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Finance, Planning and Facilities Committee, May 8, 2009

Coastal Carolina University

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**Minutes
Coastal Carolina University
Board of Trustees**

**Finance, Planning, and Facilities Committee
Wall Board Room
Friday, May 8, 2009**

**Members of the
Committee Present**

Mr. Gary W. Brown, Mr. Samuel H. Frink, Mr. Charles J. Hodge, Mr. Daniel W.R. Moore, Sr. and Mr. Robert L. Rabon

**Other Board Members
Present:**

Mr. William H. Alford, Mr. Larry Biddle, Mr. Joseph L. Carter, Natasha M. Hanna, Mr. D. Wyatt Henderson, Dr. Oran P. Smith, Mr. Eugene C. Spivey, Dr. Samuel J. Swad and Mr. Robert G. Templeton

Others Present:

Ms. Stacie A. Bowie, Ms. Lori Church, Dr. David A. DeCenzo, Dr. Edgar L. Dyer, Mr. Wilbur L. Garland, Ms. Alison Hawk, Mr. Warren Koegel, Ms. Rose Marie Hussey, Mr. J. Scott Joyner, Dr. Tim Meacham, Ms. Anne T. Monk, Ms. Sharon Sluys, Dr. Robert Sheehan, Dr. Judy W. Vogt, Ms. Sandy Williams, Ms. Nila Hutchinson and Ms. Chyrel Stalvey.

Mr. Rabon called the meeting to order on Friday, May 8, 2009, at 8:30 a.m.

A motion was made by Mr. Frink to approve the minutes of the Finance, Planning and Facilities Committee meeting on February 19, 2009. The motion was seconded by Mr. Brown and passed unanimously.

The first item of discussion was the purchase of a printer for \$27,500. It was a repossessed printer offered at a great price if we moved quickly. We used auxiliary funds and obtained the approval of the President before making the purchase. The print shop also has an opportunity to buy a collator for \$20,000 to allow us to produce Athletic Media Guides in house. We project a significant savings on printing expenses currently being paid to outside contractors as a result of these purchases.

Mr. Frink made a motion that the Finance, Planning and Facilities Committee recommend that the Board approve the purchase of this printer for \$27,500 and a collator for \$20,000. Mr. Brown seconded, and the motion passed.

Ms. Stacie Bowie presented the budget update for Fiscal Year 2009. Undergraduate Tuition Revenue is projected to be \$1.9 million over our original budget due to increased student enrollment. We originally forecasted a 4% increase for in-state and a 5.5% increase for out-of-state. The actual increases were closer to 6% and 9%, respectively.

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The original State Appropriation Budget was \$16.3 million. As of March 31st, we were at \$12.9 million and since March 31st we have been cut again another \$258,000. The projected appropriation for year end is now \$12.7 million, which is a \$3.5 million decrease from our original budget. The increase in student enrollment really helped us absorb the loss in state funding. In addition, we were able to carry forward \$1.1 million more than budgeted, bringing our carry forward amount to \$2.9 million. On the Operating Expense side, we were able to reduce spending by \$750,000. This savings allows us to set aside a little more than originally intended to date in the Unexpended Plant Fund. We plan to set aside an additional \$1.8 million to renovation and plant expansion.

After considering the additional cuts in appropriations, we have revised the tuition increase request submitted in February from \$125 to a \$150 increase in in-state tuition and a \$340 increase in out-of-state tuition, which is a 3.47% and 3.76% increase. This is still below the 4% authorization already approved by the board in February. The surplus of \$2 million is projected to be carried forward from the current year to help offset and keep the tuition increase lower than it would have been. We are projecting a 10% decrease in state appropriations over the current \$12.675 million. Even though the Senate has actually approved the \$12.675 million appropriation, given the current economic climate, we have allowed for the possibility of additional cuts. We plan to roll forward \$2 million. The contingency in place for the end of next year is planned to come in below 1%. Typically we like to have 3%. We have budgeted conservatively with enough to cushion us should there be more budget cuts.

Mr. Rabon wanted to know how the increased enrollment figure was projected. Increased enrollment figures were based on a 3% growth factor. Ms. Bowie distributed a tuition matrix that shows the progression of growth factors related to tuition dollars for the Board's information. Increased enrollment figures were based on a 3% growth factor. Ms. Vogt felt it was too early to verify that figure from Admissions, but all indications are that enrollments will be up.

Mr. Rabon asked if we feel that the 1% contingency projection is sufficient. Dr. DeCenzo stated that we anticipate some cushion in the allocations line plus additional students which will offset the lower anticipated contingency should it be necessary. Ms. Vogt felt it was too early to verify that figure from Admissions, but all indications are that enrollments will be up.

Dr. DeCenzo said we were the first university with a hard number for any planned tuition increase for Fiscal Year 2010. There has been a fair amount of accolades out of Columbia because we have said that we are not going to take these budget cuts out of the pockets of our students. The other comprehensive universities in the state are saying that they need upwards of a 10% increase, but feel that they will get hammered politically if they request more than 5%. Clearly, many of them do not have the growth we do.

Next on the agenda is the LIFE™ Program, which is a pilot program for individuals with intellectual disabilities that we are bringing into the student population. We have priced

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this program at the same price as regular students. They will also be eligible for loan and grant dollars. One half of their course work will be credit course work and the other half is expected to be experiential. We are expecting between 8 and 12 students in the first year. At the end of the experience, they will receive a certificate of attendance as opposed to a college degree.

Mr. Brown made a motion that the Finance, Planning and Facilities Committee advocate that the Board approve the recommended tuition and fees for the new Coastal Carolina University LIFE™ Program, a four year post-secondary education program for students between the ages of 18-24 with intellectual disabilities. Mr. Frink seconded and the motion passed.

Mr. Garland referred to the list of lab fees and asked for the Board's approval.

A motion was made by Mr. Moore that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that they approve the lab fees as provided to be effective Fall 2010. The motion was seconded by Mr. Brown and passed unanimously.

Mr. Carter expressed concern for our veterans. Ms. Vogt stated that we currently have 91 veterans who are receiving benefits at Coastal Carolina University. We are becoming a yellow ribbon school which means that the President has pledged three \$1,000 scholarships for post 9-11 veterans and the V.A. will match those funds.

Also Mr. Carter asked Dr. Sheehan if we had any majors that are be underused at this point in time. Dr. Sheehan was very pleased to report that all of our programs have been growing, some at different rates than others.

Mr. Will Garland presented building updates:

- The Athletic Field House - The 53,000 square foot field house project is on track to be available in the fall of 2010.
- The Student Convocation/Recreation Center – In addition to this \$30 million project, we were going to have an additional \$3 million dollar addition to Kingston Hall. Upon further study, it has been decided that it will be better to move the bookstore into this new facility, and not do the addition to Kingston Hall. The existing bookstore space will make way for the Registrar and Financial Aid offices which will put it in closer proximity to Kingston Hall right across the parking lot. Mr. Garland asked to move the \$3 million from the Kingston Hall budget to this facility to add 10,000 square feet for the bookstore. That leaves us with the request for an additional \$2 million dollars bringing the project total to \$35 million dollars. About 53,000 square feet of 130,000 square feet project will be dedicated to recreation. It will have three full basketball courts for practice and a center court for basketball games to seat 3,600 people. This project has received phase II approval from CHE; we will be going to Joint Bond Review and the State Budget and Control Board in June. The project is slated to begin in February 2010.

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Mr. Moore made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that the Student Convocation/Recreation Center project be increased to \$35,000,000 due to the increased size and scope of the project. . The motion was seconded by Mr. Frink and passed unanimously.

- Information Commons/Library Addition – has received phase II approval from CHE and will go to the Joint Bond Review and the State Budget Control for final approval.
- Atheneum Hall – is in limbo until we know what we are going to do with our Public Safety Department.
- Swain Hall or the Science Annex I – received approval from CHE for phase II. It will go to the Joint Bond Review and the State Budget Control Board in June
- Baseball Batting Facility – This originally started out as a simple structure which would consist of poles and a roof. It has progressed to the current plan which is to build a new facility. We have the design process in place so the CHE has allowed us to go directly to the phase II portion of the project with the Joint Bond Review and State Budget Control Board in June. If we get that approval it should be ready no later than next spring.

A motion was made by Mr. Frink that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to move forward with the approval of a new Baseball Batting Facility. The motion was seconded by Mr. Moore and passed unanimously.

- The Commons Dining Hall – We currently have 1,800 meal tickets sold, and we can seat 360 people. We are planning a 270 seat addition on the side next to the Waccamaw Dorms. We are going after a new RFP on an operator, and asking for a \$2.5 million investment in Coastal Carolina University’s dining facilities. About \$750,000 of that is already fronted, so that means another \$1,750,000 is available to us for expansion of dining facilities. We sent phase I of the design process to CHE to get it started. We are requesting a motion to allow us to proceed with expansion of the Commons Dining Hall.

A motion was made by Mr. Brown that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that they vote to move forward with the addition to the Commons Dining Hall. The motion was seconded by Mr. Frink and passed unanimously.

- Central Cooling and Heating Plant – We are proposing a central location for cooling and heating that would service the Smith Science Center, the Swain Annex, as well as the second annex, which will be going up in the next few years, the library addition, and potentially it could also service the student center and Singleton when Singleton is renovated. We estimate the cost to be approximately \$4 million. We will have about \$100,000 per year in utility savings. We also think that there will be some savings on the cost of the buildings themselves.

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A motion was made by Mr. Frink that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to move forward with the building of a Central Cooling and Heating Plant. The motion was seconded by Mr. Moore and passed unanimously.

- Athletic Training Facility – The request is to renovate the current training room/home locker room in the existing Brook's stadium to convert it into a training facility for all athletics. The project is estimated to cost about \$600,000.

A motion was made by Mr. Brown for the Finance, Planning and Facilities Committee to recommend to the full Board of Trustees to move forward with the renovation of the of the Athletic Training Room in Brooks Stadium. The motion was seconded by Mr. Frink and passed unanimously.

- 79th Ave Myrtle Beach – is. We are in the process of renovating the old Academy of Arts, Science and Technology building. Because it was vacant for a year they are requiring that we put in an irrigation system which would cost between \$20,000 and \$30,000. We are working on this.
- Meade Fire Tower – The second appraisal for the Forestry Commission came in at \$80,000 more than the first one done one year ago. The purchase originally was approved for \$1.120 million, and it will now be \$1.2 million. CHE gave approval to proceed with the purchase, and the project will go before the Joint Bond Review and the State Budget and Control Board in June.
- The Portables – We are working diligently with the city to move portables across the road by the soccer fields. We expect the approvals to be processed shortly.
- The Atlantic Center Road – We are in the process of getting the final permits. All of the paperwork has been submitted. The total cost of this road is about \$1.2 million dollars. The Horry County Higher Education Commission (HCHCEC) has designated \$125,000 for this project. We are hoping to receive an additional \$300,000 to \$500,000 from the CTC, and we will fund the rest of it.
- The Recreation Fields – In light of the plan to build the Student Recreation/Convocation Center on the current recreation fields, we relocate the recreation fields across Hwy. 501 to the Atlantic Center. The Atlantic Center POA has given us approval for the project. The HCHCEC donated \$853,000 to use for parking, recreation fields, fencing and lighting. There will be three soccer field and two soft ball field areas with lighting and fencing.
- Student Housing Foundation Lease Approval – Requesting to renew one lease for the Alumni House which is used for the Athletic Study Hall. The lease is for one year at \$700 per month.

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- Horry County Higher Education Commission Lease Approvals – We need to renew the lease for the Colors on Parade Building for \$24,000 per year, as well as the B&C Wetlands Studies, Singleton Building and the Antheneum lease which is rolled into a \$1.00 a year lease.
- Coastal Education Foundation Lease Approvals – We sublease the Coastal Science Center, which is located in the Atlantic Center for \$325,000 per year. We would like to renew this sublease lease for two years and ten months. We would also like to renew the lease for the area around the Soccer Field which is a \$1.00 a year lease.
- CCU Reserve, LLC Lease for the Waccamaw Higher Education Center at Litchfield - . We would like to request permission to renew two leases there. One for two months, May and June of this year at approximately \$2,000 a month. We don't know the exact cost of the insurance at this time. We would also like to request permission effective July 1, 2009 through June 30, 2010, for a lease in the amount of \$100,000 a year for this building. The lease was \$235,000. This is a decrease of \$135,000 a year. We have been lead to believe that we will not have trouble getting staff approval for this in Columbia.

A motion was made by Mr. Moore that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to approve the leases as presented to them. The motion was seconded by Mr. Frink and passed unanimously.

- Campus Master Plan – Dr. DeCenzo presented the need for a Master Plan considering the amount of money that we plan to invest in this campus in the near future. If we don't have a coordinated means by which we make decisions, one mistake on a placement of a building can cost us greatly. Mr. Moore noted that when the last Master Plan was commissioned he felt that we did not give correct direction to the planning entity. He is concerned that we be sure to articulate the criteria of our Strategic Plan to whoever is doing the Master Plan. It should be more detailed. Mr. Rabon suggested that because of the magnitude of this topic that it be deferred to the full board meeting.
- The Lease/Purchase of the Prudential Building – It is located across Hwy. 501 at University Blvd. It is about 5,500 sq. ft. It has 18 offices, a conference room, a break room, facilities, etc. We have an opportunity to lease it for \$2,000 a month, with the intent to purchase in the future at \$1.2 million or the appraised value whichever is less. We are asking for a one year lease.

A motion was made by Mr. Brown to recommend to the full Board of Trustees that we lease the Prudential Building on University Blvd. & Hwy. 501 with an option to buy. Mr. Moore seconded the motion and it passed unanimously.

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- Dept. of Energy Stimulus Funding – We have been notified that we are eligible for \$433,327 in grant money and a zero interest loan. 75% of that amount is a grant and 25% is a loan. We cannot receive the grant without accepting the loan. The stimulus funds must be used for energy efficient projects which must be completed by December, 2010. We request that you approve us accepting this grant and loan.

A motion was made by Mr. Frink to recommend to the full Board of Trustees that we accept Federal State Energy Program stimulus funds in the amount of \$433,327. Mr. Brown seconded the motion and it passed unanimously.

- The President’s Discretionary Budget – Dr. DeCenzo presented his discretionary budget for the board’s approval. Last year’s budget was approved for \$175,400. Due to budget cuts and economic conditions the spending was lower than budgeted this year. Dr. DeCenzo is asking for approval of \$176,000 for next year.

A motion was made by Mr. Moore to recommend to the full Board of Trustees that we accept the President’s Discretionary Budget for Fiscal Year 2010 in the amount of \$176,000. Mr. Frink seconded the motion, and it passed unanimously.

Mr. Will Garland made the announcement that Coastal Carolina University received the GFOA Certificate of Achievement for Excellence in Financial Reporting this year. He would like to recognize Ms. Stacie Bowie and Ms. Lori Church for all their work. The credit for this award goes to them.

There being no further business, the meeting adjourned.

Respectfully submitted,

Sharon Sluys for
Secretary Treasurer