that is grounded in the advancement of all students through lifelong learning;

WHEREAS, he displayed uncommon resolve and leadership in the realization of a nationally-ranked NCAA-I AA football program and the institutional loyalty the program would engender and sustain; now, therefore be it

RESOLVED, that this Board, on behalf of the Coastal Carolina University community, does hereby express its gratitude and the gratitude of countless Chanticleer fans to Robert D. Brown for his extraordinary service to this institution.

Done this twenty-second day of June in the year two thousand and seven.

And also,

WHEREAS, H. Franklin Burroughs served ably, wisely, and fervently as a Trustee of Coastal Carolina University from its 1993 beginning as an independent public institution until his untimely death in 2002, as secretary of the Board from 1993 to 1997, and as chair of the Board from 1997 to 1999;

WHEREAS, he demonstrated uncommon foresight in appreciating the promise and possibilities of Chanticleer football and the institutional loyalty the program would engender and sustain;

WHEREAS, he displayed uncommon resolve and leadership in the realization of a nationally-ranked NCAA-I AA football program at Coastal Carolina; now, therefore be it

RESOLVED, that this Board, on behalf of the Coastal Carolina University community, does hereby express its gratitude and the gratitude of countless Chanticleer fans to H. Franklin Burroughs for his extraordinary service to this institution.

Done this twenty-second day of June in the year two thousand and seven.

Chairman Hodge expressed great respect for Mr. DuBard who has been a mentor, always conducting himself as a gentlemen when in authority and leadership. Mr. DuBard will be sorely missed on the Board and was presented a clock in addition to the following resolution.

WHEREAS, Fred F. DuBard Jr. served wisely, judiciously, and energetically as a Trustee of Coastal Carolina University from its 1993 beginning as an independent public institution until 2007 and as chair of the Board from 1995 to 1997, from 1999 to 2001, and from 2003-2005;

WHEREAS, he led the Board of Coastal Carolina with the vision, knowledge, understanding, and selfless consensus-building skills appropriate to an emergent and dynamic Coastal Carolina;

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WHEREAS, he advocated a governance culture predicated on corporate responsibility and public accountability; now, therefore be it

RESOLVED, that this Board, on behalf of the Coastal Carolina University community, does hereby express its gratitude to Fred F. DuBard Jr. for his extraordinary service, leadership and characteristic humor in guiding the University toward its bright promise, and be it further

RESOLVED, that this Board, does designate FRED F. DUBARD JR. as Trustee Emeritus with all of the honors and privileges relative to that office.

Done this twenty-second day of June in the year two thousand and seven.

Mr. DuBard stated that he has enjoyed every moment spent on the Board and expressed appreciation to the staff and all their courtesies.

Mr. Rabon moved to approve the following resolution as appreciation to the members of the Horry County Legislation. Mr. Spivey seconded and the motion carried:

*Resolution
State of South Carolina
County of Horry
Coastal Carolina University*

WHEREAS, the Board of Trustees of Coastal Carolina University hereby recognizes the Horry and Georgetown Legislative Delegations for securing precious state funds for Coastal Carolina University; and

WHEREAS, the Board of Trustees celebrates the perseverance of our elected officials in their deep and continuing support for the equitable advancement of Coastal Carolina University; now, therefore be it

RESOLVED, that this Board, on behalf of the Coastal Carolina University community, does hereby express its gratitude to the Horry and Georgetown Legislative Delegations for exceptional service to Coastal Carolina University, the state of South Carolina, and to the generations of students who will benefit from their commitment and support for strengthening Coastal Carolina University.

Done this twenty-second day of June, Two Thousand and Seven.

IX. Unfinished Business

Nothing to report.

X. New Business

Nothing to report.

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XI. Nomination Committee Report

At the recommendation of the Nominating Committee, Mr. DuBard moved to accept the proposed slate of officers for 2007-2008:

**William H. Alford - Chairman
Samuel J. Swad - Vice Chairman
Tommy M. Stringer - Secretary/Treasurer**

Mr. Spivey seconded and the motion carried unanimously.

Mr. Alford thanked everyone for the support and he is excited to serve as chairman. Horry County has progressed because of Coastal Carolina University and will continue to do so because of Coastal Carolina. This past year has been very challenging. With the excellent leadership of Drs. DeCenzo and Dyer, the Coastal Educational Foundation, the Horry County Higher Education, faculty, students and alumni, the challenges of the future will be met. He looks at his tenure as chairman in two words—accountability and vision.

Dr. DeCenzo presented an athenaeum print to Mr. Hodge on behalf of the Board, faculty, staff, and community in appreciation for a job well done as chairman of the Board of Trustees. Chairman Hodge stated that representing the Board as chairman was one of the best experiences of his life. He urged everyone to look to Mr. Alford and Dr. DeCenzo as they guide the University to places never been before.

XII. Adjournment

As there was no further business, Mr. Lyles moved to adjourn the meeting. Mr. Frink seconded, and the motion carried.

Respectfully submitted,

Samuel H. Frink
Secretary/Treasurer