

Clemson University  
Clemson, South Carolina

MINUTES

of the meeting of

THE CLEMSON UNIVERSITY BOARD OF TRUSTEES

Madren Center  
Clemson, South Carolina  
Friday, February 7, 1997

After notification as required by the Freedom of Information Act, the chairman called the meeting to order at 1:30 P.M. with the following members present: Lawrence M. Gressette, Jr., presiding; Bill Amick, Louis P. Batson, Jr, J. J. Britton, Harold D. Kingsmore, Louis Lynn, Patricia McAbee, Leslie McCraw, Thomas McTeer, William C. Smith, Jr., Joseph Swann, Allen Wood, Fletcher Derrick, Buck Mickel, D. Leslie Tindal and Ben W. Anderson, Acting Executive Secretary

ADMINISTRATION PRESENT: President Curris, Almeda Jacks, Gary Ransdell, Steffen Rogers, John Kelly and Scott Ludlow

MEDIA: None present

**Item 1. Approval of Minutes**

Statement: The Minutes of the November 1, 1996 meeting and the December 2, 1996 Teleconference were previously distributed to Trustees.

Action: Approved as submitted.

**Item 2. Report from the Acting Executive Secretary to the Board**

Statement: Mr. Anderson stated that the dates of future Board meetings are as follows: May 2, 1997 in Clemson and July 11-13, 1997 for the Board meeting and annual retreat in Charleston.

**Item 3. Executive and Audit Committee**

Statement: Mr. Gressette reported that at its meeting on January 22, 1997, the State Auditor, Edgar Vaughn, congratulated the University on receiving the Certificate of Excellence for Financial Reporting. A representative from the firm contracted to perform the University's external audit noted that the audit resulted in an Unqualified Opinion. A separate Management Letter was issued containing a few new findings which the University staff is addressing. The Committee received reports on the status of the University's Rare and

Historical Items Program, the University's Computer Anti-virus Program and Software Copyright/Licensing Compliance Program, the Internal Audits Report and the Structure and Philosophy of the Environmental Health and Safety Division.

**Item 4. Student Affairs Report**

**A. Student Government Report**

**Statement:** Ted Swann, President of Student Government, reported that Student Government elections will be coming up soon, and this will be his last Board meeting as President of Student Government. He stated that he has been working with the President of the Faculty Senate on issues such as performance indicators and the teacher evaluation process to help the faculty enhance the classroom experience for students. Mr. Swann has been serving on a committee that is charged with defining the "Clemson Experience." A number of strengths and weaknesses of Clemson were identified and are being addressed. Mr. Swann also mentioned Campus Sweep which will take place this Spring and will involve students, faculty and staff. Mr. Kingsmore commended Mr. Swann for the job he has done as President of Student Government.

**B. Introduction of Director of Student Affairs Development Officer**

**Statement:** Almeda Jacks introduced Joy Workman who assumed the above named position in December, 1996.

**C. Hendrix Center Update**

**Statement:** George Smith provided the update on the Center. The design development stage of the project was completed in late November. The building size is 104,000 square feet and will be three stories tall. The construction documents should be completed in April, the project should go out for bid in late May or early June and the contract should be awarded in August. Construction is expected to take approximately 30 months. The building cost estimate is \$10,026,000. Mr. Smith stated that we are on schedule to occupy the building in early 2000. Mrs. McAbee asked if there would be a post office in the Center. Mr. Smith indicated that no post office is included in this design. Mr. McCraw questioned the length of time to build the building. Mr. Kingsmore asked the facilities personnel to look into the time line for building the Center and provide a report to the Board.

**D. Student Affairs Update**

**Statement:** Mrs. Jacks reported that phase I of the Greek Housing plan has been presented to the Administrative Council. It includes a report on observations of a University team that visited other campuses with Greek housing. Phase II which will include a strategic plan for bringing this type of housing to campus will be presented to the Student Affairs Committee at its next meeting.

Mrs. Jacks stated that a survey will be distributed to students, staff and faculty on child care, and a report will be submitted to the Student Affairs Committee in April.

**Item 5. Agriculture and Natural Resources Committee**

**A. Regulatory Issues**

**Statement:** Calvin Schoulties discussed a Karnal Bunt infestation in some southeastern states. A grainary in South Carolina has received and sold infested grain. The State Crop Pest Commission has the authority for eradication and quarantine. Dr. Schoulties indicated that he is seeking indemnification funds for this purpose through the Governor.

Dr. Schoulties discussed changes to Section 46-21-60 and Section 46-21-70 of the SC Code of Laws. These changes commit the University to cooperate with the South Carolina Crop Improvement Association and the Foundation Seed Association, two private companies. These changes would delete the requirement for Clemson University to supervise activities of the South Carolina Crop Improvement Association, delete Foundation Seed's ability to issue regulations (which a private organization should not do) and it cleans up the language of the law. These changes have been accepted by these two private organizations.

**B. PSA Legislative Update**

**Statement:** John Kelly provided the PSA legislative update. He thanked Jim Daniels for his efforts to educate legislators on PSA needs. We have requested \$3.6 million in new or recurring funds from the legislature. The Governor has included \$17 million for PSA in a bond bill that he has proposed. The Ways and Means sub-committee asked for that amount to be increased by \$5 million from the supplemental fund and recommended the University's \$3.6 million recurring funds be appropriated as well as other non-recurring funds. The only thing from our requests that is not complete with the Ways and Means Committee is \$5 million for the biotech building. One of the requests from the Farm Bureau was for support of the Clemson 2 x 4 program which deals with environmental issues.

**C. Search Committee Report**

**Statement:** The search is underway for the Director of the Cooperative Extension Service. It is hoped it will be filled in either July or August, 1997.

**Item 6. Budget and Finance Committee**

**Statement:** Mr. McTeer announced that he was convening the Budget and Finance Committee for an action item.

**A. Madren Center Phase II Planning Process**

**Statement:** Jeff Martin presented a Supplemental Construction and Development Agreement (Attachment 1) that would be required for the

development of a lodging facility at the Madren Center Complex. Approval is requested by the Board, and if received today, it will be presented to the Budget and Control Board and the Joint Bond Review Committee on March 11, 1997.

Action: Mr. Kingsmore made a motion to approve the agreement, Dr. Britton seconded and the vote of approval was unanimous.

Mr. Gressette reconvened the full Board. Mr. McTeer made a motion that the full Board approve the Supplemental Construction and Development Agreement, Mr. McCraw seconded and the vote of approval was unanimous.

Mr. McTeer made a motion on behalf of the Budget and Finance Committee that the operating income from the hotel and the golf course will be used to service the debt to Wachovia or to build a reserve fund to service the debt in the future. It will not be used for other operational purposes. The Madren Center will remain in E&G operations and balance its budget with E&G funds. Dr. Britton seconded. After discussion, the vote of approval was unanimous.

#### B. Delegation of Responsibility and Authority to the Administration

Statement: Scott Ludlow presented a revised policy on the Delegation of Responsibility and Authority to the Administration (Attachment 2). The revised policy contains two basic changes. The Provost and Vice President for Academic Affairs replaces the Vice President for Administration and Advancement as the person authorized to sign documents in the President's absence. Also, the Executive Secretary to the Board of Trustees has been given the authority to sign documents on behalf of the Board of Trustees except those documents that require the signature of the Chairman of the Board.

Action: Mr. McTeer made a motion on behalf of the Budget and Finance Committee to approve, Mr. Amick seconded and the vote of approval was unanimous.

#### C. Hendrix Center Financing

Statement: Mr. Ludlow stated that this item received Board of Trustee approval in 1995. Due to delays, the State Treasurer's Office has requested updated figures for the project. Mr. Ludlow presented an amended Resolution (Attachment 3) which requests the issuance of State Institution Bonds, not to exceed \$8,835,000, toward the financing of the construction of the Hendrix Center

Action: Mr. McTeer made a motion on behalf of the Budget and Finance Committee to approve the request, Mr. Swann seconded and the vote of approval was unanimous

Informational Items

A. Facilities Update

Statement: Gary Ransdell discussed the status of major projects at the University. He discussed one item that was not on the list previously provided to the Trustees which was the golf course maintenance facility. A collaborative effort between the golf course facilities crew and the Environmental Health and Safety unit is underway.

B. Deferred Maintenance Report

Statement: Pat Hall presented a summary of a deferred maintenance analysis which was performed by the Marriott Corporation over the last six months. The cost estimate for the five-year deferred maintenance plan is \$87,183,730. The analysis does not include any housing facilities. An analysis of those facilities will be completed in the near future.

Mr. McCraw pointed out that there were over 30 items having to do with fire protection and exit lights. He believes the University needs to give these items immediate attention. There are also a number of items on the list having to do with asbestos. He stated that we need to react to that appropriately within the context of the law.

President Curris stated that the Administrative Council needs to authorize an immediate review of fire safety issues to ensure that anything that could be potentially life threatening is given the highest priority.

C. Power Plant Strategy

Statement: Mr. Hall discussed the proposed plan for a Central Energy Facility and Learning Lab. Total cost of the project to the University will be \$12,750,000, of which \$10,000,000 is being sought from the State appropriation.

Item 7. Educational Policy Committee

A. University Center Update

Statement: Steffen Rogers reported that the Educational Policy Committee held its meeting at the University Center in Greenville recently and toured that facility. The University is the fiscal agent for that Center and pays approximately \$170,000 of the \$300,000 in operating expenses. Clemson had 1,716 registrations which generated 2,127 credit hours and taught 60 courses at the Center.

B. Sponsored Program Activity Report

Statement: Dr. Rogers reported that there has been a decline in awards from 1994-95 to 1995-96 by about \$15 million from \$48 million to \$33 million. He discussed some of the reasons that were given to him for this decline. The 1996-97 awards to date are approximately \$21 million and the projection for the year is \$36 million which would be about \$3 million more than last year. He indicated that the Search Committee is in the final steps of the process to

hire a new Senior Vice Provost for Research and Research Officer. One of the responsibilities of that position will be to address the issues of the drop in research proposals and awards. A greater emphasis will be put on the role of research at Clemson University and the Provost's Office will work with the Deans and set expectations that will help generate proposals from the faculty.

C. Benchmark Update

Statement: Dr. Rogers provided an update on where we are actively closing the gaps between the University and our benchmark universities which are (1) quality of the entering class, (2) retention rate and (3) graduation rate. He discussed specific steps that are being taken to improve each of the above named areas.

D. Coca Cola Scholarship

Statement: Dr. Rogers reported that in the Fall of 1996 the University offered 304 \$2500 Coca Cola scholarships to potential freshmen. One hundred and seven were enrolled for a 35% yield, 38% of which were minority students. The \$2500 covers 80% of the tuition costs per year.

Item 8. Institutional Advancement Committee

A. 1996-97 First Quarter Endowment Performance Report

Statement: Gary Ransdell reported that the value of endowment assets of Clemson University was \$27,570,952 on September 30, 1996, up from \$22,213,956 one year ago. Adjusted for additions and income this endowment generated a total return of 7.5% for the year and 2.19% for the quarter. Total return from the State Treasurer portion of the endowment was approximately 7.47% for the year. Total return from the Prudential portion of the endowment was 7.58% for the year. Returns from the Wachovia trusts were 10.40% for the past year. Charles Schwab returns for the quarter were 2.44%.

The Clemson University Foundation managed endowment pool was valued at \$96,230,953 on September 30, 1996, up from \$90,254,967 in September 1995. The portfolio returned 3.59% for the year and 2.80% for the quarter. Fund managers were replaced over the Summer because of sub-standard performance for consecutive quarters. As of December 31, 1996 the Foundation pool had a 5.5% return for the quarter and rebounded to an 11.9% return for the year ending December 1996. The pool returned 3.29% in January 1997 alone, adding \$3 million to the portfolio.

B. Madren Center Phase II

Statement: Dr. Ransdell discussed the information that was distributed to Trustees which referred to the history of the project, an operations plan and a marketing analysis. Success criteria for the total project are being prepared and will be presented at such time as they are final. Focus is now on the approval process, the financial package and the design program for the hotel.

It is hoped that construction will begin in June, 1997 with completion expected in July 1998.

C. Year -to-date Gift Report

Statement: Dr. Ransdell reported that total academic support received through December 1996 is \$8.56 million. This is a modest decline from last year's total at this time which was \$9.7 million. The total number of alumni donors has increased by more than 1100 over last year. Total alumni dollars received to date are up, as are total individual gifts. Unrestricted gifts are up 34%, restricted gifts are up 29% and total dollars to support current operations are up 28% over last year. Gifts-in-kind are down 26%. Support from philanthropic foundations is down by 12%. The total number of gifts is up and the average dollar amount of gifts is slightly down. Dr. Ransdell stated that the challenge for us is to increase the frequency of foundation gifts, seek in-kind gifts and try to increase the average dollar amount of gifts.

D. Campus Signage Program

Statement: Dr. Ransdell discussed the proposed signage program for the campus. He stated that this project is part ongoing maintenance and part of the public relations/ image enhancement improvement plan for the campus. The program will provide distinct directional and location signs and signage for facility identification. The total cost for the project is \$852,784 which will be funded in three ways -- \$67,281 in the current budget for signage, \$360,000 will be raised from private gifts through class projects, and the remainder will be funded through the E&G budget. Mr. McCraw stated that he has concerns regarding this project. He thinks it should be reworked so that it is more realistic and provides for more flexibility. Mr. McCraw further stated that he is opposed to spending \$852,000+ for signage when, as was reported in an earlier report today, we have major deferred maintenance needs which relate to things such as fire protection and exit signs in buildings on campus. Chairman Gressette directed that this item be revisited by the Institutional Advancement Committee.

Item 9. President's Report

A. SAT Statistics

Statement: President Curris distributed a Commission on Higher Education report on average SAT scores for all freshmen in public senior institutions in the State for the Fall of 1996. Clemson University ranks first in the State with an average SAT score of 1128, followed by College of Charleston - 1087, University of South Carolina at Columbia - 1067, The Citadel - 1067, and Winthrop - 1051. The average SAT score at Clemson is about 41 points higher than the next institution in the State. Additional reports on SAT scores will be provided to the Trustees by mail.

B. President Clinton's Budget Proposals

Statement: Dr. Curris stated that even though it is early in the federal budget process, the actions of Congress last Fall and President Clinton's budget proposals indicate that there is very strong interest at the federal level in promoting access to higher education and easing the financial burden on students. These goals are consistent with the goals that the Trustees have adopted for Clemson University. Much of the credit for promoting a federal commitment to public higher education goes to Richard Riley, Secretary of Education and former Governor of South Carolina. Dr. Curris discussed several of the programs which would favor students in the budget proposals. One concern that was expressed if the proposals are approved is that institutions will raise their tuition and try to capture the additional dollars and still maintain the kinds of indebtedness on the part of students. He stated that there is an obligation on institutions, as our Board has previously stated, to try and hold down levels of tuition whether or not these federal budget proposals are passed.

C. The Commission on the Future of Clemson

Statement: President Curris stated that fourteen of the fifteen committee chairs have been appointed. When all committee chairs are named, a public announcement will be released. The Commission will convene on May 2, 1997 in Clemson.

Item 10. Selection of Executive Secretary to the Board of Trustees

Statement: Dr. Britton, Chairman of the Search Committee for the Executive Secretary to the Board of Trustees, stated that his committee was charged to carry out a search to replace Manning N. (Nick) Lomax who retired on December 26, 1996. Other Committee members were Bill Amick, Patricia McAbee and Harold D. Kingsmore. Nominations were sought from the Board, reviewed by the Committee and candidates were interviewed by Board members.

Action: Dr. Britton stated that the Search Committee recommended that J. Thornton Kirby be named Executive Secretary to the Board of Trustees. Dr. Lynn made a motion that the nominations be closed and that Mr. Kirby be elected Executive Secretary to the Board, Mr. Swann seconded and the Trustees approved.

Item 11. Executive Session

Statement: Chairman Gressette announced that the Board needed to go into executive session to discuss contractual matters related to the University's property at Myrtle Beach and the new lodging facility to be built at the Madren Center. Dr. Britton made a motion to go into executive session, Mr. Batson seconded and the vote of approval was unanimous. The Chairman stated that no decisions would be made and no votes taken while in executive session. The Board went into executive session at 4:20 P.M.



**Item 12. Open Session**

**Statement:** In the absence of Chairman Gressette who left the meeting earlier, Mr. Wood, Vice Chairman, reconvened the Board at 5:30 P.M. He stated that no decisions were made and no votes taken while in executive session.

Ben Anderson, Acting Executive Secretary to the Board, stated for the record that Trustees Bill Amick and Louis Batson serve on Boards of companies that own property adjacent to the University's property in Myrtle Beach; therefore, they did not participate in any discussions about the Myrtle Beach property during executive session nor will they vote on a motion that is about to be made.

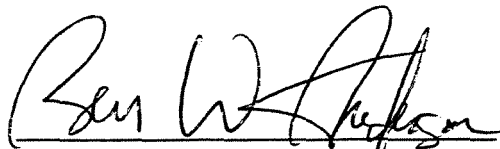
**Item 13. Clemson University's Myrtle Beach Property**

**Action:** Mrs. McAbee made a motion that the Director of Land Management is hereby authorized to negotiate and execute options to lease the Clemson University property located on US Highway 17 Bypass, Myrtle Beach, S.C. in such parcels, units or amounts as he deems appropriate, provided however that each option agreement shall contain a provision that any final lease of any or all of the aforementioned land shall be subject to approval by the Clemson University Board of Trustees and the S. C. Budget and Control Board. He is also authorized to act on behalf of the University to secure any necessary zoning changes. Mr. Smith seconded the motion and the vote of approval was unanimous by those members voting. Mr. Amick and Mr. Batson did not vote.

**Item 14. Adjourn**

**Statement:** Dr. Britton made a motion to adjourn. Mrs. McAbee seconded and the vote of approval was unanimous. The meeting adjourned at 6:40 P.M.

Respectfully submitted,



Ben W. Anderson, Acting  
Executive Secretary to the  
Board of Trustees