

Minutes
Coastal Carolina University
Board of Trustees Retreat

Kimbel Library Conference Room
July 24-25, 2008

Presiding: Mr. William H. Alford

Board Members Present:

Mr. Gary W. Brown
Mr. Joseph L. Carter
Mr. Samuel H. Frink
Mr. J. Wayne George
Mr. Charles J. Hodge
Mr. William L. Lyles Jr.
Mr. Daniel W. R. Moore Sr.
Mr. Robert L. Rabon
Mr. Eugene C. Spivey
Dr. Samuel J. Swad
Mr. Robert G. Templeton

*Note: Dr. Oran P. Smith was not in attendance but voted by teleconference for the Penny Sales Tax Referendum.

Board Members Not Present:

Mr. William S. Biggs
Mr. Robert D. Brown
Mr. Clark B. Parker
Dr. Oran P. Smith
Mr. Tommy M. Stringer

Others Present:

Ms. Danielle Blackwell
Ms. Stacie A. Bowie
Dr. Debbie Conner
Dr. David A. DeCenzo
Ms. Mary E. Eaddy
Mr. Wilbur L. Garland
Ms. Alison L. Hawk
Mr. J. Scott Joyner
Mr. Warren Koegel
Mr. Tim Meacham
Ms. Anne T. Monk
Mr. Mark Roach
Dr. Rob Sheehan
Dr. Judy W. Vogt
Ms. Nila S. Hutchinson
Ms. V. Chyrel Stalvey

(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. Claudia Lauer of The Sun News and Ms. Katie Powell of the Horry Independent were in attendance.)

I. Call to Order

Chairman Alford brought the meeting to order on Friday, July 24, 2008 at 9:00 a.m. and roll call was taken.

The Board reluctantly accepted the resignations of trustees Clark Parker and Tommy Stringer and they will be sorely missed. Mr. Parker has been on the Board since 1993 and has served in many capacities, including chairman. His resignation will be effective August 1, 2008. Mr.

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Parker could not be in attendance and asked Ms. Danielle Blackwell, a Coastal Carolina University student, to read a resignation statement which stated:

Clark is glad many things have been accomplished during the time that he has served at Coastal Carolina University. He has served the University in so many capacities from Student, Staff, Alumni President and Founding Member, CINO President, Chairman of the Horry County Higher Education Commission, the Chairman of the Board of Trustees, and the first Trustee elected in 1994.

Clark would like for you to please pray for him as he embarks on new adventures away from the University. He hopes to fulfill an opportunity to take a position with the Gideon's International as a Regional Field officer. If everything goes as planned, he will have the responsibility of membership recruitment in 12 East European Countries. Clark has never traveled to Europe for the Gideon's before and he looks forward to serving God to the uttermost parts of the world. This was offered to him last year, but with the many issues facing the University, Clark felt he was needed to help "clean house" before he left.

Clark has some parting advice he would like to pass on to all the board:

Don't believe everything you see...don't react to everything you hear...don't repeat everything that is given in confidence. You should be here because you CARE and not because you have the three Ws that the University is looking for in recruiting Board members: Willingness to Serve, Want to Serve, and, the most important in the University's view is Wealth! Clark remembers telling Dr. Palms, the former President of USC, after he gave a speech and referred to the three Ws, that he would suggest considering using the three Cs: a person who Cares, a person with Character and a person with the Credibility to serve...not to control...not to dictate...not to indulge...and not to put personal desires above the needs of the University.

Chairman Alford noted that Mr. Stringer has been on the Board since 2006 and will continue to be a strong supporter for the University as he serves in the General Assembly. Mr. Stringer's letter of resignation dated July 10, 2008 was read by Dr. DeCenzo:

Dear Billy:

As you are aware, I recently won the Republication Primary for the SC House seat for District 18. Since I do not face opposition in the November 4th election, I expect to be an official House member when the election is certified.

Since I cannot hold two elected positions at once, please accept this as my letter of resignation from Coastal Carolina University Board of Trustees. My resignation will be effective at midnight on November 7, 2008. I reserve the right to rescind (by letter) my resignation at anytime before its effective date as noted above.

I certainly appreciate the opportunity to have served on the Board. It has truly been an honor. In addition, I would like to thank you and Charlie Hodge for your leadership during a time of great transition for the University. Coastal Carolina will always hold a special place in my heart.

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I wish you and the Board God's blessings as you continue to lead the University toward a very bright future.

*Best regards,
Tommy M. Stringer*

Chairman Alford congratulated the Board on an outstanding job last year, meeting every two months. Although many accomplishments were made, there is a lot more to be done. Next year, we will go back to quarterly meetings and restructure the committees. A proposed committee list was reviewed. As you will recall, the Fisher Report had suggested streamlining committees. The new committee structure will necessitate a change to the bylaws and a 30-day written notice is required.

Mr. Rabon made a motion to approve the change to the bylaws regarding committee structure as submitted and Mr. Moore seconded. A teleconference will be held in 30 days to make it official in order to have the committees in place for the fall Board meeting. The motion passed.

By way of information, Mr. Koegel noted that Dr. Edward M. Singleton was also the first Commissioner of the Big South Conference and will be recognized this evening as the first recipient of the inaugural Big South Conference Leadership Award as part of the League's 25th Anniversary Kickoff Banquet. The award, which has been named after Dr. Singleton, was created to recognize a former Big South student-athlete or administrator that has exhibited exemplary leadership and character during their career.

"A Guide to NCAA Rules and Regulations" brochure compiled by Jim Curry, Director of Compliance, was reviewed. This information is also on the web site. Mr. Koegel stated that we must be careful that the rules and regulations set by NCAA and the Big South Conference are adhered to. Due to the visible role athletics portrays in representing the institution, Coastal offers this guide to aid in the understanding of the rules and regulations of the NCAA while preserving the integrity of the University. Violations of these rules can result in penalties for the institution and could render a student-athlete ineligible while tarnishing the reputation of the University.

Trustees are often directly contacted by interested students, parents, or coaches and some key points and scenarios that Trustees may encounter were addressed. Should there be any questions, everyone was encouraged to contact Jim Curry in the Office of Athletics Compliance.

In looking back at the Professional Golf Management (PGM) program fees account, Mr. Garland could not establish that the Board had ever approved the fees which have been charged for three years. As noted on the distributed PGM program fees spreadsheet, the annual fees from students in the program cover such items as training and assessment materials to attain classification as a member of the PGA.

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Mr. Spivey moved to approve the PGM program fees which range from \$1,520 to \$2,250 and Mr. Rabon seconded. The motion passed.

Mr. Garland stated that since the arena was not constructed, this project can be closed and the funds can be transferred to the Campus Development/ Infrastructure project for use with other campus projects. A capital project in the amount of \$550,000 for a basketball/volleyball/ intramural facility, funded from 2006 Institution Bonds, had been established for the proposed arena. Presently \$400,000 has been allotted for the construction of an indoor baseball batting facility; however, due to the increase in building costs since 2006, we do not have sufficient funds to complete this project. We need to provide a lighted field for intramural and student recreation use for which we do not have sufficient funds. Since there are plans for new lights for the baseball field in the near future, Mr. Garland would like to utilize the existing baseball field lights on the intramural/student recreation area and erect new lights for the baseball stadium to affect savings.

The estimated cost for the batting cage and new lights would total approximately \$1,075,000. We currently have \$525,000. The \$550,000 from the proposed arena would allow the University to fund and proceed with these projects. Dr. Sheehan has dedicated \$125,000 of student activities funds to help with the intramural lights.

Mr. Spivey made a motion to approve the reallocation of \$550,000 to proceed with the baseball batting facility, move current lights from the baseball stadium to the field for intramural and student recreation, and purchase new lights for the baseball stadium to allow for televised night games. Mr. Hodge seconded and the motion passed unanimously.

Mr. George asked what the timeframe was for installation. Mr. Garland responded that it is hoped to begin in November or December and finish by the spring. The University will make a request for a lease or transfer of 6.82 acres from the Coastal Educational Foundation for the baseball batting cage area. Mr. Alford suggested a lease rather than a transfer of land.

Dr. DeCenzo noted that additional parking spaces will be located beside the Elvington property and the intramural field lighting will also light this parking area.

As a result of taking care of some banking business, trustee members were found to have signatory authority on the Bank of America account. After surveying other state institutions, signatory authority has been given to the vice president of business affairs or equivalent position, the comptroller, and the president. Ms. Bowie currently has electronic signatory authority on all checks.

Mr. Spivey made a motion to grant signatory authority for the Bank of America account to Stacie A. Bowie, Wilbur L. Garland, Edgar L. Dyer and David A. DeCenzo. Mr. George seconded and the motion carried.

Ms. Bowie reviewed changes to the Expenditure Policy. The addition of the 14 funds was a result of self review and the audit. The policy will be brought back at the next meeting after the

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editing and grammatical changes have been made which will mostly be made to comply with the new editorial guidelines.

Mr. Spivey make a motion to approve changes to the Expenditure Policy: 1) reference to “current fiscal year’s Appropriations Act” rather than specific section and year; 2) added other unrestricted funds 14, an auxiliary account designated by the president which replaces the auxiliary funded portion of the 19 funds; 3) the addition of food for student activities to the 10 fund; and, 4) editing and grammatical changes. Mr. Frink seconded and the motion passed.

Dr. DeCenzo reviewed the Memorandum of Agreement between the Horry County School District, Horry-Georgetown Technical College (HGTC) and Coastal regarding the Penny Sales Tax Referendum. The revenue distribution formula of sharing the revenue will be 80% to the School District; 13.3% to Coastal; and 6.7% to HGTC was agreeable by all the entities.

A list of the proposed capital projects was attached to the memorandum. CCUs projects include construction, expansion and/or renovation of academic, classroom, faculty office, library, and/or student activity/recreation buildings and related equipment and furnishings on its campuses within the county; acquisition of real property for such facilities to accommodate renovation, expansion and growth; and construction and equipping of facilities jointly owned and/or operated with other education institutions in the county.

Trustee Rabon has been very instrumental in bringing this project along. He stated that educational pieces of information will be developed and distributed. Only private funds can be used to promote the referendum and a steering committee will be appointed by the three entities to promote it privately. When adopted, the Penny Sales Tax Referendum will lower commercial and residential property taxes and more than 60% of the sales tax will be absorbed by tourists. If this Referendum does not pass, 8-10 mills will be added to property taxes to accommodate the Horry County school’s building projects.

Mr. Garland also serves as chairman of the Horry County School Board of Education. He and the School Board’s lawyer had called the State Ethics Commission to receive a ruling of conflict of interest regarding some members of the School Board—Paul Peterson (Coastal professor), Kay Loftus (husband works on campus) and him (dual role with School Board and Coastal)—to vote on the Penny Sales Tax Referendum. They received a verbal confirmation that it was not; however, they asked for a full hearing and a written ruling. Using an abundance of caution, at the July 14th meeting of the School Board, Ms. Loftus and he recused themselves from voting on the issue. (Dr. Peterson was not in attendance.) On July 16th the State Ethics Commission made a formal ruling that it is not a conflict of interest for these three people and there is no ethics violation for them to fully participate in discussions and vote on the issue.

Chairman Alford asked for the rulings letter to be attached as part of these minutes.

The passing of this Memorandum of Agreement requires two-thirds approval vote of the Board of Trustees.

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Mr. Rabon moved to approve the Memorandum of Agreement between the Horry County School Board of Education, Horry-Georgetown Technical College and Coastal Carolina University regarding the Penny Sales Tax Referendum. Mr. Frink seconded. Roll call was taken. All those present and Dr. Smith by teleconference were in favor of the Memorandum. The motion passed unanimously.

For the record, Messrs. Biggs and Stringer had submitted a letter in favor of the referendum, but, in accordance to the bylaws, an absentee vote could not be used.

Dr. Vogt expects approximately 8,200 students in the fall. Orientation has been held for 1,675 new freshmen. There is an increase of 388 continuing students and we expect 675 new transfer students. She was pleased to report that freshmen retention had improved to 75%.

Chairman Alford recommended holding four separate workshops with the Horry County School Board, the City of Myrtle Beach, the City of Conway, and the Horry County Council to make a presentation to tell Coastal's story and its economic impact on the area.

Messrs. Carter, Rabon, and Moore felt the University could do a better job in educating and articulating Coastal's message. The event at Waites Island was a wonderful learning experience for the community. Some who attended the event were not even aware that it existed and were very complimentary during the tour.

Dr. DeCenzo reported that since the last Board meeting, the school had been on a beautification campaign and the campus looks very nice. Parents coming to orientation have been very complimentary. Also at orientation, the zero tolerance drugs policy has been discussed with parents' high approval.

Everyone was in agreement to go into Executive Session.

After lunch, Chairman Alford reported no action was taken during Executive Session.

At this point in the economy, it is thought that the state budget may have a \$140M shortfall. There was a lengthy discussion in the event that there is a state-mandated midyear budget cut and a moratorium on any new projects. There is the possibility that funds could be swept. Concern was expressed regarding the funds which the students had voted for in the spring to finance the construction, renovation and furnishing infrastructure and permanent structures to academic programs, our student affairs programs, our athletic programs, and our alumni. Students need to know what is happening with their tuition increase and that it will be protected from bearing the brunt of a possible cut in state funding.

Mr. Garland stated that there is about \$1.5M in the auxiliary account which could be swept by the state. Approximately \$4M was retroactively reallocated from 2007-2008 of the debt service which could be rolled into Institutional Capital Projects (ICP) and could be spent on lighting, sidewalks, safety improvements, road improvement, drainage improvements, irrigation, wells and parking. Bonds would not have to be issued for these projects. He felt that the ICP funds

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would not be swept by the state but there is the possibility the 10 funds and auxiliary funds from the tuition increase could be. Dr. DeCenzo wanted to be certain that the ICP funds are safe.

It is important that the community understands that the students were in agreement for the tuition increase. If it is to be taken from the University, then it will be rebated back to the students.

After discussion, Mr. Spivey moved to empower the University administration the authority to rebate \$350 to students in the event of a state-mandated midyear budget cut and if a moratorium on new renovations projects is implemented. Mr. Hodge seconded and the motion passed.

Dr. Sheehan reported that the goal is to turn the second floor of the library into a technology center. It is not a state-of-the-art building. A year ago only 40 computers were accessible to students. Old computers were replaced and 25 new computers were purchased. We plan to have 25 more. Additional work stations have been added. There is still a fair amount of deferred maintenance to take place, including roof repairs and new carpeting.

Dr. Burd stated that the library's usage had doubled last year and over 200,000 students had used the library. The eight group study rooms were checked out over 300 times to 10,000 students. More study rooms and comfortable seats are needed. Ninety laptops are available for check out and were checked out 26,000 times last year.

The library hours have been extended to 2 a.m. and the goal is to be open 24-7. The library is the only building open that late and has become a gathering place for students. The coffee shop's space has been doubled since it opened.

One design plan is to have the Information Commons wrap around the library and join the Jackson Student Activities Center. The library would become the extension of student activities and gatherings.

The trustees toured the library with Dr. Barbara Burd.

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**Board of Trustees Retreat Continuation
Friday, July 25, 2008
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Board Members Present:

Mr. Gary W. Brown
Mr. Joseph L. Carter
Mr. Samuel H. Frink
Mr. J. Wayne George
Mr. William L. Lyles Jr.
Mr. Daniel W. R. Moore Sr.
Mr. Robert L. Rabon
Mr. Eugene C. Spivey
Dr. Samuel J. Swad
Mr. Robert G. Templeton

Others Present:

Dr. Debbie Conner
Dr. David A. DeCenzo
Ms. Mary E. Eaddy
Mr. Wilbur L. Garland
Ms. Alison L. Hawk
Ms. Anne T. Monk
Dr. Rob Sheehan
Ms. Nila S. Hutchinson
Ms. V. Chyrel Stalvey

Board Members Not Present:

Mr. William S. Biggs
Mr. Robert D. Brown
Mr. Charles J. Hodge
Mr. Clark B. Parker
Dr. Oran P. Smith
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Chairman Alford has seen significant improvements in the campus buildings and grounds since the meeting in June. Dr. DeCenzo reported that the trailers by the Kimbel Recreation area will be moved as soon as we have approval from the state.

A list of Dr. DeCenzo's 2007-2008 accomplishments was distributed. Although the past year has been challenging, it has also been a year of accomplishments.

There was discussion on marketing and branding Coastal. A proposal was reviewed to hire a marketing firm to perform a demographic telephone poll to measure perceptions of the University in Horry and Georgetown Counties. The information could be used to build a baseline perception and move forward to market the University and use in fundraising.

Ms. Eaddy reported that a Branding Committee has been established and is working on the various brands for the University.

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After conversation and because of the economic climate, the suggestion was tabled until midyear budget information is available.

Ms. Monk was asked to provide a breakdown at the next Board meeting of advertisement spending for the University.

Chairman Alford suggested developing a survey for Horry and Georgetown County teachers and guidance counselors.

Dr. Domke-Damonte reviewed the proposed strategic plan for the University which will guide the progress and growth of the University through 2013. The plan was developed through a year-long series of meetings with 49 focus groups, personal interviews, student and alumni surveys, task forces, and a 17-member committee in consultation with the community, faculty, staff, administration and the Board. The mission statement was approved at the December 2007 Board meeting and in January 2008 was approved by the SC Commission on Higher Education.

She feels the plan is an incredibly powerful tool in the strategic management for the University and provides a place of reference. We will be able to track the progress and know where we are spending our resources. The strategic plan is complimentary to the Fisher Report and was used when developing the plan.

There are four key strategies and three supporting strategies in the plan. The first two key strategies are tied to academic areas—meeting educational needs of students and community and ensuring student success. The second two are tied to administrative areas—insuring faculty and staff success and financial viability and managed growth of the institution. The three supporting strategies evolved from the planning process of what we need to do in support of academic and administrative areas. They crossed over all areas and include: improved communication, stronger assessment and accountability, and increased technological support.

Also as part of this process, Dr. Sheehan stated that information had been gleaned from 25-30 peer institutes to identify which institutions Coastal is most like. By a voting process, we decided which institutions we wanted to be most like and the information was used in the planning process.

There will be further refinement by Dr. DeCenzo and the vice presidents regarding implementation timing, priorities and research allocations for the goals and objectives noted in the plan. The Provost is already well underway with the institutional assessment plan. Dr. DeCenzo stated that sometime in late October we will review the assessment plan, look at where we have been, and plan for the following year. By February 2009 we intend to drive the budget of the institution as it relates to the strategic plan. The plan is a road map and we will report back to the Board as to where we are on our continuum and timeline.

Dr. Domke-Damonte stated that it has been an extremely rewarding process to work through the leadership of President DeCenzo who has stated from the beginning of the project that we would do it in an open and inclusive manner. This is the hallmark of his presidency and she was very proud to have worked with him.

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Dr. DeCenzo expressed appreciation to Drs. Dyer and Domke-Damonte for spearheading this formidable task.

After discussion, Mr. Lyles made a motion to accept the “Coastal Carolina University 2008-2013 Strategic Plan” as written. Mr. Moore seconded and the motion passed unanimously.

Mr. Carter asked Dr. Domke-Damonte had we endorsed the demographic survey how she would utilize it. Dr. Domke-Damonte believes that launching a branding initiative campaign is costly, but developing a clear baseline is important; otherwise, we proceed on assumptions and hunches which may or may not be accurate. A baseline can be used three ways: to set and establish an objective baseline that it is outside of our own individual perspectives about what needs to be done; establish a program from that basis to more effectively reach the objectives, goals and strategies that the strategic plan lays out; and establishes a baseline time to come back and measure and assess objectively whether or not we have made improvements to the areas that we feel are important.

Mr. Carter asked if the baseline is that critical, why was it not part of the strategic plan? Dr. Domke-Damonte stated that surveys and focus groups were used throughout the planning process and the information was incorporated to adjust our views and perspectives in several ways. We did have an inclusive process with a lot of feedback loops. She added that one survey cannot be used for every purpose because each survey has to be so focused. The information needed for the strategic plan was different from what is needed for a branding or marketing.

Mr. George feels the University does not have adequate distance learning and on-line learning and asked where it fits into the strategic plan. Dr. Sheehan was in agreement that we currently fall short of distance learning offerings. Dr. DeCenzo responded that Strategy One in the strategic plan addresses expanding degree and non-degree offerings and methods of delivery. These will be addressed during the implementation process of the plan.

Mr. George would like to see a closer relationship developed with HGTC as Clemson has with Trident Technical College. Dr. Sheehan reported that we continue to build a bigger and better relationship with Horry-Georgetown Technical College.

Mr. Carter moved to go into Executive Session to discuss legal, personnel, and contractual matters. Mr. Spivey seconded and the motion carried.

After reconvening it was reported that the Internal Auditor, Alyson Hawk, would now report to the President.

Mr. Rabon moved to rename University Hall in honor of Col. William J. Baxley Jr. It will be called Bill Baxley Hall. Mr. Moore seconded and the motion carried unanimously.

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As there was no further business, the meeting adjourned.

Respectfully submitted,

Chyrel Stalvey for
Tommy M. Stringer
Secretary/Treasurer

Attachments:

Resignation of Clark B. Parker

Resignation of Tommy M. Stringer

State Ethics Commission Conflict of Interest Ruling