

Minutes
Coastal Carolina University
Board of Trustees

E. Craig Wall Sr. School of Business Administration Building, Board Room
October 2, 2015

Presiding: Mr. D. Wyatt Henderson

Board Members Present:

Mr. William S. Biggs
Mr. Fred F. DuBard III
Mr. Samuel H. Frink
Ms. Natasha M. Hanna
Mr. Carlos C. Johnson
Mr. Marion B. Lee
Mr. Charles E. Lewis
Mr. William L. Lyles Jr.
Mr. Daniel W. R. Moore Sr.
Mr. George E. Mullen
Dr. Oran P. Smith
Mr. Eugene C. Spivey
Mr. H. Delan Stevens
Mr. Robert G. Templeton
Mr. William E. Turner III

Board Members Not Present:

Dr. Samuel J. Swad

Others Present:

Ms. Carolyn S. Bender
Ms. Stacie A. Bowie
Dr. Brian Bunton
Dr. Barbara A. Burd
Ms. Susan M. Butcher
Dr. J. Ralph Byington

Ms. Nedy Campbell
Mr. Josh Chesson
Ms. Lori G. Church
Dr. Debbie Conner
Dr. David A. DeCenzo
Dr. Jean E. French
Mr. Matt Hogue
Ms. Catherine Hafner
Ms. Paula Harrelson
Ms. Martha S. Hunn
Dr. Edward Jadallah
Mr. Christopher A. Johnson
Ms. Frances C. Long
Ms. Carolyn H. Madden
Mr. Timothy E. Meacham
Ms. Jennifer Packard
Mr. Clark Parker
Mr. William M. Plate Jr.
Dr. Nelljean Rice
Mr. Mark Roach
Dr. Michael H. Roberts
Mr. Donald L. Rockey Jr.
Mr. Joseph F. Singleton
Mr. Gregory T. Thompson
Mr. Stovall Witte
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 for the meeting. Clair Byun of The Sun News was in attendance.)

I. Call to order

Chairman Henderson brought the meeting to order at 10:00 a.m. Sam Frink offered an invocation.

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Former trustee and newly appointed member of the South Carolina Commission on Higher Education Clark Parker was welcomed. He is pleased to be a member of CHE and reported that the CHE will meet on campus in December.

Coastal Educational Foundation President Joey Singleton stated that the Foundation is ready and willing to support the University, as needed.

CAF's Chief Executive Officer Stovall Witte reported that the Investment Committee met on September 22 with Brown Brothers Harriman (BBH) for a full review of the endowment's low performance and the Foundation's expectations. Several of the trustees attended in person or by teleconference.

BBH noted that in the current economic environment, companies are struggling to increase revenues. As a result, profit growth is difficult. Furthermore, the Federal Reserve continues to delay the implementation of a more normal monetary policy, which raises additional risks. This combination of weak earnings growth and full valuations emphasizes the importance of a consistent approach to identifying value. BBH remains focused on investing at a discount to fundamental value, but lingering uncertainty about the path of monetary policy and waning earnings growth could easily prolong the sort of price volatility we have seen recently.

Another review with BBH will take place in January 2016.

The CEF's financial report as of August 31, 2015 was as follows:

- Total assets are \$37.8M with \$28.6M in cash and investments, including \$2.1M in unrestricted cash and investments.
- BBH is managing \$26.8M for the CEF with an allocation of 71.2% in equities and 27.1% in real assets.
- Since July 1, the return on investments (net fees) was -3.3%.
- Return on investments for the last 10 years averaged an annual return of 5.06% and the last 5 years averaged 7.91%.

Elliott Davis has completed the FY 2014/2015 audits of the CEF and the Chanticleer Athletic Foundation (CAF) with unqualified opinions.

Executive Director of the Chanticleer Athletic Foundation Chris Johnson gave an update on the giving report to date:

- Outright cash gifts: \$4,035,758
- Pledges: \$7,353,166
- In-Kind Gifts: \$605,501
- Planned Gifts \$1,525,000
- Total Fund Raising Activity: \$13,519,427

Roll call was taken.

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II. Approval of Minutes

Carlos Johnson moved to approve the August 7, 2015, Board of Trustees minutes, and Stevens seconded. The motion carried.

III. President's Report

Provost & Executive Vice President Ralph Byington informed that preliminary fall enrollment is 10,253, or a 2.8% increase from last year.

Dean Michael Robert introduced two initiatives in the College of Science. The first was a Nursing 410 Class led by Frances Long. A group of nursing students conducted a project with members of the Sandy Island Gullah community in Georgetown County.

Student Cathy Hafner was in this group and feels that this class has been great influence on her future nursing career. The group interviewed Sandy Island inhabitants regarding their health status and then planned an educational program for the community. Generations of Gullahs have lived on this island, and most are elderly. Rev. Leslie McIver was an invaluable resource by introducing the group to the islanders. The main concern of the island elders/leaders is seeking medical care and getting to the mainland in boats. Folk medicine is practiced, and there is hesitancy to discuss their methods. Many of the inhabitants have diabetes and an educational seminar was provided. Hafner thanked the Board of Trustees for their support of this program.

The other initiative introduced was with the Recreation and Sport Management (RSM) Department. Dr. Don Rockney stated that the program involves students in the community and is a combination of textbook theory and real world application. Students network with other professionals in the field in local agencies and organizations. Students have the opportunity to learn skills of field-budgeting, flyers, sponsorship packets, press releases, public service announcements, policies and procedures, risk management plans, evaluation, and volunteer recruitment. After events, a reflection and debriefing session was held. A low estimate of total number of community contact is 202,020 hours based on 364 students in the major.

A short video was viewed on the Running Dead 5K held in Myrtle Beach where students assisted with the planning of the run. Another major project is the annual North Myrtle Beach Howl-O-Scream started in 2006. Other events and activities include the Waccamaw Sports Class, Senior Olympic for Georgetown, Horry and Williamsburg County, RSM Golf Tournament, Myrtle Beach Marathon, CCU Athletics (ticket sales, marketing, data collection and research, promotions), Conway Parks and Recreation Department (Fall and Easter festivals), and American Diabetes Association Awareness Walk.

Students made a presentation of their experiences in the community at the regional Programming Summit conference in February.

As a result of these activities, a good rapport has been developed with the North Myrtle Beach Parks and Recreation Department. When needed, they come to CCU for volunteers and other

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programming opportunities. Students were involved in planning the grand opening of their new sports complex. Three of their top five positions are CCU graduates.

DeCenzo announced that the unveiling of the Chauncey statue will be held at a later date due to the weather. Professor Mike Woodle and art students molded the bronze Chauncey, which was a wonderful opportunity for the students to leave a legacy behind.

New trustee academic robes have been ordered and are due in early December. We will hold two ceremonies—one Friday evening and the other Saturday morning. Trustees were encouraged to attend both.

IV. Standing Committee Reports/Motions

Academic Affairs & Assessment Committee

Oran Smith moved to approve following motions and George Mullen, Delan Stevens and Gene Spivey seconded, respectively: establish a B.A. in Anthropology and Geography (Motion 15-48), establish an M.Ed. in Instructional Technology (Motion 15-49); and, awarding emeritus profession to Kenneth Rogers at his retirement (Motion 15-50). The motions passed by acclamation.

Stevens moved to approve graduation speakers S.C. Superintendent of Education Molly Mitchell Spearman for December 2015 and receive a doctorate of Public Service and alumnus Michael Kelly for May's Saturday commencement and receive a doctorate of Humane Letters (Motion 15-51).

Athenaeum Press' newest publication is "War on Two Fronts: Fighting for Victory at Home and Abroad" is from an African American perspective. A copy will be mailed to everyone.

Advancement, Marketing & Alumni Affairs Committee

No action items.

Athletic Committee

No action items.

Executive & Audit Committee

Henderson moved to accept the external audit performed by Cline Brandt Kochenower & Co, PA as presented by Ben Kochenower (Motion 15-24). Marion Lee moved to approve, and the motion carried.

Comptroller Lori Church and her staff were congratulated on their eighth consecutive audit with clean opinions. In particular, Greg Thompson was noted for his work on the GASB 68 implementation.

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Finance, Planning and Facilities Committee

Carlos Johnson moved and Stevens seconded to approve the following three leases: a one-year lease, renewable for one more consecutive year, of 13,700 square feet of warehouse space at 470 Allied Drive from Forum Development at an annual lease amount of \$92,475 or \$6.75 per square foot (Motion 15- 36); the lease renewal of Myrtle Beach Higher Education Center for two more consecutive years, of the real property comprising 14.66 acres, commonly known as 900 79th Avenue North, Myrtle Beach, South Carolina, and the building containing approximately 42,200 gross square feet at an annual lease amount of \$100,000 or \$2.37 per square foot (Motion 15-37); and, the renewal of one-year lease, renewable for eight more consecutive years from Coastal Educational Foundation, of the corner property at Founders Drive and 544 at a cost of \$85,000. The cost of the lease is \$85,000 per year for years one and two. The cost of the lease for years three through ten is \$70,000 per year. The land is being used for a construction laydown yard by the general contractor who is building the second phase of the residence halls. Beyond that timeframe, Fall 2016, the use will be determined but will unquestionably include improved entrance and University signage (Motion 15-38). The motions carried.

Johnson moved to approve the lease for dockage of the Coastal Explorer Vessel as the goodwill, \$0 lease, with Harbourgate Marina Group, LLC is scheduled to expire. The final cost of this lease, not to exceed \$7,000/year, is currently being negotiated. Multiple marinas have been approached and are providing proposals (Motion 15-39). Spivey seconded the motion. The motion carried.

Johnson made a motion to authorize the administration to hire an architect to establish a capital project to expand Brooks Stadium to increase seating capacity to meet FBS requirements and to add additional suites and required spectator amenities. The anticipated cost is \$19M-\$25M (Motion 15-40). Spivey seconded. The motion passed.

Johnson moved to authorize the administration to hire an architect for a capital project to construct a new soccer complex. This new complex will include a playing field for athletes, a main structure for fans and media, as well as a support facility at an anticipated cost of \$5M (Motion15-41). Spivey seconded, and the motion passed by acclamation.

Johnson made a motion to amend Motion 15-27 passed by the Board of Trustees in August 2015, to purchase the land and all buildings and improvements on the land, if any, located at 1041 Highway 544, Conway, County of Horry, South Carolina, Tax Parcel Numbers 150-00-07-015 and 151-20-01-001 from the Estate of Willard Dowling, Probate Case No. 2014-ES-26-1453. The purchase price is \$155,000, an increase of \$5,000, plus closing costs and is contingent upon the appraisal (Motion 15-42). Chuck Lewis seconded, and motion carried.

Johnson moved to amend Motion 14-41 passed by the BOT in August 2014, to increase the graduation fee from \$25 to \$35, to be inclusive for all graduates to receive an automatic one-year membership into the 1954 Society. The prior motion covered undergraduates

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only. This amendment adds graduate students (Motion 15-43). Will Turner seconded and motion passed.

Johnson moved to formally request \$3.5M from the Student Housing Foundation to support the construction of a soccer complex. This new complex will include a playing field for athletes, a main structure for fans and media, as well as a support facility (Motion 15-44). Spivey seconded. Natasha Hanna voted nay. The motion passed.

Johnson made a motion to request approval of the adoption of an amendment to the current Amended and Restated General Bond Resolution which will be used for further bond issuances (Motion15-45). Turner seconded, and the motion passed.

Johnson moved to request approval of a Resolution for the State Treasurer to move forward with the refunding of 2002D refunded and 2006C refunded General Obligation Bonds on behalf of Coastal Carolina University. The principle amount will be not to exceed \$13M and will save CCU approximately \$1.1M (Motion 15-46). Lewis seconded. The motion carried.

Johnson moved to request approval of the restructured and updated orientation fees, as presented, for implementation the summer of the 2016-2017 academic year for the cost of orientation and more equitable fees (Motion 15-47). At Spivey's second, the motion passed.

Government Affairs Committee

Larry Lyles moved to seek approval for an additional \$4M in General Funds (state appropriations) for the 2016-2017 budget on behalf of in-state students (Motion 15-52). Spivey seconded. The motion carried.

Student Affairs & Retention Committee

No action items.

V. Chairman's Report

Henderson hoped everyone would attend the homecoming festivities and looking forward to the football game tomorrow, in spite of the rain.

VI. Executive Session (State Reason – Contractual /Personnel/Legal)

Nothing to discuss.

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VII. Other Business

Stevens complimented the administration for an outstanding Founders Day event.

As there was no further business, the meeting adjourned.

Respectfully submitted,

Chyrel Stalvey
Recorder