

12-14-2007

## Board of Trustees Minutes, December 14, 2007

Coastal Carolina University

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**Minutes**  
**Coastal Carolina University**  
**Board of Trustees**

**E. Craig Wall Sr. College of Business Administration, Board Room**  
**December 14, 2007**

**Presiding:** Dr. Samuel J. Swad

**Board Members Present:**

Mr. William S. Biggs  
Mr. Gary W. Brown  
Mr. Robert D. Brown  
Mr. Joseph L. Carter  
Mr. Samuel H. Frink  
Mr. J. Wayne George  
Mr. Charles J. Hodge  
Mr. William L. Lyles Jr.  
Mr. Clark B. Parker  
Dr. Oran P. Smith  
Mr. Eugene C. Spivey  
Mr. Tommy M. Stringer

**Board Members**

**Not Present:**

Mr. William H. Alford  
Mr. Daniel W. R. Moore Sr.  
Mr. Robert L. Rabon

**Others Present:**

Ms. Stacie A. Bowie  
Ms. Jean Ann Brakefield  
Mr. David A. Bredekamp  
Dr. Jessie M. Brown  
Mr. Thomas P. Brown Jr.  
Mr. Thomas P. Brown III  
Dr. Janis W. Chesson  
Mr. Josh M. Chesson  
Mr. Ned Cohen

Dr. Debbie Conner  
Dr. David A. DeCenzo  
Dr. Darla Domke-Damonte  
Dr. Edgar L. Dyer  
Ms. Mary Eaddy  
Mr. Bill Edmonds  
Dr. David W. Evans  
Mr. Wilbur L. Garland  
Dr. Lloyd A. Holmes  
Mr. Dean P. Hudson  
Mr. J. Scott Joyner  
Mr. Gary M. Loftus  
Dr. Henry Lowenstein  
Mr. Marvin F. Marozas  
Mr. Tim Meacham  
Ms. Anne T. Monk  
Dr. Danny Nicholson  
Mr. Matt Nicholson  
Ms. Belinda Pope  
Dr. William H. Richardson  
Dr. Michael H. Roberts  
Mr. Mark Roach  
Mr. Caesar C. Ross  
Dr. Emma Savage-Davis  
Dr. Rob Sheehan  
Ms. Kim B. Sherfesse  
Dr. Judy W. Vogt  
Dr. Lynn Willett  
Ms. Nila S. Hutchinson  
Ms. V. Chyrel Stalvey

(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. Katie Powell of The Horry Independent was in attendance.)

**I. Call to Order**

Vice Chairman Swad called the meeting to order at noon. It was noted that Chairman Alford was ill and Dr. Smith offered a prayer on his behalf.

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Retired businessman Thomas P. Brown Jr., his wife Jessie M. Brown and their son Thomas P. Brown III announced a \$100,000 gift to Coastal Carolina University. The gift will establish the Each One Teach One Entrepreneurship Institute in Coastal's E. Craig Wall College of Business Administration as well as initiate funding for the TPJ Brown Entrepreneurship Scholars, a new scholarship program for at-risk students interested in pursuing business careers. Dr. Jessie Brown is a retired Coastal education professor and associate dean, and Thomas P. Brown III, a Coastal 2005 alumnus, is a supervisor for Famous Brand Shoes and is enrolled in Seton Hall's master's degree program in Newark, NJ.

Trustee emeritus Dean Hudson was congratulated on his hire as Director of Auxiliary Services.

Roll call was taken.

**II. Approval of Minutes**

**Mr. Spivey moved to approve the minutes of October 12, 2007, and Mr. Carter seconded. The motion passed.**

**III. President's Report**

Dr. DeCenzo asked Dr. Vogt to give an update on enrollment. There is an increase of 6.2% in undergraduate enrollment over Fall 2006; a 21.8% increase for in-state freshmen. The decline in graduate school enrollment of 42.3% was primarily because of the adjustment to a non-degree seeking graduate student which was an intentional effort by the University to "right-size" the offering of contract education courses by non-Coastal faculty.

A series of guidance counselor receptions were held in Charleston, Columbia, Rock Hill, Florence, Greenville and Conway to introduce about 200 guidance counselors to Coastal's offerings. She expressed appreciation to Mr. Hodge for attending the Greenville reception and making a presentation to the counselors.

There is a strong early registration for Spring 2008; and 87% percent of the eligible undergraduates are pre-registered.

A comprehensive list of institutions denoting where students went to who were accepted to Coastal but did not attend was reviewed. The top five universities for in-state universities were USC, College of Charleston, Winthrop, FMU, and Clemson. There is no clear competitor for out-of-state schools for in-state students. Non-South Carolina applicants' top in-state choice was USC and the out-of-state choices were East Carolina and UNC-Wilmington. This data allows us to see who our primary competition is.

Dr. DeCenzo asked Dr. Vogt to report any significant challenges in recruiting in-state students and asked what can we do to help? Dr. Vogt stated that in-state students do not apply on-line. This often reflects the guidance counselor's desire to send the full packet (application and transcript) at one time to the institution. As a result, data entry has almost doubled. Recruiting visits to the high schools have also doubled. Dr. DeCenzo asked if she had the budget and staff to continue driving the increase of in-state students. Dr. Vogt reported that overtime is required almost every weekend and the staff is tiring. Dr. DeCenzo asked Dr. Vogt to make recommendations for staffing requirements after the first of the year.

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Mr. Hodge complimented the administration and staff. When he attended the guidance counselor's reception, the staff was enthused as they made their presentation on Coastal's offerings. At another meeting, Charlie Thrash, Director of the PGM Program was incredible as he outlined the program to a golf design group. Coastal is well represented with its staff and it is a pleasure to watch them as they present Coastal's mission to the public. Dr. DeCenzo added that we truly have a culture at Coastal where our people care about the University, whether in the classroom or out in another venue. It is a hallmark of the University.

Dr. Dyer presented a briefing on Strategic Planning. The priority this semester has been to develop a new mission statement. This process began in committee and has been reviewed and approved by the Student Government Association and the Faculty Senate. The SCCHE has informally reviewed the proposed mission statement revision and feels that it can be officially reviewed and approved at the staff level when it is formally submitted. Dr. Domke-Damonte noted that minor grammatical modifications are being recommended to the revised mission statement which had been mailed to the Board. These modifications make no change to the meaning of the document as it was provided last week.

**Dr. Smith made a motion to approve the amended revised Coastal Carolina University mission statement and Mr. Spivey seconded. The motion passed.**

Dr. Chesson informed the Board that Coastal's Office of Human Resources and Equal Opportunity, with the assistance from Information Technology Services, recently led an initiative to automate the student employment hiring process, which made the process more efficient, consistent and consumer-friendly. As a result, the University received the national SunGard Higher Education Technology Award from the College and University Professional Association for Human Resources (CUPA-HR). This is the only award that CUPA-HR gives with a monetary value. The Human Resources office received \$3,000 which has been put in an account for professional development or equipment. Kim Sherfesse, Belinda Pope and Matt Nicholson were congratulated for receiving this award.

Dr. Sheehan reported that Coastal's Lifelong Learning program has received a \$100,000 grant from the Bernard Osher Foundation, a San Francisco-based philanthropic organization. In recognition of the grant, Coastal's adult education non-credit program will be named the Osher Lifelong Learning Institute at Coastal Carolina University. The foundation will consider the renewal of the grant for two more years with a view to providing an endowment gift of no less than \$1 million should the University demonstrate potential for long-term success.

Dr. DeCenzo noted that at the May 6, 2005 Board meeting, the late Dr. Kane asked if AACSB had been notified of the pending MBA program. Dr. DeCenzo reported that earlier that semester he had notified AACSB of the mission change and the start up for the program in Fall 2006. In an e-mail, AACSB had basically approved the mission change and indicated the MBA program would come under normal review when the College of Business Administration received its re-accreditation review in Fall 2007. It was also noted that the accreditation should take place before the first students graduate. Dr. DeCenzo was pleased to announce that the review has taken place and the first graduates are tomorrow. The MBA went through the initial evaluators without a deficiency and they have recommended that we maintain accreditation for both the graduate and undergraduate level. The final decision should just be a rubber stamping by January 14<sup>th</sup>.

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The Wall College of Business was congratulated on the work that went into the visitation and the great success of the MBA program. Dr. DeCenzo was pleased to report that the Wall College of Business has been selected and will be recognized in the 2009 edition of the Princeton Review as one of the best business programs in the country.

**IV. Standing Committee Reports**

Executive Committee

Nothing to report

Academic Affairs Committee

Dr. Smith reported that the new ex-officio members of the Academic Affairs Committee were in attendance yesterday and the meeting was primarily orientation in nature. A retreat has been scheduled for January 10-11, 2008, and will focus on four areas of academic life: programs, academic quality, personnel, and space. Everyone was invited to attend.

There is a personnel issue for Executive Session.

Alumni Affairs Committee

At the Alumni Affairs Committee meeting, Dr. Swad noted there was a sense of urgency to set goals, move forward, and measure the progress of alumni giving on a regular basis. Chairman Alford asked the administration to develop a plan and a budget to raise our alumni giving. This plan will be presented at the next Board meeting.

Athletics Committee

Mr. Biggs reported that their new ex-officio members had also attended yesterday's committee meeting. Their insight and support will be a tremendous asset. Discussions included an update on the teams, a review of the budget, and fundraising issues. The Athletic Committee Retreat is scheduled for January 17-18, 2008 to meet with coaches, to look at financial needs, and to decide the direction for the Athletic Department.

**Mr. Hodge made a motion to issue an RFP for preliminary plans for an arena. Such cost of the plan is not to exceed \$30,000 and such cost of the arena not to exceed \$25M provided any bidder shall possess the technical expertise and experience to undertake such a project. The RFP shall be prepared by appropriate personnel with all necessary technical specifications. Mr. Spivey seconded. The motion passed.**

**After discussion, Dr. Smith made a motion to rescind the arena motion. Mr. Carter seconded and the motion carried.**

**Mr. Hodge made a motion to issue an RFP for plans for the fieldhouse with costs of such fieldhouse not to exceed \$8.5M, provided any bidder shall possess the technical expertise and experience to undertake such a project. The RFP shall be prepared by appropriate personnel with all necessary technical specifications. Mr. Spivey seconded and the motion passed.**

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**After discussion and because it is a contractual matter, Mr. Carter moved to lay the fieldhouse motion on the table and discuss the project in Executive Session. Mr. Spivey seconded.**

Audit Committee

Mr. Stringer reported that the Student Housing Foundation Audit is complete and has been submitted to the external auditor. Their response should be ready in about a week. Because of legal aspects to be discussed, the external auditor's management letter will be discussed in Executive Session. The procurement audit should be available in draft form in January.

The Facilities Committee was invited to attend the Audit Committee's January Retreat with State Procurement in Columbia.

Mr. Bredekamp has submitted several internal audits which will be reviewed and be discussed at the February meetings.

A second round of interviews for the Director of Internal Audit will take place on January 7 and a decision should be made in January.

Facilities Committee

**At the recommendation of the Facilities Committee, Mr. Carter moved to approve two leases: storage for residence life at \$18,700/year and storage for human resources at \$2,520/year. Mr. Parker seconded and the motion passed.**

**At the recommendation of the Facilities Committee, Mr. Carter made a motion listing the phase 1 (begin implementation in 2007-2008 academic year) eight priorities for the Facilities Master Plan, in no particular order, to include: construction of new science building annex for labs, construction of football fieldhouse, student center deferred maintenance and CINO Grille expansion, residence life deferred maintenance and life safety, expansion of student parking on campus, renovation of Atheneum Hall, creation of a one-stop-shop at Kingston Hall, and EQL/ecology/chemistry renovation. Should funds become available for the arena and fieldhouse it would not replace priorities but add another item priority to this list. Mr. Biggs seconded and the motion passed.**

Mr. Gary Brown recommended better communication between various Board committees in setting up priorities and reviewing projects.

Finance Committee

Ms. Bowie reported that revenue projections increased this semester by \$3.8M or approximately five percent, mostly due to an increase in out-of-state students. In addition, \$1.8M surplus was carried forward into the current fiscal year than originally planned. This makes \$5.7M in additional revenue this year. There is also a \$5.8M additional contingency for this year.

**At the recommendation of the Finance Committee, Mr. Parker made a motion to change the current "University Policy 604.06 – Accounts Payable – Petty Cash" by adding the following**

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**sentence: “Under no circumstances will personal checks be cashed from petty cash funds.”  
Mr. Gary Brown seconded and the motion passed unanimously.**

**At the recommendation of the Finance Committee, Mr. Parker moved to charge a \$15/semester fee to all undergraduate business majors and graduate MBA students enrolled during each fall and spring semester. The purpose of this fee is to support the activities of the Wall Center for Excellence. Mr. Carter seconded and the motion passed.**

**At the recommendation of the Finance Committee, Mr. Parker made a motion to hire Mr. Daniel Klett as a consultant on a limited scope basis to assist in creating a quantitative foundation for Coastal’s Facilities Master Plan. The total request of 20 hours would be compensated at the rate of \$80/hour from December 15, 2007 through April 15, 2008, for a maximum total of \$1,600. Mr. Spivey seconded and the motion passed by acclamation.**

**At the recommendation of the Finance Committee, Mr. Parker moved that as of January 1, 2008, any full-time employee whose salary is less than \$21,000 be adjusted to that level. Mr. Biggs seconded and the motion passed.**

Government Affairs Committee

Mr. Lyles reported that Representative Thad Viers and Chairman Liz Gilland were in attendance at the committee meeting as ex-officio members. Good discussions were held on how all entities could help each other.

**Mr. Lyles made a motion to approve the legislative priorities for this year: an additional \$3.8M of recurring funds, an additional 79¾ FTE faculty positions, and \$47M for a new science building. Mr. Spivey seconded and the motion passed by acclamation.**

The trustees were asked to review the Senate and House of Representative Contact List and note the legislators which they would feel comfortable approaching.

Institutional Advancement Committee

Mr. Gary Brown noted that there was not a quorum at the meeting.

Dr. Nicholson reported that through November 30, total giving was \$1,294,070. (This figure did not include the Brown gift announced today.)

Advancement is trying to raise \$6.2M in private gifts for the fieldhouse before the institution takes the project back to Columbia. Almost \$4M has been raised. Other gifts are in process, including a \$500,000 gift. A plan is being developed for purchasing permanent football seats.

The internal assessment of a new capital campaign will take place in January.

Dr. DeCenzo has visited Austin, TX and has planned visits for Miami, Atlanta, and Charlotte to visit alumni and prospects. As the deans travel, appointments will be set up for them, too. Messrs. Carl Falk and Wilson Lowery and the DeCenzos have been instrumental in developing a south end board of visitors.

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Mr. Joyner distributed a vendors list of companies that Coastal has had business with and also every business contractor/storefront with a business license in the county. The trustees were asked to review the list and note if they have a relationship with any of them. Mr. Stringer asked to have the list e-mailed.

Student Affairs Committee

Mr. Spivey noted that a new student center was not included on the list of capital priorities; however, the Student Government Association has polled and interviewed a large sector of the student population. An overwhelming number are in favor of paying \$100/semester to build a new student center. The student center is a huge retention issue.

A road trip to check out student centers at UNC-Wilmington, Christopher Newport, Elon, Davidson, and Winthrop is being planned for January for the committee and the administration.

Dual Role Ad-hoc Committee

Dr. Swad stated that the committee discussed whether or not Board members should serve on more than one Board. The general consensus was that they should serve only as ex-officio, non-voting status. The respective foundations have agreed to present that position to their respective boards and discuss a procedure for implementation. A formal motion will be presented at the February 14 committee meeting.

Honorary Degree Ad-hoc Committee

**Mr. Biggs made a motion to present an honorary degree at May commencement to the following: Senator J. Yancey McGill, entrepreneur Ephren W. Taylor, novelist William Gibson, and Representative Liston D. Barfield. Mr. Parker seconded and the motion passed by acclamation.**

**V. Chairman's Report**

Dr. Swad encouraged trustees to attend the Legislative Reception on February 6 at the Clarion Town House in Columbia.

**Mr. Parker made a motion to establish a Master Site Plan Ad-hoc Committee to study the long range direction of the University with Mr. Gary Brown as chair. Mr. Stringer seconded and the motion carried.** Mr. Alford will assign members of the committee.

**VI. Unfinished Business**

Nothing to report.

**VII. New Business**

Nothing to report.



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**VIII. Executive Session**

As there were personnel, legal, and contractual matters to discuss, Mr. Spivey moved to go into Executive Session and Mr. Biggs seconded. Mr. Frink made a motion to return to Regular Session and Mr. Carter seconded. It was noted that no action was taken during Executive Session.

**Dr. Smith made a motion to grant tenure to Dr. Orville Vernon Burton at his hiring as professor of history and Burroughs chair. Mr. Biggs seconded and the motion passed.**

**Dr. Smith made a motion that the Board of Trustees hereby commends President David DeCenzo and Executive Vice President Edgar Dyer for their determined and resolute efforts to establish institutional control over the financial, contractual and legal affairs of Coastal Carolina University.**

**The Board has concerns over institutional control problems that the President, Executive Vice President and others have uncovered, and as well as those contained in audits and other published reports that prevent the unencumbered governance of the University.**

**Because the Board demands a unified, complete analysis of these concerns, the Board hereby directs the President to deliver within 60 days receipt of the three-year financial audit of Coastal Carolina University for the period ending June 30, 2007 a comprehensive report to the Board of Trustees listing all external audit findings, Board of Trustees Audit Committee concerns, and issues reported in the media with specific administrative actions to be taken by the President to prevent future occurrences along with specific recommendations for actions of a policy nature requiring Board action.**

**The Board hereby formally authorizes the President to reform and restructure elements of University administration (including but not limited to staff and structure) as he sees fit in a manner sufficient to implement his recommended actions. Mr. Hodge seconded and the motion passed by acclamation.**

**Mr. Hodge moved to withdraw the two motions listed under the Athletic Committee to issue RFPs for the arena and the fieldhouse. Mr. Carter seconded and the motion carried.**

**IX. Adjournment**

As there was no further business, the meeting adjourned.

Respectfully submitted,

Tommy M. Stringer  
Secretary/Treasurer