

**Minutes
Coastal Carolina University
Board of Trustees**

**Finance, Planning & Facilities Committee
E. Craig Wall Sr. School of Business Administration Building, Boardroom
August 6, 2015**

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

Member of the Committee Not Present: Ms. Natasha M. Hanna

Other Board Members Present: Mr. Samuel H. Frink, Mr. D. Wyatt Henderson, Mr. Marion B. Lee, and Mr. George E. Mullin

Other Board Members Not Present: Mr. William S. Biggs, Mr. Fred F. DuBard III, Mr. William L. Lyles, Jr., Mr. Daniel W.R. Moore, Sr., and Mr. Samuel J. Swad

Others Present: Ms. Sandra Baldrige-Adrian, Ms. Carolyn Bender , Ms. Stacie A. Bowie (by teleconference), Ms. Susan Butcher, Dr. J. Ralph Byington, Ms. Nedy Campbell, Ms. Lori Church, Dr. Debbie C. Conner, Dr. David A. DeCenzo, Ms. Jean E. French, Ms. Martha S. Hunn, Mr. Mark Kelley, Ms. Beverly J. Landrum, Mr. Timothy E. Meacham, Mr. Rein Mungo, Ms. Jennifer Packard, Mr. William M. Plate Jr., Dr. Renee J. Smith, Ms. Sharon Sluys, Ms. V. Chyrel Stalvey, Mr. Greg T. Thompson, and Ms. Kathy T. Watts

(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. Scott Harper of the The Horry Independent and Claire Byun of the The Sun News were present.)

Chairman Carlos Johnson brought the committee to order at 9:00 a.m.

Nedy Campbell, the new administrative assistant in the President's Office, was introduced. As the Board of Trustees minutes are now required to be completed by an outside individual, Chyrel Stalvey will be preparing the minutes.

Oran Smith moved to approve the May 7, 2015 minutes. Chuck Lewis seconded, and the motion passed.

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The Final Budget Book for 2015-16 was presented.

Ms. Bowie stated that finalizing year-end is currently being worked on, as the auditor's visit occurs on Labor Day. What everyone is seeing is a projected FY 2015 year-end. Forecasting models are working and there are no drastic changes from the projected results presented at the May 2015 meeting.

Bowie reported that total tuition is up about 2.6% which is due to increased undergraduate growth. State funding is up a little bit because the state funded the cost of health insurance that they decided to pick up, but they only fund that for the FTE slotted state employees that they sponsor.

She noted that total revenue is up 2.8% or \$3.6M. Along with that, Coastal has increased operating expenses that go along with the increase in revenue, due to more students requiring more support in the way of faculty and staff. Operating expenses are up \$1.8M or 1.4%. That allowed us to drop \$1.8M into our reserve contingency. We budgeted ½% at \$625,000, yet we plan to roll forward \$2.4M into next year's budget, which is 1.8%.

According to Ms. Bowie, the budget update will be presented in a motion for the board to properly approve for the record for FY 2016. This is motion 15-25. Included in the budget book is the final expense breakdown. At the last meeting tuition, room and board, and fees were approved and none of that has changed. The total expense numbers were also approved. This is just a formality to show within that total expense number how it has all been broken down.

Lori, Sharon and Olga, of Financial Services, did a wonderful job working with all the departments. Coastal Carolina University had a major reorganization which presented a challenge to get those 250+ departments in at the correct budgeted numbers and get all those budgets uploaded into the system. All of that has been done, and what is presented in today's budget book is the final breakdown of how expenses came out. If you recall, we were going to increase revenue by \$6.6M and increase operating expenses by \$6.4M. The only change you will notice from the last time is that our final state appropriations have been loaded. Last time we increased by \$500,000. That was the House version. The final version came in at an increase for us of \$900,000. We dropped all of that increase but \$300,000 to the contingency. Last time we decided that we would have \$2.4M for reserve. Now we are showing \$2.7M in reserve. Again, that reserve is there for any expense items that are unforeseen. Provost Byington will be reporting that we are anticipating the 2% growth that was budgeted so everything looks good from a budget perspective.

Chairman Johnson then moved along with the agenda. He indicated that Ms. Bowie already referenced motion 15-25 to adopt the final budget as presented, and reiterated that, as stated, she does not expect any changes.

Smith made a motion to adopt the final review and expense budget as submitted in the handout entitled "Final Budget for FY 2015-2016" (Motion 15-25). Delan Stevens seconded, and the motion carried.

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Delan Stevens moved to formally recognize and adopt the formal action taken by the Boards of the Coastal Educational Foundation (CEF) and the Student Housing Foundation (SHF) on February 24, 2015 and January 6, 2015, respectively, which adds \$19,000 each to President David A. DeCenzo's stipend amount (Motion 15-26). Lewis seconded. The motion passed.

Johnson then discussed the purchase of land on Highway 544 between the campus and the Fire Tower lot, which the Master Plan recommends to purchase when it becomes available. It is the University's goal to purchase other land between campus and the Fire Tower over time, as it becomes available. The land currently available is part of the estate of Willard Dowling. At this point, it is uncertain how the land will be used as the house on the land has not yet been appraised and we do not have a signed contract. There are two tracts to be purchased with a total acreage of approximately .50 to .70 of an acre.

Smith made a motion to approve the purchase of the land and all buildings and improvements on the land, if any, located at 1041 Highway 544, Conway, S.C. from the Estate of Willard Dowling, Probate Case 2014-ES-26-1453. Proposed purchase price is not to exceed \$150K plus closing costs contingent upon appraisal (Motion 15-27). Will Turner seconded, and the motion carried.

Johnson stated that the next motion was discussed at the May meeting. This is the formal approval to enter into an agreement with the Coastal Athletic Foundation to provide funds for completion of the baseball/softball facilities. This would negate the Coastal Athletic Foundation taking out a loan, which would save significant money over a commercial loan, and in turn they would be paying interest to the University in the form of summer scholarships for student athletes.

Turner moved to approve entering into an agreement between Coastal Carolina University and the Coastal Athletic Foundation (CAF) relative to payments pledged and owed to CCU for baseball/softball and for the field turf project (Motion 15-28). Stevens seconded and everyone approved.

Chairman Johnson informed everyone that the State of South Carolina requires the University to make the next motion to acknowledge that we are aware of the agreement.

Turner moved to adopt formally the offering of a non-resident fee waiver for all students who demonstrate citizenship and residence of the following locations consistent with the Sister-State agreements approved by the State of South Carolina, including those noted below:

- State of Rhineland-Palatinate/Rhineland Pfalz, Germany**
- State of Thuringen, Germany**
- State of Bradenburg, Germany**
- State of Queensland, Australia**
- Province of Taiwan, Republic of China**
- Island Nation of Aruba**

(Motion 15-29). Stevens seconded. The motion passed.

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Johnson explained that Motions 15-30 through 15-32 are lease renewals with Fountain Fuller for space at the Atlantic Center that Coastal Carolina University already uses for storage and relocations during the renovations of office space on campus. Per Ms. Bowie, space may still need to be utilized following renovations, and will be reevaluated as we come closer to the end of the five-year leasing period (One year lease with four one-year renewals.)

Spivey moved to approve Motions 15-30 thru 15-32 and Smith seconded. The motion carried.

- **Motion to approve a one-year lease renewal with Fountain-Fuller of SC, L.L.C. for +/- 14,160 sq. ft. of office space at the Atlantic Center (444 Century Circle) effective September 1, 2015 through August 31, 2016, with the option to extend the term of this lease up to three (3) consecutive periods of one (1) year each. The cost of this lease is \$54,297 (\$3.83/sq. ft.). Rent will increase by 2% annually thereafter (Motion 15-30).**
- **Motion to approve a one-year lease renewal with Fountain-Filler of SC, L.L.C. for +/- 7,500 sq. ft. of office space at the Atlantic Center (450 Century Circle Suite A) effective September 1, 2015 through August 31, 2016, with the option to extend the term of this lease up to three (3) consecutive periods of one (1) year each. The cost of this lease is \$60,808 (\$8.11/sq. ft.). Rent will increase by 2% annually thereafter (Motion 15-31).**
- **Motion to approve a one-year lease renewal with Fountain-Fuller of SC, L.L.C. for +/- 5,000 sq. ft. of office space at the Atlantic Center (450 Century Circle Suite B) effective September 1, 2015 through August 31, 2016, with the option to extend the term of this lease up to three (3) consecutive periods of one (1) year each. The cost of this lease is \$31,763 (\$6.35/sq. ft.). Rent will increase 2% annually thereafter (Motion 15-32).**

Chairman Johnson noted, prior to the capital projects update, that this is the first time that everyone would be seeing renderings of the UP Dining Hall, and that if anyone had any thoughts or comments, this would be the time to voice them, before any construction begins.

Director of Facilities Rein Mungo presented the update on capital projects.

The update is as follows:

- University Place Dining Facility Update – existing building will be torn down. Scheduled to begin January 2016 with an anticipated completion date of January 2017. This project combines features of University Place with the brick-work and roofing already in place on the main campus. The floor plan has 200 seats, three food stations and approximately 9500 sq. ft. Working to keep it on budget. Existing communication room will stay intact and everything else will be built around it.
- Science Annex II – Began in August 2014 and estimated completion is April 2016. This is on schedule. Building is beginning to take shape, brick work is being completed, and scaffolding is gone.
- Academic Classroom Building II - Will be approximately 52,000 sq. ft., and house ITS, 15 classrooms and 95 offices. Slightly out of budget but hoping to work through those issues and get out for bids soon.
- New Student Housing Complex - Phase I - majority done for beginning of fall semester. Tradition Hall is the main hub of the whole area, and will house the director of housing &

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Aramark's C-store. There is a small atheneum on the top of the building, which can be viewed from everywhere on the property, so the students will know that Tradition Hall is the head house. 328 students will be housed here. The certificate of occupancy has been received. The other part of this first phase, Chanticleer Hall, will house 322 students.

- Hicks Dining Hall Renovation - There is approximately 26,000 sq. ft. in new food service area, which was added as a result of the new student housing facilities and an increase in the number of students attending CCU.
- Singleton Building Renovation - Will be a complete building renovation. The asbestos abatement will begin August 10 and renovations will begin in September 2015.
- Smith Science Building Renovation – This coincides with the Science Building II renovation. Once that is complete, staff will be moved out of Smith and then renovation can begin. Estimated to begin June or July of 2016. This will complete the “Science Triangle” and courtyard.
- Williams Brice Pool Renovation – The pool area was overhauled and a Chanticleer tile logo has been added, along with ventilation and LED lighting. The certificate of occupancy has been received.
- Brooks Stadium and RV Parking – There are new lots and parking spaces, which include 7 RV parking spaces. Additionally there are new LED lights, curbs, gutters and landscaping.
- TD Sports Complex Gateway Plaza – new plaza entrance including Chauncey statue
- Teal field Update – photo

Mungo added that CCU was named one of the most beautiful Coastal college campuses, ranked #12 on a recent list compiled by Bestvalueschools.com. This is a testament to our grounds staff that keeps our campus looking beautiful in the midst of constant construction and renovation.

Mr. Lewis had questions regarding the state's approval of an \$800 bonus “for all state employees who do not make over \$100,000 a year. How does it affect Coastal Carolina?”

Ms. Bowie interjected with an explanation. The \$800 bonus is for FTE state employees. The total cost is \$800,000, which includes fringe benefits. It is to be paid in the first pay period following October 1, 2015. Our first pay period following the October 1 timeframe is 10/31/15 because Coastal is on a 15-day lag. This is already built into the budget.

In response to a question as to whether there was an allocation from the state or whether it was another unfunded mandate, Bowie stated that the state is paying the \$800 for the portion of the FTE's that are covered by the state. Coastal is responsible for all other employees who are not in state slots (approximately 188 employees covered by state, 968 employees are other funded slots).

As there was no further business, the meeting adjourned.

Respectfully submitted,
Susan Butcher
for Mr. Charles E. Lewis