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University of South Carolina

BOARD OF TRUSTEES

August 3, 2012

The University of South Carolina Board of Trustees met on Friday, August 3, 2012, at 11:20 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Eugene P. Warr, Jr., Vice Chairman; Mr. Chuck Allen; Mr. Robert "Eddie" Brown; Mr. J. Egerton Burroughs; Mr. Thomas C. Cofield; Mr. A.C. "Bubba" Fennell III; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Dr. C. Dorn Smith, III; Mr. John C. von Lehe, Jr.; Mr. Thad H. Westbrook; Mr. Mack I. Whittle, Jr.; Mr. Charles H. Williams; and Dr. Mitchell M. Zais. Mr. William C. Hubbard joined by telephone. Dr. C. Edward Floyd and Mr. Mark W. Buyck, Jr. were absent.

Also present were faculty representative Dr. Sandra J. Kelly and the student representative Kenny Tracy.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Vice President for Academic Affairs and Provost Michael D. Amiridis; General Counsel Walter (Terry) H. Parham; Chief Financial Officer Edward L. Walton; Vice President for Development and Alumni Relations Michelle Dodenhoff; Vice President for Human Resources Chris Byrd; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Communications Luanne Lawrence; Vice President for Research Prakash Nagarkatti; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Athletics Director Ray Tanner; Athletics Department Chief Operating Officer Kevin O'Connell; University Treasurer and Associate Secretary Susan D. Hanna; Associate Vice President for Business and Finance Leslie Brunelli; Associate Vice President for Business Affairs, Division of Business and Finance, Helen T. Zeigler; University Architect Derek S. Gruner; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Director of Facilities, USC Upstate, Rick Puncke; Director of State Relations Trey Walker; Assistant Director of Planning and Assessment Cameron Howell; Assistant Athletics Director, Ticket Operations, Lance Grantham; Director of Marketing, Athletics

Department, Josh Waters; Chief Financial Officer, Athletics Department, Jeff Tallant; College of Arts and Sciences Dean Mary Anne Fitzpatrick; USC Salkehatchie Dean Ann Carmichael; Vice Provost and Executive Dean for Extended University Chris Plyler; Alumni Association Executive Director Jack Claypoole; Director of Development Donor Relations, University Development, Cary Henderson; Assistant Vice President for Constituent Programs, University Development, Susan E. Lee; Senior Director of Development for Principal Gifts, University Development, Christina H. Myers; Associate Vice President for Advancement Services, University Development, Darla E. Smith; Director of Internal Audit Phil Iapalucci; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Director of Capital Budgets & Financing Charlie Fitzsimons; Special Assistant to the President J. Cantey Heath Jr.; Director of News and Internal Communications Wes Hickman; guests Cynthia Lister, Ann Loadholt, ElizabethAnn Loadholt, and Rabbi Leah Doberne-Schor; University Technology Services Production Manager Justin Johnson; and Board staff members Debra Allen, Terri Saxon, and Vera Stone.

Chairman Loadholt called the meeting to order and invited those present to introduce themselves. Mr. Hickman introduced members of the media in attendance: Andy Shain of The State and Scott Hood of Gamecock Central.

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

Open Session

I. APPROVAL OF MINUTES

The following 10 sets of minutes were circulated by email to the Board for review and were presented for approval:

- A. Audit and Compliance Committee, June 15, 2012
- B. Called Buildings and Grounds Committee, June 15, 2012
- C. Called Health Affairs Committee, June 15, 2012
- D. Intercollegiate Athletics Committee, June 15, 2012
- E. Executive Committee, June 15, 2012
- F. Ad Hoc Committee on Strategic Planning, June 29, 2012
- G. Academic Affairs & Faculty Liaison Committee, June 29, 2012
- H. Called Executive Committee, June 29, 2012
- I. Board of Trustees, June 29, 2012
- J. Called Board of Trustees, July 13, 2012

There were no additions, deletions or corrections to the minutes; therefore, they stood approved as distributed.

II. COMMITTEE REPORTS

- A. Executive Committee
(The Honorable Miles Loadholt reporting)

The Executive Committee met earlier today and approved Athletics Department contracts valued in excess of \$250,000. These included:

1. A three-year contract allowing the Athletics Department to lease equipment from Tri-State Pump and Controls, Inc. at a monthly cost of \$8,182 with an option to purchase the equipment at fair market value at the conclusion of the contract.
2. A three-year contract allowing Tailgate Guys, an Alabama limited liability company, to provide tailgating services and products to Gamecock fans tailgating during home football games. Under the terms of the contract, Tailgate Guys will pay USC Athletics a commission equal to 40 percent of net revenue.
3. A four-year employment contract for Head Women's Golf Coach Kalen Anderson with a base salary of \$110,000 plus incentives.
4. A three-year employment contract for Head Women's Tennis Coach Kevin Epley with a base salary of \$100,000 plus incentives.
5. A one-year contract with Royall and Company in the amount of \$311,668 to provide student marketing services.
6. Establishment of an Arts and Sciences Quasi-Endowment in the amount of \$250,000. The interest income that is generated will be used to finance graduate fellowships, travel grants and other non-payroll expenses related to the Department of Chemistry and Biochemistry graduate education.

The following contracts in excess of \$750,000 also were approved earlier today by the Executive Committee for recommendation to the Board for action:

1. Participation Agreement for Assembly Street Improvements:

The University requests Board approval of the Participation Agreement for the Assembly Street Improvement Project. On June 29, the Board approved a maintenance agreement for this project. As indicated in the materials, today's agreement is between the University, the City of Columbia and the State Department of Transportation. The agreement, which stipulates the responsibilities of the parties involved, allows SCDOT to move forward with Phase II of the Assembly Street Corridor Improvement Project. The University's estimated financial responsibility for this project is \$3,250,000.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the agreement as described in the meeting materials. Mr. Allen seconded the motion. The vote was taken and the motion carried.

2. SCE&G: Electrical Services for Old SCETV Administrative Building:

The University requests Board approval of a contract with SCE&G to provide electrical services for the old SC ETV Administrative Building on George Rogers Boulevard. Estimated value of this five-year contract is \$21,000 per month or \$1,260,000.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the contract as described in the meeting materials. Mr. von Lehe seconded the motion. The vote was taken and the motion carried.

3. SCE&G: Electrical Services for Darla Moore School of Business, 1014 Greene Street:

The University requests Board approval of a contract with SCE&G to provide electrical services for the new Darla Moore School of Business, which is being constructed at 1014 Greene Street. Estimated value of this five-year contract is \$27,000 per month or \$1,620,000.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the contract as described in the meeting materials. Mr. Whittle seconded the motion. The vote was taken and the motion carried.

4. Athletics Contracts: TicketMaster:

The University requests Board approval to enter a five-year contract with Ticketmaster as the exclusive seller of its event tickets. Ticketmaster will provide the University hardware valued at \$150,000 and will assess and collect charges and fees per ticket. The University expects to pay transaction fees of approximately \$400,000 per year and will retain rights to sell season tickets, to sell tickets at the box office, to conduct group ticket sales and to retain a reasonable number of house seats. The contract guarantees no minimum or fixed number of ticket sales.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the contract as described in the meeting materials. Mr. Williams seconded the motion. The vote was taken and the motion carried.

5. Athletics Contracts: Baseball Coach Contract:

Details of a five-year employment contract for Baseball Coach Chad Holbrook with a base salary of \$200,000, supplemental compensation of \$75,000 and media/personnel service compensation of \$125,000 were included in the meeting materials.

On behalf of the Executive Committee, Chairman Loadholt moved approval of the contract as described in the meeting materials. Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

In other business, Chairman Loadholt reported that Dr. Hogue provided an update on the current status and future plans for OneCarolina. Dr. Hogue reported that the new admissions system went into production for USC Columbia in mid-July and is successfully processing applications from prospective students. Admissions for the remainder of the USC System campuses will go live in mid-August. Dr. Hogue also presented an overview of the information technology infrastructure that supports students, faculty, staff, and business operations at the University.

III. UNIVERSITY DEBT UPDATE

Chairman Loadholt called on Mr. Walton who turned the podium over to Ms. Brunelli to present an update of the University's bond indebtedness. Mr. Brunelli indicated that as of June 30, 2012, the University's bond indebtedness was \$512,840,000. Of this amount, \$117,715,000 was in State Institution Bonds, \$264,725,000 was in Revenue Bonds, \$124,450,000 was Athletic Facilities Revenue Bonds and \$5,950,000 was the School of Medicine Education Trust Revenue Bonds and Notes.

IV. REPORT ON THE CAPITAL CAMPAIGN

Vice President for Development and Alumni Relations Michelle Dodenhoff reported on the capital campaign after first asking Mr. Eddie Brown, President of the Alumni Association, to introduce the Association's new Executive Director Jack Claypoole.

Ms. Dodenhoff reported that as of June 30, 2012, the Carolina's Promise Campaign reached \$609 million toward its billion dollar goal. Specifically, she said, \$146.8 million had been raised during FY2012. She summarized the following accomplishments of the first five years of the Carolina's Promise Campaign:

- 35,913 gifts to support scholarships
- 465 scholarships created or enhanced
- 3,215 existing scholarships received additional funding
- \$126,874,147 toward the University's endowment
- \$102,500,000 in planned gifts
- 1,789 gifts to support faculty
- 126,152 donors made 287,524 gifts
- 26,408 new donors
- 1,572 volunteers activated through boards and committees
- 391,639 alumni, parents and friends reached by phone by Carolina Callers
- \$333,698.63 raised per day
- Five consecutive \$100 million plus years
- Five consecutive years of growth
- 18,014 visits to prospects
- Direct mail donors increased from 2,122 to 4,865 or 129.26%
- Direct mail dollars increased from \$506,000 to \$795,000 or 57.11%
- 67 million dollar plus donors

Ms. Dodenhoff noted that among SEC schools, the University raised the second highest private donations in FY2011 with one of the smallest staffs among that group.

V. REPORT OF THE PRESIDENT

Chairman Loadholt called on President Pastides who began his report by announcing that he had received the University's reaffirmation of accreditation on July 3. He indicated that there were no restrictions included in the reaffirmation letter. He continued:

This event might be noted with champagne and fireworks at some institutions and, while we don't plan or need to do that here, it is worth noting that this is an important review and assessment about the high quality of the education provided on our Columbia, Salkehatchie, Sumter, Lancaster and Union campuses.

Dr. Pastides continued his report, which included the following highlights:

- On Tuesday, we had the medical school opening in Greenville, where 53 out of 1,445 applicants were admitted. It was a joyous event but also a critical and important step.
- In two weeks, we will start welcoming 9,500 students to our campus, including 3,000 new students who begin moving in on Aug. 18 (upperclassmen moving in on other days will bring the total closer to 6,000); and the cycle begins anew.
- Stellar class of freshmen and transfer students throughout the USC System.
- Inaugurate the Gamecock Gateway program with a ceremony with President Sonny White on Monday morning in the Graniteville Room.
- We have an outstanding group of new faculty whose credentials I believe are competitive with faculty at the very best universities in the nation.
- We start football practice today, with a new athletics director and he, and his staff and coaches are moving out of the Round House into the new Rice Athletics Center, a modern facility (\$11.5 million, 60,000 GSF) with great balcony views of the Athletics Village, Soccer and Football Stadiums.
- Of course this is great for our local and state economy too...520 jobs created by summer construction work and 3,500 jobs created or sustained on average when you include our longer term projects.
- Renovations and improvements continue across our system – from the Beaufort library upfit to the wonderful work being done at the Athletics Village and the video board at the football stadium...and, of course, the new Moore School building is continuing to rise in prominence on Assembly Street.
- This summer renovations (\$45 million in projects) also included the McKissick Museum, Davis College, the Spigner House, Booker T. Washington, the Russell House, Coker Life Sciences, Longstreet Theater, Woodrow College, and Maxcy College. The pace has been breathtaking and I salute Tom Quasney, his great team and contractors for their work. I know there is concern in our General Assembly about deferred maintenance. I hope the list that I have just shared with you is proof positive that our Board and administration take very seriously the need to budget for and care for our beautiful and vital student-centered buildings.
- We're moving closer to making Palmetto College a reality, which will, I'm confident, be recognized as being ahead of its time, as we're sure to see more and more public universities emulate this approach. The College experience will not be, and does not need to be, the same for everybody, but college does need to be available and accessible to everybody.
- We had a successful year in reaching out to the State Legislature and we now know that when we make a good case, that case will be heard and judged fairly. We're already preparing to make a good case again in the next legislative session and I'm confident we will again be heard and evaluated fairly. We will continue to address the great disparities in funding levels of students in our public universities on a per capita basis. And we will continue to seek accountability and reform.
- I will take a special pleasure tomorrow in seeing two outstanding people conferred with our highest honor. Marlana Mills Smalls carries the beauty of the South Carolina Lowcountry, and the beauty and diversity of its people, in every verse that

she sings. And John Gardner has done more to create the Carolina system of high quality education as we know it than perhaps any other single person in our modern history.

- Finally, today marks the final board meeting chaired by the Honorable Miles Loadholt who has served this Board of Trustees since 1996. Along with the Board's first lady, Ann, he has been an advocate, an ambassador, and he has been everywhere, all the time, on behalf of Carolina. Miles, your contributions to this university in terms of your time, your interest, and, yes, your financial support have been so vital to our success.
- So I look forward to tomorrow...to the beginning of the term of our new board chairman...and I look forward to Move-In Day...to freshman convocation...and to the start of another glorious cycle of the University of South Carolina and the great years ahead.

VI. ELECTION OF PERMANENT CHAIRMAN

In response to a call for nominations for the election of a permanent chair of the Board of Trustees for the next two years, Mr. Westbrook nominated Mr. Warr and Mr. Jones seconded the motion. Dr. Smith called for nominations to be closed and that Mr. Warr be elected by acclamation. The vote was taken and the motion carried unanimously.

Mr. Warr expressed his appreciation for the trust bestowed by his fellow Board members in their election of him as Chairman of the Board of Trustees. He further commented on what an honor it was to lead the Board in efforts to direct the University's service to the residents of South Carolina.

VII. ELECTION OF VICE CHAIRMAN

Chairman Warr called for nominations for Vice Chairman. Mr. Lister nominated Mr. von Lehe and Dr. Smith seconded. The nominations were closed, the vote was taken and the motion carried.

VIII. ELECTION OF MEMBERS OF THE EXECUTIVE COMMITTEE

In response to a call for nominations to the Executive Committee, Mr. Cofield nominated Mr. Lister and Mr. Allen seconded; Dr. Smith nominated Dr. Floyd and Mr. Jones seconded; and Mr. Jones nominated Mr. Hubbard and Ms. Moody seconded. There were no further nominations and the motions to elect Mr. Lister, Dr. Floyd and Mr. Hubbard carried unanimously.

IX. OTHER MATTERS

A. Appointment of Joint Board Liaison Committee Representative:

Chairman Warr asked for a motion to re-appointment Dr. Dorn Smith to a three-year term on the Joint Board Liaison Committee of the USC School of Medicine-Greenville.

Mr. Whittle made the motion, which was seconded by Mr. Williams. A vote was taken and the motion passed.

B. Overview of Thomson Student Health Center Tour:

Vice President Dennis Pruitt provided an overview of the tour of the Thomson Student

Health Center that would be offered members of the Board immediately after lunch.

C. Presentation of Resolution to Mr. Loadholt:

Chairman Warr asked that Mr. Loadholt and President Pastides join him at the podium. He then called on Secretary Stone to read the resolution.

WHEREAS, Miles Loadholt has ably represented the Second Judicial Circuit as a member of the Board of Trustees of the University of South Carolina since 1996; and

WHEREAS, he has rendered valuable service to the University and the Board as a member and Chairman of the Executive, the Buildings and Grounds, and the Student-Trustee Liaison Committees, and as a member of the Academic Affairs and Faculty Liaison, and the Intercollegiate Athletics Committees, the Ad Hoc Committee on Development, the 2006 Ad Hoc Committee on Bylaws Revision, the Gift Naming Opportunities Committee, and numerous architectural selection committees; and

WHEREAS, Mr. Loadholt has assisted his alma mater in numerous other capacities, including service on two Presidential Search Committees, and the search committee for the Secretary of the University and of the Board of Trustees, along with meticulous service as the Research Institution representative to the South Carolina Commission on Higher Education, and as a member of the University's Governance Review Task Force during the University's SACS reaccreditation process; and

WHEREAS, Mr. Loadholt served for more than 20 years on the Executive Committee of the Gamecock Club and has been a tireless advocate for the growth and progress of the University on many other fronts, particularly in areas such as increasing efforts to build partnerships like USC Aiken's efforts with the Savannah River Site, the Innovista initiative in Columbia, and the USC Salkehatchie Leadership Institute and its Healthy Communities Collaborative; and

WHEREAS, he has acted as a true leader of the Board in many matters and has been a strong and principled advocate without cease for all campuses of the University; and has served with distinction as a respected consensus builder for four years as Vice Chairman and for four years as Chairman; and

WHEREAS, Chairman Loadholt has served his state as a distinguished attorney and public servant, having received South Carolina's highest civilian honor, the Order of the Palmetto, and having served on the Western Carolina Higher Education Commission for 25 years, including 20 years as that commission's vice chairman;

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Carolina in session assembled this 3rd day of August 2012 unanimously expresses its sincere and special appreciation to Mr. Loadholt for his prior service and looks forward to his continuing service on the Board and as Chairman Emeritus; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to Mr. Loadholt as a token of the high esteem in which he is held.

PRESENTED THIS 3RD DAY OF AUGUST 2012
AT COLUMBIA, SOUTH CAROLINA

Chairman Warr moved adoption by acclamation of the resolution. He then presented an engraved gavel to Mr. Loadholt in recognition of his tenure as Chairman of the Board of Trustees.

Mr. Loadholt, who was joined by his wife Ann and his daughter ElizabethAnn, thanked his fellow board members for their support and assistance during what for him had been a lifelong dream – to serve as

Chairman of the Board of Trustees. He then circled the table, individually thanking each member of the board and shaking their hands.

Since there were no other matters to come before the Board, Chairman Warr declared the meeting adjourned at 12:20 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Amy E. Stone". The signature is written in a cursive style with a large initial 'A' and 'S'.

Amy E. Stone
Secretary