

2-21-2013

## Board of Trustees Minutes, February 21, 2013

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**  
**February 21, 2013**

**Presiding:** Mr. D. Wyatt Henderson

**Board Members Present:**

Dr. Larry L. Biddle  
Mr. William S. Biggs  
Mr. Gary W. Brown  
Mr. Samuel H. Frink  
Ms. Natasha M. Hanna  
Mr. Carlos C. Johnson  
Dr. Oran P. Smith  
Mr. Eugene C. Spivey  
Dr. Samuel J. Swad  
Mr. William E. Turner III

Mr. Josh Chesson  
Ms. Lori Church  
Dr. Debbie Conner  
Dr. David A. DeCenzo  
Mr. Edgar L. Dyer  
Dr. Dan Ennis  
Mr. Lawson Holland  
Ms. Martha S. Hunn  
Dr. Keshav Jagannathan  
Mr. Timothy E. Meacham  
Ms. Jennifer Packard  
Mr. Dillon Ramsey  
Mr. Brandon Reilly  
Mr. Mark Roach  
Mr. Scott Rowe  
Dr. Robert Sheehan  
Mr. Greg Thornburg  
Ms. Chyrel Stalvey  
Mr. Desmond Wallace  
Mr. Stovall Witte  
Mr. Hunter Yurachek

**Board Members Not Present:**

Mr. Robert D. Brown  
Mr. William L. Lyles Jr.  
Mr. Daniel W. R. Moore Sr.  
Mr. Robert G. Templeton

**Others Present:**

Ms. Carolyn Bender  
Ms. Stacie A. Bowie

(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. Vicki Grooms of The Sun News and Ms. Heather Gale of The Horry Independent were present.)

**I. Call to Order**

Chairman Wyatt Henderson called the meeting to order at 9:00 a.m.

Mr. Eddie Dyer introduced William M. Plate Jr., Associate Vice President for University Communication, who brings a wealth of marketing and branding experience and was chosen from an applicant pool of 130.

Mr. Dennis Wade, Coastal Educational Foundation (CEF) President, asked Mr. Stovall Witte to report for him. At the January meeting of the CEF, the Board authorized the signing of an

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“option to purchase” allowing Community Investment Company to potentially buy four acres on Oak Street owned by the Foundation. On February 19, the CEF Investment Committee interviewed seven investment firms in its process to select a firm to manage the Foundation’s endowment. The Investment Committee plans to have a recommendation for the full CEF Board at the April meeting. As of December 31, 2012, total assets were \$32.4 million; liabilities \$2 million; and fund balance \$30.4 million. As of January 31, 2013, investments in CommonFund totaled \$24.9 million with an allocation of 67% in equities and 33% in bonds. The Common-Fund has returned 10.74% this fiscal year through 1/31/13. The 5-year average annual return is 5.20% and the 10-year average annual return is 8.03%. During this fiscal year the CEF expects to provide approximately \$2.8M for scholarships, programs and capital projects. The new 1.25% management fee on endowments was calculated in January for the first time. This fee will provide \$186,000 in 2013 to fund the operations of the CEF and provide \$10,000 to the Coastal Athletic Fund. The new management fee of 1.25% allowed the CEF to increase the value of the endowments by approximately \$50,000.

Mr. Witte read a letter from Nancy Jarrett, Executive Director, of the Coastal Student Housing Foundation (CSHF). Mr. Jack “Jay” Springs Jr. has been elected to the Board of Directors. Mr. Dal Zeglin has been hired as the Independent Manager of the Coastal Student Housing Foundation LLC. The annual audit of both of our entities produced unqualified clean opinions from our auditor Elliott Davis. The long-term lease of University Place student apartments by CCU began on July 1, 2012, and the transition went very well. In response to that 30-year agreement Standard & Poor’s Rating Services announced in November that it has raised its rating to “A” from “BBB” on the revenue bonds issued for Coastal Housing Foundation for that apartment complex. The University has received final approval from state agencies to move forward with the purchase of the Elvington Property from the CSHF and hopes to close on the transaction in March.

Mr. Dyer reported for Chairman Julie Rajotte of the Horry County Higher Education Commission who is in the process of issuing bonds for \$6M for an addition to the student activity center. The Commission has been in existence since 1959 and in 1960 built the Singleton Building. Members of the committee are appointed by Legislative Delegation. They have used funds upwards of \$40-50 million to help build Coastal Carolina. Dr. Larry Biddle felt that it would be a great project for the Wall Fellows to find out exactly how much they have contributed to the University.

Mark Roach, Chanticleer Athletic Foundation Executive Director, reported for Janice Simmons, President. Through January, 2013, the outright cash gifts were \$356,390; current pledges \$213,415; in-kind \$76,813; planned gifts \$50,000; and, total fund raising \$696,628. Total cash received FY13 is \$1,087,020.

Roll call was taken.

## **II. Approval of Minutes**

**Mr. Bill Biggs moved to approve the October 25 and December 14, 2012 minutes. Mr. Will Turner seconded. The motion passed.**

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**III. President's Report**

Dr. David DeCenzo has sent the Board e-mails regarding anticipated changes in higher education to offer online degrees. Enrollment is critical to the institution. We must be at the forefront of these offerings.

Mr. Greg Thornburg reported that Royal & Co. has reengineered CCU's application and the new changes have helped with the admission process. We are on target for deposits to attend Coastal Carolina in the fall. The overall SAT score increased in the applicant pool from 975 average last year to 980 average this year. Applications received are the same as last year at this same time--924. We have admitted 1029 students for fall (last year at this time there were 1020).

Today, there are 30 guidance counselors touring campus today. According to a survey, campus tours were the number two reason students chose to come to CCU. Next week 47 transfer students will visit campus. Total financial aid and scholarships total \$126M. From the Education Lottery, South Carolina students received \$1.4M. There were no findings in the Admissions audit.

**IV. Standing Committee Reports**

Academic & Student Affairs Committee

**Dr. Oran Smith moved to approve seventeen recommendations for promotion to Associate Professor with tenure to Aneilya Barnes, Cathy Jones, David Kellogg, Deborah Perkins, Vladislav Gulis, William Jones, Daniel Turner, Easton Selby, Erika Small, Jason Eastman, Jeffrey Jones, Joe Oestreich, Louis Rubbo, Min Ye, Robert Jenkot, Robert Salvino, and Suheir Daoud and one recommendation for tenure to John Felts. (Motion 13-17) Mr. Will Turner seconded and the motion carried.**

**Dr. Smith moved to award Emeritus Professor to Andy Hendrick at his retirement (Motion 13-18). Dr. Biddle seconded and the motion carried.**

**Dr. Oran Smith moved to bestow an honorary doctorate of public service in May to Senators Tim Scott and Ray Cleary with Senator Scott as the commencement speaker. Mr. Biggs seconded and the motion passed.**

Advancement/Marketing/Alumni Committee

No action items.

Athletics Committee

No action items.

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Audit Committee

Mr. Turner stated that the committee reviewed audit regarding procedures for NCAA intercollege activities. One item of concern was with ticketing system and reporting funds. Our new ticketing system has corrected the problem. Additional internal audits will continue throughout unannounced areas on campus.

Executive Committee

**Mr. Biggs moved to approve the Executive Committee minutes of October 25 and December 14, 2012 and Mr. Gene Spivey seconded. The motion carried.**

**Mr. Will Turner made a motion to recognize Col. Charlie Thrash's leadership as the Director of Professional Golf Management at his retirement on June 30, 2013, by naming the Col. Charles Thrash Learning Center at the Hackler Golf Course. Mr. Biggs seconded and the motion passed.**

**Mr. Henderson moved to direct the Administration to identify \$1M cost savings and efficiencies to equal including \$500,000 in academics; \$250,000 in athletics; and \$250,000 in administration and bring back to this Board a list of the proposed actions as information only. Mr. Spivey seconded and the motion carried.**

Finance, Planning & Facilities Committee

At this point, Ms. Natasha Hanna joined the meeting by teleconference.

**At the recommendation of the Finance, Planning & Facilities Committee, Mr. Carlos Johnson made a motion to approve the following lease renewals with the Coastal Educational Foundation with no increases from last year and Mr. Gene Spivey seconded.**

**The motion carried for the following:**

- **renewal of one-year lease of the Athletic Parcel, approximately 25.89 acres, at \$80,000 per year (Motion 13-1).**
- **renewal of one-year lease of the University Housing Parcel, approximately 16.66 acres, at \$50,000 per year (Motion 13-2).**
- **renewal of one-year lease of the Wheelwright Auditorium/University Boulevard Parcel, approximately 7.97 acres, at \$25,000 per year (Motion 13-3).**
- **renewal of one-year lease of the Academic Core Parcel, approximately 22.16 acres, at \$65,000 per year (Motion 13-4).**
- **renewal of one-year lease of the soccer field and surrounding area (Parcel 31) at \$24,000 per year (Motion 13-5).**
- **renewal of one-year lease for the parking lot area and green space located on University Blvd. between Baxley Hall and Highway 501 at \$24,000 per year (Motion 13-6).**
- **renewal of one-year lease of 10,000 square feet of warehouse space in the Atlantic Center from Fountain-Fuller of SC for University Housing at \$65,688 for year 3/1/13 – 2/28/14 (Motion 13-7).**

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**At the recommendation of the Finance, Planning & Facilities Committee, Mr. Carlos Johnson made a motion to approve a twenty-year lease with the Horry County Higher Education Commission for one dollar (\$1.00) per year of the following parcels of real property in the Atlantic Center: 9, 18, 19, 25, 26, 33, 35A, 35B; the northernmost 5.98 acres of 37; the pond portion of 38, 39; and Roads A-E; All of the 5.22 acres as shown on Tax Map #1510001087 in the records of Horry County; and , 4.32 acres as shown on Tax Map #1510001088 in the records of Horry County (Motion 13-8). Dr. Biddle seconded and the motion passed.**

**At the recommendation of the Finance, Planning & Facilities Committee, Mr. Johnson moved to approve the renewal of one-year lease with the Horry County Higher Education Commission of the Burroughs and Chapin Center for Marine and Wetland Studies and the Edward M. Singleton Building at \$1.00 per year (Motion 13-9). Mr. Biggs seconded. The motion carried.**

**At the recommendation of the Finance, Planning & Facilities Committee, Mr. Johnson moved to request approval of one-year lease, renewable for four years, with the City of Conway for two office spaces to be used by the University Fire Marshal and two University Fire Safety Inspectors in Conway Fire Station 3 located in the Atlantic Business Center at \$1.00 per year (Motion 13-10). Mr. Gary Brown seconded and the motion passed.**

**At the recommendation of the Finance, Planning & Facilities Committee, Mr. Johnson moved to approve request to begin construction of a second approximately 42,000 square foot academic classroom and office building to be located on the opposite side of the Wall Building from the recently completed Penny Hall. Approximate cost \$18,000,000. Funding will be provided by the penny sales tax. Estimated to be complete no later than Summer 2017 (Motion 13-11). Dr. Biddle seconded and the motion carried.**

**At the recommendation of the Finance, Planning & Facilities Committee, Mr. Johnson made a motion to accept the donation from the Coastal Educational Foundation of approximately 8.16 acres of roads which include Chanticleer Drive, Founders Drive, and an access road behind the University Student Center (Motion 13-12). Mr. Brown seconded and the motion passed.**

**At the recommendation of the Finance, Planning & Facilities Committee, Mr. Johnson made a motion to approve 2013-2014 budget requests. Mr. Spivey seconded. After a unanimous roll call, the following passed:**

- **Tuition Rates, Fees and Allocations as seen on page 6 of the 2013-2014 Budget Book handout (Motion 13-13).**
  - **No tuition increase for in-state undergraduate students**
  - **Tuition increase of \$330 (+3%) for out-of-state undergraduate students**
  - **Tuition increases for graduate students as follows:**
    - **\$20 for in-state NON-MBA students**
    - **\$25 for in-state MBA and Master of Accountancy students**
    - **\$70 for out-of-state NON-MBA students**

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- **\$80 increase for out-of-state MBA and Master of Accountancy students**
- **Meal Plan rates increase from \$1,350 to \$1,410 as seen on page 6 (Motion 13-14).**
- **University Housing Rates as shown on page 7 (Motion 13-15).**
- **Total Revenue Projections of \$125,837,532 and Expense Projections of \$120,961,305 as shown in the 2013-2014 Budget Book (Motion 13-16).**

Government Affairs Committee

No action items.

**V. Chairman's Report**

The next meeting of the Board of Trustees will be on Friday, May 9 and Commencement the next day.

*Having been on this distinguished board for about four years now, I have witnessed many positive changes here at my alma mater. In my opinion, the greatest positive impact this board and administration have had during my short tenure are the cost controls that have been put into place, as well as those additional cost saving measures and expense cuts that are currently being made. As I have quickly learned, it is quite the challenge trying to make an established government bureaucracy leaner, more efficient and more like a private business...but we are proving that it can be done. While athletics, community and social responsibilities have an important role at our University, in my opinion, nothing is more important than providing our students with the best educational value for their tuition dollars. This is the primary goal of all of our cost saving measures.*

*This University was able to weather the most recent economic downturn without laying off or requiring furlough for a single person; most universities cannot say that. This was accomplished by implementing aggressive cost control measures and creating efficiencies. At the same time, we were able to absorb a reduction in state funding, address faculty compression, pass along an across-the-board salary increase to all personnel, and we have not raised in-state tuition now for two straight years. Everyone involved is to be congratulated.*

*However, we, the University as a whole, face another challenge...going forward, can we continue this momentum? Can we continue to keep tuition as low as possible while still offering our students the best value? Let's face it: you can only squeeze so much juice out of an orange. Admittedly, our enrollment remains as strong as ever, and our projected growth will certainly help to partially offset any future tuition increases, but just like our expense cuts, our growth will only account for so much of our budgetary requirements.*

*After some vigorous debate and a serious examination of our 5-year projected budget, it is the opinion of this board that the answer to this question is very simple; we must improve our retention rate. In terms of dollars and cents, a mere 3 percent increase in retention, along with these additional cost saving measures will ensure that our operating budget remains solid for the next foreseeable future, and any tuition increase will be minimal. Understand that this board is committed to providing whatever resources are necessary to improve our retention,*

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*but we can't do it alone. We can't sit here in the Wall Boardroom and dictate an improvement. We must have buy-in from everyone associated with this university. This includes everyone in the administration, every tenured and non-tenured faculty member, every full time and part time staff member and of course, every board member. Since a 100 percent buy-in is the key to our success, then let there be no doubt in this board's resolve and let there be no confusion in my message. This board will authorize the administration to take whatever actions appropriate, whether it be to consolidate and/or eliminate positions, departments, academic majors, sports or cost centers if we are confident that those actions will either 1) improve retention, 2) increase operational efficiencies, 3) help hold down tuition 4) add significant value to the degree earned and/or 5) further serve to benefit our community or state. None of us, and I repeat, none of us is bigger than the University. While none of us here is currently advocating for any of these changes, it should be clear that this board will do whatever is necessary to make sure we continue to serve our students in the most cost efficient way possible.*

*That's why we are here ladies and gentlemen; we are here for our students. Let's not forget that.*

**Dr. Biddle moved to have Chairman Henderson's comments included in the minutes. Mr. Frink seconded and the motion carried. Dr. DeCenzo was also asked to send the comments to all faculty and staff.**

**VII. Executive Session**

No business.

**VIII. Other Business**

Mr. Turner reported that a slate of officers for the Board of Trustees will be presented at May meeting. Anyone interested in running or submitting a name to serve should notify Messrs. Turner, Spivey or Smith.

As there was no further business, Mr. Biggs moved to adjourn at 9:55 a.m. and Mr. Spivey seconded. The meeting adjourned.

Respectfully submitted,

Larry L. Biddle  
Secretary/Treasurer