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University of South Carolina  
BOARD OF TRUSTEES

Governance Committee

February 19, 2021

The Governance Committee of the University of South Carolina Board of Trustees met at 10:20 a.m. on Friday, February 19, 2021, in the Pastides Alumni Center Ballroom and by Microsoft Teams video conference.

Committee members present were Mr. Thad H. Westbrook, Chair; Mr. C. Dan Adams; Dr. C. Edward Floyd; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Ms. Rose Buyck Newton; Mr. Eugene P. Warr Jr.; Mr. Mack I. Whittle Jr.; and Dr. C. Dorn Smith III, Board Chair. Mr. Toney J. Lister and Mr. Miles Loadholt participated by Microsoft Teams video conference.

Other Board members present were Mr. J. Egerton Burroughs, Mr. Alex English, Mr. Brian C. Harlan, Mr. Richard A. Jones Jr., Mr. Robin D. Roberts, and Mr. Charles H. Williams. Members present by Microsoft Teams were Ms. Emma W. Morris, Ms. Molly M. Spearman, and Mr. John von Lehe Jr.

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

Others in attendance were President Robert L. Caslen Jr.; Secretary J. Cantey Heath Jr.; Assistant Secretary Cameron Howell; Vice President for Human Resources Caroline Agardy; President's Chief of Staff Mark Bieger; Budget and Human Resources Manager for On Your Time Initiatives Jean Brklich; Executive Director of Strategic Planning Jack

Claypoole; Interim Chancellor USC Upstate Derham Cole; Vice President for Development Monica Delisa; Chief Audit Executive Pamela Dunleavy; Chancellor Palmetto College Susan Elkins; Associate Vice President for Finance and Budget Kelly Epting; Vice President for Information Technology and Chief Information Officer Doug Foster; Associate Vice President for Facilities Planning and University Architect Derek Gruner; Chief Executive Officer of USC Alumni Association Wes Hickman; Interim Director for Academic Programs Trena Houpp; Chancellor USC Aiken Sandra Jordan; Assistant to the President for System Affairs Eddie King; Executive Director of Economic Engagement Bill Kirkland; Darla Moore School of Business Professor Audrey Korsgaard; Senior Director of Strategic Partnership for Military and Government Programs Todd McCaffrey; 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; Interim Dean of the College of Arts and Sciences Joel Samuels; University Treasurer and Assistant Vice President of Administrative Operations and Chief of Staff Joe Sobieralski; Assistant Vice President for Media and External Engagement Jeff Stensland; Director of Athletics Ray Tanner; Executive Vice President for Academic Affairs and Provost Bill Tate; and Board of Trustees support staff.

## **OPEN SESSION**

### **I. Call to Order**

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

Chair Westbrook called on Mr. Jeff Stensland to introduce members of the media. Mr. Stensland introduced Lucas Daprile with the *State*, Christine Bartruff with the *Daily Gamecock*, and Jessica Holdman with the *Post and Courier*.

Chair Westbrook 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.

## II. Contract and Lease Approvals

Chair Westbrook called on Chief Legal Counsel Terry Parham to present contracts and leases for approval.

### A. Gift: Argus License Agreement

Mr. Parham stated the Darla Moore School of Business requested Board approval to accept the gift of a software license agreement from Argus Software, Inc. The Darla Moore School of Business will use the software for real estate and finance courses.

Mr. Westbrook called for a motion to approve the Argus Software, Inc. gift agreement with the Darla Moore School of Business as presented and posted to the Board portal. Mr. Mobley so moved, and Ms. Newton seconded the motion. A vote was taken, and the motion carried.

### B. Prisma Health – Pharmacy Faculty Agreement

Mr. Parham stated the College of Pharmacy requested Board approval to renew the faculty pharmacy agreement with Prisma Health Midlands. Under the agreement the College of Pharmacy agrees to provide Prisma Health Midlands with eleven clinical pharmacy faculty members of which ten provide pharmacy consultation services to

the physicians and other healthcare professionals at the hospital and one works in the hospital pharmacy. The eleven faculty members are also responsible for providing USC Pharmacy students with clinical education training as required. As part of the agreement, Prisma Health will continue to allow USC pharmacy students to receive their educational training at the hospital and will provide the College of Pharmacy faculty and students with clinical facilities, office, and classroom space.

Chair Westbrook called for a motion to approve the Prisma Health agreement with the USC School of Pharmacy as presented and posted to the Board portal. Mr. Mobley so moved, and Dr. Floyd seconded the motion. A vote was taken, and the motion carried.

C. Lease: CPF Properties, II LLC – E. St. John Street Parking

Mr. Parham presented a lease agreement between USC Upstate and the USC Development Foundation d/b/a CPF Properties, II LLC. The lease agreement was for 250 parking spaces in the City of Spartanburg parking garage located at 146 East St. John Street. The parking spaces were needed to support students and staff working in the George D. Johnson Building, which houses the USC Upstate College of Business and Economics.

Chair Westbrook called for a motion to approve the USC Upstate lease agreement with CPF Properties, II LLC as presented and posted to the Board portal. Mr. Burroughs so moved, and Mr. Adams seconded the motion. A vote was taken, and the motion carried.

D. Lease: CPF Properties, II LLC – George D. Johnson Building, 3<sup>rd</sup> Floor

Mr. Parham presented a lease renewal agreement between USC Upstate and the USC Development Foundation d/b/a CPF Properties, II LLC for the third floor of the George D. Johnson Building.

Chair Westbrook called for a motion to approve the lease renewal agreement between USC Upstate and the USC Development Foundation d/b/a CPF Properties, II LLC as presented and posted to the Board portal. Mr. Whittle so moved, and Mr. Lister seconded the motion. A vote was taken, and the motion carried.

E. Lease: CPF Properties, II LLC – USC Upstate Rampey Building

Mr. Parham presented a lease renewal agreement between USC Upstate and the USC Development Foundation d/b/a CPF Properties, II LLC for the Rampey Building located at 300 North Campus Boulevard in Spartanburg County. The building houses music and other educational programs and offices.

Chair Westbrook called for a motion to approve the USC Upstate lease renewal with CPF Properties, II LLC as posted to the Board portal. Mr. Adams so moved, and Mr. Lister seconded the motion. A vote was taken, and the motion carried.

F. Affiliation Agreement – USC Alumni Association

Mr. Parham stated the University request approval for an amendment to its affiliation agreement with the USC Alumni Association. The amendment adds a new paragraph, which establishes that the USC Alumni Association activities are carried out in a manner that supports the mission of the University. The paragraph was added to establish in writing a Southern Association of Colleges and Schools Commission on Colleges' (SACSCOC) standard requirement.

Chair Westbrook called for a motion to approve the amendment to the University affiliation agreement with the USC Alumni Association as presented and posted to the Board portal. Mr. Whittle so moved, and Ms. Newton seconded the motion. A vote was taken, and the motion carried.

G. Affiliation Agreement – SC Research Foundation

Mr. Parham stated the University request approval of an amendment to the affiliation agreement with the South Carolina Research Foundation. The amendment adds a paragraph to strengthen language to address a SACSCOC's standard requirement. The second purpose of the amendment ensures the affiliation agreement and the bylaws of the SC Research Foundation are consistent.

Chair Westbrook called for a motion to approve the University affiliation agreement with the South Carolina Research Foundation as presented and posted to the Board portal. Ms. Newton so moved, and Mr. Mobley seconded the motion. A vote was taken, and the motion carried.

H. kglobal Consulting Agreement

Mr. Parham presented two consulting agreements between the University and kglobal LLC for Board approval. He stated on February 4, 2021, Governor McMaster and President Caslen jointly announced plans to create a new cyber ecosystem in South Carolina. The plan presented included an in-depth review of the state's current cyber climate. Under the first agreement, kglobal LLC will conduct research to re-access the competitive landscape to ascertain USC's market position relative to key competitors and make strategic recommendations. The scope of the second agreement included implementation of South Carolina's statewide effort. The cost of

both agreements combined is \$474,300, however, the University will receive a grant from the SC Department of Commerce for \$229,500 of that amount.

Chair Westbrook called for a motion to approve the consulting agreements with kglobal LLC as presented and posted to the Board portal. Ms. Moody so moved, and Ms. Newton seconded the motion. A vote was taken, and the motion carried.

### III. Approval of Proposed Revisions to Board Bylaws and Policies

Chair Westbrook stated the Governance Committee put forth a plan and schedule in the Fall of 2020 to review all Board Bylaws and Policies. He called on Assistant Secretary Cameron Howell to facilitate a discussion regarding proposed revisions.

Dr. Howell began by facilitating a discussion on the dollar threshold for contracts requiring Board review and Board Policy 1.04, 'authority to sign contracts.' Mr. Whittle asked that research of best practices as identified by the University's peers be provided to the Board. Mr. Burroughs stated Audit and Advisory Services should be engaged to assist in evaluating the current policy and suggest solutions. Dr. Floyd asked that a report be available to Trustees that list all contracts regardless of value.

Chair Westbrook advised the Governance Committee would gather the additional information requested and stated the feedback was received as information.

Chair Westbrook called on Dr. Howell to facilitate a discussion of the duties and jurisdiction of the Compensation Committee function as part of the Audit, Compliance and Risk Committee. He stated the purpose of this discussion was to initiate an open dialog that will assist the Board in developing a clear policy. Dr. Howell stated these functions are described in Article XIII of the Board Bylaws and in the Committee's Charter. Mr. Whittle asked that information on best practice as identified by the University's peers be provided to Trustees before the Board considers changes. Mr. Westbrook stated the Governance

Committee would provide the information requested and stated the feedback was received as information.

Chair Westbrook stated the last topic was staggering the election of Committee Chairs to avoid a situation where each Committee Chair rotates off in the same year. He asked Board Chair Smith to comment. Dr. Smith stated Board Committee Chair elections have always been staggered in the past; however, when Board Bylaws were rewritten this past year, every Committee Chair was newly elected. This puts all Committees on the same schedule for re-election of Chairs. Trustees concurred and suggested methods of rectifying the current situation. Chair Westbrook thanked Trustees and stated the feedback was received as information.

Chair Westbrook stated the Governance Committee would now discuss proposed line items edits to bylaws and a policy for action pending consensus. He asked Dr. Howell to present the edits.

Dr. Howell presented the definition of a quorum of Committees as identified in Section 3 of Article X of the Board Bylaws. He stated the current text defines a quorum of a Committee as three members. The proposed edit defines a quorum of a Committee as the majority of Board members (including those ex officio members with right to vote) of any Committee. Ms. Moody asked that language be added to clarify that a quorum is not compromised should a member drop off the call or leave the meeting. Dr. Smith asked that the current edit be put forth for a vote and the additional language be added later. Ms. Moody agreed. Chair Westbrook called for a motion to approve the definition of a quorum as outlined in edits to Section 3 of Article X of Board Bylaws as presented and posted to the Board portal. Mr. Adams so moved, and Mr. Whittle seconded the motion. A vote was taken, and the motion carried unanimously.



The second line item discussed were edits to Sections 2 and 3 of Article VI of Board Bylaws which outlines the process for election of the Board Chair and Vice Chair but is silent on the removal. The proposed edit included additional language that the Chair or Vice Chair may be removed by a two-thirds vote of the entire Board (fourteen or more votes). Chair Westbrook called for a motion to approve edits to Section 2 and 3 of Article VI of Board Bylaws as presented and posted to the Board portal. Ms. Newton so moved, and Mr. Whittle seconded the motion. A vote was taken, and the motion carried unanimously.

The third proposed edit added additional language to Section 1 of Article VII of Board Bylaws, which outlines a process for suspending a member's appointment to standing committees, pending potential sanctioning or removal of a Trustee. Chair Westbrook called for a motion to approve edits to Section 1 of Article VII of Board Bylaws as presented and posted to the Board portal. Ms. Newton so moved, and Mr. Mobley seconded the motion. A vote was taken, and the motion carried unanimously.

The fourth proposed edit appended Board Policy (BTRU) 2.03 titled "removal of a Board of Trustee member" related to Sections 1.F and 1.G of Article VII of Board Bylaws. The edit introduced language as required by SACSCOC for sanctioning a Board member. Chair Westbrook called for a motion to approve edits to BTRU 2.03 as presented and posted to the Board portal. Mr. Adams so moved, and Mr. Whittle seconded the motion. A vote was taken, and the motion carried unanimously.

The final proposed edit introduced additional standards and guidance regarding non-Board, non-voting members of committees as outlined in Sections 1.H, 1.I, and 2.D of Article VII of Board Bylaws. Chair Westbrook called for a motion to approve the edits to Sections 1.H, 1.I, and 2.D of Article VII of Board Bylaws as presented and posted to the Board portal.

Dr. Floyd so moved, and Ms. Moody seconded the motion. A vote was taken, and the motion carried unanimously.

IV. Proposed Process for Governance Committee's Oversight of Evaluation of the President

Chair Westbrook called on Dr. Howell to facilitate a discussion on proposed modifications to the process for the Governance Committee's oversight of the President's evaluation. Dr. Howell highlighted proposed modifications which were posted to the Board portal. Chair Westbrook stated the presentation was received as information.

V. Future Calendar for Committee Meetings

Chair Westbrook asked Dr. Howell to facilitate a discussion regarding scheduling options for Committee and Board meetings in the future. Dr. Howell presented several scenarios for consideration that might increase meeting efficiency. Mr. Lister asked that information be provided to the Board on meeting structure at peer universities. Chair Westbrook stated the information requested would be provided. He stated a draft hypothetical schedule, utilizing some of the scenarios presented, would be provided to the Committee. He asked Trustees to send additional comments to Dr. Howell and stated this presentation was received as information.

VI. Guiding Questions: Governance Improvements to Committees and Committee Meetings

Chair Westbrook called on Dr. Howell to present guiding questions regarding governance improvements to committees and committee meetings. Chair Westbrook thanked Dr. Howell and stated the presentation was received as information.

VII. Assessment Results from January 15-16, 2021 Board Retreat

Chair Westbrook called on Dr. Howell to present assessment results from the January 15-16, 2021 Board Retreat. Dr. Howell presented results from the member survey and

thanked Trustees for their feedback. Chair Westbrook stated the presentation was received as information.

#### VIII. Approval of Non-Board, Non-Voting Committee Member

Chair Westbrook stated Section 1.F or Article VII of the Board Bylaws allows standing committees to recommend for approval by the Board the appointment of non-Board members with subject matter expertise to serve on a committee. As such, Chair Westbrook nominated the Board's Strategic Advisor Mr. David Seaton to serve as a non-Board, non-voting expert advisor to the Governance Committee. He called for a motion to approve Mr. Seaton's nomination. Mr. Adams so moved, and Mr. Whittle seconded the motion. A vote was taken, and the motion carried.

#### IX. Approval of Edits to the Audit, Compliance and Risk Committee Charter

Chair Westbrook called on Audit, Compliance and Risk Committee Chair Newton to present changes to the Committee's Charter. Ms. Newton advised the changes, which were posted on the Board portal, were approved in the Audit, Compliance and Risk Committee meeting earlier in the day.

Chair Westbrook called for a motion to approve the changes to the Audit, Compliance and Risk Committee Charter as approved by the Audit, Compliance and Risk Committee and posted on the Board portal. Ms. Newton so moved, and Mr. Mobley seconded the motion. A vote was taken, and the motion carried.

#### X. Overview of Committee Work Matrix

Chair Westbrook advised updates would be made to the Governance Committee work matrix based on feedback discussed in the meeting.

#### XI. Other Matters

Chair Westbrook called for any other matters to come before the Committee.

XII. Adjournment

Hearing none, Chair Westbrook declared the meeting adjourned at 12:20 p.m.

Respectfully submitted,

J. Cantey Heath, Jr.  
Secretary