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University of South Carolina
BOARD OF TRUSTEES

February 19, 2016

The University of South Carolina Board of Trustees met at 2:55 p.m. on Friday, February 19, 2016, in the Alumni Center Boardroom.

Members present were: Mr. Eugene P. Warr Jr., Chairman; Mr. John C. von Lehe Jr., Vice Chairman; Mr. Chuck Allen; Mr. Mark W. Buyck Jr.; Mr. Thomas C. Cofield; Mr. A. C. "Bubba" Fennell III; Dr. C. Edward Floyd; Mr. William C. Hubbard; Mr. William W. Jones Jr.; Mr. Toney J. Lister; Mr. Miles Loadholt; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Dr. C. Dorn Smith; Mr. Thad H. Westbrook; and Mr. Charles H. Williams. Absent from the meeting were Mrs. Paula Harper Bethea; Mr. J. Egerton Burroughs; Mrs. Molly M. Spearman; and Mr. Mack I. Whittle Jr.

Also present were faculty representative August E. "Augie" Grant and student representative Jonathan Kaufman.

Others present were: President Harris Pastides; Secretary Amy E. Stone; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Edward L. Walton; Chief Financial Officer Leslie Brunelli; Provost Joan T. A. Gabel; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Human Resources Chris Byrd; Vice President for Facilities and Transportation Derrick Huggins; Associate Vice President for Administration and Finance and Medical Affairs Jeffrey L. Perkins III; Associate Vice President for Business Affairs Helen Zeigler; Executive Director of Audit & Advisory Services Pam Doran; Chief Communications Officer Wes Hickman; Athletics Director Ray Tanner; Vice President for System Planning Mary Anne Fitzpatrick; Palmetto College Chancellor Susan Elkins; USC Upstate Chancellor Thomas Moore; Executive Vice Chancellor for Academic Affairs, USC Aiken, Jeff Priest; Vice Chancellor for Finance and Administration, USC Aiken, Joe Sobieralski; Chief Information Officer, USC Beaufort, Eddie King; Executive Director for the Office of Economic Engagement William D. "Bill" Kirkland; University Controller Jennifer Muir; University Treasurer Pat Lardner; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Chief of Staff, President's Office, J. Cantey Heath Jr.; USC Trustee Emeritus M. Wayne Staton; USC Columbia Student Government Vice President-Elect Ross Lordo; Ben and Lisa Kaufman, parents of Student Government President Jonathan

Kaufman; Ann Loadholt, wife of Trustee Miles Loadholt; University Technology Services Production Manager Matt Warthen; and Board staff members Terri Saxon and Ina Wilson.

I. Call to Order

Chairman Warr called the meeting to order and stated that 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.

A. Welcome and Introductions

Chairman Warr welcomed Trustee Emeritus Wayne Staton. Mr. Hickman then introduced members of the media in attendance: Josh Kendall with *The State*, David Caraviello with *The Post and Courier*, Willie T. Smith III with *The Greenville News*; Pete Iacobelli with the Associated Press, Chris Clark with Gamecock Central, and Hannah Jeffrey with the *Free Times*.

B. Invocation

Chairman Warr invited The Reverend Tom Wall, Methodist Campus Chaplain, to deliver the invocation.

Motion for Executive Session

Chairman Warr next called for a motion to enter Executive Session for personnel matters related to honorary degree nominations and the receipt of legal advice. Mr. Westbrook so moved and Dr. Smith seconded the motion. The vote was taken and the motion carried.

Chairman Warr invited the following persons to remain: President Pastides, Secretary Stone, Mr. Parham and Mr. Tanner.

EXECUTIVE SESSION

RETURN TO OPEN SESSION

II. Approval of Minutes

The following four sets of minutes were presented for approval:

- A. Academic Affairs and Faculty Liaison Committee, December 15, 2015
- B. Audit and Compliance Committee, December 15, 2015
- C. Executive Committee, December 15, 2015
- D. Board of Trustees, December 15, 2015

Chairman Warr stated there were no additions, deletions or corrections and that these four sets of minutes stood approved as provided for review on the Board Portal, along with the amended minutes of the November 20, 2015, Buildings and Grounds Committee meeting.

III. Committee Reports

- A. Buildings and Grounds Committee, February 19, 2016
(The Honorable William W. Jones Jr. reported)

Mr. Jones reported that the Buildings and Grounds Committee met earlier in the day and received several planning updates. He said that the following items required Board approval. First, he asked Secretary Stone to read this statement: "The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue."

1. Project Approvals

- a. 2016 Comprehensive Permanent Improvement Plan (CPIP)

On behalf of the Buildings and Grounds Committee, Mr. Jones moved to adopt the 2016 CPIP as presented. Mr. Williams seconded the motion. The vote was taken and the motion passed. Mr. Jones added that individual projects will be presented to Trustees for approval at the appropriate time in accordance with the Five-Year Capital Improvement Plan.

- b. Band Practice Field Turf Replacement

On behalf of the Buildings and Grounds Committee, Mr. Jones moved to establish and fully fund this project with a budget of \$350,000 to be funded with Institutional Funds. Ms. Moody seconded the motion. The vote was taken and the motion passed. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue.

- c. Columbia Campus Energy Management System Replacement II

On behalf of the Buildings and Grounds Committee, Mr. Jones moved to establish and fully fund this project with a budget of \$500,000 to be funded with Institutional Capital

Project Funds. Mr. Mobley seconded the motion. The vote was taken and the motion passed. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue.

d. Moving Image Research Collections Film Vault Installation

On behalf of the Buildings and Grounds Committee, Mr. Jones moved to recommend full Board approval to establish and fully fund this project with a budget of \$450,000 to be funded with a private gift. Mr. Fennell seconded the motion. The vote was taken and the motion passed. The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amounts of proceeds of the tax-exempt bond issue.

2. Gift Naming Opportunities

On behalf of the Buildings and Grounds Committee, Mr. Jones moved approval of the following gift namings as recommended by the Gift Naming Opportunities Committee and distributed in the Board materials. After reading of the following gift namings, Mr. Buyck seconded the motion. The vote was taken and the motion passed.

- a. Alumni Center: “The BlueCross BlueShield of South Carolina Grand Staircase”
- b. Athletics: “The David & Jo Ann Baker Bench at the Springs Brooks Plaza by Williams Brice Stadium”
- c. School of Law
 - i. “Bluestein, Nichols, Thompson & Delgado Study Room” – Amendment
 - ii. “Gignilliat Savitz & Bettis Library Study Room in Memory of Julian H. Gignilliat”
 - iii. “The Jean P. and Ray L. Derrick Study Room” – Amendment
 - iv. “The Lester Family Study Room”
 - v. “The Mortimer M. Weinberg Faculty Office”
 - vi. “Wrenzie and Tom Rice Clinic Student Work Room” – Amendment

B. Intercollegiate Athletics Committee, February 19, 2016
(The Honorable Mark W. Buyck Jr. reported)

Mr. Buyck reported that the Intercollegiate Athletics Committee met earlier in the day at which time President Pastides introduced Mark Emmert, President of the National Collegiate Athletic Association, who spoke briefly to the committee.

The committee also received a report from Athletics Director Ray Tanner who began his presentation by noting the numerous academic successes of student-athletes. Most notable was the achievement of 1st place on the Fall SEC Academic Honor Roll for the 10th straight year. In addition, 66 student-athletes made the President's List with a 4.0 GPA and 360 student-athletes earned 3.0+ GPA for the Fall 2016 Semester.

Mr. Tanner also reviewed the National Letter of Intent signing dates, along with the names of recruits from South Carolina who have signed a letter of intent for an athletics scholarship to compete at USC. In the competition arena, Mr. Tanner reported that 11 sports were in the top 25 for at least one week. Both Men's and Women's Basketball teams opened their seasons with a combined 30-0 record, the best combined start in SEC history; and both averaged 11,000 or more fans in attendance per game. .

C. Executive Committee, February 19, 2016
(The Honorable Eugene P. Warr Jr. reported)

Chairman Warr reported that the Mid-Year Financial Report for Fiscal Year 2016 was presented during the Executive Committee meeting earlier in the day. The committee also approved several contracts, including a five-year parking lease with the Wm. Jennings Bryan Dorn VA Medical Center in the amount of \$147,360 per year. There were 11 indefinite delivery contracts for electrical, structural and architectural services approved. The list of companies was provided in the materials for this meeting. These two-year contracts allow each company to perform no more than \$500,000 of work, with a limit of \$200,000 per project; all regulated by the State Engineer.

Employment Agreements for six assistant football coaches and the director of football strength and conditioning were approved, with three additional assistant football coach agreements being recommended for action by the full Board. A compensation summary for all of these employment agreements was provided in the materials for this meeting.

The Executive Committee recommended the following items for approval by the full Board:

1. Amendment to BTRU 1.04 Authority to Sign Contracts

On behalf of the Executive Committee, Chairman Warr moved approval of the amendment to BTRU 1.04 Authority to Sign Contracts as presented and provided in the meeting materials. Mr. Cofield seconded the motion. The vote was taken and the motion passed.

2. Contracts

a. Athletics Department Employment Agreements

On behalf of the Executive Committee, Chairman Warr moved

approval of the following three athletic employment agreements:

- i. Travis J. Robinson for a three-year period ending December 31, 2018, at an annual base salary of \$400,000 and annual outside compensation of \$350,000.
- ii. Kurt S. Roper for a three-year period ending December 31, 2018, at an annual base salary of \$400,000 and annual outside compensation of \$300,000.
- iii. J. Lance Thompson for a two-year period ending December 31, 2017, at an annual base salary of \$350,000 and annual outside compensation of \$150,000.

Mr. Lister seconded the motion to approve the three athletic employment agreements. The vote was taken and the motion passed.

b. Under Armour

On behalf of the Executive Committee, Chairman Warr moved approval of a 10-year contract with Under Armour, beginning July 1, 2016. Under the agreement, Under Armour will be the exclusive outfitter and supplier of athletic and athletically-related apparel, footwear and accessories, sports equipment (with the exception of baseball bats and fielding gloves and mitts) and connected fitness products, for the University's intercollegiate teams, coaches and staff. Under Armour will provide the University \$71,500,000 in total value during the term of the contract, including a \$2,000,000 signing bonus, \$25,000,000 in rights fees, and \$44,500,000 in products.

Mr. Fennell seconded the motion. The vote was taken and the motion passed.

c. Collegiate Licensing Company

On behalf of the Executive Committee, Chairman Warr moved approval of a five-year contract with Collegiate Licensing Company (CLC), beginning July 1, 2016. Under the agreement, CLC will be the University's exclusive agent to license merchandise bearing University trademarks and logos. CLC will pay the University 90% of the first \$4 million in licensing revenues generated, 85% of revenues between \$4 million and \$8 million, 90% of revenues in excess of \$8 million, and 92.5% of national championship-related royalties. CLC will also provide the University with a bonus payment of \$200,000 and will make available to the University, through IMG Sports Properties, \$50,000 in value annually.

Dr. Floyd seconded the motion. The vote was taken and the motion passed.

d. U.S. Army Financial Management School

On behalf of the Executive Committee, Chairman Warr moved approval of a five-year contact between the Darla Moore School of Business (DMSB) and the U.S. Army

Financial Management School. Under the agreement, the DMSB will offer programs of study consisting of graduate level courses leading to the award of academic certificates. Students enrolling in the programs must be admitted to the DMSB and pay tuition and fees as approved by the Board of Trustees.

Mr. Hubbard seconded the motion. The vote was taken and the motion passed.

IV. Report of the Alumni Association

This report was removed from the agenda when Mrs. Bethea had to leave early due to unexpected urgent personal business.

V. Recognition of the Student Government President

Chairman Warr called on Mr. Kaufman for his final report to the Board, welcoming his parents who were visiting from Maryland.

Mr. Kaufman said that there were three areas on which he wanted to recommend the Board focus as the University developed and grew. These were communication, transportation and student space.

In regard to communication, Mr. Kaufman said that as a tour guide on campus he learned that potential students were amazed at what was offered at the University. He observed that more students needed to take advantage of the incredible resources available to them. To help accomplish this, the University could more effectively communicate these resources to students. If students take advantage of these resources they will develop in a cocurricular fashion and in the classroom, as well.

He said he had worked with the President's Office, University Technology Services, and the Communications Office to develop a cell phone application (app). This app will be available to students and alumni later in the spring, allowing them to connect to the University and learn about what USC offers. He thanked Chief Communications Officer Wes Hickman and his staff for their help to add this new means of communicating with the student body.

In regard to transportation, Mr. Kaufman said he was excited to see the presentation at the Board retreat about more campus housing. On campus housing is central to student development. He said that students living on campus experience a better time at the University overall, have higher grades, and graduate more quickly than students who live off campus. But as campus continues to develop, he said, focus on transportation is important to insure that students are well connected across campus. It is important that students can get to where they are going more easily and access the resources being provided for them.

The third major point, Mr. Kaufman said, is student space. Based on his research, he said that the University is almost in last place in the Southeastern Conference in terms of total square footage and

square footage per student enrolled, and is the very last school to have renovated its student union. Focusing on student space has to be a priority, he said, especially going forward as it applies to students across campus, including the South Village, the West Campus by the Business School, and the Historic Horseshoe Campus. Students need a community space where they can come together and connect. Whether it's using the Coliseum or renovating the Russell House, Mr. Kaufman said growing student space as the student body increases is important.

He said that he hoped these three major points of advocacy for students can be continued as the new student government president is elected and takes office in March. Mr. Kaufman then introduced the new Student Government Vice President-Elect Ross Lordo.

Mr. Kaufman also said that an optional sustainability fee would be proposed as part of the next budget and he encouraged Trustees to approve its implementation. The fee would allow students to develop sustainability projects on campus. He said that a lot of student want to invest in sustainability, but don't have the resources to fund their own projects. This will kick-start student innovation and sustainability on campus. He concluded by thanking Trustees for the opportunity to speak and said he looked forward to coming back as an alumnus.

Chairman Warr thanked Mr. Kaufman and asked that he remain at the podium as he announced that this was Mr. Kaufman's last full board meeting as Student Government President. Chairman Warr thanked Mr. Kaufman for a job well done and wished him the best in his future endeavors. He and President Pastides then presented Mr. Kaufman with a framed certificate, asking Secretary Stone to read the certificate:

Presented to Jonathan Kaufman by the Board of Trustees
of the University of South Carolina in appreciation for
outstanding contributions and service to the University.
March 2015 to March 2016.
Signed by Harris Pastides, President; Gene Warr, Chairman of the
Board of Trustees; and Amy Stone, Secretary of the Board of Trustees.

Mr. Kaufman said that it had been a privilege to work with the Board and get to know the Trustees better. "The chance for a 22-year-old to work with the foremost leaders in South Carolina at one table, multiple times throughout the year and individually had been an incredible privilege," he said. "I can't thank you enough for what you have done for me personally and for your investment in the students of the University. Thank you very much," he said, adding that working with the Board had been a highlight of his college experience.

He went on to note that due to the runoff, he was unsure of who the next Student Government President would be, but that he hoped the Board would invest in that person as much as they had invested in him. He observed that when invited to remain in Executive Sessions he had gained perspective for where the projects he supported fit into the “big picture.” Mr. Kaufman also observed it was intimidating to work with the Board and that being invited to participate in social events with Trustees had helped him become more comfortable working with them and thus made him a more effective student advocate.

VI. Report of the President

Chairman Warr called on President Pastides who congratulated Ross Lordo on his election as vice president of Student Government, noting that there was a runoff for the position of president. There also were other political activities on campus, he said, citing the college democrats hosting of Senator Bernie Sanders in the Russell House Theater; a CNN Town Hall at the School of Law auditorium with Republican candidates Kasich, Bush and Trump; and a second CNN Town Hall featuring the Democratic candidates. Bloomberg News had been broadcasting live every day since February 9 from the patio in front of the library, he said, noting that the show airs from 5-6 p.m. on Bloomberg and from 6-7 p.m. on MSNBC.

In other news, President Pastides said that the University has its first Gates Scholar, one of the world’s most prestigious international scholarships. The Gates Cambridge Scholarship was awarded to Eric Bringley, a senior majoring in chemical engineering with minors in mathematics and chemistry, in the Honors College. He said that the Irmo, South Carolina, native was selected as one of 35 recipients from more than 4,500 applications to obtain his Ph.D. from Cambridge.

On February 24, President Pastides said that there would be an announcement about the University’s leadership and participation in a new cyber security initiative, called SC Cyber. The Governor would be present for the announcement, as well as corporate partners involved with the initiative.

President Pastides concluded his remarks noting that it was time for the first pitch in the season’s opening Gamecocks baseball game.

VII. Adjournment

There being no other matters to come before the committee, Chairman Warr declared the meeting adjourned at 3:55 p.m.

Respectfully submitted,

Amy E. Stone
Secretary