

**Minutes  
Coastal Carolina University  
Board of Trustees**

**Finance, Planning & Facilities Committee  
E. Craig Wall Sr. School of Business Administration Building, Boardroom  
October 20, 2016**

**Members of the  
Committee Present:** Ms. Natasha M. Hanna, 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

**Other Board Members  
Present:** Mr. William S. Biggs, Mr. Samuel H. Frink, Mr. D. Wyatt Henderson, Mr. William L. Lyles Jr., Mr. Daniel W. R. Moore Jr., and Mr. George E. Mullen, Mr. Robert G. Templeton, and Dr. Samuel J. Swad.

**Board Member not  
Present:** Mr. Marion B. Lee

**Others Present:** Ms. Sandra A. Baldrige-Adrian, Ms. Carolyn Sue Bender, Ms. Stacie A. Bowie, Ms. Susan M. Butcher, Dr. J. Ralph Byington, Ms. Nedy Campbell, Mr. Josh Chesson, Ms. Lori Church, Dr. David A. DeCenzo, Mr. Matt Hogue, Ms. Martha S. Hunn, Ms. Beverly J. Landrum, Mr. Timothy E. Meacham, Mr. Rein T. Mungo, Mr. Travis E. Overton, Ms. Jennifer Packard, Mr. William M. Plate Jr., Dr. Barbara A. Ritter, Mr. Mark A. Roach, Dr. Michael H. Roberts, Ms. Sharon Sluys, Ms. V. Chyrel Stalvey, Mr. Gregory 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 for the meeting.)

Chairman Carlos Johnson brought the meeting to order at 2:45 p.m.

Chuck Lewis moved to approve the August 11, 2016, Finance, Planning & Facilities Committee minutes. Gene Spivey seconded, and the motion carried.

Vice President for Finance and Administration/Chief Financial Officer Stacie Bowie began by stating that the financial presentation audit was just completed and, for the ninth consecutive year, Coastal Carolina University ended with a clean audit with no findings. Bowie indicated that auditor Ben Kochenower will present the information in more detail at Friday's Audit Committee meeting.

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Ms. Bowie expressed sincere appreciation to Lori Church, Greg Thompson and the entire financial services staff, as well as Wendy Watts, and her staff in the Financial Aid Department, for a job well done.

Bowie then began her financial presentation. FY 2016 ended with tuition revenue at \$130.7M, up \$4M from budget, and an increase of 3.2%. Total revenue is up \$4.4M to \$144M from \$139.6M, a 3.2% increase. Expenses, however, only came in \$800,000 over budget. Bowie explained that Coastal did not see the year-end spike that is typically seen, so it ended at .6% over budget, which gave some leverage to move forward \$3.6M of additional carry forward from the FY16 year into the FY17 year. As this was happening, a strategic decision was made regarding early implementation of the strategic plan. Bowie, assuming Dr. Byington had already spoken about the bridge program at HGTC, reiterated that 150 students were admitted to Horry Georgetown that would have normally been accepted at Coastal. Bowie further explained that CCU was able to increase the academic profile and financially handle not raising the student body by 3%, but take it down to 2%. Coastal was able to utilize that additional revenue to its benefit, and it allowed CCU to move forward with the strategic plan a little bit more quickly.

Ms. Bowie moved directly into FY17, and indicated that Coastal will be keeping its expenses flat. This is due to the fact that the goals within the strategic plan are going to be implemented utilizing the current expense budget Coastal has in place. A call will be made to all Vice-Presidents, and those on the financial side will be working with them to reallocate the budget within their expense line items in order to meet the goals of the strategic plan.

Trustee Mullens questioned the projected \$3M deficit to budget and the fact that the University is projecting a 10% increase in tuition from 2016 to 2017.

Ms. Bowie explained that the increase has to do with two semesters, the mix between in and out of state students, and growth in both the student body and in tuition. Thus, all of these conditions are compounded. Bowie clarified that it is the result of growing 2% (HGTC students), rather than 3%.

Bowie then expounded on how the budget is established. Every year, when CCU goes to the state for the upcoming budget (currently working on FY2018), Coastal asks for increased appropriations. Bowie explained that she shared this with the trustees because if they know what is being asked for and why, then if they run across any of our legislatures, they have the ability to speak with them about what it is Coastal is asking for.

This year's "ask" is completely surrounding the number of full-time equivalent (FTE) employees that are state appropriated funded. CCU is going to ask for \$6.697M of additional state appropriations. Coastal Carolina University is not asking for a single additional FTE. Rather, the other-funded positions, which are tuition-funded, are being moved over to state-funded. Coastal has 15% of its authorized FTE's funded using state appropriations. Other institutions' FTE'S were studied and they range from 60% to 34.5%. CCU's group figured out how many additional FTE's it would need the state to fund to be comparable as far as just the number of average

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FTE's funded. 111 FTE's would get Coastal to that number and that is how the \$6.697M was calculated.

Dr. DeCenzo interjected that over the past several years, Coastal has tried to argue the issue with equity in terms of funding our institution. The past two years Coastal has tried to focus on the student and what the state gives us versus what they give other schools. Coastal is now trying it a third way, which is basically to ask them to look at what they're paying in funding. DeCenzo reminded everyone that back in December, the state gave an \$800 bonus to every employee, but CCU got only enough money to cover 15% of its population. DeCenzo resolved that the University is so poorly funded with respect to the FTE's that every time the state mandates the 3% pay raise, they cover 15% of our employees. The other 85% has to be covered under "other-funds."

DeCenzo went on to state that CCU is trying to use the FTE funding as a way to see if this scenario won't resonate with them in Columbia. Dr. DeCenzo stated that he and Ms. Bowie will meet with the Governor's Chief of Staff to present this information.

Bowie interjected that if Coastal went to the average of 38.7% of FTE's being funded, we'd have to ask the State for an additional \$21.6M. Rather than doing that, CCU went to the average of funded employees, which got us the \$6M.

Following an inquiry by Trustee Hanna, Ms. Bowie stated that the total revenue of the University is \$217M. In addition to 10 Funds, this figure includes auxiliary services, and research grant funds.

Ms. Bowie also indicated that an additional \$4M is being requested in FY18 on the auxiliary side. The budget is separated into other-funds, which are tuition generated, federal funds and auxiliary funds when requesting budget authorization from the state.

Upon completing the financial update, Bowie presented the following motions.

**Gene Spivey made a motion to approve a lease from the Coastal Educational Foundation for the real property consisting of the property located on Tilghman Point and Waties Island in Little River Township, Horry County, South Carolina. The initial term of the lease shall be one (1) year at a cost of \$1.00, effective November 1, 2016 through October 31, 2017, with the option to renew the Term of the Lease for successive periods of one (1) year each. (Motion 16-39). Turner seconded, and the motion carried.**

**Spivey moved to approve renewal of one-year lease, renewable for seven more consecutive years from Coastal Educational Foundation, of the corner property at Founders Drive and 544 at a cost of \$70,000. The cost of the lease was \$85,000 per year for years one and two. The cost of the lease for years three through ten is \$70,000 per year (Motion 16-40). Turner seconded. The motion carried.**

**Turner moved to approve a one-year lease, in its final renewal year per the lease agreement, of 13,700 square feet of warehouse space at 470 Allied Drive from Forum**

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**Development at an annual lease amount of \$92,475 or \$6.75 per square foot (Motion 16-41). Johnson seconded, and the motion passed.**

Motion 16-42 to renew a one-year lease, renewable for one more consecutive year, 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 is being pulled. It is being renegotiated and will be brought back to the December Board meeting.

**Chuck Lewis moved to approve entering into a lease with Fountain-Fuller of SC, L.L.C. for +/- 2,500 square feet of office space at the Atlantic Center (450 Century Circle Suite C) effective May 1, 2017, following the end of the current tenant's lease. The lease will run May 1, 2017 through August 31, 2017, with the option to extend the term of this lease for one (1) consecutive year, so that it will run concurrent with the leases for Suites A & B and all leases will be renewable at the same time. The cost of this lease is \$18,000 (\$7.20 per square foot), and will be prorated for the initial lease period. Rent will increase by 2% annually thereafter (Motion 16-43). Turner seconded and the motion carried.**

**Lewis moved to approve a sublease with Horry County at 901-909 Front Street, Georgetown, South Carolina, from November 1, 2016 through October 31, 2017, for a monthly lease amount of one thousand two hundred dollars (\$1,200) payable to CCU (Motion 16-44). Spivey seconded the motion, and it passed unanimously.**

**Spivey moved to approve the granting of an easement (750 linear feet) and property (93 square feet or .02 acres) to Grand Strand Water & Sewer for an existing Sewer Lift Station that is located on TMS 151-00-01-021 behind the Student Health Center (Motion 16-45). Turner seconded, and the motion carried.**

**Turner moved to hire Dr. Damon A. Williams as a consultant to review relevant diversity and strategic planning information for the University at a cost of \$16,000 which includes consultation for two days and travel costs (Motion 16-46). Hanna seconded. The motion passed.**

Mullen expressed his concern over the timing.

Vice President of Student Rights & Responsibilities Travis Overton, explained that many campuses have failed by not preparing the University community in understanding what it means to have this person/position/role on campus. Therefore, bringing Mr. Williams in will provide understanding, training and consultation in preparation for the new Vice President in the Spring. Mr. Williams will also meet with the search team that will be working to recruit and hire the new individual. He will also be able to give them insight into what they should be looking for.

Discussion then ensued regarding the new 2016 Campus Master Plan. Chairman Wyatt Henderson reminded everyone that a three-trustee committee consisting of George Mullen, Oran Smith, and Delan Stevens had been appointed to review the Campus Master Plan. This committee had differing opinions and recommendations regarding a parking garage. Chairman

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Henderson recommended that the motion be amended to remove the parking garage and show it as a dotted line to be addressed at a later time when the time comes that we are to build. Henderson wanted the record to reflect that the committee is not in agreement for the Master Plan to be approved with the parking garage.

Bowie suggested moving the garage into the “potential future projects” section and Henderson asked that it be done immediately before the full board votes on Friday.

Bowie also explained that the soccer field and sand volleyball projects have been purposefully inverted because of the ability, in a timely manner, to get volleyball and soccer the way CCU wanted and on the land that was designated.

Mullens expressed his concern that this does not accommodate the original plan that there would be facilities, such as changing rooms, in-between the soccer field and the track. With this new configuration, there will no longer be room for the track and therefore, they will not share facilities and building costs will increase.

Matt Hogue explained that to move forward and get the project done, this is what needs to be done to work within the confines of the private funds that have been allocated toward the project.

Bowie then discussed a free-standing 1200-1400 square foot building that is in the discussion stage. A food service vendor has approached the University and is interested in working through Aramark, but wants to have a stand-alone location. Bowie and others are working with them in order to secure a donation in addition to the food service commission that CCU would get back through Aramark. There are currently two potential locations being discussed. If this comes to fruition, there could be a ten-year contract with this vendor. At the end of that contract, they can choose to renew with CCU, or the space can be utilized in another food service capacity with Aramark.

Mark Roach added that the reason the Aramark subcontractor is interested in the freestanding building is that they are interested in particular traffic patterns viewed on campus.

This potential project will not be put on the Master Plan at this time as more information, including best location, is needed and will be brought back at a future date, but Bowie indicated that she wanted the Board of Trustees to know that there was ongoing discussions.

**Turner moved to approve ratification of the new 2016 Campus Master Plan by moving the parking garage to a list of potential projects. (Motion 16-47). Lewis seconded. The motion passed.**

**Spivey moved to extend the current 50% scholarship/waiver program for undergraduate-level coursework for any/all dependent children of permanent, full-time faculty/staff employees with at least one (1) year of uninterrupted service to include all dependents/family members, as defined by the Public Employee Benefit Authority (PEBA), of permanent, full-time faculty/staff employees with at least one year of uninterrupted service. Additionally request approval to offer a 30% scholarship/waiver program for**

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**graduate-level coursework to all dependents/family members, as defined by PEBA, of permanent, full-time faculty/staff employees with at least one (1) year of uninterrupted service. Dependents/family members of the University President or of any member of the University Board of Trustees precluded by Section 59-111-60 of the SC Code of Laws will be excluded. The enhanced program will take effect Spring 2017 (Motion 16-48). Oran Smith seconded, and the motion carried.**

Ms. Bowie then presented information regarding the storm damage and impact to Coastal Carolina University from Hurricane Matthew. She first sincerely thanked Carissa Medeiros, Director of Emergency Management, Rein Mungo, Director of Facilities, Planning & Management and his entire staff, as well as Chief David Roper and his entire staff at the Department of Public Safety for everything they did both to prepare for the storm and to deal with the aftermath. The campus was kept closed two extra days to give uninterrupted time to do what they needed to do without having to work around faculty, staff and students. Overall, there were 230 downed/impacted trees, including both campus proper and the golf course.

Bowie presented a Capital Projects Update which included:

- University Place Dining Facility
- Academic Classroom II - expected completion June 2017
- Singleton renovation – completed and offices are moving back in
- Wave Simulation Tank
- Smith Science Renovation – just kicked off; expected completion Fall 2017
- Brooks Stadium addition – waiting on bond ratings to price bonds and get them secured. Two phases. Phase I, to include 14,500 seats to be ready Fall 2017. Second Phase to be completed by the following football season. Goal is to engage a contractor by January 2017.

After the Friday December meeting, a tour will be made of the new facilities on campus.

As there was no further business, Turner moved to adjourn and Spivey seconded.

Respectfully submitted,

*Susan Butcher*  
*Chyrel Stalvey*  
Recorders