The Citadel Board of Visitors held its Annual Meeting in the Board Room, Jenkins Hall, at 0830 hours on 8 June 2013, to receive the President’s report, take action on committee recommendations, conduct routine Board business and hold an executive session for personnel matters.

The following members were present: Colonel Douglas A. Snyder, Chair; Colonel Fred L. Price, Jr., Vice Chair; Colonel Allison Dean Love; Colonel Glenn D. Addison; Lieutenant Colonel Ben W. Legare, Jr.; Colonel James M. McQuilla; Lieutenant General W. Michael Steele; Colonel Dylan W. Goff; Lieutenant General John B. Sams, Jr.; Colonel Tecumseh “Tee” Hooper, Jr.; Major General Robert E. Livingston, South Carolina State Adjutant General; Chairman Emeritus, Colonel Leonard C. Fulghum, Jr.; and Member Emeritus, Colonel William E. Jenkinson III. Mr. Frank E. Gibson, III, President of The Citadel Alumni Association, and Mr. Claudius E. Watts, IV, Chairman, The Citadel Foundation, were present. Members-elect, Mr. Robert H. Nuttall, Sr. and Mr. L. Eugene “Gene” Pinson attended as observers. Also in attendance were President John W. Rosa, and senior members of The Citadel staff. Major Michael M. Barth, Chairman of the Faculty Council, represented the faculty.

Voting members absent: Colonel Peter M. McCoy, Sr. and Brigadier General Mick Zais, State Superintendent of Education.

A quorum was present.

The meeting followed the agenda at enclosure 1.

Colonel Price stated that the meeting was in compliance with the Freedom of Information Act.

Chair Snyder opened the meeting and reviewed some of the challenges and opportunities the Board faced during the last four years, highlighting the strides made in achieving financial solvency, strategic planning, implementing Boston Consulting Group recommendations and successfully handling the management crisis brought about by the Reville matter. He thanked the Board for its support and cooperation and looks forward to continuing to help move the College forward.

Colonel Fulghum thanked Colonel Snyder for his service and commended his willingness to give of his time and financial resources.

Colonel Snyder then announced that the Board had unanimously voted to present the Palmetto Medal to the Secretary of the Board, Colonel Myron Harrington.

President Rosa was called on for his report.
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President Rosa briefly reviewed the past school year, highlighting the solid performance of the Corps academically and the improved retention of cadets, particularly among the upper classes. He anticipates that the way admission applications are trending that we will reach maximum capacity this fall.

Reflecting on the past five years, the President pointed out that with the national recession and reduced funding from the state, the College is at a critical juncture and in order to continue to be successful we must improve our visibility and articulate our case for more funding in Columbia, especially for deferred maintenance. In-house we need to continue the strong efforts underway to improve retention, focus on implementing LEAD Plan 2018 strategic initiatives and enhancing fundraising.

To keep the College competitive, he detailed two key initiatives that will assist in maintaining our sterling reputation. First, the College staff needs to be streamlined into cross-functional teams for smoother collaboration and coordination, return to an organizational model that includes a vice president for finance, and create a new vice president for operations position. Secondly, the proposed Board restructure will position the Board to become more strategically focused and in alignment with the staff to effectively support LEAD Plan 2018.

President Rosa closed by thanking Colonel Snyder for his leadership of the Board over the last four years and his dedication and commitment to the college.

Committees with action requirements were called on for their presentations.

Colonel Addison, Chair of the Athletics Committee, presented the athletics budget, stating it had committee approval and would be included in the College’s FY 2013-2014 budget.

Colonel Hooper, Chair of the Finance Committee, was called on.

Colonel Hooper briefed on the FY 12/13 financials highlighting the following items:

- Education and General (E&G) funds, Auxiliaries, and Athletics are projecting a cautiously-estimated $3.07M end-of-year surplus (revenues less expenses).
- E&G is projecting a $0.95M end-of-year surplus due to larger Corps size and better management of expenditures.
- Auxiliaries are projecting a $2.43M surplus due to higher Corps size, more use of auxiliary services offered, and better management of expenditures. Of this surplus, $1.18M will be transferred to athletics, $0.3M is built into the FY14 budget for E&G scholarships, and $0.95M will be transferred to the auxiliary maintenance reserve.
- Athletics is projecting a ($0.31M) deficit due to the budget effects of the mid-year increases in salary and benefits, and decreased fundraising revenue. The deficit will be funded by a planned $550k transfer from The Citadel Trust. The plan is to reduce this annual transfer of funds from The Citadel Trust by $50k next year.
Colonel Hooper then presented the College's FY 13/14 proposed budget.

The State Senate Finance Committee set a mandatory fee increase ceiling at 3.16% for in-state undergraduate students. While this ceiling only applies to in-state tuition, the decision was made to limit the increase for out-of-state and graduate college tuition rates at 3.16% as well. The proposed budget was presented based on a tuition increase of 3.16% with a comparison to the impacts of a 0% tuition increase.

Colonel Hooper said many factors were considered in the budget build, including: target-based budgeting which resulted in approximately $400k of budget cuts from recurring unused faculty and staff funds; elimination of budgets for contingency funds depleted during the year; and increased funding requirements for health benefits, government mandated increases, mid-year employee recognition supplements, inflationary increases, and general business operations.

Colonel Hooper noted $1.5M has been allocated from E&G maintenance reserves for E&G deferred maintenance projects in FY14. A total of $800k has been allocated from athletic facility fees and deferred maintenance reserves for Athletics deferred maintenance, and $200k has been allocated from maintenance reserve funds for auxiliary deferred maintenance.

The budget proposal also includes the following fee increases: $150 increase in leadership development fees to fund the Krause Center Operations; $65 increase in auxiliary technology fees for critical unfunded technology requirements; and $85 increase in dining hall fees to meet contractual obligations with Aramark, the College’s food service provider. In addition to the tuition and fee increases, reserve funds will also have to be used to fund certain strategic initiatives and deferred maintenance projects in FY 13/14.

Following Colonel Hooper’s review of the proposed FY 13-14 budget, there was an extensive discussion, including ramifications of the proposed increase on the families paying tuition and the budget’s impact on LEAD Plan 2018 strategic initiatives.

Colonel Hooper presented the following committee motion which included a 3.16% tuition increase for both graduate and undergraduate students:

**MOTION**

“That the Board of Visitors approves an annual operating budget of $102,220,085 for Fiscal Year 2013-14 which includes: approval of the balanced E & G and Auxiliary Budgets and approval of the Athletics Operations Budget and Athletics Grants Budget with supplement from Auxiliaries and Unrestricted Funds.”

Following discussion, the motion failed by a vote of 3 for and 7 against.
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General Livingston made the following motion, seconded by Colonel Love:

MOTION

“That the Board of Visitors approves an operating budget of $101,220,085 for fiscal year
2013-14 which includes a 3% tuition increase in accordance with the strategic plan and also
include: approval of the balanced E & G and Auxiliary Budgets and approval of the Athletics
Operations Budget and Athletics Grants Budget with supplement from Auxiliaries and
Unrestricted Funds.”

Following discussion, the motion passed by a vote of 8 to 0; Colonels Goff, Love and Addison
abstaining.

Colonel Hooper presented the following Finance Committee motion:

MOTION

“That the Board of Visitors approves the proposed FY 2014 expenditures of Trust
unrestricted gifts.”

Following discussion, the motion unanimously passed.

The Board then discussed several routine Board administrative issues.

Chair Snyder called for a motion to go into executive session for personnel matters. Motion
made by Colonel Love, seconded by Colonel Price, and unanimously passed.

Motion to come out of executive session made by Colonel Goff, seconded by Colonel Price, and
unanimously passed.

Colonel Love made the following motion, seconded by Colonel Price:

MOTION

“That the Board of Visitors approves the promotion of Colonel Thomas G. Philoposky to the
position of Vice President for Operations.”

Following discussion, the motion unanimously passed.

Colonel Love motioned to go into executive session for personnel matters, seconded by Colonel
Addison, and unanimously passed.
Motion to come out of executive session made by Colonel McQuilla, seconded by Colonel Addison, and unanimously passed.

There being no further business, the meeting adjourned at 1300 hours.

Respectfully submitted,

Myron C. Harrington, Jr.
Colonel, USMC (Retired)
Secretary to the Board of Visitors