

8-8-2014

Finance, Planning and Facilities Committee, August 8, 2014

Coastal Carolina University

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**Minutes
Coastal Carolina University
Board of Trustees**

**Finance, Planning & Facilities Committee
E. Craig Wall Sr. School of Business Administration Building, Boardroom
August 8, 2014**

Members of the Committee Present: Mr. Carlos C. Johnson, Mr. Charles E. Lewis, Dr. Oran P. Smith, Mr. Eugene C. Spivey and Mr. William E. Turner III

Committee Member Not Present: Ms. Natasha M. Hanna

Other Board Members Present: Mr. William S. Biggs, Mr. Samuel H. Frink, Mr. D. Wyatt Henderson, Mr. Marion B. Lee, Mr. William L. Lyles Jr., Mr. Daniel W. R. Moore, Sr., and Mr. George E. Mullen

Others Present: Ms. Sandra A. Baldrige, Ms. Stacie A. Bowie, Ms. Jean Ann Brakefield, Dr. Barbara A. Burd, Ms. Susan M. Butcher, Dr. J. Ralph Byington, Mr. Josh Chesson, Ms. Lori Church, Ms. Amanda E. Craddock, Dr. Debbie Conner, Dr. David A. DeCenzo, Dr. Edgar L. Dyer, Dr. Daniel J. Ennis, Mr. Rhett J. Graham, Mr. Matt Hogue, Ms. Martha S. Hunn, Mr. Brett Jeffcoat, Ms. Beverly J. Landrum, Dr. Steven J. Madden, Mr. Timothy E. Meacham, Ms. Eliana N. Padron, Mr. William M. Plate Jr., Mr. Gary Pope, Dr. Nelljean Rice, Dr. Barbara A. Ritter, Mr. Mark Roach, Dr. Michael H. Roberts, Ms. Sharon Sluys, Ms. V. Chyrel Stalvey, Mr. Gregory T. Thompson, Ms. Kathy T. Watts, Ms. Sandra W. Williams, and Mr. David Yancey

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda of the meeting. None were in attendance.)

Chairman Carlos Johnson brought the Finance, Planning & Facilities Committee meeting to order at 8:34 a.m. He asked to change the meeting agenda by going into Executive Session first to discuss contractual matters. Oran Smith seconded. Upon reconvening, it was noted that no action was taken.

Will Turner made a motion to approve the Finance, Planning & Facilities Committee minutes of May 8, 2014. Charles Lewis seconded, and the motion carried.

Stacie Bowie updated this year's audit, reminding everyone that the Audit Committee had combined with the Executive Committee. Audits performed include: Veterans Administration

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processing, Lifelong Learning, a thorough review on the mechanical parts process within the facilities organization, several cashbox spot checks, grants processing, a PGM student fee review from the golf course perspective, and a review of financial aid policies. The Veterans Administration and Lifelong Learning audits were done externally by Cline, Brandt & Kochenower, but that formal finalized report has not yet been received. Several other audits are yet to be completed.

The preliminary report on the external annual audit had only one question as to why our research vessel was not classified as “construction in progress.” Even though it was being built, we considered it a vehicle. That discrepancy was easily remedied. The University was also asked for a list of classes paid for by Federal Financial Aid. Federal Financial Aid can only be applied toward classes that are required by the student’s degree. Federal Financial Aid cannot be used to pay for extra elective classes.

As a result of an IRS audit, the University was first told we owed \$164,000, but in the end, we actually only owed \$34,000 for a single transaction. The transaction was reported, but the IRS, in their opinion, would have preferred it to have been reported differently.

Bowie presented the final year-end financial update for fiscal year 2013-2014 by explaining that actual undergraduate tuition came in slightly lower than the original projections due to slower growth in both out of state and summer enrollment. Graduate tuition came in over budget and made up the loss just discussed. Overall, we are \$2.9 million ahead in total revenue, which has to do with the research vessel and that some external funding was brought in to pay for transportation. The University was able to roll forward an additional \$482,000 due to reductions in expenses.

The final budget for 2014-2015 includes a forecasted increase in enrollment of 3%, in view of meeting retention goals. As a result of additional summer revenue in FY 2013-2014, summer tuition for next year has been increased by \$200,000. Additional transfers were brought in to help pay for the purchase of some more trolleys. In consideration of this, the expense side was also increased \$1.9 million. One million dollars was added in the compression numbers, which includes \$750,000 in expense plus the remainder being fringe benefit on that additional salary. In light of meeting retention goals, a one-half percent increase will go into effect for faculty and staff January 1, 2015. The state approved a 2% pay increase which is \$389,000 that includes fringe benefit. Additional staff was also added to take care of the extremely large incoming freshman class for another \$470,000.

Turner moved to increase funding toward the University Place Dining Facility Renovation from \$1 million to \$4.7 million (Motion 14-34). Smith seconded, and the motion passed.

Bowie indicated that the funding source is the Student Housing Foundation. A question was raised as to why Aramark was not helping to fund this project. Bowie stated that Aramark’s contract required them to give a specific amount of money toward dining facility additions and renovations. These funds have already been committed on campus. They also receive an agreed upon flat profit in their contract. The University gets anything above that back. In FY 2013,

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Aramark cut a check to Coastal Carolina University at the end of the year for \$184,000. The check they submitted in FY 2014 was \$549,000.

Gene Spivey moved to approve increased funding for the scheduled Smith Science Building renovation from \$4.1 million to \$6.5 million because the original budget was based on a quote from March 2006. Smith seconded, and the motion carried (Motion 14-35).

George Mullen expressed concern that it might be more cost effective to remove the Smith Science Building and begin again. The building façade does not go with the new Kenneth E. Swain Science Hall. Wyatt Henderson noted that this renovation is part of the master plan. Edgar Dyer suggested the possibility of updating the back of the building to incorporate it into the quadrangle.

The following three leases will help the Singleton Building renovations begin sooner than the original timeline allowed. These spaces are necessary to house displaced Singleton personnel during renovations. **Turner moved to approve the leases, and Spivey seconded. The motions carried.**

- **Fountain-Fuller of SC, L.L.C. for +/- 14,160 square feet of office space at the Atlantic Center (444 Century Circle) effective September 1, 2014 through August 31, 2015, with the option to extend the term of this lease up to four (4) consecutive periods of one (1) year each. The cost of this lease is \$53,232 (\$3.76 per square foot). Rent will increase by 2% annually thereafter (Motion 14-36).**
- **Fountain-Fuller of SC, L.L.C. for +/- 7,500 square feet of office space at the Atlantic Center (450 Century Circle Suite A) effective September 1, 2014 through August 31, 2015, with the option to extend the term of this lease up to four (4) consecutive periods of one (1) year each. The cost of this lease is \$59,616 (\$7.95 per square foot). Rent will increase by 2% annually thereafter (Motion 14-37).**
- **Fountain-Fuller of SC, L.L.C. for +/- 5,000 square feet of office space at the Atlantic Center (450 Century Circle Suite B) effective September 1, 2014 through August 31, 2015, with the option to extend the term of this lease up to four (4) consecutive periods of one (1) year each. The cost of this lease is \$31,140 (\$6.23 per square foot) for the first year. Rent will increase by 2% annually thereafter (Motion 14-38).**

Spivey moved to approve a lease between J. B. Allen Real Estate, as Agents for: Calloway and Coastal Carolina University effective August 1, 2014 through January 14, 2015 for a two bedroom furnished apartment located at 485 White River Drive, #30-H, Myrtle Beach, SC 29579. The cost of this lease is \$875 per month, August and January being prorated, with an effective move-in date of August 5, 2014. This property will facilitate needed space to provide housing to visiting international faculty (Exchange Scholars). Coastal Carolina University will be responsible for paying monthly rent and Exchange Scholars will

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reimburse the University for said rental payment. Turner seconded, and the motion passed (Motion 14-39).

Smith made a motion to request approval to amend Motion 14-20 of the lease of the office space at 909 Front Street and of 180' of Dock Space from CEF for \$5 to a lease from Georgetown County, payable at \$147,000 for eight (8) years beginning on October 1, 2014. Funding for the payment will come from the Georgetown Advisory Board. Spivey seconded and the motion carried (Motion 14-20 Amended).

Bowie presented an update on the \$214 million of ongoing capital projects and noted the improvement made to the Board Room and anti-room. The state is pleased with our effective and efficient utilization of assignable academic space which equates to 58. We greatly exceed usage of other state universities. This is also an indication that we need to continue to build space based on what we know in our master plan, and we continue to move forward with that. She also added, as a side note, that since August 1, 2014, CCU has officially become tobacco free through its Live Well Campaign, and so far, feedback regarding the implementation of this program has been positive.

- Softball Complex - completed with the exception of the pitching/hitting facility
- Atheneum Building Renovation - estimated completion February 2015
- Baseball Complex – full substantial completion is scheduled for October 30, with opening game day scheduled for February 13, 2015. As planned, Phase II includes adding the berms and boardwalk during the 2015 season. Chairman Henderson and others expressed concern because they were under the impression that everything was to have been completed by opening game day. Bowie explained that the berms need an entire growing season before they can be utilized.
- Artificial Teal Turf in football stadium - work will begin as soon as football season is over and estimated completion is April 2015
- Student Union – completion scheduled for December 2014
- Science Annex II – scheduled to begin construction August 19, 2014 with anticipated completion March 2016
- Food Service Catering – estimated completion November 2014
- Tennis Complex – substantial completion scheduled for October 2014
- New Student Housing Complex - first two buildings scheduled to be completed July 2015
- Academic Classroom Building II - estimated completion May 2017, waiting for sales tax money to accumulate

Dyer reported that University Boulevard was resurfaced over the summer, and the Budget and Control Board has approved SCDOT's deeding over the road to Coastal Carolina University in October. Every year for ten years, we will put \$75,000 in escrow to continue resurfacing. Further improvements will be completed as soon as the University owns it. These include: a traffic signal and raised walkways on University Boulevard and Lackey Chapel at Quail Creek,

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raised walkways between the football field and soccer field, a raised walkway between University Boulevard and Student Health and a raised walkway at Chanticleer and University Boulevard by the Woods Apartments. Finalized plans will be in order when we assume the property in October and implementation will begin over the holiday break.

Wireless services have been improved in the residence halls and buildings on campus, including the Library. Outside upgrades are being implemented, with scheduled improvements to Brooks Stadium and implementation of wireless on trolleys

As there was no further business, Lewis moved to adjourn and Smith seconded.

Respectfully submitted,

Susan Butcher

Susan Butcher
for Mr. Charles Lewis