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Finance Committee, February 14, 2008

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**Minutes
Coastal Carolina University
Board of Trustees**

**Finance Committee
Wall College of Business Board Room
Thursday, February 14, 2008**

Committee Members Present: Mr. Terry G. Chandler, Mr. Daniel W. R. Moore, Sr., Mr. Clark B. Parker, Mr. Robert L. Rabon, Mr. Tommy M. Stringer, and Mr. Dennis L. Wade

Other Board Members Present: Mr. Gary W. Brown

Others Present: Dr. David A. DeCenzo, Mr. Wilbur L. Garland, Dr. Rob Sheehan, Dr. Janis W. Chesson, Dr. Debbie Conner, Dr. Judy W. Vogt, Ms. Stacie Bowie, Ms. Lori Church, Dr. David Evans, Ms. Alison L. Hawk, Ms. Anne T. Monk, Dr. Lynn Willett, Ms. Chyrel Stalvey, and Ms. Brenda Cox

Mr. Parker called the Finance Committee meeting to order at 2:30 p.m.

A motion was made by Mr. Moore to approve the minutes of the Finance Committee meeting of December 13, 2007. The motion was seconded by Mr. Rabon, and passed unanimously.

Mr. Garland distributed a spreadsheet estimating Coastal's bond capability if an increase is made in the reallocation of tuition to debt service. Coastal currently allocates \$175 per semester for in-state students and \$185 per semester for out-of-state students to debt service. State law determines bond capability from the prior year's set-aside for debt service. Coastal currently has approximately \$18 million outstanding in bonds.

Mr. Garland asked the committee's approval to retroactively change the debt service allocation of \$350 for 2007-08 to a total of \$525. With this increase, Coastal could apply to issue approximately \$64 million in bonds effective July 1, 2008. This will allow Coastal to address all Phase I capital projects and some Phase II capital projects, with the exception of the Information Commons which will be funded from other sources. When Coastal goes forward with the issuance of bonds, capital projects will have to be identified at the beginning of this process. Dr. DeCenzo plans to present a prioritized list of these capital projects at the April meeting.

After discussion, Mr. Rabon made a motion for the Finance Committee to endorse the reallocation of tuition for funding capital projects and recommend to the full Board of

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Trustees to reallocate the current year's tuition to \$525 per student per semester for debt service. Mr. Moore seconded the motion and it passed unanimously.

Ms. Bowie distributed an update on revenues and expenditures of Coastal's operating budget. Currently, the budget projection is \$2 million under budget.

Dr. DeCenzo explained that the Georgetown County Cultural Council has received support from Coastal for several years and is asking for \$1,000 this year. His wife, Terri, is on the board of directors for the Georgetown County Cultural Council. This money will come from his discretionary funds and he asked for the committee's endorsement before approving this expenditure. **Mr. Moore made a motion to continue Coastal's support of the Georgetown County Cultural Council for \$1,000 this year. The motion was seconded and passed unanimously.**

Dr. Willett requested approval for a contract to hire a consultant to review Coastal's alcohol policy. This consultant will be on campus for two days and will make recommendations regarding enforcement procedures, educational programs, and treatment programs. **Mr. Moore made a motion that the Finance Committee recommends to the full Board of Trustees the hiring of a consultant to review Coastal Carolina University's alcohol policy at a cost not to exceed \$2,000 plus expenses. The motion was seconded by Mr. Parker and passed.**

Mr. Garland explained that the administration proposes a 40,000 sq. ft. science building addition with 20 laboratories and 30 to 35 classrooms. The estimated project budget is \$15 million. This will enable freshmen and sophomore science classes to be held on the main campus, leaving the research and upper level classes to be held at the Atlantic Center.

The Information Commons project, a 15,000 sq. ft. addition to Kimbel Library, will be a 24/7 operation dedicated to accommodate small study groups, tutorial services, and technology services. This project will also include some renovation to the front entrance to Kimbel Library. The total estimated cost of this project is \$6.5 million, with \$2.2 million available from the Bryan Fund Gift and approximately \$4.3 million from funding through the Horry County Higher Education Commission.

The Facilities Committee approved making Chanticleer Drive a one-way street with slant-in parking on one side as a temporary measure to alleviate critical parking problems. Mr. Garland stated that he will be coordinating this effort with the City of Conway. Consideration is also being given to make a parking area for approximately 300 spaces off University Boulevard on the old road bed.

Mr. Garland stated that the \$2.1 million Lib Jackson Student Center renovation and expansion project will add approximately 4,500 sq. ft. to the CINO Grille dining space and involve renovations on the second floor of the building. Work is in progress.

Last November's construction cost estimate on the Athletic Fieldhouse was \$12.8 million and the administration is trying to reduce the cost to \$12 million. However, when the staff reviewed the final construction documents received in January, only \$200,000 was identified to reduce this

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cost. The state engineer has suggested that Coastal receive a new cost estimate based on final construction drawings.

Mr. Garland reported that a 20,000 sq. ft. building (5,000 sq. ft. office space and 15,000 sq. ft. storage/warehouse space) located in the Atlantic Center was available for purchase by Coastal Carolina University for \$2.1 million. This building is located on approximately two acres next to land owned by the Horry County Higher Education Commission. This warehouse could be a storage area for Coastal's records, which are now stored in leased space, possibly saving \$25,000 a year. The Facilities Committee will recommend to the full Board of Trustees that the administration pursue the purchase of the building in the Atlantic Center located at 642 Century Circle as soon as funds are identified.

Dr. DeCenzo distributed a report of expenditures from the president's discretionary fund account from July 1, 2007 through February 13, 2008.

There being no further business, the meeting adjourned.

Respectfully submitted,

Brenda Cox for
Tommy M. Stringer
Secretary/Treasurer