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University of South Carolina

BOARD OF TRUSTEES

Finance and Infrastructure Committee

September 17, 2021

The Finance and Infrastructure Committee of the University of South Carolina Board of Trustees met at 11:00 a.m. on Friday, September 17, 2021 in the Floyd Board Room of the Pastides Alumni Center and by Microsoft Teams video conference.

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

Other Board members present were Mr. Brian C. Harlan, Mr. Richard A. Jones Jr., Mr. Miles Loadholt, Mr. Hubert F. Mobley, Ms. Leah B. Moody, Ms. Emma W. Morris, Mr. Robin D. Roberts, and Mr. Eugene P. Warr Jr. Board members participating by Microsoft Teams video conference were Ms. Molly M. Spearman and Mr. John C. von Lehe Jr.

Also present were USC Columbia Faculty Senate Chair Dr. Audrey Korsgaard and USC Columbia Student Government President Mr. Alex Harrell.

Others in attendance were Interim President Harris Pastides, Secretary Cameron Howell, Vice Provost and Dean of the Faculty Cheryl Addy, Vice President for Human Resources Caroline Agardy, President and Chief Executive Officer USC Foundations Jason Caskey, Vice President for System Affairs Derham Cole, Interim Provost Stephen Cutler,

Vice President for Development Monica Delisa, Chief Audit Executive Pamela Dunleavy, Associate Vice President of Finance and Budget Kelly Epting, President and Provost Faculty Fellow Stacy Fritz, Associate Vice President of Facilities Planning and University Architect Derek Gruner, Chief Executive Officer of the USC Alumni Association Wes Hickman, Associate Director Office of Distributed Learning Trena Houpp, Assistant to the President for System Affairs Eddie King, Executive Director of Economic Engagement Bill Kirkland, Director of State Government Relations Derrick Meggie, USC Beaufort Chancellor Al Panu, 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, University Treasurer and Assistant Vice President of Administrative Operations and Chief of Staff Joe Sobieralski, Assistant Vice President of Media and External Engagement Jeff Stensland, Director of Athletics Ray Tanner, Vice President for Communications Larry Thomas, Executive Vice President and Chief Financial Officer Ed Walton, Vice President for Diversity Equity and Inclusion Julian Williams, Public Relations Strategist Dana Woodward, and Board of Trustees support staff.

## OPEN SESSION

### I. Call to Order

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

Chair Whittle called on Mr. Jeff Stensland to introduce members of the media. Mr. Stensland introduced Caleb Bozard with the *Daily Gamecock*.

Chair Whittle 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.

### MOTION FOR EXECUTIVE SESSION

Chair Whittle advised there was a need for an Executive Session to receive legal advice. Mr. English made the motion to enter Executive Session and Dr. Smith 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, Mr. Harrell, chancellors, members of the President's Executive Council, and Board of Trustees' support staff.

### EXECUTIVE SESSION

- Executive Session Removed

### RETURN TO OPEN SESSION

#### II. Introductory Comments by the Executive Vice President

Chair Whittle called on Executive Vice President and Chief Financial Officer Ed Walton to introduce topics and speakers. Mr. Walton introduced University Architect Derek Gruner, Vice President for Finance and Budget Kelly Epting, and President and Chief Executive Officer for USC Foundations Jason Caskey.

#### III. Planning Updates

##### A. Campus Village

Mr. Gruner reported that construction on Campus Village is progressing well; the project is on schedule, there are no threats to the budget, and inspections have shown high-quality work. The guaranteed maximum price for this project is \$210 million, with an additional \$30 million authorized for financing.

## B. Health Sciences Campus

Mr. Gruner reported that the request for qualifications (RFQ) was issued publicly in September for the Health Sciences Campus. A pre-submittal conference was held with almost 100 attendees. Mr. Gruner reviewed the hiring and negotiation process, and stated updates will be provided to the Board in March and June of 2022.

## C. Deferred Maintenance

Mr. Gruner stated that items regarding capital renewal and deferred maintenance were posted to the Board portal for this meeting.

# IV. Project Approvals

## A. Large Institutional Funded Projects

### 1. Parking Garages – Master Capital Renewal Project

Mr. Gruner provided an overview of the parking garages master capital renewal project, stating the cost will be \$4.5 million, funded with parking and transportation auxiliary maintenance funds. The project will address maintenance and repairs for all campus garages.

### 2. School of Music Performance and Practice Renovation at Greene Street United Methodist Church

Mr. Gruner provided an overview of the School of Music performance and practice renovation project located at the Greene Street United Methodist Church. The project cost is \$2.5 million to be funded with institutional capital project funds.

### 3. West Energy Plant Chiller Replacement

Mr. Gruner presented the West Energy Plant Chiller Replacement project, which received phase one approval in March. This \$3.1-million project will replace an aged 1,600-ton chiller with a new, energy-efficient, centrifugal 2,000-ton chiller at the West Energy Plant to enhance reliability and increase capacity to meet campus chilled water demands. The project will be funded with institutional capital project funds.

Chair Whittle called for a motion to approve the three large institutionally funded projects (Master Capital Renewal Parking Garages project, School of Music Performance and Practice Renovation at Greene Street United Methodist Church, and West Energy Plant Chiller Replacement) as presented and posted to the Board portal. Mr. English so moved. Dr. Smith seconded the motion. A vote was taken, and the motion carried. Mr. Whittle stated these items will be included on the Finance and Infrastructure Committee's written consent agenda for consideration by the full Board at its meeting later in the day.

#### B. CRF Funded Projects

Mr. Gruner provided an overview of the Capital Reserve Funded (CRF) projects for approval. He stated the projects are 100% funded by Capital Reserve funding appropriated by the State towards deferred maintenance and capital renewal. The projects total \$73,971,667 and include projects from all eight campuses. He stated detailed descriptions for the projects were posted to the Board portal for this meeting.

Chair Whittle reiterated this is one-time funding from the State and confirmed that funds from the Rescue Act are not being spent on these projects. Chair Whittle called for a motion to approve the nine CRF Projects listed below as presented and posted to the Board portal:

1. Horry-Guignard House Maintenance and Renovation
2. FY22 USC Columbia Maintenance, Renovation and Replacement
3. FY22 USC Aiken Maintenance, Renovation and Replacement
4. FY22 USC Beaufort Maintenance, Renovation and Replacement
5. FY22 USC Upstate Maintenance, Renovation and Replacement
6. FY22 USC Lancaster Maintenance, Renovation and Replacement
7. FY22 USC Salkehatchie Maintenance, Renovation and Replacement
8. FY22 USC Sumter Maintenance, Renovation and Replacement
9. FY22 USC Union Maintenance, Renovation and Replacement

Mr. English so moved. Mr. Westbrook seconded the motion. A vote was taken, and the motion carried. Mr. Whittle stated the CRF projects will be included on the Finance and Infrastructure Committee's written consent agenda for consideration by the full Board at its meeting later in the day.

C. Other Project Approvals

Mr. Gruner provided an overview of ten remaining projects, the majority of which are aimed at deferred maintenance and capital renewal. Details of each project were posted to the Board portal for this meeting.

Chair Whittle called for a motion to approve the Longstreet Theater, Façade Maintenance, President's House Maintenance Renovation, 300 Main Street Mechanical HVAC Maintenance, Williams-Brice College of Nursing Building

Interior Renovation, Wade Hampton Roof Replacement, Capstone Elevator Controls Upgrade Increase, Dominion Electrical Utility Easements at Campus Village, USC Aiken Pacers Commons Roof Replacement, USC Sumter HVAC Siemens Controls, and USC Union Naming of Nursing Simulation Lab Building projects as presented and posted to the Board portal. Mr. Williams so moved. Dr. Smith seconded the motion. A vote was taken, and the motion carried. Chair Whittle stated that the items approved would be included on the Finance and Infrastructure Committee's written consent agenda for consideration by the full Board later in the day.

V. FY2022-23 Executive Budget Request Update

Chair Whittle called on Vice President for Finance and Budget Kelly Epting to present information related to the FY 2022-23 executive budget. Ms. Epting stated details of the FY2022-23 executive budget were posted to the Board portal for this meeting. She stated the overall amount requested is larger than in previous years, due to the American Rescue Plan.

Ms. Epting presented information on recurring budget requests for all USC campuses: access and affordability for in-state students and tuition mitigation funding, programming requests, and an increase in federal funds authorization. Ms. Epting then presented information on non-recurring budget requests: program requests, the health sciences initiative, the infrastructure initiative, and maintenance and projects initiatives.

Ms. Epting presented information on three provisos: higher education repair and renovation fund, State's Lottery investment in access and affordability, and indirect cost threshold increase for teaching and training grants.

Chair Whittle thanked Ms. Epting and stated this presentation and related documents as presented in the Board portal were received as information.

VI. Athletics Update

Chair Whittle introduced Athletics Director Ray Tanner to present an Athletics financial update. Mr. Tanner recapped the \$30.5 million deficit, reviewing lower revenues, providing an update in expenses including the football coaching change and COVID testing costs, transfers, and funding from the Southeastern Conference.

Chair Whittle thanked Mr. Tanner and stated the update was received as information.

VII. Development Foundation Update

Chair Whittle called on President and Chief Executive Officer of the USC Foundations Jason Caskey for a Foundation update. Mr. Caskey stated materials were posted to the Board portal for review. He highlighted activity regarding several real estate property purchases around campus, along with working with Athletics on the indoor tennis facility.

VIII. Other Matters

A. Chair Comments

Chair Whittle stated the Finance and Infrastructure Committee's calendar, matrix, and charter were posted to the Board portal for reference and review.

B. Other

Chair Whittle asked for questions pertaining to any matters discussed. There were none.



IX. Adjournment

There being no other matters to come before the Committee, Chair Whittle declared the meeting adjourned at 11:50 a.m.

Respectfully submitted,

Cameron Howell  
Secretary