Vice Chairman Carlos Johnson brought the meeting to order at 1:43 p.m. Chairman Bill Biggs could not be in attendance.

Everyone received the Comprehensive Annual Financial Report (CAFR) as submitted to the State for FY10/11.

President David DeCenzo presented the budget presentation to the House Ways and Means Committee for Higher Education and to the Cultural Budget Subcommittee. Mrs. Stacie Bowie pointed out that the budget presentation contains interesting comparative data on many subjects between Coastal Carolina University and other comprehensive universities within the state.

Mrs. Bowie reviewed the financial update for FY2012 noting current undergraduate tuition is running $99.9 million, which is $4.7 million, or 4.9%, over budget; graduate tuition is $2.8 million, or $700,000 over budget; and, overall, total revenue was reported as $114 million, which is $5.3 million, or 4.9%, over budget. Carry forward from last year was $5.5 million, which
leads to total revenue and transfers-in of $120 million, which is $6.9 million, or 6.1%, over budget. Operating expenses are $108 million, and we have transferred $3 million so far into the renovation reserve plant expansion account, which is $800,000 more than the planned transfer. We have $831,000 in a special state fund deferred maintenance account which is planned to be used for renovations on Williams Brice. There is a contingency of 3%, or $3.6 million, as well as a carry forward contingency for next year of $3.3 million. We also still carry a $1 million budget reduction contingency that was set up at the time the budget was approved.

Dr. DeCenzo reminded the Board of Trustee of their request for the Administration to keep in-state tuition at last year’s levels and informed them that $4 million has been cut from the operating budget over the last couple of years to accomplish this task. In addition, Dr. DeCenzo suggested that in-state students receive a $50 credit per semester and no increase in housing costs or meal plan charges.

Mr. Gene Spivey moved for the committee to approve a 5.75% increase in out-of-state tuition, or $620; a $30 per credit hour increase for in-state graduate tuition; a $160 per credit hour increase for out-of-state graduate tuition for Science, Education, and Humanities programs; and a $180 per credit hour increase for out-of-state graduate tuition for the MBA and Master of Accountancy programs. Mrs. Natasha Hanna seconded; and the motion passed unanimously. (Motion 12-2)

Mr. Spivey moved for committee to approve housing rates remaining constant for 2012/2013. Mrs. Hanna seconded; and the motion passed unanimously. (Motion 12-3)

Mrs. Bowie explained that the following assumptions were made in preparing the revenue and expense projections for next year: a 2% enrollment increase for both in- and out-of-state; a conversion rate from fall to spring that is just slightly lower than the conversion rate has been for the last couple of years; approval of the tuition levels as explained previously; no increase in State appropriation money; no non-recurring funds; and a carryover of $4.3 million of year-end FY2012 money. On the expense side: 27 faculty positions were approved for FY2012 by the State and have been added; 15 classified staff positions, all due to the growth of the student body are included; a contingency is built in should the State approve an across-the-board salary increase of either 2 or 3%; student employment would remain at $3 million, which allows for 1,040 student workers; increased utilities include the new buildings as well as the HEPI recommended 4% increase in utilities across the board; and the current level of scholarships is maintained along with a 3% contingency. Mrs. Bowie reiterated her request for committee approval of the revenue and expense budget, with the stipulation that there may be some changes as we learn what our state appropriation budget will be and whether an across-the-board salary increase is approved and for what percentage, at which point the revenue and expense budget would be brought back to the committee for further consideration. Mr. Wayne George moved that the committee accept the revenue and expense budget as explained in the 2012-2013 Budget Proposal. Mrs. Hanna seconded; and the motion passed unanimously. (Motion 12-7)

Mrs. Bowie brought several lease motions before the committee. Four of them, illustrated on a color-coded campus map, were for land parcels which would be leased from the Coastal
Educational Foundation. The underlying reason for the leases would be to achieve University control over all campus acreage, an advantageous arrangement in the event of any sort of insurance claim. The leases would be at half of fair market value.

Mr. Wyatt Henderson moved to approve the Athletic Parcel lease with the CEF for approximately 26.25 acres for $80,000 per year. Mr. George seconded; and the motion passed unanimously. (Motion 11-61)

Mr. Henderson moved to approve the University Housing Parcel lease with the CEF for approximately 17.93 acres for $50,000 per year. Mr. George seconded; and the motion passed unanimously. (Motion 11-62)

Mr. Spivey moved to approve the Wheelwright Auditorium/University Boulevard Parcel lease with the CEF for approximately 7.92 acres for $25,000 per year. Mr. George seconded; and the motion passed unanimously. (Motion 11-63)

Mr. Spivey moved to approve the Academic Core lease with the CEF for approximately 21.3 acres for $65,000 per year. Mr. George seconded; and the motion passed unanimously. (Motion 11-64)

Mr. Spivey moved to approve a one-year lease, renewable for four consecutive years, of 10,000 sq. ft. of warehouse space in the Atlantic Center from Fountain Fuller of SC for University Housing to use as office and storage space at $64,400 per year. Mr. Sam Frink seconded; and the motion passed unanimously. (Motion 12-8)

Mr. Spivey moved to approve hold over the lease for the Coastal Science Center for an additional month to allow settlement of purchase by the University if necessary. Mr. Frink seconded; and the motion passed unanimously. (Motion 12-9)

Mr. Spivey moved to approve negotiating a lease with Horry County Schools for the site next to Bill Baxley Hall, between Baxley Hall and Kingston Hall, for $1 per year for fifty years with a twenty-five year hold over for the future site of future Scholars’ Academy. Mr. George seconded; and the motion passed unanimously. (Motion 12-10)

Mr. George moved to approve an $11 million increase (from $14 million to $25 million) for the Science Annex II project in order to add a third floor to the building. This addition will allow students currently attending classes at the Atlantic Center to stay on the main campus and eliminate the need for a third Science Annex. Mr. William Turner seconded; and the motion passed unanimously. (Motion 12-11)

Mrs. Bowie noted that University Place lease negotiations would be taken to the Joint Bond Review Committee and to the State Budget and Control Board for approval in May. Currently, the University is working with the Student Housing Foundation on the inclusion of a purchase option meeting the state’s requirements.
Mrs. Bowie reported that the Student Housing Foundation has been most cooperative in allowing the University to be the organization to issue the bonds and to build the dormitories on the Elvington property. The SHF owns the Elvington parcel. At this point, the property will be leased from the Foundation, including either a purchase option or a gift option which can be exercised at the end of the lease.

At Mrs. Natasha Hanna’s request, a Capital Project Procedures summary outlining the 40-step process necessary to take a capital project from conception to occupancy was distributed to everyone. The University currently has 30 active projects--each at differing steps of the process.

The following capital projects were reviewed:

- **Student Recreation and Convocation Center** – $35 million project – the budget currently sits at $34.6 million. An April 2012 substantial completion date is still expected.
- **Bryan Information Commons** – $6 million project – currently within budget. Project to be completed in April 2012.
- **Central Cooling Plant** – needed for the new Information Commons and the Student Center.
- **Academic Classroom/Office Building** – $12 million project. Anticipated completion date of October 2012.
- **Public Safety Building** – not yet under construction. Anticipate the bid opening in March 2012 and substantial completion in January 2013, at which time the Public Safety Department will move from Atheneum Hall into the new facility.
- **Softball/Baseball Complex Improvements** – $10.2 million project. Substantial completion in December 2013, and opening day is scheduled for February 2014.
- **Student Center Annex I** – $12 million project. This annex will include a movie theater, offices for Student Affairs, classrooms, and meeting rooms. The existing Student Center front will be revamped as part of the construction of Annex I.
- **Science Center Annex II** – $25 million project as discussed previously in the meeting.
- **Parking Lot construction** – three major lots to be constructed – expansion of lot at 501 University entrance; lot on Firetower property; and a lot behind Lackey Chapel. The lot behind Lackey Chapel will be kept on hold until it is determined that there is a need for it.
- **Blanton Circle Conversion to Blanton Park** – should begin in May 2012.
- **Tennis Complex** – $2 million. The first program committee meeting is scheduled for the week following this Board meeting.
- **Catering Kitchen/Dining Facility** – will seat 150 and will be used to cater all events on campus. Currently, the catering is done from Hicks Dining Hall. This change will make Hicks Dining Hall available for increasing enrollment and for students who will reside in the new student housing.

Mr. Frink asked Mrs. Bowie if the Capital Projects PowerPoint is available for those people who come by the University for the campus tour. Dr. Judy Vogt replied that a modified version is available.
Dr. DeCenzo commended Mr. Eddie Dyer, Mrs. Bowie, and her staff for working so hard to put budget efficiencies into practice and to affect a cultural shift insofar as a project being designed to fit within a budget as opposed to a project budget fluctuating with the building design.

At 2:25 p.m., Mr. Spivey made a motion for the meeting to adjourn; Mr. George seconded; and the motion passed unanimously.

Respectfully submitted,

JoAnna Dalton

JoAnna Dalton for
Larry L. Biddle
Secretary/Treasurer