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University of South Carolina
BOARD OF TRUSTEES

Executive and Governance Committee

August 17, 2018

The Executive and Governance Committee of the University of South Carolina Board of Trustees met at 1:20 p.m. on Friday, August 17, 2018, in the Alumni Center's C. Edward Floyd Boardroom.

Members present were: Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Board Vice Chairman; Dr. C. Edward Floyd; Mr. Toney J. Lister; Mr. Miles Loadholt; and Mr. Eugene P. Warr Jr.

Other Trustees present were: Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. Mark W. Buyck Jr.; Mr. Thomas C. Cofield; Mr. Robert F. Dozier Jr.; Mr. A. C. "Bubba" Fennell III; Mr. William C. Hubbard; Ms. Leah B. Moody; Ms. Rose Buyck Newton; Dr. C. Dorn Smith III; Mr. Thad H. Westbrook; with Mr. Charles H. Williams joining by telephone.

Also present were Strategic Advisor David Seaton, USC Columbia Faculty Senate Chairman Marco Valtorta and USC Columbia Student Government President Taylor Wright.

Others present were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Provost Joan Gabel; Chief Operating Officer Edward L. Walton; Chief Financial Officer Leslie Brunelli; Vice President for Student Affairs Dennis A. Pruitt; Chief Advancement Officer and Senior Advisor to the President Paula Harper Bethea; Vice President for Information Technology Doug Foster; Vice President for Human Resources Caroline Agardy; Vice President for Facilities and Transportation Derrick Huggins; President & Chief Executive Officer of University Foundations Jason Caskey; Chief Communications Officer Wes Hickman; Athletics Director Ray Tanner; Chief Audit Executive Pam Doran; USC Aiken Chancellor Sandra Jordan; USC Beaufort Chancellor Al Panu; Palmetto College Chancellor Susan Elkins; USC Upstate Chancellor Brendan Kelly; Associate Provost for Academic Programs Tena B. Crews; University Treasurer Pat Lardner; Executive Director for the Office of Economic Engagement William D. "Bill" Kirkland; Director of State Government and Community Relations Derrick Meggie; Director of Government Relations Craig Parks; Executive Director for Strategic Initiatives Jack Claypoole; Office of Equal Opportunity Programs Director Clifford Scott; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Regional Palmetto College Dean-USC Union John Catalano; USC Beaufort Chief Information Officer Eddie King;

Associate Dean of Academics, College of Hospitality, Retail and Sport Management, David A. Cárdenas; Director of Capital Budget and Financing Charlie FitzSimons; University Bond Counsel Gary T. Pope Jr. and Sara Weathers of Pope Flynn LLC; University Technology Services Production Manager Matt Warthen; and Board staff members Debra Allen and Terri Saxon.

I. Call to Order

Chairman von Lehe called the meeting to order and stated 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. Secretary Heath confirmed Trustee Williams had joined the meeting by telephone.

Chairman von Lehe welcomed the following to the meeting: new Trustee Robert Dozier, President of the Alumni Association; David Seaton, the Board's Strategic Advisor; Jason Caskey, President and Chief Executive Officer of USC Foundations; and Craig Parks, USC's Director of Government Relations.

Mr. Hickman said no members of the news media were in attendance.

II. Board of Trustees Bylaws Amendments

Chairman von Lehe then called on Mr. Parham who presented proposed revisions to the bylaws. Before beginning, Mr. Parham said the full Board would be asked later in the day to approve amendments adopted by the Executive and Governance Committee changing the name of the Student-Trustee Liaison Committee.

In large part, Mr. Parham said, the revisions being proposed for adoption by the Executive and Governance Committee today are non-substantive changes of wordsmithing and updating references recommended by the Ad Hoc Committee appointed by the Board Chairman to review the bylaws [Exhibit A]. He then noted the following substantive revisions.

First is a proposed revision to have the bylaws reflect the Board of Trustees has the authority to revoke honorary degrees, just as it has the authority to award honorary degrees. Second is a change in Article VI Section 3 of the bylaws regarding the Board's Vice Chairman, which notes the Vice Chairman shall be an ex officio member of all standing, special or ad hoc committees with the full right to vote. Third is a proposed change to Article XI updating the duties of the Secretary of the Board to include duties which the Secretary has been doing but were not specified such as signing contracts on behalf of the Board.

If approved, Mr. Parham said the amended bylaws would be forwarded to the full Board at its meeting later in the day to lay on the table with no action taken until the full Board's next meeting on October 19, as required by the bylaws.

Chairman von Lehe called for a motion and a second to recommend full Board approval of the amendments to the bylaws as presented by Mr. Parham and provided in the draft made available to Trustees. Mr. Loadholt so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved. As Vice Chairman of the Board, Mr. Mobley recused himself from the bylaws vote since the amendments included changes affecting the vice chair's position.

III. Contracts

Chairman von Lehe called on Mr. Parham for presentation of contracts.

A. John K. Adams Endowed Scholarship Gift Agreement

Mr. Parham said Dean Tayloe Harding sought approval to accept a \$44,000 gift from the Estate of John K. Adams to create the John K. Adams Endowment Fund for students in the School of Music. The purpose of the endowment is to provide funding for professional development opportunities for School of Music students, as well as funding for emergency financial assistance for School of Music students. The agreement provides that the dean will establish a committee to determine how the funds will be disbursed.

John K. Adams joined the faculty of the School of Music in 1964 as a professor of piano and piano literature. He retired from the University in 2002 as a distinguished professor emeritus and died April 29, 2018, after a long illness.

Chairman von Lehe called for a motion and second to approve the John K. Adams Endowed Scholarship Gift Agreement. Mr. Mobley so moved. Dr. Floyd seconded the motion. The vote was taken, and the motion was approved.

B. Charles H. Overton Jr. Endowed Scholarship Gift Agreement

Mr. Parham said Senior Associate Vice President for Development Eleanor Swarat sought approval of a gift agreement to establish the Charles H. Overton, Jr. Endowed Scholarship Fund. Mr. Overton was a USC graduate and avid Gamecock supporter. He was the co-owner of the Damons Restaurant chain in Myrtle Beach.

Mr. Overton died on May 7, 2014, and his will was contested. As part of the settlement of the case, the court ordered one of the beneficiaries under the will to make a charitable contribution in the amount of \$250,000 to an endowed scholarship fund at USC in honor of Mr. Overton.

Pursuant to the court order, that beneficiary has contributed \$251,963.10 to permanently endow the Charles H. Overton, Jr. Endowed Scholarship Fund. The fund will be administered by the Office of Student Financial Aid and Scholarships and will be used to provide scholarships to undergraduate students.

Chairman von Lehe called for a motion and second to approve the Charles H. Overton Jr. Endowed Scholarship Gift Agreement. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken, and the motion was approved.

C. Apogee Telecom, Inc. Services Agreement, USC Beaufort

Mr. Parham said USC Beaufort sought approval of an agreement with Apogee Telecom, Inc. under which Apogee will provide cable television services to the USC Beaufort campuses consisting of 80 satellite and 4 premium channels.

The six-year contract will begin September 1, 2018 and end August 31, 2024. The agreement can be terminated at any time upon 30 days' notice. Under the agreement, USC Beaufort will pay Apogee \$73,818.48 per year, for a total cost of \$442,910.88. The contract provides that fees may increase if programming fees increase for the channels being provided by Apogee.

USC Beaufort will use Z-funds – not state appropriated funds – to pay the contract fees. As done on the Columbia campus, USC Beaufort will recoup the costs of the contract by charging students living in University housing.

Chairman von Lehe called for a motion and second to approve the cable television services contact with Apogee Telecom, Inc. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

D. Union County Library System Services Agreement, USC Union

Mr. Parham said USC Union sought approval of a Memorandum of Understanding (MOU) with the Union County Library System.

Under the MOU, Mr. Parham said, USC Union will combine its library resources as of September 10, 2018, with Union County's Carnegie Library, which is located within a few blocks of the campus.

Doing so has several advantages for USC Union:

- It will free up space on campus that can be used for needed classrooms and offices.

- It will increase USC Union students' access to library services – a minimum of 50 hours per week – because the Carnegie Library is open for longer hours, including Saturdays, than is the current USC Union library.
- It will allow USC Union students access to trained Carnegie Librarians who will provide research assistance, thus increasing academic services available to USC Union students.
- All digital journals and periodicals will continue to be available to USC Union students, and Carnegie will provide all office equipment (fax, copier, etc.) needed by students.

USC Union will pay the Union County Library System \$103,000, which is the amount of USC Union's current commitment to academic library services. That amount will increase 5% per year, so that over the five-year term, USC Union will pay a total of \$569,140. These funds will support three work study students, 1.75 FTE staff, nonfiction collection development, PASCAL consortium requirements, IT support and office supplies. USC Union Dean John Catalano is transferring the same amount of money he would be spending currently to the Union County Library to obtain enhanced services. Dean Catalano's idea to combine with the Carnegie Library also has been reviewed and signed-off on by University Libraries Dean Tom McNally.

Chairman von Lehe called for a motion and second to approve the MOU between the Union County Library System and USC Union. Mr. Mobley so moved. Mr. Warr seconded the motion. Dean Catalano responded to President Pastides' question about identity, indicating the Carnegie Library is undergoing a \$2.1 million renovation and along with the Carnegie sign, there will be a USC Union Library sign. He added that as the renovation has been underway, USC Union has housed the Carnegie Library. Trustee Cofield commended Dean Catalano on his proposal. The vote was taken, and the motion was approved.

E. Facilities Lease Agreement, S.C. Rural Health Research Center

Mr. Parham said approval was sought of an extension of a lease agreement between Stoneridge Holdings, LLC; BCP-Allied Investments, LLC; LAF Brothers Properties, LLC; and the USC – South Carolina Rural Health Research Center.

The South Carolina Rural Health Research Center is part of the Arnold School of Public Health. Its mission focuses on investigating persistent inequities in health status within the population of the rural United States, with an emphasis on inequities stemming from socioeconomic status, race and ethnicity, and access to healthcare services. The center is funded from a variety of federal, state, and local grants and contracts including a cooperative agreement with the Federal Office of Rural Health Policy.

Under the lease, the center will occupy approximately 2,600 square feet of space located at 220 Stoneridge Drive in Columbia. The center will pay rent totaling \$234,328.74 over the four-year term of the extension, which begins October 1, 2018, and ends September 30, 2022. The rent is funded by sponsored awards the center receives for research. USC may terminate the lease on 30 days' notice in the event of insufficiency of funds, or if, in the judgment of USC, the space becomes inadequate, insufficient or unnecessary.

Chairman von Lehe called for a motion and second to approve the facilities lease agreement at 220 Stoneridge Drive in Columbia for the South Carolina Rural Health Research Center. Mr. Loadholt so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

F. Facilities Lease Agreement, Psychology Department (1330 Lady Street)

Mr. Parham said approval was sought for a lease agreement with Lady Street Office Complex, LLC. Under the lease, the USC Department of Psychology's Behavioral Medicine Research Group will make use of approximately 5,140 square feet located at 1330 Lady Street in Columbia.

This research group focuses on community-based lifestyle interventions to improve the health of underserved, low income and ethnic minorities throughout South Carolina. Its funding comes from the National Institutes of Health, with its trials bringing in approximately \$5 million per year.

The lease is the standard Governmental Real Estate Lease Agreement required by the state, Mr. Parham said. The seven-year term begins September 15, 2018. The Department of Psychology may terminate the lease upon 180 days' written notice for insufficiency of funds, or if the space is no longer adequate, sufficient or necessary for use by the department.

The University will pay rent in the sum of \$92,520 in year one, and a total of \$669,228 during the term of the lease. The rent will be paid from indirect costs from external funding, not state appropriated funds. The landlord will be responsible for the cost of utilities, janitorial services, building and grounds maintenance, and repairs. USC will be responsible for its proportionate share, based on square footage, of any increase in real estate taxes and costs of operating the building incurred by the landlord over the amount established in the first year of the lease, not to exceed a 3% increase in any year.

Chairman von Lehe called for a motion and second to approve the lease agreement with Lady Street Office Complex, LLC for approximately 5,140 square feet located at 1330 Lady Street in Columbia. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken, and the motion was approved.

G. T2 Systems, Inc. Parking Software Agreement

Mr. Parham said Vice President Derrick Huggins sought approval of a parking management operations system software agreement with T2 Systems, Inc.

This software management system allows the University to control all aspects of campus parking. It maintains a database of all available parking areas, the assignment and issuance of parking permits, the issuance and payment of parking citations, access control for gates and garages, and revenue control.

The five-year agreement, which begins on approval, will cost \$429,734.79 and includes licensing/subscription services and equipment.

Chairman von Lehe called for a motion and second to approve the parking software agreement with T2 Systems, Inc. Mr. Mobley so moved. Mr. Loadholt seconded the motion. Responding to Trustee Lister's question as to whether T2 Systems was a local company, Mr. Huggins said it was based in Charlotte, North Carolina. Responding to Trustee Fennell's question as to how the processes were handled previously, Mr. Huggins explained these processes were manual and this software will allow those processes to be handled online, with reduced errors and increased efficiencies. The vote was taken, and the motion was approved.

H. Hyland Software, Inc. Hosting Agreement

Mr. Parham said Vice President Doug Foster and the Division of Information Technology sought approval of a software agreement with Hyland Software, Inc. associated with the implementation of the Human Resources/Payroll system component of the University project previously called OneCarolina.

Under the agreement, Hyland will host – that is, provide remote, cloud-based – enterprise content management for the University's Human Resources/Payroll system. The Hyland software – called OnBase – will be used to create a single information platform for USC's HR and Payroll records and documents so that there will be a single content repository. What this means is, for example, all documents pertaining to each University employee – including hiring, payroll and other employment transactional documents – will be gathered, maintained and accessible by the University's HR offices from a single database.

USC's Division of Information Technology will pay Hyland \$70,200 per year and the agreement will continue unless or until either party provides 30 days written notice of termination.

Chairman von Lehe called for a motion and second to recommend full Board approval of the software agreement with Hyland Software, Inc. to host enterprise content management for the University's Human Resources/Payroll system. Dr. Floyd so moved. Mr. Warr seconded the motion.

The vote was taken, and the motion was approved.

I. Academic Cooperation Agreements

1. Facultad de Economía y Negocios, Universidad de Chile, Santiago, Chile (Dual Degree Doctoral Program)

Mr. Parham said the Darla Moore School of Business (DMSB) sought approval of an academic cooperation agreement with the University of Chile Faculty of Economics and Business. The agreement creates a Dual Degree Doctoral Program in Business Administration.

Under the agreement, students from both schools will take courses, conduct research and complete a dissertation under the supervision of faculty from both institutions. This is a 60-credit-hour degree program at USC, and students must take not less than 30 credit hours here. Students successfully completing the doctoral degree requirements at both schools will receive a PhD from each.

The agreement provides that the admissions and academic requirements at both schools will be maintained, and each school is the sole judge of whether a student qualifies for admission and, subsequently, has completed its degree requirements.

Students pay normal graduate tuition to the institution at which they take courses, as well as all costs and fees – currently, \$1182 per credit hour at USC. The number of students accepted into this program at each institution each year will be mutually agreed upon. Either party may terminate the agreement on six months written notice. DMSB estimates that it will receive approximately \$400,000 over the five-year term of this agreement, which ends August 1, 2023.

Chairman von Lehe called for a motion and second to approve the academic cooperation agreement between the Darla Moore School of Business and the University of Chile Faculty of Economics and Business creating a Dual Degree Doctoral Program in Business Administration. Mr. Lister so moved. Dr. Floyd seconded the motion. The vote was taken, and the motion was approved.

2. Facultad de Economía y Negocios, Universidad de Chile, Santiago, Chile (Masters Program)

Mr. Parham said the Darla Moore School of Business (DMSB) sought approval of a second academic cooperation agreement with the University of Chile Faculty of Economics and Business. Under this agreement, DMSB will accept qualified students from the University of Chile who will pursue a Master of International Business degree at USC.

Under the agreement, each school will mutually agree on the number of students who will be accepted each academic year. It is anticipated that the number will be five per year. USC will be the sole

determiner of whether a student qualifies for admission. Once accepted, students are required to meet all DMSB degree requirements.

Students will pay non-resident tuition at USC and will be responsible for all associated costs and fees. DMSB estimates it will receive approximately \$450,000 over the five-year term of the agreement, which ends August 1, 2023. Either party may terminate the agreement on 90 days written notice. The University's Study Abroad Office provides oversight for this international exchange program and all immigration requirements for entering students must be met, Mr. Parham added.

Chairman von Lehe called for a motion and second to approve the academic cooperation agreement with the University of Chile Faculty of Economics and Business that allows qualified students from the University of Chile to pursue a Master of International Business degree from USC. Mr. Lister so moved. Dr. Floyd seconded the motion. The vote was taken, and the motion was approved.

3. EGADE Business School of Instituto Tecnológico y de Estudios Superiores de Monterrey, Mexico

Mr. Parham said the Darla Moore School of Business (DMSB) sought approval of an academic cooperation agreement with EGADE Business School of Monterrey, Mexico. This agreement creates an opportunity for EGADE students to obtain a PhD in Business Administration from USC. The same students may also qualify for a PhD from EGADE if they meet EGADE's academic degree requirements.

Under this agreement, DMSB will accept qualified students from EGADE who meet all USC admission requirements. The parties will mutually agree on the number of students to be accepted each academic year. It is anticipated that the number will be five per year. Once accepted, students are required to meet all DMSB academic degree requirements.

Students will pay non-resident graduate tuition at USC and be responsible for all associated costs and fees. Under this program, DMSB estimates that it will receive approximately \$450,000 over the five-year term of the agreement, which ends August 1, 2023.

Chairman von Lehe called for a motion and second to approve the academic cooperation agreement with EGADE Business School of Monterrey, Mexico, creating an opportunity for EGADE students to obtain a PhD in Business Administration from USC. Mr. Warr so moved. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

4. ESSEC Business School, France

Mr. Parham said the Darla Moore School of Business (DMSB) sought approval of an academic cooperation agreement with ESSEC Business School in France. The agreement creates an opportunity for USC and ESSEC students to receive both a Masters in International Business degree from USC and the Advanced Master in Strategy and Management of International Business from ESSEC.

Under the agreement, each institution can send up to five students per academic year to the other institution. Students must meet all admission requirements at each school. Once accepted, students are required to meet the academic requirements of each school in order to receive both master's degrees.

Students will pay tuition and fees to their home institution. DMSB estimates it will receive approximately \$450,000 over the five-year term of the agreement, which ends August 29, 2023. Either party may terminate the agreement upon written notice and such termination will be effective for the following academic year.

Chairman von Lehe called for a motion and second to approve the academic cooperation agreement with ESSEC Business School in France, creating an opportunity for USC and ESSEC students to receive both a Master's in International Business degree from USC and the Advanced Master in Strategy and Management of International Business from ESSEC. Mr. Warr so moved. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

5. Sungkyunkwan University, South Korea

Mr. Parham said the Darla Moore School of Business (DMSB) sought approval of an academic cooperation agreement with Sungkyunkwan University (SKKU) in Korea. Under the agreement, DMSB will accept qualified students from SKKU to pursue a Master of International Business degree at USC.

Each school will mutually agree on the number of students, anticipated to be five, who will be accepted each academic year. USC will be the sole determiner of whether a student qualifies for admission. Once accepted, students are required to meet all DMSB degree requirements.

Students will pay non-resident tuition at USC, and responsible for all associated costs and fees. DMSB estimates it will receive approximately \$462,500 over the five-year term of the agreement, which ends August 1, 2023. Either party may terminate the agreement on 90 days written notice.

Chairman von Lehe called for a motion and second to approve the academic cooperation agreement with Sungkyunkwan University in Korea to accept qualified students from SKKU to pursue a

Master of International Business degree at USC. Mr. Loadholt so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

6. Foreign Trade University, Hanoi, Vietnam

Mr. Parham said the Darla Moore School of Business (DMSB) sought approval of an academic cooperation agreement with Foreign Trade University in Hanoi, Vietnam. Under the agreement, DMSB will accept qualified students from Foreign Trade University who will pursue a Master of International Business degree at USC. He said this agreement was identical to that just approved between DMSB and Sungkyunkwan University in South Korea.

Chairman von Lehe called for a motion and second to approve the academic cooperation agreement for qualified students from Foreign Trade University to pursue a Master of International Business degree at USC. Dr. Floyd so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

7. Beijing International Studies University

Mr. Parham said the College of Hospitality, Retail and Sport Management (HRSM) sought approval of an academic cooperation agreement with Beijing International Studies University.

This is a 1+3 agreement under which Beijing students who have successfully completed their first year of undergraduate studies at Beijing University will transfer to USC's College of HRSM and pursue an undergraduate degree in Tourism Management and Hospitality Management for the next three years.

Under the agreement, each school will mutually agree on the number of students who will be accepted each academic year. It is anticipated that the number will be up to 35, Mr. Parham said. USC will be the sole determiner of whether a student qualifies for admission. Once accepted, students are required to meet all HRSM degree requirements.

USC will invoice Beijing University for the Beijing students enrolling at USC under this program at the non-resident rate set by the Board. Beijing students will also pay all USC costs and fees. HRSM estimates that it will receive approximately \$6,500,000 in revenue during the five-year term of the agreement.

Chairman von Lehe called for a motion and second to recommend full Board approval of the academic cooperation agreement between Beijing International Studies University and USC's College of HRSM. Mr. Loadholt so moved. Mr. Warr seconded the motion. The vote was taken, and the motion was approved.

IV. State Institution Bonds, Refunding Resolution and University Debt Update

Chairman von Lehe called on Ms. Brunelli who introduced Charlie FitzSimons, Director of Capital Budget and Financing, along with bond counsel Gary Pope and Sara Weathers of the Pope Flynn law firm. In addition to the refunding resolution, she said an additional document – the annual Bond Indebtedness Report as of June 30, 2018 – had been made available in the Board Portal Resource Center. This report compiles all issuances and all payment activity that will occur for the life of all debt the University has outstanding.

Ms. Brunelli began her presentation by summarizing bond indebtedness by category, listing state institution bonds for the Columbia, School of Medicine Columbia, Aiken, Beaufort and Upstate campuses as totaling \$166,955,000; revenue bonds for academics (for the Darla Moore School of Business), housing and parking on the Columbia campus, housing on the Aiken and Upstate campuses, as well as for the bookstore at USC Upstate totaling \$242,540,000; and USC Columbia Athletic Facilities Revenue Bonds totaling \$178,200,000. She also illustrated bond indebtedness by campus, with USC Columbia at \$518,827,000; USC Aiken at \$25,088,000; USC Upstate at \$41,810,000; and USC Beaufort at \$1,970,000.

Bond indebtedness for FY2018 was light, with refunding of some housing and athletics bonds, which marked the last time tax exempt refunding could be used due to passage in 2017 of tax cuts and job acts. More than \$28 million was saved in net present value using tax exempt refunding, she said. Refunding in FY2018 totaled \$67,830,000. There was only one issuance in FY2018, which was \$39,450,000 for the former Law School building. In addition, she said \$26 million in debt was paid down and with the issuance of \$39,450,000, the University's debt went up approximately \$8 million, or a 1.4% increase.

Ms. Brunelli next summarized the principal and interest payments for FY2019, most of which would be in November and May. She then proceeded to summarize the University's financing needs based on the Five-Year Capital Budget Plan, presented to the Board in the early spring of 2018. The list began with the USC Aiken refunding of \$4.9 million. Also included was a "placeholder" for the School of Medicine Columbia for which a specific total was not yet available.

She projected reissuances for projects through FY2024, some of which may be funded with Housing Maintenance Reserves instead of going into the bond market for housing renovations at Thornwell and Woodrow. She said the projected Athletic Revenue Bonds were only in the planning stage and may change, while Campus Village was not yet included in the projected financing needs.

Trustees also were presented historical indebtedness for the past five and 10 years, which showed a

significant change in activity between 2009 and 2013, as compared to 2013 to 2018. The historical indebtedness was shown by campus along with the total fall headcount enrollment, total FTE enrollment, total current funds budget and total unrestricted net position. Ms. Brunelli said the total unrestricted net position was not yet available for FY2018 since financial statements had not been completed. She said going forward the total unrestricted net position would be two numbers: one with GASB 68 and the OPEB liability, and one without it.

Ms. Brunelli then presented the refunding resolution for which approval was requested. The issuance for \$4.935 million is for two Series 2009B bonds for USC Aiken and USC Upstate. USC Aiken's \$1.45 million was for its Student Activity Center renovations and USC Upstate's \$3.485 million was for construction of its Health Education Complex. The request for refunding of \$4.935 million could save the campuses \$385,000 in net present value. If interest rates continue to increase, the savings could be eliminated and the refunding resolution would not go forward in Spring 2019 as planned, Ms. Brunelli said.

Chairman von Lehe called for a motion and second to recommend approval by the full Board of a resolution to issue State Institution Refunding Bonds to be used to refund outstanding Series 2009B State Institutions Bonds, which are projected to result in substantial debt service savings. The Series 2009B bonds funded projects on the Aiken and Upstate campuses. Mr. Mobley so moved. Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

V. Adjournment

With no other matters to come before the committee, Chairman von Lehe declared the meeting adjourned at 2:07 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary