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University of South Carolina
BOARD OF TRUSTEES

Finance and Infrastructure Committee

June 10, 2022

The Finance and Infrastructure Committee of the University of South Carolina Board of Trustees met at 9:00 a.m. on Friday, June 10, 2022 in the Floyd Boardroom of the Pastides Alumni Center and by Microsoft Teams.

Committee members present were Mr. Mack I. Whittle Jr., Chair; Mr. C. Dan Adams; Mr. J. Egerton Burroughs; Mr. Alex English; Ms. Rose Buyck Newton; Dr. C. Dorn Smith III, Board Chair; and Mr. Thad H. Westbrook, Board Vice Chair. Mr. Toney J. Lister and Mr. Charles H. Williams participated by Microsoft Teams. Dr. C. Edward Floyd was absent.

Other Board members present were Mr. Brian C. Harlan, Mr. Richard A. Jones Jr., Mr. Hubert F. Mobley, Ms. Leah B. Moody, Ms. Emma W. Morris, and Mr. Robin D. Roberts. Ms. Molly Spearman participated by Microsoft Teams.

Also present were USC Columbia Faculty Senate Chair Dr. Audrey Korsgaard, USC Columbia Student Government President Ms. Reedy Newton, and Special Advisor to the Board of Trustees Mr. David Seaton.

Others in attendance were Interim President Harris Pastides; Secretary Cameron Howell; Vice Provost and Dean of Faculty Cheryl Addy; Vice President of Human Resources Caroline Agardy; Interim Vice President for Development Stacey Bradley; Interim Dean College of Hospitality, Retail and Sport Management David Cardenas; Dean of the USC Arnold School of Public Health Tom Chandler; Interim Provost Stephen Cutler;

Communications Manager, Office of the Provost Abe Danaher; Chief Audit Executive Pamela Dunleavy; Palmetto College Chancellor Susan Elkins; Associate Vice President of Finance and Budget Kelly Epting; Vice President for Information Technology and Chief Information Officer Doug Foster; Vice President for Research Julius Fridriksson; President's Chief of Staff Stacy Fritz; Executive Vice President and Chief Clinical Officer of Prisma Health Jonathan Gleason; University Architect and Associate Vice President for Facilities Derek Gruner; USC School of Medicine Columbia Dean Les Hall; USC Upstate Chancellor Bennie Harris; USC Aiken Chancellor Daniel Heimmermann; Chief Executive Officer, USC Alumni Association Wes Hickman; Director for Academic Programs Trena Houpp; School of Law Dean William Hubbard; Executive Director of Economic Engagement Bill Kirkland; Governance Consultant Drumm McNaughton via Teams; Senior Deputy Athletics Director Chance Miller; USC Beaufort Chancellor Al Panu; General Counsel and Executive Director of Compliance Programs Terry Parham; Chief Operating Officer Jeff Perkins; University Treasurer, Associate Vice President and Chief of Staff for the Division of Administration and Finance Joe Sobieralski; Interim Vice President of Health and Well-Being Jason Stacy; Assistant Vice President, Media and External Engagement Jeff Stensland; Chief Financial Officer for Athletics Jeff Tallant; Athletic Director Ray Tanner; Vice President for Communications Larry Thomas; Executive Vice President for Administration and Chief Financial Officer Ed Walton; Vice President for Diversity, Equity and Inclusion Julian Williams; IT Production Manager Matt Warthen; and Board of Trustees support staff Cary Graham and Anna Brannin.

OPEN SESSION

I. Call to Order

Chair Whittle called the meeting to order, welcomed those in attendance, and asked

everyone in the room to introduce themselves. Secretary Howell confirmed Trustees joining by Microsoft Teams. Chair Whittle called on Mr. Stensland to introduce members of the press. Mr. Stensland introduced Sydney Dunlap with the *Daily Gamecock*.

Chair Whittle 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.

MOTION TO ENTER EXECUTIVE SESSION

Chair Whittle stated there was a need for an Executive Session to discuss proposed contractual matters pertaining to gift naming agreements and a proposed contractual matter regarding Prisma Health, as well as the receipt of legal advice regarding a matter covered by the attorney-client privilege and a possible claim. Mr. Burroughs made the motion to enter Executive Session, and Mr. Westbrook seconded the motion. A vote was taken, and the motion carried unanimously.

Chair Whittle stated no action would be taken in Executive Session and invited the following to remain: Trustees, Interim President Pastides, Secretary Howell, Dr. Korsgaard, Ms. Newton, Mr. Seaton, members of the President's Executive Council, and Board of Trustees staff. Chair Whittle stated no action would be taken in Executive Session and asked those not invited to stay to please exit.

EXECUTIVE SESSION

- Executive Session Removed

RETURN TO OPEN SESSION

II. Approval of Gift Naming Opportunities

Chair Whittle stated three Athletics gift naming opportunities, one College of Information and Communications gift naming opportunity, one School of Law gift naming

opportunity, and one Palmetto College gift naming opportunity were presented in Executive Session without objection. Chair Whittle called for a motion to approve the six gift naming opportunities as presented and posted on the Board portal. Mr. Burroughs made the motion, and Ms. Newton seconded the motion. A vote was taken, and the motion was approved.

Chair Whittle stated this item would be included on the Finance and Infrastructure Committee's written consent agenda for consideration by the full Board at the next scheduled meeting.

III. CFO Comments

Chair Whittle called on Executive Vice President and Chief Financial Officer Mr. Ed Walton for introductory comments. Mr. Walton provided a brief overview of the upcoming reports from Associate Vice President of Finance and Budget Kelly Epting and University Architect and Associate Vice President for Facilities Derek Gruner. Mr. Walton reviewed issues affecting upcoming budgets, including higher prices, higher enrollment, a significant demand on expenses, and inflation. He stated the FY24 budget may show more expenses than revenue. It will be necessary to give President-elect Michael Amiridis and Provost-elect Donna Arnett time to review and analyze the budget. Until then, Mr. Walton stated the proposed FY23 budget will reflect actions for mitigation.

IV. Review of Designated Funds Policy and FY23 Designated Funds Budget

Ms. Epting presented a review of the designated funds policy and the FY23 designated funds budget for approval. She stated there were no changes to the policy. Ms. Epting stated the FY23 designated funds budget shows minor adjustments from the previous year.

Chair Whittle called for a motion to approve the FY23 designated funds budget as

presented and posted to the Board portal. Ms. Newton so moved; Mr. Burroughs seconded the motion. A vote was taken, and the motion was approved.

V. FY23 Budget Development Primer

Ms. Epting provided an overview of the FY23 budget development process and stated more details would be provided at the upcoming June 24 meeting. Ms. Epting noted the University is in a sound financial and budgetary position. For the fourth year in a row, undergraduate tuition and fees will not change. USC Columbia and USC Upstate's budgets will reflect slight increases in housing fees; USC Columbia, USC Upstate, USC Beaufort, and USC Aiken's budgets will all reflect slight increases in meal plan fees. Housing and meal plan fee changes are due to contractual obligations and inflationary costs.

Ms. Epting reviewed FY23 budget model recommendations, including allocating General Assembly appropriations to academic units, and increasing administrative costs only by \$2 million to accommodate the increase in fuel costs. Administration budgets will be frozen at FY22 levels.

Chair Whittle stated this update was received as information.

VI. Projects Update

Chair Whittle called on University Architect Derek Gruner to present project updates.

A. Campus Village

Mr. Gruner stated the Campus Village project is progressing in accordance with the construction schedule and slated to be completed by the Fall of 2023. The project remains within the \$210 million budget; 73% of the primary contingency funds are unexpended. Mr. Gruner reviewed photos showing project progress and stated the Board is scheduled to tour of the site on June 24th.

B. Health Sciences Campus

Mr. Gruner reviewed the timeline of the Health Sciences Campus project and stated the request for proposals responses from short-listed development teams had been received. Mr. Gruner stated interviews would soon take place; negotiating with the top development teams would occur in July and August.

C. “Remarkable Three” Sculpture

Mr. Gruner reviewed the “Remarkable Three” project timeline and stated the request for qualifications had been issued, with intentional efforts to identify and recruit African-American artists. Mr. Gruner stated the intent was to unveil the sculpture on September 11th, 2023, sixty years after the arrival of the “Remarkable Three” on campus on September 11th, 1963.

D. Summer Projects

Mr. Gruner provided updates on projects nearing completion. The LeConte College maintenance renovation capital renewal project is within budget and slated for completion by the Fall of 2022. The Jones PSC Biology Lab renovation project is within budget and slated to be completed by the Fall of 2022. The South Caroliniana Library renovation project is within budget and construction is slated to be completed by August 2022. A grand reopening is planned for later in the Fall.

VII. Project/Infrastructure Approvals

Chair Whittle stated Mr. Gruner would present a series of items for approval and that three actions would be taken.

A. 2022 Comprehensive Permanent Improvement Plan

Mr. Gruner stated the 2022 comprehensive permanent improvement plan was available to the Board for review. He stated approval of the plan does not authorize

or obligate moving forward with any of the projects included in the plan. Chair Whittle called for a motion to recommend full Board approval of the 2022 comprehensive permanent improvement plan as presented and posted to the Board portal. Mr. Adams made the motion, and Mr. Burroughs seconded the motion. A vote was taken, and the motion was approved. Chair Whittle stated individual projects would be presented to the Board of Trustees for approval at the appropriate time in accordance with the five-year capital improvement plan.

Chair Whittle stated this item would be included on the Finance and Infrastructure Committee's written consent agenda for consideration by the full Board at the next scheduled meeting.

B. Easements

Mr. Gruner stated action was required on two easement requests from the City of Columbia. The City of Columbia previously requested an easement at 1200 Catawba Street for sanitary sewer service. The previous request was approved. The City of Columbia is now asking for a modification for the temporary easement to be converted to a permanent one. The second easement is at LeConte College and was requested by the City of Columbia for new water service.

Chair Whittle called for a motion to recommend full Board approval of the two easements as presented and posted to the Board portal. Ms. Newton made the motion, and Mr. Westbrook seconded the motion. A vote was taken, and the motion was approved.

Chair Whittle stated this item would be included on the Finance and Infrastructure Committee's written consent agenda for consideration by the full Board at the next scheduled meeting.

C. Honors College Renovations

Mr. Gruner stated approval was needed to redirect previously appropriated State funds from the Honors College residence hall expansion project to use on Harper College and DeSaussure College, both Honors College academic facilities. The \$5 million in funding will be used for exterior and mechanical work.

Chair Whittle called for a motion to recommend full Board approval of the Honors College renovations approval as presented and posted to the Board portal. Mr. Westbrook so moved; Mr. Burroughs seconded the motion. A vote was taken, and the motion was approved.

Chair Whittle stated this item would be included on the Finance and Infrastructure Committee's written consent agenda for consideration by the full Board at the next scheduled meeting.

VIII. IT Infrastructure Update

Chair Whittle called on Vice President for Information Technology and Chief Information Officer Doug Foster for an IT update. Mr. Foster reviewed the Division of Information Technology's (DoIT) project status sheet and stated more details were available on the Board portal. Of the twelve projects shown, six are on schedule or already completed. Four of the twelve projects are on hold due to lack of funding or personnel. Following a discussion regarding the need for a consolidated software procurement process and other IT measures, Mr. Westbrook suggested the Governance Committee draft a policy for DoIT. Chair Whittle asked that Mr. Foster and Mr. Parham be able to review the policy. Secretary Howell stated the policy would be added to agenda for the upcoming Governance Committee and Board of Trustees meetings.

Chair Whittle stated the update was received as information.

IX. Dean Update – School of Law

Chair Whittle called on the Dean of the School of Law William Hubbard for a Dean's update. Mr. Hubbard reviewed various School of Law dashboard metrics and provided other relevant updates. He stated the School of Law continues to look at revenue-generating programs and works on improving the diversity of the program. Mr. Hubbard then reviewed *U.S. News & World Report* statistics, including the School of Law's overall ranking (improving from 96 to 84). He discussed the various metrics and rankings, providing commentary on the School of Law's efforts to continue to improve its rankings. Areas discussed included peer assessment, average LSAT scores, and student/faculty ratio.

Chair Whittle stated the update was received as information.

X. Other Matters

Chair Whittle stated the updated Finance and Infrastructure Committee calendar and matrix were posted on the Board portal for review.

Chair Whittle called for any other matters to come before the Board. There were none.

XI. Adjournment

There being no other matters to be considered by the Committee, Chair Whittle declared the meeting adjourned at 2:00 p.m.

Respectfully submitted,

Cameron Howell
Secretary