

10-25-2012

Board of Trustees Minutes, October 25, 2012

Coastal Carolina University

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Minutes
Coastal Carolina University
Board of Trustees

E. Craig Wall Sr. School of Business Administration Building, Board Room
October 25, 2012

Presiding: Mr. D. Wyatt Henderson

Board Members Present:

Dr. Larry L. Biddle
Mr. William S. Biggs
Mr. Gary W. Brown
Mr. Samuel H. Frink
Mr. J. Wayne George
Ms. Natasha M. Hanna
Mr. Carlos C. Johnson
Mr. William L. Lyles Jr.
Mr. Daniel W. R. Moore Sr.
Dr. Oran P. Smith
Mr. Eugene C. Spivey
Mr. William E. Turner III

Ms. Lori Church
Dr. Debbie K. Conner
Dr. David A. DeCenzo
Mr. David Douglas
Mr. Edgar L. Dyer
Mr. Lawson Holland
Ms. Martha S. Hunn
Dr. Keshav Jagannathan
Ms. B. J. Landrum
Mr. Mark Kelly
Mr. Timothy E. Meacham
Ms. Jennifer Packard
Ms. Gina Pertee
Mr. Mark Roach
Mr. Scott Rowe
Dr. Robert Sheehan
Ms. V. Chyrel Stalvey
Ms. Neka Stanley
Mr. Greg Thornburg
Dr. Judy Vogt
Mr. Desmond Wallace
Mr. Stovall Witte
Mr. Hunter Yurachek

Board Members Not Present:

Mr. Robert D. Brown
Dr. Samuel J. Swad
Mr. Robert G. Templeton

Others Present:

Ms. Stacie A. Bowie
Dr. Ralph Byington
Mr. Josh 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. Heather Gale of The Horry Independent was present.)

I. Call to Order

Chairman Wyatt Henderson brought the meeting to order at 9:04 a.m., and Mr. Sam Frink offered an invocation.

Mr. Tim Meacham introduced newly appointed Ms. Beverly “B. J.” Landrum, Associate University Counsel/Chief Compliance Officer; and, Dean Ralph Byington introduced newly hired Ms. Gina Pertee, Director of the Wall Fellows/Lecturer.

**Regular Board of Trustees Meeting
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Mr. David Douglas, Coastal Educational Foundation (CEF) President, reported that the CommonFund is in good shape with a 3.34 five-year average return; and \$2.5M has been appropriated to Coastal Carolina University for scholarships and capital projects. Dennis Wade has been elected as the new CEF president.

The following is a list of accomplishments during Mr. Douglas' tenure. Mr. Stovall Witte was brought in as the new Chief Executive Officer. The CEF's Highway 501 Property Parcel was protected for the long-term use of Coastal Carolina University. At the University's request, the following was deeded to the University: land for a baseball/softball complex, property along University Boulevard between the Student Health Center and Lackey Chapel for parking, property for the Academic Classroom Building, and property for the Student Center Expansion. Excess property that had been donated to the CEF was sold, i.e., part of the property on Oak Street, a house in North Myrtle Beach, a lot in Florence, and cemetery lots. A review of the endowment files has been conducted and completed. The CEF FY2010-11 and FY2011-12 audits were issued with unqualified, clean reports. Facilities on Waties Island were upgraded with a new main gate; new signage; and repairs to the Cabana. A Deferred Compensation Plan was established for the University President. Two annual donor reports were prepared and delivered with positive reviews from donors. A new Compliance/Planned Giving Officer was hired. A management fee was established for our endowments which will benefit the donors and the operation of the Foundation. The Spending Policy was decreased from 5% to 4% to protect the Foundation. Increased coordination/cooperation was developed with the Chanticleer Athletic Foundation. A Request for Proposal (RFP) was prepared for the management of the CEF Endowment.

Mr. Eddie Dyer reported for Chairman Julie Rajotte of the Horry County Higher Education Commission. The Commission has budgeted \$229,000 for scholarships for Horry County students this year. Yesterday the Executive Committee met with the bond attorneys to discuss issuing \$6M in bonds to fund half of the Student Center expansion project.

Ms. Nancy Jarrett, Executive Director of the CCU Student Housing Foundation, could not be in attendance, and Mr. Gary Brown reviewed a letter from her. Two exceptionally talented individuals have been added to the SHF team: Jay Springs as a board member and Dal Zeglin as the Independent Manager for the Student Housing Foundation, LLC. They, too, received an unqualified FY 2011 audit report from auditor Elliott Davis. The SHF has agreed to sell the Elvington property to CCU for additional student housing. The University is working with the state to complete this purchase transaction which should close in January, 2013.

Mr. Mark Roach, Chanticleer Athletic Foundation Executive Director, reported for Janice Simmons, president. First quarter outright cash gifts were \$179,935; pledges, \$210,825; in-kind gifts, \$51,213; and total cash received, \$847,000. Pledges are coming in on time. Additional naming rights will become available for the tennis, baseball, and softball complexes. The homecoming golf tournament is becoming a big-time tradition.

Roll call was taken.

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II. Approval of Minutes

Mr. Gene Spivey moved to approve the July 20, 2012, minutes and Mr. Bill Biggs seconded. The motion passed.

III. President's Report

Dr. Judy Vogt will retire in December and Mr. Greg Thornburg has been appointed Interim Assistant Vice President for Enrollment Services. He reported that the online application was brought on-line 30 days earlier than in previous years, extending the recruitment cycle for 30 days. From the current enrollment figures, we have a 3.2% increase in freshmen next fall and 2.8% increase for total enrollment.

Dr. Larry Biddle wanted to know what kind of recruitment there is for international students. Dr. Judy Vogt responded that international students are mostly athletes and others are from the consortium agreements which Dr. Darla Domke-Damont directs.

Dr. DeCenzo asked if Enrollment is aware of any changes in the Federal financial aid packages. Mr. Thornburg said there is concern for a loss of congressional budgeting for the Federal student aid. The Pell Grant Program will be watched closely. Dr. DeCenzo asked them to keep the Administration and the Board abreast of what is happening.

IV. Standing Committee Reports

Academic & Student Affairs Committee

Dr. Oran Smith was pleased with the progress of the new Ph.D. in Marine Science and has an item for Executive Session.

Advancement/Marketing/Alumni Committee

Ms. Natasha Hanna reported that their committee meeting yesterday noted that the Call-a-Chant phoneathon has been successful; the rate of alumni giving is higher than the national average; and Marketing reported an increase in royalties. Because of the weather forecast, football tailgating will be held in the Kimbel gym tomorrow.

Athletics Committee

Mr. Gene Spivey stated that the committee had received a facilities update, and there was a discussion regarding the need for additional practice fields and perhaps installing artificial turf.

Audit Committee

Drs. Philip Little and Karen Maguire reported that the Internal Audit Committee had made two recommendations: to utilize outside auditor and put in place a reporting system to report weaknesses. The committee feels that they have fulfilled their mission and should be dissolved.

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Mr. Ben Kochenower, external auditor with Cline Brandt & Kochenower & Co., has completed the FY 2011-12 audit and there was nothing of significance to report. The management team has been transparent and very cooperative. Financial statements are in good order and Federal procedures were reviewed.

Mr. Wayne George moved to receive the 2011-12 Audit (Motion 12-51). Mr. Biggs seconded. The motion passed.

Mr. George complimented Ms. Stacie Bowie, Ms. Lori Church, and Mr. Greg Thompson and their staffs for another excellent audit report. This is the fifth year in a row that Coastal has received unqualified, clean reports.

Executive Committee

No action items.

Finance, Planning & Facilities Committee

Bill Biggs expressed appreciation to Ms. Bowie who was very thorough in her reporting at the committee meeting.

Mr. Gene Spivey moved to accept:

- 1. Request to approve twenty-year lease with the Horry County Higher Education Commission of Atheneum Hall for \$1.00/year. This lease will supersede the current lease for the Edward M. Singleton Building, the Burroughs & Chapin Center for Marine and Wetland Studies, and Atheneum Hall executed July 1, 2012, SOLELY as to Atheneum Hall (Motion 12-44).**
- 2. Request approval of adoption of the Amended and Restated General Bond Resolution for the University (Motion 12-45).**
- 3. Request approval of adoption of a \$92 million Supplemental Resolution to the Amended and Restated General Bond Resolution which will be used for the purchase of the Elvington property, the construction of housing on the Elvington property, and refunding the outstanding portion of the Series 2004 Revenue Bonds (Motion 12-46).**

Mr. Larry Lyles seconded, and the motions carried.

Mr. Spivey moved to accept adding funds to the following capital projects:

- 1. \$1 million to the anticipated cost for the Singleton Building renovation. Project currently at \$3 million; increase to \$4 million (Motion 12-47).**
- 2. \$5 million to the Science Annex II construction project to accommodate all needs and eliminate the need for a third new science building. Project currently at \$25 million; increase to \$30 million (Motion 12-48).**
- 3. Phase II of the Central Cooling Facility for \$1 million (Motion 12-49).**
- 4. \$1 million for renovation of Jackson Student Center to accommodate the Student Center Annex I project (Motion 12-50).**

Mr. Lyles seconded, and the motion passed.

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Ms. Natasha Hanna noted that she did not necessarily disapprove of the previous four projects but abstained because she did not feel that she had not been provided enough information to vote.

At the request of the landlord, Mr. Bill Biggs moved to authorize the administration to terminate the lease of 8,600 sq. ft. at the Wilbrook Boulevard location in Litchfield, if the landlord assists with the unfit costs of moving to a new facility. Mr. Lyles seconded, and the motion passed (Motion 12-52).

Mr. Biggs moved to approve the lease with the Litchfield Exchange Owners Association for 7,000 sq. ft. of space for the term November 1, 2012 through October 31, 2013, annual rent to equal \$10 per sq. ft. for the first year, or \$70,000 (Motion 12-53).

Mr. Gary Brown noted the outstanding job performed by Ms. Bowie, Ms. Sandy Williams, Mr. Rein Mungo and other project management in the management of new capital projects.

Government Affairs Committee

No action items.

V. Chairman's Report

Everyone was encouraged to attend the homecoming weekend activities.

VII. Executive Session

Executive Session was called to consider honorary degrees and contractual issues. Upon reconvening, it was noted that no action was taken.

After resuming, Dr. Smith Oran moved to confer Honorary Doctor of Public Service to W. Brian White and Doctor of Humane Letters to Vernice "Fly Girl" Armour at the December 15, 2012 commencement. Ms. Armour will also be the commencement speaker (Motion 12-43). Mr Lyles seconded, and the motion carried.

VIII. Other Business

As there was no further business, Mr. Biggs moved to adjourn and Mr. Lyles seconded. The meeting adjourned.

Respectfully submitted,

Chyrel Stalvey for
Larry L. Biddle
Secretary/Treasurer