

10-15-2009

Finance, Planning and Facilities Committee, October 15, 2009

Coastal Carolina University

Follow this and additional works at: <https://digitalcommons.coastal.edu/board-committees>

Recommended Citation

Coastal Carolina University, "Finance, Planning and Facilities Committee, October 15, 2009" (2009). *Board of Trustees Committee Minutes*. 480.

<https://digitalcommons.coastal.edu/board-committees/480>

This Article is brought to you for free and open access by the Board of Trustees at CCU Digital Commons. It has been accepted for inclusion in Board of Trustees Committee Minutes by an authorized administrator of CCU Digital Commons. For more information, please contact commons@coastal.edu.

**Minutes
Coastal Carolina University
Board of Trustees**

**Finance, Planning, and Facilities Committee
Wall Board Room
Thursday, October 15, 2009**

**Members of the
Committee Present**

Mr. Gary W. Brown, Mr. D. Wyatt Henderson, Mr. Charles J. Hodge, Mr. Daniel W.R. Moore, Sr. and Mr. Eugene C. Spivey

**Other Board Members
Present**

Mr. Larry Biddle, Mr. Samuel H. Frink, Ms. Natasha M. Hanna, Mr. Oran P. Smith, Mr. Robert G. Templeton and Mr. R. Duke Brown

Others Present:

Ms. Stacie A. Bowie, Ms. Lori Church, Mr. Will Garland, Dr. Tim Meacham, Ms. Anne T. Monk, Dr. Robert Sheehan, Dr. Debbie Conner, Dr. Judy W. Vogt, Ms. Martha Hunn, Dr. Darla J. Domke-Damonte, Mr. Dennis Wade, Ms. Haven Hart, Mr. James Adams, Mr. Warren Koegel, Ms. Jennifer Packard, Ms. Chyrel Stalvey and Ms. Sharon Sluys

Mr. Brown called the meeting to order on Thursday, October 15, 2009, at 10:00 a.m.

A motion was made by Mr. Spivey to approve the minutes of the Finance, Planning and Facilities Committee meeting on July 16, 2009. The motion was seconded by Mr. Moore and passed unanimously.

Dr. Darla J. Domke-Damonte, the Executive Director of World Initiatives, addressed the committee about a request that Coastal Carolina University adopt a contracted experience tuition rate that is equal to 75% of the out-of-state tuition rate for students transferring here as part of the AASCU/CCIEE 1+2+1 Sino-American Dual/Double Degree Program.

Coastal Carolina has been a part of the Sino-American 1+2+1 Double Degree Program for the last year and a half. There are currently 18 U.S. and 82 Chinese universities in this program. The students are required to spend their first year in China; they spend two, sometimes two and a half years in the United States, then return to China for the last year to complete requirements there.

The reason for the request is to make us more competitive with other universities in attracting these students. We now offer at the out-of-state rate which is the highest of all 1+2+1 university programs in the United States. We have enrolled one student, where other universities have admitted 15 to 18 students a year. The retention and academic

Finance, Planning, and Facilities Committee
October 15, 2009

success of these students is outstandingly high. The proposed 75% of the out-of-state rate is still above the E&G cost per student rate per student by about \$530 for this fiscal year.

Mr. Moore made a motion that the Finance, Planning and Facilities Committee advocate that the Board approve the recommended fees for the AASCU/CCIEE 1+2+2 Sino-American Dual/Double Degree Program (Motion 09-31). Mr. Spivey seconded and the motion passed.

Ms. Stacie Bowie presented the budget wrap-up for Fiscal Year 2009. Actual total revenue was \$90.5 million, which was .3% more than projected. We were able to carry forward \$3.5 million dollars from the previous fiscal year which resulted in an overall revenue total of \$94.6 million, which is 1.2% difference in the earlier projection. We like to be within plus or minus 3%. On the operating expense side, we came in at \$83.3 million versus our last forecast of \$85.3 million, which was off by 2.4%. That allowed us to book an additional \$2.8 million into the Renovation Reserve and Plant Expansion Fund. This funded our 2010 portion of Renovation Reserve, just in case we take additional budget cuts, or our enrollment comes in lower than expected. So far we don't have that problem.

The audit for Fiscal Year 2009 is complete. We have no findings. We have received an unqualified opinion. It is very important that the Board of Trustee's understand that every person who creates any transaction within our General Ledger really deserves the congratulations. To give an example of the workload that is accomplished over the course of the year, Ms. Bowie shared a few statistics with the board. We have 98 accounts that people can choose from when requesting checks. Add to those accounts 983 departments currently active and open. That's a combination of 96,000 choices. There were 615,000 transactions in our General Ledger in FY 2009. The accounts with the largest balances and the accounts with the greatest risks were all reviewed. Lori Church, as the Controller, has oversight for every transaction which touches the General Ledger. Particular appreciation goes out to her.

Mr. Henderson wanted to remind the committee that just two years ago we had 21 material findings identified. It should have taken at least a year, if not more to clean this up. He wishes to recognize the outstanding job of Stacie and Lori and this Financial Team for their diligent work.

At this time Ms. Bowie moved on to the update for Fiscal Year 2010. We budgeted for 3% growth overall. The latest statistics from Institutional Research on a Fee Payment Basis have us at a growth rate of 3.93% for in-state and 3.81% for out-of-state. Therefore we have a little extra revenue in our forecast.

We have already taken our first cut in the State Appropriation. We were told to take a 4% cut off of our base appropriation of \$12.7 million, (\$511,000). The \$14.3 million showing on the report includes our stabilization funds of \$2.27 million. We have left our operating expenses projection at budget because we are only finishing up the first quarter and do not anticipate any variances at this time. We adjusted the budget reduction

Finance, Planning, and Facilities Committee
October 15, 2009

contingency for these changes. Ms. Bowie stated that we anticipate more budget cuts and have budgeted another \$755,787 shown on the Contingency for Budget Reductions line. If we have more than that we may have to eat into the \$2.9 million contingency.

Questions and answers followed clarifying specific items reported on the Fiscal Year 2010 financials.

Mr. Garland proceeded by giving the Building Updates.

- Athletic Field House - This project is on schedule. Substantial completion date will be March 2010, with occupation planned for the month of June 2010.
- Student Convocation/Recreation Center – We are on schedule with this project at this point in time. We expect to break ground, if everything goes as planned in May of 2010. Substantial completion date is November 1, 2011.
- Information Commons Addition to Kimbel Library – Is scheduled to break ground in May or June of 2010, due to be completed in the following year in June 2011.
- Swain Hall Science Annex – Is scheduled to break ground around May 2010, with plans to be completed by August 2011.

This will be three major projects going on at one time on campus starting in May or June of next year and running for a year. That is going to exasperate an already stressed parking situation. All three of these contractor's have got to have some kind of lay down area. In some cases this will mean taking some parking lot space.

In anticipation of this need we are expanding the over-flow parking at Elvington. This will give us an additional 85 to 90 spaces within the next week. We also plan to put in parking across 501 when the road is completed before next fall.

- Baseball/Softball Hitting Facility – Is scheduled to begin in November or December of 2009 at the latest. We should be finished in March or April of 2010.
- The Commons – This facility seating capacity will really be strained over the next year. This project is not estimated to begin until June of 2010. Completion date is estimated to be January 2011. When completed there will be an additional 175-180 seats available inside and 35 to 40 seats on a patio outside. This project will be funded by Food Service.
- Central Energy Facility – Is scheduled to begin in May of 2010 and we are looking at a June 2011 completion date. This facility is being planned to service several buildings. The new science building, the Information Commons Addition in Kimbel Library, as well as the second science building, and the Student Center Addition adjacent to Jackson Student Center when completed. Eventually, when

Finance, Planning, and Facilities Committee
October 15, 2009

Prince and Singleton are upgraded it will service those buildings also. We estimate the utility savings to be about \$125,000 a year.

- Athletic Training Room – The current home team locker room in Brooks's stadium is being planned to be renovated into a first class training facility for a school of our size. The preliminary cost estimate is \$600,000. This space would be available for use by all athletics. This project is planned to begin in August of 2010, with completion in the summer of 2011.
- Meade Fire Tower – This property has been purchased. We were negotiating with someone to remove the old fire tower. The state informed us that we cannot salvage the tower, we have to sell it. We are going through the state process to see if anyone wants to purchase a fire tower.
- The Intramural Fields – located across from the Atlantic Center. These are being primarily funded by the Horry County Higher Education Commission. Work is being planned to start next month and we estimate that they will be finished by May or June of 2010.
- University Blvd. Extension to the Atlantic Center – Start for this project is being planned for November 2009. The completion date is scheduled to be no later than June 2010. Original estimates were close to one million dollars. The low bid came in at \$495,000. This amount was double checked and accepted.
- Academic / Office Building – We are requesting approval to build a facility that would be approximately a 46,000 sq. ft., four-story building. Our in-house drawings show three large tiered classrooms on the first floor with a conference room and a student break area. The second floor shows six thirty-student classrooms and six twenty-five-student classrooms. The location currently being considered is between the Wall and Edwards Buildings. There will be humanities classes in these rooms where currently we are using forty-student classrooms to sit classes of only 22 students. This practice is hurting us in the state formula when they look at percent of seats that we occupy. It shows that we are only using 50% of seats. We have a high utilization of classrooms, but we are utilizing large classrooms for small population of students. On floors three and four there will be 110 offices. We estimated starting time to be January of 2011, to be completed in January of 2012 at a cost of approximately \$11 million.

A lengthy discussion involving the pluses and minuses of accepting this project followed.

Dr. Sheehan stated that the offices being moved to the new building would be predominately humanities and fine arts, or possibly the math department. This is a much needed addition in light of the additional faculty positions that we've been adding in the last couple of years.

Finance, Planning, and Facilities Committee
October 15, 2009

Mr. Brown asked if this building being proposed is on the list of building priorities approved by the board a few years ago. Dr. Sheehan responded no, then went on to explain that we have since done a quantitative analysis from the ground up of all projected enrollment for the next ten years and all of our projected staffing. The omission of a significant office building and meeting the two classroom needs identified above emerged. This project doesn't bump anything off of the earlier list, but because it is a quicker build than some of the other projects, it may be finished sooner. If this building can be completed in the fall of 2011, it is just when that faculty crunch is indeed going to hit.

Mr. Brown requests that we reference the earlier list when adding new projects. Mr. Spivey inserted that we must consider how a master plan will help with these types of decisions. Mr. Brown agrees that this is needed and that we are working toward the goal of having an operational, on-going Campus Master Plan.

- 79th Avenue – This is a lease. We have done extensive renovations there, which are on-going at this time. The Theater Department is being housed there with the new Bachelor of Fine Arts Degree. We are also doing individual courses. We are moving forward with having the Education Leadership Program being placed here.
- Prudential Building – The lease was completed in September 2009. Burroughs & Chapin agreed to lease this building to us for \$2,000 a month for up to two years. We are in the process of getting fiber optics installed. The plan is to move Human Resources Division to this building. We are attempting to move areas which do not have extensive contact with students and faculty when deciding who will occupy buildings located across Hwy. 501.
- Atheneum Hall – Public Safety currently occupies space in this building. We need 4,000 to 5,000 square feet to accommodate this department in another area. At this time, we feel the most economical solution is to move them to the Atlantic Center. We can build a buffer building that fits in with the other buildings. There is no start date or other specifics. It is still under discussion whether or not this is the right option. When more details have been put into place we will bring it back to this committee for discussion.
- Portables – The portables by the William Brice Building will be needed until the office building is completed. Our original plan to move them across the road became more complicated and costly as we became aware of City of Conway regulations. Unless something else transpires, the plan is to stay in these portables until we get the new Academic / Office Building.

Before the Committee moved on the Motion for the Academic Office Building, Mr. Garland requested that the committee change item II on the motion form to read: Request is to design and construct an estimated 46,000 square foot building.

Finance, Planning, and Facilities Committee
October 15, 2009

A motion was made by Mr. Spivey that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to approve the project to design and construct an Academic Office Building Project (Motion 09-32). Mr. Henderson seconded and the motion passed.

Mr. Brown addressed the progress of writing the Campus Master Plan. They are in the process of integrating the strategic plan and the list of projects with new priorities, and continuing to look for grant possibilities. Ms. Monk noted that she has not yet located grant sources... However, some foundation types of grants look promising.

The Consultant Hiring Notification for Title IX work was addressed by Will Garland. We have some potential Title IX issues. (Gender Equity issues). Every ten years there is a review; in anticipation of this review we have hired a consultant to advise us accordingly at a cost of \$5,000. There has been an issue raised. We plan to solve this matter before we go through the audit process. During the process they cite any potential issues and you get back to them with an action plan. The last action plan was put into place eight years ago.

On-Campus Chapel - An on-campus chapel is being discussed with a potential donor. This is just for the Committee's information at this time.

Orientation Fees – Judy Vogt stated that we are requesting a change in how we process orientation fees in order to streamline the procedure. We want to combine the student and parent fee into one price. We are proposing \$140 to cover a two day freshman orientation. This fee would cover a student and up to two guests. For transfers it would be \$70 because they have only a one day program. If a third person should come along they could be included at registration. We are extremely reasonable compared to other universities in the state. Again, this is not a change in fee, just in how we package it.

Procurement Card Program Rewards – Stacie Bowie reported that Coastal Carolina University has received \$33,462 back in rebates for use of the procurement cards. We encourage the use of the procurement card for anything under \$2,500.

On August 24, 2009 we got our Procurement Certification reinstated by the State Budget and Control Board. We went through a procurement audit this year. There were no findings. As a result the State Budget and Control Board reinstated the full purchasing power of the University.

There being no further business, the meeting adjourned.

Respectfully submitted,

Sharon Sluys for
Secretary Treasurer