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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

February 23, 2006

The Executive Committee of the University of South Carolina Board of Trustees met on Thursday, February 23, 2006, at 1:55 p.m. in Room 807 of 1600 Hampton Street.

Members present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Dr. C. Edward Floyd; and Mr. Miles Loadholt. Mr. Michael J. Mungo and Mr. Mack I. Whittle, Jr. were absent. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Ms. Rita M. McKinney; Ms. Darla D. Moore; Mr. M. Wayne Staton; Mrs. Inez M. Tenenbaum; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; Mr. Mack I. Whittle, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Research and Health Sciences Harris Pastides; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; Interim Vice President for University Advancement Michelle Dodenhoff; Vice President for Student Affairs Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Vice Provost and Executive Dean for Regional Campuses and Continuing Chris P. Plyler; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Upstate Jane T. Upshaw; Chancellor of USC Upstate John C. Stockwell; Dean of USC Lancaster John Catalano; Dean of the College of Nursing Peggy O. Hewlett; Associate Provost for Budget and Operations William T. Moore; Executive Director, Office of Foundations, Susie H. VanHuss; Executive Associate Dean in the Arnold School of Public Health Cheryl Addy; University Athletics Director Eric C. Hyman; Vice Chancellor for Finance Operations, USC Beaufort, Bryan Hill; Vice Chancellor for Business Affairs, USC Upstate, Robert Connelly; Director of Athletics, USC Upstate, Mike Hall; Director of the Department of Internal Audit Alton McCoy; Assistant Treasurer Susan D. Hanna; Distinguished Professor of Art John M. Bryan; Professor in the College of Pharmacy and Chair of the Faculty Senate C. Eugene Reeder; Director of Financial Reporting John Campbell; Director of Finance and Budget, Division of Business and Finance, William P. Bragdon; Assistant to the Vice President, Division of Business and Finance, Ken Corbett; Principal In Charge of 1600 Hampton Street Board Room Renovation, Watson Tate Savory Architects, Michael Watson; Project Architect for 1600 Hampton Street Board Room Renovation, Watson Tate Savory Architects, Adrienne Montare; Program Manager for Graduate Initiatives and Outreach,

Center for Teaching Excellence, Ruth Patterson; Campus Chaplain, Baptist Collegiate Ministry, Jane Poster; McNair Law Firm Attorney Wayne O. Corley; Public Information Officer, Office of Media Relations, Karen Petit; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; and members of the media.

Chairman Adams called the meeting to order and asked Mr. McKinney to introduce members of the media who were in attendance. Chairman Adams 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 to members of the Committee; and a quorum was present to conduct business.

There were personnel matters relative to a Board of Visitors appointment, the appointment of a Vice President for University Advancement and contractual matters relative to amendments to athletics contracts and land acquisitions which were appropriate for discussion in Executive Session. Chairman Adams called for a motion to enter Executive Session. Mr. Loadholt so moved. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: President Sorensen, Mr. Stepp, Dr. Becker, Mr. Kelly, Dr. Pastides, Ms. Dodenhoff, Dr. Hogue, Ms. Jameson, Dr. Pruitt, Dr. Plyler, Mr. Parham, Mr. Hyman, Dr. VanHuss, Mr. McKinney, Ms. Saxon, Ms. Stone, and Ms. Tweedy.

Return to Open Session

I. Contracts Valued in Excess of \$250,000:

A. Head Football Coach Employment Contract Amendment: Chairman Adams called on Mr. Parham who advised the Committee that Coach Spurrier's current employment contract contained a clause which provided that he will receive \$50,000 if named SEC Coach of the Year as selected by the SEC coaches.

On behalf of Athletics Director Eric Hyman and with the endorsement of President Sorensen, Mr. Parham was requesting Executive Committee approval to amend the contract as follows: to split that total into two equal amounts so that he could receive \$25,000 if named the SEC Coach of the Year by the sportswriters and \$25,000 if chosen by the SEC coaches. Additionally, Mr. Hyman was requesting that this amendment be retroactive to the 2005 football season.

Mr. Bradley moved approval of amendment to Head Football Coach Spurrier's employment contract amendment as described in the materials distributed for the meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

B. Head Soccer Coach Mark Berson Employment Contract Amendment:

Chairman Adams called on Mr. Parham who stated that Head Soccer Coach Mark Berson's current contract would expire December 31, 2007. On behalf of Athletics Director Eric Hyman and with the endorsement of President Sorensen, Mr. Parham was requesting Executive Committee approval to extend Coach Berson's employment contract an additional two years beginning January 1, 2008 and terminating December 31, 2009. No salary increase will be requested in conjunction with this extension.

Mr. Loadholt moved approval of the extension of Head Soccer Coach Mark Berson's employment contract for an additional two years as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

C. Memorandum of Agreement between USC and General Services for Joint Fleet Maintenance Facility:

Chairman Adams called on Mr. Parham who stated the University currently maintained and repaired University-owned vehicles at its facility located at 703 Pendleton Street (below the Colonial Center). In addition, the State Budget and Control Board's Division of General Services also operated a separate facility to maintain its state-owned vehicles on state-owned property.

On behalf of Mr. Rick Kelly, Mr. Parham was requesting Executive Committee consideration of a Memorandum of Agreement between the University and the Division of General Services to establish a single shared facility for vehicle maintenance. The joint facility was located at 516 Senate Street (site of the former City of Columbia Garage).

Mr. Parham further explained that two factors had influenced the University's decision to seek this arrangement and to relocate the current facility: (1) the land on which the fleet maintenance operation was currently located had been

considered by the University's Master Planners as more valuable for other purposes. In addition, the existing facility would require major repairs (i.e., a new roof); and, (2) when the University was considering the possibility of locating the baseball stadium adjacent to the Colonial Center, that land would have been needed as part of the baseball site. Ultimately, the University had expedited its consideration of alternative locations and had held discussions with General Services about the possibility of sharing a facility.

The resulting Memorandum of Agreement specified that for a period of five years ending December 31, 2010, the parties would each locate their respective fleet maintenance operations on property currently leased by General Services. Costs associated with leasing the property or making the property suitable for the joint operation would be shared equally. Any repairs or renovations to the property must be approved by both parties in advance. Further, if this arrangement proved to be mutually advantageous, the MOA may be extended for up to three additional one-year periods upon the consent of the University and General Services.

Because the term of the agreement could potentially span a period of eight years and the associated costs could exceed \$250,000, the University was seeking Executive Committee approval before proceeding further.

Benefits would include: collaboration with a state agency which President Sorensen regarded as highly desirable; a larger facility; and a slight reduction of the University's vehicular fleet which will impact repair and insurance costs.

Mr. Bradley moved approval of the Memorandum of Agreement between the University and General Services for a Joint Fleet Maintenance Facility. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried. Chairman Adams commended Mr. Kelly and Mr. Rogers for arranging this innovative agreement between the University and General Services.

D. Purchase of John Milton Collection: Chairman Adams called on Secretary Stepp who explained that the donor had been hospitalized with pneumonia and had asked to postpone the final negotiations of this potential purchase; also anticipated was a Thomas Cooper Library naming opportunity as a result of this contractual matter.

II. Appointment of Mr. Fields to Board Committees: Chairman Adams called on Secretary Stepp who advised that it was the custom of the Executive Committee to appoint persons who joined the Board between the biennial October organizational meetings to the committees on which their predecessor had served. Since Governor Sanford had appointed Mr. Fields to replace Mr. McLellan after his death, with the approval of the Executive Committee, he would serve until next October on the Academic Affairs and Faculty Liaison, Buildings and Grounds, and Fiscal Policy Committees.

Mr. Bradley moved approval of the appointment of Mr. Fields to the Board Committees as presented until the October biennial organizational meeting of the Board of Trustees. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried. Chairman Adams welcomed Mr. Fields to the Board of Trustees.

III. Board of Visitors Appointment: Chairman Adams called on Secretary Stepp who explained that President Sorensen was nominating Mr. Thad Westbrook, an attorney from Columbia, to serve as a Presidential Nominee on the Board of Visitors. Trustee William Hubbard had originally requested Mr. Westbrook's nomination on the Board of Visitors.

Dr. Floyd moved approval of the appointment of Mr. Thad Westbrook to the Board of Visitors as presented. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

IV. Bond Resolution for Innovista: Chairman Adams called on Mr. Kelly who commented that throughout the day discussions had been held about those building projects associated with Innovista. The proposed bond resolution would declare the University's intent to issue up to \$48 million worth of bonds to support the financing needed for the various Innovista (research campus) public health, biomedical and beta facilities.

Dr. Floyd moved approval of the proposed bond resolution to declare the University's intent to issue up to \$48 million worth of bonds to support the construction of the various Innovista facilities as described in the materials distributed for the meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

Mr. Bradley asked the length of the financing; Mr. Kelly indicated that financing would most probably be long term. He indicated that interest rates were fluctuating frequently. Within a few months Mr. Kelly will return to the Board with a request to approve a financial resolution; the current one designated the University's intent to issue bonds.

V. PACE Course Tuition Rate: Chairman Adams called on Vice President William Hogue who was presenting for Board consideration a proposal endorsed by Provost Becker and President Sorensen to reduce the PACE program tuition rate.

In summary, Dr. Hogue explained that the University utilized this program as an outreach device to help recruit high school students particularly in the areas of engineering and education. Through that vehicle the University was able to bring most notably into the engineering discipline a number of talented students at a time when South Carolina participation was needed.

Mr. Bradley moved approval of the PACE Course tuition rate decrease as described in the materials distributed for the meeting. Dr. Floyd seconded the motion.

President Sorensen commented that there was a particular shortage of African-Americans and women in engineering. The program was designed to expose South Carolina high school students to this field as well as science and math while they were in the process of exploring and choosing various career paths prior to entering institutions of higher education.

Chairman Adams asked the number of school districts participating in the program; it was indicated that 91 schools were involved in the engineering

initiative PACE program. With a competitive tuition rate it was anticipated that the trend would reverse.

The vote was taken, and the motion carried.

VI. Other Matters: Employment Agreement for Assistant Football Coach Brad

Lawing: Chairman Adams called on Mr. Parham who stated that earlier this week Head Football Coach Steve Spurrier had selected Brad Lawing to join his staff as an Assistant Football Coach and Athletics Director Eric Hyman had completed negotiations with him. On behalf of the Athletics Department, Mr. Parham was presenting the contract for Executive Committee consideration.

The term of the contract spanned slightly more than two years beginning February 21, 2006 and terminating May 31, 2008. Assistant Coach Lawing will receive a base salary of \$156,000 during the first year of the contract; for the second year, that figure would increase to \$160,000. The other terms of the contract were consistent with those of other assistant football coaches at the University approved by this Committee. (i.e., use of a vehicle and standard termination provisions).

In connection with the termination provisions, Athletics Director Eric Hyman had added another factor: the contract would automatically terminate 90 days after the effective date of the resignation or termination of any head coach. Mr. Hyman believed that this clause would provide selection flexibility for an incoming head coach.

Dr. Floyd moved approval of the employment agreement for Assistant Football Coach Brad Lawing as described in the materials distributed for the meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 2:45 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary