

University of South Carolina
BOARD OF TRUSTEES

Executive and Governance Committee
Called Meeting

December 10, 2019

The Executive and Governance Committee of the University of South Carolina Board of Trustees convened in a called meeting at 2 p.m. on Tuesday, December 10, 2019, by telephone conference hosted from Room 206-B of the Osborne Administration Building.

Members participating 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 Board members participating were: Mr. C. Dan Adams; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. Robert F. Dozier Jr.; Mr. A.C. "Bubba" Fennell III; Mr. William C. Hubbard; Mr. Richard A. Jones Jr.; Ms. Rose Buyck Newton; Dr. C. Dorn Smith III; Mr. Thad Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams.

USC Columbia Faculty Senate Chairman Mark Cooper and USC Student Government President Luke Rankin were present in the meeting room.

Board Secretary J. Cantey Heath Jr. also confirmed joining the meeting by telephone were President Robert L. Caslen Jr. and Athletics Director Ray Tanner. Others present in the meeting room were: Secretary Heath; General Counsel Walter "Terry" H. Parham; Senior Vice President for Administration and Chief Operating Officer Edward L. Walton; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Interim Chief Communications Officer and Director of Public Relations Jeff Stensland; Presidential Faculty Fellow and Executive Assistant to the President Susan Bon; Executive Director of Military Programs and Strategies, Palmetto College, James Smith; and Board of Trustees staff member Debra Allen.

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.

Chairman von Lehe asked Mr. Stensland to be prepared to introduce the press when the committee returned to Open Session.

Motion for Executive Session

Chairman von Lehe called for a motion to enter Executive Session for proposed contractual matters regarding Athletics employment agreements related to the football program. Mr. Lister so moved, and Mr. Loadholt seconded the motion. The vote was taken and the motion passed.

Chairman von Lehe invited President Caslen, Secretary Heath, Dr. Cooper, Mr. Rankin, members of the President's Cabinet and Mr. Stensland to remain in Executive Session.

Executive Session Removed

Return to Open Session

Chairman von Lehe called on Mr. Stensland who introduced the following news media representatives: Ben Breiner with *The State*, Josh Kendall with *The Athletic*, Chris Clark with Gamecock Central, David Cloninger of the *Charleston Post & Courier*, Joe Gorchow with WIS-TV, Jolie Starr with WLTX-TV, Mike Gillespie with ABC Columbia, John Del Bianco and John Whittle with *The Big Spur*, and Josh Hyber and Brandon Alter with *Spurs and Feathers*.

II. Athletics Employment Agreements for Football Program

Chairman von Lehe asked Athletics Director Tanner for comments before calling on Mr. Parham to present the details of the proposed Athletics employment agreements.

Mr. Tanner requested approval to add Mike Bobo to the coaching staff with a two-year agreement as offensive coordinator/quarterbacks' coach. Recently Mike Bobo was head coach at Colorado State and spent a number of years at the University of Georgia as offensive coordinator after having played there as an undergraduate quarterback. Mr. Tanner added Coach Bobo had extremely impressive numbers in offense at Georgia and Colorado State.

Second, Mr. Tanner requested approval of an amendment to Thomas Brown's contract, extending it for two years and increasing his salary from \$300,000 to \$500,000.

Third, he requested approval of an amendment to Coach Muschamp's contract to negate his automatic escalator of \$200,000 a year. The removal of the escalator would be used for the increase in salary for Coach Brown, which was Coach Muschamp's proposal.

Chairman von Lehe called on Mr. Parham who said each request would be addressed and voted on separately. He informed members of the news media that handouts summarizing the details the contracts would be provided.

A. R. Michael Bobo Employment Agreement

Mr. Parham said the proposed employment agreement for Mike Bobo is a two-year term that begins on approval by the Board and ends December 31, 2021. Coach Bobo would receive compensation of \$1.2 million per year. He would have the same incentive provisions found in all assistant football coaching contracts at the University. These include incentives based on whether the University is successful in the SEC East, the SEC championship game, and the level of the bowl game in which the football team participates.

The University will pay Coach Bobo's moving expenses in accordance with University policy and provide him the use of one vehicle. Mr. Parham said the termination provisions also are identical to those found in similar contracts.

If the University terminates with cause, the University's obligation to pay him any compensation ends immediately. If the University terminates without cause, the University will pay the full value of his contract in equal monthly installments for the remaining term of the contract, subject to a mitigation obligation that states when he finds employment as a coach at the FBS or professional levels, the amount he earns in the new job offsets what the University owes him dollar for dollar. Finally, if Coach Bobo terminates the contract in the first year, he will owe the University \$200,000 and if he terminates in the second year of the contract, he will owe the University \$100,000.

Chairman von Lehe called for a motion to recommend full Board approval of the employment agreement for Coach Bobo as described in materials posted on the Board Portal and presented by Mr. Parham. Dr. Floyd so moved, and Mr. Lister seconded the motion. The vote was taken, and the motion was approved.

B. Thomas Brown Employment Agreement, Amendment

Mr. Parham said Mr. Tanner and Coach Muschamp sought approval of three amendments to the contract for Coach Thomas Brown.

First, the contract would be extended through December 31, 2021. Second, he would be paid a base salary of \$500,000 per year, which is a \$200,000 increase over his current salary. Third, his buyout obligation to the University would be revised such that if he terminates the contract in year one, he would owe the University \$100,000 and if he terminates in year two, he would owe \$50,000.

Chairman von Lehe called for a motion to recommend full Board approval of the amendments to the employment agreement for Coach Brown as described in materials posted on the Board Portal and presented by Mr. Parham. Mr. Loadholt so moved, and Dr. Floyd seconded the motion. The vote was taken, and the motion was approved.

C. Head Football Coach Will Muschamp Employment Agreement, Amendment

Mr. Parham said Mr. Tanner and President Caslen sought approval of a substantive amendment and a non-substantive amendment to Coach Muschamp's contract. The current contract contains an escalator clause that provides his guaranteed outside compensation increases automatically by \$200,000 each year of the contract. At Coach Muschamp's request and on approval by Mr. Tanner and President Caslen, that clause will be removed and the funds used to cover the \$200,000 salary increase for Coach Brown. The net affect of the amendment is that Coach Muschamp's outside guaranteed compensation will remain at \$3.3 million per year for the remaining five-year term of his contract. The non-substantive amendment corrects an example based on removal of the escalator clause.

Trustee Allen asked for clarification of the total savings resulting from this. Mr. Parham said the \$200,000 attributable to the escalator clause is cumulative, thus the net effect would be a total reduction of \$3 million over the five-year term of the contract. The removal of the escalator clause also impacts the amount the University would have to pay if it chose to terminate Coach Muschamp's contract without cause.

Chairman von Lehe called for a motion to recommend full Board approval of the amendments to the employment agreement for Coach Muschamp as described in materials posted on the Board Portal and presented by Mr. Parham. Mr. Mobley so moved, and Dr. Floyd seconded the motion. The vote was taken, and the motion was approved.

III. Adjournment

There being no other matters on the called meeting agenda, Chairman von Lehe adjourned the meeting at 2:45 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary