Minutes
Coastal Carolina University
Board of Trustees

Finance, Planning & Facilities Committee
E. Craig Wall Jr. Board Room
August 2, 2018

Members of the Committee Present:
Ms. Natasha M. Hanna, Mr. D. Wyatt Henderson, Mr. Charles E. Lewis, Mr. William L. Lyles, Dr. Oran P. Smith, Mr. Eugene C. Spivey, and Mr. William E. Turner III

Committee Member Not Present:
Mr. H. Delan Stevens

Other Board Members Present:
Mr. John H. Bartell Jr., Mr. William S. Biggs, Mr. Carlos C. Johnson, Mr. Daniel W. R. Moore Sr., Mr. George E. Mullen, Mr. Patrick S. Sparks, and Dr. Samuel J. Swad

Others Present:
Ms. Sandra Baldridge-Adrian, Ms. Katherine M. Brooks, Dr. Brian Bunton, Ms. Susan M. Butcher, Dr. J. Ralph Byington, Ms. Nedy Campbell, Ms. Julie M. Cheney, Mr. Joshua M. Chesson, Dr. Debbie C. Conner, Ms. Julianna H. Cooke, Ms. Amanda E. Craddock, Mr. Fletcher D’Andre, Dr. David A. DeCenzo, Mr. Samuel J. Frink, Mr. David A. Frost, Ms. Kasey D. Harrington, Mr. Matthew L. Hogue, Dr. Sara N. Hottinger, Ms. Jennifer H. Hughes, Ms. Martha S. Hunn, Ms. Jasmine Jackson, Mr. Christopher A. Johnson, Ms. Robyn A. Jones, Mr. Timothy E. Meacham, Dr. Megan McIlreavy, Mr. T. Rein Mungo, Mr. Travis E. Overton, Ms. Jennifer Packard, Mr. William M. Plate Jr., Dr. Barbara A. Ritter, Dr. Michael H. Roberts, Dr. Renée Smith, Ms. V. Chyrel Stalvey, Mr. Bryan Steros, Mr. Gregory T. Thompson, Mr. John Vrooman, 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 for the meeting. No media were in attendance.)

Vice Chairman Wyatt Henderson brought the Finance, Planning, & Facilities Committee meeting to order at 3:10 p.m.

Oran Smith made a motion to approve the May 3, 2018 Finance, Planning, & Facilities Committee minutes. Gene Spivey seconded, and the motion passed.
Interim Chief Financial Officer and Vice President for Finance David Frost presented financial updates and reviewed the proposed FY 2018-19 budget.

**Revenues** were down $1.7M because a 3% in-state enrollment increase was planned for in the FY2017-18 budget and was actually 1.8%, resulting in lost revenue of $.8M. Out-state enrollment slightly exceeded budget, but any revenue gain was offset by growth in the Academic Common Market (67) and Veterans (44) totaling 111 students. These two groups are legislatively mandated full abatements at in-state rate. Because of this, out-of-state revenues were down $900K. An additional $633K in state funding was received for 10 additional FTE’s. Total 10 Fund revenues are estimated for $153.7M which is $1.3M under budget but $4.9M over FY 2017.

**Expenses** have a reduction of $1.9M because of open positions and turnover; however, salaries were up $1.6M from the previous year.

**Fringe Benefits** are $1M under budget due to benefits on open positions and an $843K credit from Public Employee Benefit Authority (PEBA) for pension funding allocation credit. Pension expense went up two percent, but we received a one percent credit from the state. The employer rates will continue to increase annually by one percent through July 1, 2022. The legislation’s ultimate scheduled employer rate is 18.56% for the South Carolina Retirement System (SCRS) and 21.24% for the Police Officers Retirement System (PORS). Non-salary operating expenses are $2.1M under budget.

The net impact of Revenues and Expenses resulted in a $2.8M surplus. Approximately $1.8M will be added to the Contingency Fund and $1.033M is committed to Strategic Initiatives.

A comparison of increases in tuition and required fees for FY 2018-19 for the 12 universities in the state for full-time and in-state undergraduate students showed Coastal Carolina is ranked number eight. For out-of-state students, the University is ranked number six. The average undergraduate in-state rate is $12,222 and CCU is $11,336—below average. During FY 2019, state funding increased 6.77% which is the second highest. Although the recurring state funding for next year is $13.688M, we are still lagging behind every other university in the state. Dr. DeCenzo stated that we need to be funded by the true number of in-state students.

Provost Ralph Byington stated that the library, based on student population, is 50% under sq. ft. required. The proposed academic enhancement building will provide digital, study spaces, meeting rooms, and media rooms. The concept of increasing these resources is to move retention from where it is now, to where it should be.

George Mullen and Dan Moore expressed concerns regarding the project because it was felt that the academic enhancement center should be a part of the library. An opportunity to redesign the library as a cohesive signature building on campus may be missed if we don’t review the plans again. Perhaps the library should just be razed or add additional floors. It was suggested having a covered walkway from the library to the building and auditorium.

1. Motion 18-45 was revised the following day (August 3, 2018) at the full BOT meeting and passed.
Henderson suggested reviewing the project again with Mungo and Byington, re-examine the master plan’s capital projects list, and perhaps move the library to the next capital project. The Penny Sales Tax funds can still be used for the project.

Spivey moved to approve establishing a project and implement the Permanent Improvement Plan for the Academic Enrichment Building and Auditorium as identified in the Master Plan (Motion 18-44). Moore seconded. Wyatt Henderson moved to amend the motion subject to a redesign and not to exceed a $28.5M budget. Sparks seconded, and the motion carried.

It was also determined that the project to replace the HVAC system in the library should be reviewed again and a determination made as to whether or not it can wait a while longer until we get a better handle on the design of the library/academic enhancement buildings. Byington reminded everyone that the HVAC building/equipment is in great need of being replaced.

After discussion, everyone was in agreement to defer Motion 18-45 to replace the existing HVAC system in the Kimbel Library, as well as install a new suspended ceiling and associated lighting for consideration until the October Board meeting. ¹

Turner made a motion to approve a one-year lease renewal, from the Coastal Educational Foundation, an affiliate of Coastal Carolina University, for the real property located at 1095 Highway 544, City of Conway, Horry County, South Carolina, consisting of a house and 0.98 acres, represented by TMS# 151-20-01-005. The lease will be effective July 1, 2018 through June 30, 2019 at a cost of $50,000 and afterwards the lease will be $1/year (Motion 18-46). Lewis seconded, and the motion carried.

Respectfully submitted,

V. Chyrel Stalvey

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Recorder

¹ Motion 18-45 was revised the following day (August 3, 2018) at the full BOT meeting and passed.