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University of South Carolina

BOARD OF TRUSTEES

Finance and Infrastructure Committee

June 11, 2021

The Finance and Infrastructure Committee of the University of South Carolina Board of Trustees met at 9:00 a.m. on Friday, June 11, 2021, in the Pastides Alumni Center Ballroom and by Microsoft Teams video conference.

Committee members present were Mr. Mack I. Whittle Jr., Chair; Mr. C. Dan Adams; Mr. Alex English; Ms. Rose Buyck Newton; Mr. Charles H. Williams; Dr. C. Dorn Smith III, Board Chair; and Mr. Thad H. Westbrook, Board Vice Chair. Mr. J. Egerton Burroughs and Mr. Toney J. Lister participated by Microsoft Teams. Dr. C. Edward Floyd was absent.

Other Board members present were Mr. Brian C. Harlan; Mr. Richard A. Jones Jr.; Mr. Miles Loadholt; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Ms. Emma W. Morris; Mr. Robin D. Roberts; and Mr. Eugene P. Warr Jr. Board members participating by Microsoft Teams video conference were Ms. Molly M. Spearman and Mr. John C. von Lehe Jr.

Also present were USC Columbia Faculty Senate Chair Dr. Mark Cooper and USC Columbia Student Government President Mr. Alex Harrell. Board of Trustees' Strategic Advisor Mr. David Seaton participated by Microsoft Teams video conference.

Others in attendance were Interim President Harris Pastides; Secretary Cameron Howell; Vice Provost and Dean of the Faculty Cheryl Addy; Vice President for Human Resources Caroline Agardy; President's Chief of Staff Mark Bieger; Budget and Human Resources Manager Jean Brklich; Interim Dean of the College of Hospitality, Retail and Sport

Management David Cardenas; President and Chief Executive Officer USC Foundations Jason Caskey; Dean of the UofSC Arnold School of Public Health Tom Chandler; Vice President for System Affairs Derham Cole; Dean of the College of Pharmacy Stephen Cutler; Vice President for Development Monica Delisa; Chief Audit Executive Pamela Dunleavy; Associate Vice President of Finance and Budget Kelly Epting; President and Provost Faculty Fellow Stacy Fritz; Associate Vice President of Facilities Planning and University Architect Derek Gruner; Dean of the UofSC College of Engineering and Computing Hossein Haj-Hariri; Chief Executive Officer of the USC Alumni Association Wes Hickman; Associate Director Office of Distributed Learning Trena Houpp; Dean of the School of Medicine Greenville Marjorie Jenkins; Chancellor of USC Aiken Sandra Jordan; Assistant to the President for System Affairs Eddie King; Executive Director of Economic Engagement Bill Kirkland; RMF Engineering, Inc., Client Relations Manager Mike McCarthy; Director of State Government Relations Derrick Meggie; Chancellor of USC Beaufort Al Panu; General Counsel and Executive Director of Compliance Programs Terry Parham; Chief Operating Officer Jeff Perkins; Vice President for Student Affairs and Vice Provost Dennis Pruitt; Interim Executive Communications Director Amy Rogers; University Treasurer and Assistant Vice President of Administrative Operations and Chief of Staff Joe Sobieralski; Assistant Vice President of Media and External Engagement Jeff Stensland; Director of Athletics Ray Tanner; Vice President for Communications Larry Thomas; Executive Vice President and Chief Financial Officer Ed Walton; Vice President for Diversity, Equity and Inclusion Julian Williams; Public Relations Strategist Dana Woodward; and Board of Trustees support staff.

## **OPEN SESSION**

### I. Call to Order

Chair Whittle called the meeting to order, welcomed everyone, and asked Trustees in the room to introduce themselves. Secretary Howell confirmed Trustees attending by Microsoft Teams video conference.

Chair Whittle called on Mr. Jeff Stensland to introduce members of the media. Mr. Stensland introduced Rich Owensby with WLTX and David Cloninger with the *Post and Courier*.

Chair Whittle stated notice of the meeting and agenda had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the Committee; and a quorum was present to conduct business.

### **MOTION FOR EXECUTIVE SESSION**

Chair Whittle advised there was a need for an Executive Session to discuss contractual matters pertaining to gift naming opportunities. Mr. Williams made the motion to enter Executive Session and Mr. Adams seconded the motion. A vote was taken, and the motion carried unanimously. Chair Whittle invited the following to remain: Trustees, Interim President Pastides, Secretary Howell, Dr. Cooper, Mr. Harrell, Mr. Seaton, members of the President's Executive Council, and Board of Trustees' support staff.

### **EXECUTIVE SESSION**

- Executive Session Removed

### **RETURN TO OPEN SESSION**

#### II. Approval of Gift Naming Opportunity

Chair Whittle stated Vice President for Development Monica Delisa presented the following gift naming opportunities with amounts in Executive Session without objections.

##### A. Athletics:

1. Arlo Elkins Lobby

2. Babcock Family Recruiting Office
3. Casey Manning Life Skills Office
4. Cindy Bradshaw Court
5. Ed “Punky” Holler Inside Linebackers Room
6. Gloria Roberts Tutor Room
7. J.P. Beasley Family Court
8. John Knox Flower Bed
9. Jose’ Salibi Neto Court
10. Kent Demars Courts
11. Team of 2013 Court
12. Waters Family Court

B. Pastides Alumni Center:

- The Thomas C. and Sherrill Knobel Hall Drawing Room

Chair Whittle called for a motion to approve the gift naming opportunities as presented and posted to the Board portal. Mr. Williams so moved, and Mr. Westbrook seconded the motion. A vote was taken, and the motion carried. Chair Whittle stated these gift naming opportunities will be included in the Finance and Infrastructure Committee’s written consent agenda for consideration at the next full Board meeting.

III. Opening Comments

Chair Whittle called on Executive Vice President and Chief Financial Officer Ed Walton to introduce topics and speakers.

Mr. Walton introduced Vice President for Finance and Budget Kelly Epting to present a review of the designated funds policy and FY22 designated funds budget for approval.

#### IV. Designated Funds

##### A. Review and Approval of Designated Funds Policy

Ms. Epting presented edits to BTRU 1.14, “University Designated Funds Policy,” which were posted to the Board portal for this meeting. Edits were needed to update the Committee that reviews the designated funds budget from Audit, Compliance and Risk Committee to Finance and Infrastructure Committee and to update the title of the officer responsible for designated funds reporting.

Chair Whittle called for a motion to approve edits to BTRU 1.14 as presented and posted to the Board portal. Mr. Adams so moved, and Mr. Williams seconded the motion. A vote was taken, and the motion carried. Chair Whittle stated the edits to BTRU 1.14 will be included in the Finance and Infrastructure Committee’s written consent agenda for consideration at the next full Board meeting.

##### B. Approval of FY22 Designated Funds Budget

Ms. Epting stated the complete FY22 designated funds budget was posted to the Board portal for review prior to the meeting. She stated the FY22 designated funds budget includes revenue sources from concessions, campus vending, trademark, and licensing. The total FY22 designated funds budget presented for approval for USC Columbia was \$5,885,000 and for the USC Comprehensive Institutions and Palmetto College was \$378,000. She noted 91% of these funds are used for scholarships.

Chair Whittle called for a motion to approve the FY22 designated funds budget as presented and posted to the Board portal. Mr. Adams so moved, and Mr. Williams seconded the motion. A vote was taken, and the motion carried. Chair Whittle stated the designated funds budget will be included in the Finance and Infrastructure Committee’s written consent agenda for consideration at the next full Board meeting.

## V. FY22 Budget Development Primer

Chair Whittle called on Ms. Epting to present the FY22 budget development primer. Ms. Epting stated the previous fiscal year budget included very conservative revenue estimates for tuition and fees. Fortunately, USC Columbia brought in an additional \$49 million in tuition and fees, which is included in the forecast for FY22. There is no increase in tuition across the USC system requested for 2021 and 2022, which speaks of the University's effort to control cost. The budget included incremental increases in room and board, certification programs, and contractual vending obligations. She reviewed additional forecasted revenue streams and expenditures for FY22.

Chair Whittle thanked Ms. Epting and stated this report was received as information and will be presented to the full Board for approval on June 25.

Mr. Walton introduced Athletics Director Ray Tanner to present the FY22 Athletics Budget Update.

## VI. FY22 Athletics Budget Update

Mr. Tanner stated the FY22 Athletics budget was posted to the Board portal for review prior to the meeting. He recapped the reduced revenue and increased expenses incurred due to COVID-19, which contributed to an approximate \$27 million loss for FY21. He stated the plan to make up for the loss over a period of time is factored into the FY22 Athletics budget. Gross operating revenue forecasted for FY22 is \$114.6 million and operating expenditures are estimated at \$113.7 million. Mr. Tanner reviewed assumptions used in forecasting the various revenue streams and operating expense line items. He stated the Athletics department is an auxiliary unit within the University of South Carolina. The department provides funds to the University's general fund. All Athletics revenues are non-appropriated State funds and are deposited with the University. The FY22 Athletics

department budget forecast includes providing \$4.937 million in financial support for scholarships, trademarks and licensing, and other University support.

Chair Whittle thanked Mr. Tanner and stated the update was received as information.

## VII. Comprehensive Permanent Improvement Plan

Mr. Walton introduced Associate Vice President of Facilities Planning and University Architect Derek Gruner to present the comprehensive permanent improvement plan (CPIP). Mr. Gruner stated each state agency responsible for providing and maintaining physical facilities is required to submit a CPIP to the Commission on Higher Education and the South Carolina Department of Administration. The CPIP must include all permanent improvement projects over \$1,000,000 anticipated over the next five fiscal years. All University of South Carolina system campuses are included in the CPIP.

The details of the following projects were posted to the Board portal for review prior to the meeting and presented by Mr. Gruner for approval for Year 1 (FY21-22) through Year 5 (FY25-26):

### A. Columbia Year 1 (FY21-22)

1. New Health Science Campus – Medical Teaching and Research Facilities
2. Wardlaw College Maintenance Renovation
3. Intramural Recreation Field Land Site Development I
4. West Energy Plant Chiller Replacement
5. Thornwell College Maintenance Renovation
6. Strom Thurmond Wellness Center Intramural Rec Field Resurfacing
7. War Memorial Renovation
8. Swearingen Infrastructure Replacement & Maintenance Renovation
9. Osborne Maintenance Renovation

10. School of Music Practice and Performance Renovation

B. Columbia Year 2 (FY22-23)

1. FY22 USC Columbia Maintenance, Renovation and Replacement
2. Horry-Guignard House Maintenance and Renovation
3. New Electrical Substation Infrastructure
4. Campus Information Technology Infrastructure Maintenance and Upgrades
5. SC Department of Motor Vehicles Tucker Center Acquisition
6. Rutledge Building Acquisition
7. College of Nursing Building Expansion
8. Jones PSC Research Center Renovation
9. Russell House Student Union Renovation
10. Science and Technology Building East Tower Renovation
11. South Main Street Renovation Expansion
12. 300 Main Roof Replacement
13. McMaster Roof Replacement
14. Golf Team Facility
15. Blatt P.E. Center Roof Replacement
16. Civil Rights Center
17. 814 & 816 Henderson Street Building Renovations

C. System Campuses Year 2 (FY22-23)

1. FY22 USC Aiken Maintenance, Renovation and Replacement
2. USC Aiken Softball Facility
3. USC Aiken Golf Facility
4. FY22 USC Beaufort Maintenance, Renovation and Replacement



5. USC Beaufort Convocation Center
6. USC Beaufort Library Renovation
7. FY22 USC Upstate Maintenance, Renovation and Replacement
8. USC Upstate College of Business Third Floor Renovation
9. USC Upstate Addition/Renovation of Existing Library
10. FY22 USC Lancaster Maintenance, Renovation and Replacement
11. FY22 USC Salkehatchie Maintenance, Renovation and Replacement
12. FY22 USC Sumter Maintenance, Renovation and Replacement
13. USC Sumter Science Laboratory
14. FY22 USC Union Maintenance, Renovation and Replacement

D. Columbia Year 3 (FY23-24)

1. Coker College Maintenance Renovation
2. Campus-wide Capital Renewal & Maintenance Renovation
3. Electrical Infrastructure Replacement of 8320V Service
4. Woodrow College Maintenance Renovation
5. Blatt P.E. Center Maintenance Renovation
6. Maxcy College Maintenance Renovation
7. Strom Thurmond Wellness and Fitness Center Roof Replacement
8. 300 Main Street HVAC System Replacement
9. Football Operations Center Dining Expansion

E. System Campuses Year 3 (FY23-24)

1. USC Aiken Etherredge Center HVAC Replacement Renovation
2. USC Beaufort New Classroom Building
3. USC Sumter Health Science and Education Building

F. Columbia Year 4 (FY24-25)

1. Campus Utility Capital Renewal & Maintenance Renovation
2. Thomas Cooper Library Renovation & Modernization
3. Closs-Hipp Roof Replacement
4. Capstone Hall Renovation

G. System Campuses Year 4 (FY24-25)

1. USC Aiken Gregg-Graniteville Library and Learning Commons Renovation
2. USC Upstate Health Education Complex Mechanical System Repairs
3. USC Upstate Johnson College of Business Administration Acquisition
4. USC Upstate Smith Science Building Renovation/Expansion
5. USC Sumter Business Administration Building Maintenance Renovation
6. USC Sumter Facilities Management Center

H. Columbia and System Campuses Year 5 (FY25-26)

1. USC Columbia - Columbia Hall Maintenance Renovation
2. USC Columbia Volleyball Facility
3. USC Upstate New Arena, Convocation Center

Chair Whittle called for a motion to recommend full Board approval of the CPIP as presented and posted to the Board portal. Mr. English so moved, and Mr. Adams seconded the motion. A vote was taken, and the motion carried. Chair Whittle state the CPIP will be included in the Finance and Infrastructure Committee's written consent agenda for consideration at the next full Board meeting. Individual projects will be presented to the Board of Trustees for approval at the appropriate time in accordance with the five year Capital Improvement Plan.

VIII. Other Matters

Chair Whittle stated the updated Finance and Infrastructure Committee calendar and matrix were posted to the Board portal.

Chair Whittle called for any other matters to come before the Committee. There were none.

IX. Adjournment

There being no other matters to come before the Committee, Chair Whittle declared the meeting adjourned at 10:53 a.m.

Respectfully submitted,

Cameron Howell  
Secretary