The Citadel Board of Visitors (BOV) held a retreat at the Wampee Conference and Retreat Center in Pinopolis, SC on 25 August 2016 to: receive a report from the President; consider a motion regarding the new School of Business; and discuss The Citadel’s financial future.

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, Jr.; 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.; members emeritus Colonel William E. Jenkinson III, and Colonel Douglas A. Snyder; Mr. Claudius E. Watts IV, Chairman, The Citadel Foundation (TCF); and Mr. Alfred R. Kennickell, Jr., President of The Citadel Brigadier Foundation (TCBF). 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; Colonel Joseph Garcia, Vice President for Finance and Business; Mr. Jim Senter, Director of Intercollegiate Athletics; Colonel W. Brett Ashworth, Vice President for Communications and Marketing; Dr. John P. “Jay” Dowd, III, Vice President for Institutional Advancement; Mrs. Ashley Witherspoon, Special Assistant to the President for Board Matters; and Mrs. Patricia M. Kinard, Recording Secretary to the Board of Visitors.

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.

Chair Sams opened the meeting at 9:05 a.m. and reviewed the agenda. Colonel Pinson gave an invocation and led the group in reciting “The Pledge of Allegiance.”

Chair Sams told the group once a year the Council for Advancement and Support of Education (CASE) recognizes a CASE member institutional head for outstanding efforts in promoting and supporting education and institutional advancement. This year, General Rosa has been selected as the winner from District III, which encompasses the entire southeastern portion of the United States. Colonel Ashworth will provide BOV members with copies of the letter of nomination. A nationwide release will be prepared when the award is officially announced.

Chair Sams also noted he and General Rosa will be speaking with a potential corporate donor regarding funding for the Capers Hall project.

The scheduled 1 September monthly teleconference may be cancelled. If so, a notice will be sent out ahead of time.
The proposed schedule for the 10 September BOV meeting legislative luncheon was outlined and discussed.

Mrs. Spearman, SC State Superintendent of Education and ex officio member of the Board, had advised Chair Sams she would like to send a non-voting representative to BOV meetings on those dates when she is not available. Her representative will be named at a future date.

Chair Sams called on the President for his report.

General Rosa began his report by stating a detailed update on the college’s Lines of Effort will be provided during the meeting. Currently, everything is on track regarding facilities. He noted the necessity of beginning discussions regarding funding of a new Stevens Barracks.

Colonel Lapointe recused himself from the meeting.

Dr. Dowd outlined the process of gaining regulatory approval for the construction of Bastin Hall. The process is somewhat atypical because the project will be donor funded. The establishment of the Real Estate Foundation as an independent 501C3 organization is new to The Citadel, but not to higher education in South Carolina, as many other higher education institutions have had similar entities in place for some time. The rates and terms secured from South State Bank for this project are very competitive.

Colonel Love commented that The Citadel presentation to the Commission on Higher Education in regard to this project was “stellar.”

Colonel Lapointe returned to the meeting.

General Rosa continued his report with an update on the LEAD Plan 2018, noting the biggest part of the plan is cadet development.

Two members of the senior staff will soon be leaving the college – Colonel Ashworth and Colonel Ben Wham, Associate Vice President for Facilities and Engineering. An update on the status of the search committees for these two positions was provided.

The matriculation of the Class of 2020 went very well. Members of The Citadel Family Association “did an amazing job” helping to process in 819 students in a very short period of time. The matriculation process improves every year and is very professionally done. The college has a 96.7% retention rate, with 2,331 cadets comprising the Corps at present. All students are housed in the barracks.

Classes started on 24 August. Retention of upper class students is at its highest level.
Board of Visitors offsite meeting minutes
25 August 2016
Page three

All indicators relating to the Leadership Development Model are “moving in the right way,” as upper class cadets are teaching, coaching and mentoring. The President noted the Regimental Commander has a good team this year.

The Provost provided a review of the annual LEAD strategic planning and performance dashboard report. Monitoring of progress is comprised of three factors – FY2016 Annual Performance Plans, eight LEAD strategic initiatives, and six LEAD lines of effort. She noted the impact of the FY16 LEAD refresh, and the forecast for FY18 completion. General Rosa said funding for the lines of effort is an important component of the project completion in each of the six areas. BG Book led a discussion of the highlights for each line of effort, including figures as of August 2016 (year-end) showing project completion and funding.

After a short break, General Rosa reviewed a listing of proposed regulation changes for academic year 2016/17, followed by a general discussion of some of the proposals.

After lunch, the President told the Board a company named Command Post Technologies, which focuses on leadership training concentrated in military principles and lessons, had been brought in to train the cadre. This team building training is beginning to “pay off,” however he noted the sophomores are the most difficult class to transition.

A “Corporal’s Academy” will be initiated after Recognition Day, and will run for three weeks. The goal of this effort will be to train the freshmen for when they progress to their sophomore year.

Two factors regarding the organizational structure of The Citadel were noted. There are 24 TERI (Teacher and Employee Retention Incentive) positions under contract within the college which will terminate prior to or on June 2018, 30% of which are educators. Additionally, there are five schools within the college, each headed by a Dean. A new model has been developed for reporting within the CGC, currently led by Dr. Tara Hornor, Associate Provost and Dean of Enrollment Management. The Provost noted the college continues to seek ways operational costs can be contained and business practices improved.

The President told the BOV a gift of $320K was received for repairs to the basketball court in McAlister Field House.

Colonel Lapointe recused himself from the meeting.

Dr. Dowd reviewed for the BOV the proposed documents pertaining to the resolution, base lease, agency agreement and lease payment support agreement for the School of Business, and gave a strategic overview of funding for the project.
After the presentation, Colonel Hooper moved:

**MOTION**

“That the Board of Visitors pass and approve a Resolution approving the issuance of a $17,500,000 Economic Development Revenue Bond and execution of all related documents necessary for the financing directly involved with the construction of a new School of Business.”

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

Colonel Lapointe returned to the meeting.

Colonel Garcia gave a comprehensive financial update, including current debt as of 30 June 2016, declining debt service, state institution bonds, required debt and tuition/fees for various proposed projects, 2017-18 tuition/fees, capital projects impact, general fund revenue and expense strategic financial plan forecast FY18-FY21, and Moody’s debt service ratios.

A discussion followed concerning the new one-semester study abroad program at the University of Nicosia in Cyprus.

Following a brief break, the meeting reconvened to discuss the financial data presented by Colonel Garcia.

The Real Estate Foundation is looking at options pertaining to building a parking garage.

General Rosa noted the administration is looking at a long-range plan for faculty and staff housing on campus. Colonel Philipkosky will provide a briefing pertaining to the Campus Housing Committee during the Operations and Risk Management Committee on Monday, 29 August. The committee has formulated a campus housing vision statement, a future housing proposal, and a detailed proposed way forward.

The maintenance and repair of the East Side stands at the stadium remain a challenge; the administration is also developing a long-range plan with options in this regard.

Mr. Watts reported The Citadel Foundation (TCF) staff is doing a great job with the capital campaign, with donations closing in on $153M, 87% of the capital campaign goal, and almost $33M contributed to the LEAD 2018 Plan. The bulk of stewardship events will take place during the football season.

Dr. Dowd said the Elliott Davis firm had conducted a “clean” audit of TCF; total assets currently exceed $202M. The staff is doing more in terms of stewardship; providing office functions for our affiliated organizations and the Real Estate Foundation. He said he is very proud of the staff overall.
Mr. Watts said he is not comfortable that any of our asset managers can deliver in this market the desired 8-9% return. Resultant payout rates will be a topic of conversation during the upcoming six-to-twelve months.

Mr. Kennickell noted TCBF is doing well and has contributed $625K to Athletics this year. The organization is doing things better because of the leadership of Rob Hoak and has garnered more members and more donations.

Mr. Senter told the Board ticket sales for football games have surpassed last year, despite one less game on the schedule. The Club Level tickets are sold out for the second year in a row; rental of two of the suites is available for purchase.

General Sams noted that since the Board had completed all of the matters for consideration on the agenda, the session scheduled for Friday, 26 August, was cancelled.

There being no further business, the meeting adjourned at 4:15 p.m.

Respectfully submitted,

Patricia M. Kinard
Recording Secretary to the Board of Visitors