

THE CITADEL BOARD OF VISITORS
MEETING MINUTES
9 AND 10 JUNE 2017

The Citadel Board of Visitors (BOV) held meetings in the Scarborough Multimedia Room, Holliday Alumni Center, on 9 and 10 June 2017 to: receive reports from The Citadel Foundation (TCF); The Citadel Alumni Association (CAA); the Daniel Fund Scholarship Trustees; hear a presentation from representatives of Cherry Bekaert, LLP; receive updates from the Dean of the School of Engineering; President; and Board committees; approve minutes and any action items presented; and discuss other Board matters.

The following Board members were present on 9 June 2017: Lieutenant General John B. Sams, Jr., Chair; Colonel Dylan W. Goff, Vice Chair ; Colonel Allison Dean Love; Colonel Fred L. Price, Jr.; Colonel "Tee" Hooper; Colonel Peter M. McCoy, Sr.; Colonel Robert H. Nuttall, Sr.; Colonel L. E. "Gene" Pinson; Colonel Greg A. Lapointe; Colonel Stanley L. Myers, Sr.; Colonel Myron C. Harrington, Jr.; Colonel Leonard C. Fulghum, Jr., chairman emeritus; members emeritus Colonel William E. Jenkinson III, and Colonel Douglas A. Snyder; Mr. Claudius E. Watts, IV, Chairman, The Citadel Foundation (TCF); and Mr. Jamie A. Khan, President, The Citadel Alumni Association (CAA). Dr. Valerie Evans-Harrison, designated representative of the Honorable Molly Spearman, State Superintendent of Education, was present at the meeting, along with Colonel John C. Dominick and Colonel James H. Harrison, BOV members-elect. Also in attendance were: Lieutenant General John W. Rosa, President; Brigadier General Connie L. Book, Provost and Dean of the College; Colonel Thomas G. Philipkosky, Senior Vice President for Operations and Administration; Captain Eugene "Geno" Paluso, Commandant of Cadets; Colonel Joseph Garcia, Vice President for Finance and Business; Mr. Jim Senter, Director of Intercollegiate Athletics; Colonel Cardon Crawford, Interim Vice President for Communications and Marketing; Colonel Mark A. Beensee, Associate Provost for Academic Affairs; Colonel Tara Hornor, Associate Provost for Planning, Assessment and Evaluation and Dean of Enrollment Management; Lieutenant Colonel F. Ward Logan, Controller and Director of Financial Services; Mr. Glenn Easterby, Deputy Director for Facilities and Engineering; Colonel "Hawk" L. Moore, Chief Compliance Officer; Mr. Michael Keeney, Financial Services Assistant; Commander William Lind, Executive Assistant to the President; Mr. Mark C. Brandenburg, General Counsel; Mrs. Ashley Witherspoon, Special Assistant to the President for Board Matters; and Mrs. Patricia M. Kinard, Recording Secretary to the Board of Visitors. Ms. Marcia Lindsay, Ms. Yolanda Wardlaw, and Ms. Melissa Gilroy of the SC Legislative Audit Council were also in attendance.

Presenters during the 9 June 2017 meeting: Mr. Alan Robinson, Partner, and Ms. Roselle Bonnoitt, Director, of Cherry Bekaert, LLP; and Colonel Ronald W. Welch, Ph. D., Dean of Engineering and Louis S. LeTellier Chair.

Voting members absent: none. A quorum was present.

The meeting followed the agenda at enclosure 1.

The meeting was in compliance with the Freedom of Information Act in that notice had been posted 24 hours in advance in Bond Hall and on the college website and local media sources were notified at the same time by electronic means.

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Chair Sams opened the meeting at 8:07 a.m. Colonel Nuttall gave an invocation and Chair Sams led "The Pledge of Allegiance."

Chair Sams reviewed the agenda and schedule of the day's events.

Mr. Watts discussed a report from TCF and The Citadel Brigadier Foundation (TCBF). He gave an overview of the capital campaign with year-to-date fundraising results. Key focus areas for 2017 were outlined, and a year-to-date comparison of cash/pledges, planned gifts, and numbers of donors for the period of 2013-2017 provided. The capital campaign progress is currently 113.42% of goal. A chart of pledges receivable and planned gift expectancies was reviewed, along with LEAD 2018 fundraising progress. TCBF is on track to deliver \$1.55 million for athletic scholarships this year, with a goal of reaching \$15 million in the Memorial Fund Athletic Endowment by June 2018.

It was noted that a reduction in annual giving is a national phenomenon; the importance of getting millennials engaged is vital to future fundraising success.

In his report from The CAA, Mr. Khan noted BG Book had given a brief at the last CAA Board meeting that was very well received. He highlighted the need for a comprehensive communication plan and said the app CAA has developed could be a "piece of the foundation to communicate." His term will end in November, with Mr. Willis E. Tisdale, Jr., Class of '77, taking over as President of CAA at that time. Mr. Khan closed by thanking General Sams and Colonel Hooper for their service on the Board of Visitors.

Colonel Fulghum thanked the staff for administering the Daniel Fund, and recommended a budget of \$134,169 for 2017-18, with approval of proposed new scholarships in the amount of \$53,500.

Colonel Price moved:

MOTION

"That the Board of Visitors approves proposed new scholarships from the Daniel Fund for 2017-18 in the amount of \$53,500 as listed."

The motion was seconded by Goff and unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, McCoy, Nuttall, Pinson, Lapointe, Myers and Harrington.

General Rosa suggested the Board consider changing the requirements for the scholarship to include annual reapplication and certain other parameters. The topic will be considered by the Education and Leadership Development (ELD) Committee for recommendation to the full Board.

Colonel Lapointe, Chair of the Strategy, Vision and Governance (SVG) Committee, began the committee report by noting the audit function would be transitioning to the Operations and Risk Management (ORM) Committee. He called on Colonel Garcia to introduce the Cherry Bekaert, LLP representatives.

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Mr. Robinson and Ms. Bonnoitt outlined the audit planning agenda, including the role of the external auditor, service deliverables, BOV committee oversight and perspective on risk, audit timeline and risk assessment. A list of questions will be presented to certain Board members, seeking feedback to assist Cherry Bekaert in developing their audit strategy and planning the audit. Dialogue in this area will be ongoing.

LTC Logan outlined the audit transition plan highlights and the additional focus on internal controls.

Colonel Garcia discussed the five-year (FY2018-2022) budget estimates. The estimates included data from athletics, auxiliary services, general fund, and The Citadel Foundation and The Citadel Trust. He also outlined twenty-year budgeting and funding requirements for the Asset Management Plan for maintenance.

He reported the Vice Presidents had met with General Rosa to review progress on the FY17 Annual Performance Plans (APPs) and to present the strategy for formulating the FY18 APPs.

Colonel Hornor reviewed the LEAD 2024 planning cycle and noted the Board will be presented with a statement at the offsite detailing what has been gathered so far from the campus community. The next steps in the process will include articulating the college's vision for the LEAD 2024 plan and preparing proposals for objectives and actions.

A discussion of major trends in higher education will also take place during the BOV offsite, including diverse subjects such as talent demands requiring multi-disciplinary backgrounds and outcomes of the current focus on STEM initiatives.

Dean Welch began an informative update on the School of Engineering by stating The Citadel is ranked No. 13 by *U.S. News & World Report* among the nation's best undergraduate engineering programs at schools offering up to a master's degree. He reviewed the school's core values, the many successes in meeting goals established in a 2012-2018 timeline and objectives set for 2017-2018, as well as enrollment figures, student and faculty awards, and recent grants obtained. An autoclave is scheduled for installation in the fall, which will allow students experience with composites. This year marks the 75th anniversary of the Department of Electrical and Computer Engineering.

The Board recessed to have lunch in the Pearson Club Level of the stadium.

The afternoon session began with Colonel McCoy, Chair of the ORM Committee, calling on Colonel Garcia for an update on the FY18 budget and tuition and fees. Items for consideration included FY18 budget highlights, reclassifying tuition/fee structure, proposed tuition and fees, Capers impact, and the Stevens Barracks sinking fund. Proposed expenditures of The Citadel Trust unrestricted gifts for FY18 were also presented. A motion will be considered by the BOV at the end of the meeting on Saturday.

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Captain Paluso reviewed statistics pertaining to the Campus Advocacy, Response and Education (CARE) team; Campus Alcohol and Drug Information Center (CADIC); Citadel Counseling Center (CCC); and Infirmary.

An executive overview of the Enterprise Risk Management Council (ERMC), compliance, child protection, overall Title IX, hotline, internal audit plan for FY17 and the proposed audit plan for FY18 was briefed by Colonel Moore.

Colonel Philipkosky advised the BOV that recent discussions relative to the design of the proposed Capers Hall resulted in a change for a completely new academic building vice retaining the 1949 wing. He outlined the rationale for this recommended change and gave a summary of issues, cost and milestones.

Mr. Easterby said the demolition of the East Side stands has been completed. Permanent options for a replacement are being explored. He also gave an overview of summer renovation and maintenance projects.

Mr. Senter completed the committee report with an Athletics end-of-year briefing. Financial data for beer sales at Citadel baseball games was listed, and a concept proposal for the temporary East Side stands at Johnson Hagood stadium displayed.

Colonel Myers, Chair of the ELD Committee, called on the Provost to begin the committee report.

The Provost discussed Citadel outcomes including the breakdown of the graduating Class of 2017, and commissioning and employment data. The college is having a great admissions year. The Corps projection model is anticipated to be 2,356 students at census with an in-state/out-of-state mix of 57% and 43% respectively.

The Commandant's update included a fourth class retention five-year trend line, and statistics pertaining to various semester events. He delineated his SY2016/17 observations and emphasized that the year ahead will be pivotal for the Commandant's Department. Captain Paluso discussed leadership training; continued improvement in teaching, advising, and coaching; ongoing efforts to professionalize the culture of the Corps; and exploring more opportunities to keep improving the cadet experience.

Mr. Senter said the spring 2017 term GPA data for the Corps Squad is 2.983, slightly higher than the Corps GPA at 2.947. He noted the ten-year cadet-athlete GPA average is 2.964, and the ten-year freshman cadet-athlete GPA is 2.798. The search for a new baseball coach was finalized, with Tony Skole, a Citadel alumnus and member of the Bulldog Hall of Fame, being hired for the position; he will start effective June 19th.

Colonel Love, Chair of the Communications and Community Relations (CCR) Committee, was called on for the committee's report. She thanked Colonel Crawford for his efforts as the interim Vice President and for keeping her apprised of current situations.

Colonel Crawford said marketing efforts had been effective and provided details of year end marketing and media results. He discussed articles that had appeared in the *Wall Street Journal* and ProPublica, an independent newsroom that produces investigative journalism.

Colonel Crawford outlined the legislative update, including: federal efforts, state budget, Capers Hall approval process, extension of the County stadium debt payment and future events. There are several special elections for legislative positions that will be held within the state, including Daniel Island, Columbia and Irmo. He concluded his presentation with a review of the timeline for events surrounding the 175th anniversary, and displayed the winning design and logo.

The meeting was recessed at 4:15 p.m. to reconvene on Saturday.

The meeting reconvened on 10 June 2017, in the Scarborough Multimedia Room, Holliday Alumni Center.

The following Board members were present: Lieutenant General John B. Sams, Jr., Chair; Colonel Dylan W. Goff, Vice Chair ; Colonel Allison Dean Love; Colonel Fred L. Price, Jr.; Colonel "Tee" Hooper; Colonel Robert H. Nuttall, Sr.; Colonel L. E. "Gene" Pinson; Colonel Greg A. Lapointe; Colonel Stanley L. Myers, Sr.; Colonel Myron C. Harrington, Jr.; members emeritus Colonel William E. Jenkinson III, and Colonel Douglas A. Snyder; and Mr. Claudius E. Watts, IV, Chairman, The Citadel Foundation. Colonel John C. Dominick, BOV member-elect, was present. Also in attendance were: Lieutenant General John W. Rosa, President; Brigadier General Connie L. Book, Provost and Dean of the College; Colonel Thomas G. Philipkosky, Senior Vice President for Operations and Administration; Captain Eugene "Geno" Paluso, Commandant of Cadets; Colonel Joseph Garcia, Vice President for Finance and Business; Mr. Jim Senter, Director of Intercollegiate Athletics; Colonel Cardon Crawford, Interim Vice President for Communications and Marketing; Commander William Lind, Executive Assistant to the President; Mr. Mark C. Brandenburg, General Counsel; Mrs. Ashley Witherspoon, Special Assistant to the President for Board Matters; and Mrs. Patricia M. Kinard, Recording Secretary to the Board of Visitors. Ms. Yolanda Wardlaw of the SC Legislative Audit Council was also in attendance.

Voting members absent: Colonel Peter M. McCoy, Sr. A quorum was present.

Chair Sams called the meeting to order at 8:10 a.m. and reviewed the remaining agenda items. He and Colonel Hooper thanked everyone for their support during their terms of service on the Board of Visitors.

President Rosa began his report by telling the Board last year was the first in his tenure without a major disruptive element. Every factor within the college community performed well: our great faculty has galvanized around the Provost, the overwhelming majority of parents have been supportive, the Class of 2017 gelled as a group, and the BOV remained focused on strategic issues. The college's challenges are to determine what we are missing and how we can get better.

He noted it is important to finish the LEAD 2018 Plan and to ascertain when the next capital campaign will begin.

Other items of interest included:

- Arrival of the new Vice President for Communications and Marketing in July
- New plan for Capers and the final concept for the East Side stands
- Need for a parking garage
- Determining the vision of LEAD 2024
- Challenges of having a winning football season
- Completion of Maymester, and the current Summer I session
- Importance of bringing in good young people in the enrollment process
- Continued promotion of The Citadel Graduate College
- Increasing Veteran enrollment with a goal for next year of instituting more interaction with college leadership
- Travel plans throughout the summer for development purposes and CAA events
- Plans for hiring a new Chief Financial Officer and a Budget Director

In response to a question from Chair Sams regarding the Lowcountry Graduate Center, the Provost said the organization has developed a minimal approach, relying on the educational participants to achieve the goals of being an outstanding facility, creating a budget that allows innovation of new programs, and working with employers to determine what kind of graduates they need. There is a heated competitive battle for student tuition dollars in the area, as evidenced by the recent development of a facility by Embry-Riddle Aeronautical University.

Motions were considered.

Colonel Lapointe made a motion pertaining to the proposed changes to the *College Regulations*, which had been forwarded from the SVG Committee:

MOTION

"That the Strategy, Vision and Governance Committee endorses items 1, 3, 5, and 6 of the list of proposed changes to the College Regulations."

The motion was unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, Myers and Harrington.

Colonel Lapointe moved:

MOTION

"That the Board of Visitors approves item 0 of the list of proposed changes to the College Regulations."

The motion was seconded and unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, Myers and Harrington.

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Colonel Lapointe moved, seconded by Colonel Nuttall:

MOTION

"That the Board of Visitors approves item 2 of the list of proposed changes to the College Regulations - 'Provide that only members of the Special Appeals Committee, the recording secretary, and counsel, shall attend SAC meetings.'"

After discussion, the motion was amended to change the word "attend" to "participate in."

The motion was defeated by unanimous vote of the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, Myers and Harrington.

Colonel Lapointe moved, seconded by Colonel Myers:

MOTION

"That the Board of Visitors approves item 7 of the list of proposed changes to the College Regulations - 'Require Special Assistant to send preliminary materials to Board five days before meeting, but allow final materials twenty-four hours ahead of time.'"

After discussion, the motion was amended to require the Special Assistant to provide materials to the Board seventy-two hours before the meeting and the final agenda twenty-four hours prior to the meeting.

The motion was unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, Myers and Harrington.

A discussion of item 8 on the list of proposed changes, "Create Finance and Audit Committee," will be added to the BOV offsite agenda as an action item.

Colonel Goff moved:

MOTION

"That the Board of Visitors approves the following meeting/teleconference minutes as submitted:

- 20 April 2017 meeting
- 21 and 22 April 2017 meetings
- 1 May 2017 teleconference."

The motion was seconded and unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, and Myers.

Colonel Goff moved:

MOTION

"That the Board of Visitors approves the Fiscal Year 2018 Internal Audit Plan."

The motion was seconded and unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, and Myers.

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Colonel Goff moved:

MOTION

"That the Board of Visitors approves the proposed temporary East Side Stands concept as briefed to the 30 May 2017 Operations and Risk Management Committee of the Board of Visitors."

The motion was seconded and unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, Myers, and Harrington.

Colonel Goff moved:

MOTION

"That the Board of Visitors approves a 3.25% in-state and a 3.25% out-of-state tuition fees increase, and approves the operating expense budget of \$117,222,588 for fiscal year 2018 which includes the E&G budget, Athletics operations budget, Auxiliary budget, and other funds comprising the comprehensive operating budget."

The motion was seconded and unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, Myers, and Harrington.

Colonel Goff moved:

MOTION

"That the Board of Visitors approves the proposed fiscal year 2018 expenditures of Trust unrestricted gifts as presented with the budget."

The motion was seconded and unanimously approved by the voting members present: Sams, Goff, Love, Price, Hooper, Nuttall, Pinson, Lapointe, Myers, and Harrington.

Colonel Nuttall commented on the rowdy noise generated by some families of graduates at the Corps Commencement ceremony. After general discussion, General Rosa stated the administration will give their thoughts at the BOV offsite regarding possible solutions to preventing this type of behavior in the future.

Colonel Price will work with the administration to determine the Board calendar for 2017/18.

There being no further business, the meeting adjourned at 11:15 a.m.

Respectfully submitted,

Patricia M. Kinard
Recording Secretary to the Board of Visitors