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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

April 29, 2005

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, April 29, 2005, at 1:50 p.m. in the Capstone House Campus Room.

Members present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Mr. Miles Loadholt; Mr. Michael J. Mungo; and Mr. Mack I. Whittle, Jr. Dr. C. Edward Floyd was absent. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Robert N. McLellan; Ms. Darla D. Moore; Mr. M. Wayne Staton; Mrs. Inez M. Tenenbaum; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Research and Health Sciences Harris Pastides; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for University Advancement T.W. Hudson Akin; Vice President for Student Affairs Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Vice President and Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Upstate John C. Stockwell; Dean of USC Lancaster John Catalano; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Sumter C. Leslie Carpenter; Associate Provost for Institutional Outreach and Dean of The Graduate School Christine Ebert; Dean of the Arnold School of Public Health Donna L. Richter; Dean of the College of Education Les Sternberg; Dean of University Libraries Paul A. Willis; Associate Professor in the Department of Pharmacology, Physiology, and Neuroscience, School of Medicine, and Chair of the Faculty Senate, James R. Augustine; Associate Provost for Budget and Operations William T. Moore; Director of Facilities and Operations, Campus Planning and Construction, Joseph O. Rogers, III; Director of the Department of Internal Audit Alton McCoy; Assistant Treasurer Susan D. Hanna; Executive Director of the Alumni Association Marsha Cole; Associate Professor and Chair of the Department of

Religious Studies, College of Arts and Sciences, Carl D. Evans; Clinical Professor in the Department of Educational Leadership and Policies, College of Education, Sandra R. Lindsay; Assistant to the Vice President, Division of Business and Finance, Ken Corbett; Director of the Koger Center Michael Taylor; Director of Administrative Services, University Libraries, C.J. Cambre, Jr.; Director of Special Collections, University Libraries; Patrick G. Scott; Director of Development, Moore School of Business, Robert H. Gayle, Jr.; Bond Counsel Wayne Corley of the McNair Law Firm PA; former President of the Student Government Association Zachery Scott; University Legislative Liaison John D. Gregory; Public Information Officer, Office of Media Relations, Karen Petit; and Director of University Communications, Division of University Advancement, Russ McKinney, Jr.

Chairman Adams called the meeting to order and asked to forego introductions because the meeting was beginning considerably later than originally scheduled. Mr. McKinney indicated that no members of the media were in attendance. Chairman Adams 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 to members of the Committee; and a quorum was present to conduct business.

There were contractual matters relative to a gift naming, a fixed fee summer program, and coaches' contracts which were appropriate for discussion in Executive Session. Chairman Adams called for a motion to enter Executive Session. Mr. Mungo so moved. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: President Sorensen, Mr. Stepp, Dr. Becker, Dr. Pastides, Mr. Kelly, Mr. Akin, Mr. Parham, Dr. Hogue, Dr. Pruitt, Dr. Plyler, Dr. Stockwell, Mr. Gregory, Mr. McKinney, Ms. Tweedy, and Ms. Stone.

Return to Open Session

I. Contracts Valued in Excess of \$250,000:

A. Leadership Pipeline Initiative with Olde English Consortium":

Chairman Adams called on Dean Sternberg who was requesting Executive Committee approval of a program proposal to provide a degree program emphasizing leadership skills specifically in the educational administration arena to a consortium of six counties representing nine school districts; graduates of this program would qualify for secondary school principal positions in South Carolina.

Responding to Mr. Mungo's inquiry about program costs, Dean Sternberg indicated that overall revenue generation had been calculated based on two different group sizes (25 participants and 20 participants): the former would generate a net income of \$82,650; for the latter group, that amount would total \$39,400.

Mr. Mungo moved approval of the "Leadership Pipeline Initiative with Olde English Consortium" as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

B. Indefinite Delivery Contracts: Chairman Adams stated that the University was seeking Executive Committee approval of 12 indefinite delivery contracts; indefinite delivery contracts covered a two year period and could not exceed a total amount of \$750,000 during that time frame.

1. Brad's Electric, Inc.: Mr. Mungo moved approval of the Brad's Electric, Inc. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

2. Cullum Constructors, Inc.: Mr. Mungo moved approval of the Cullum Constructors, Inc. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

3. Greenview Landscaping: Mr. Whittle moved approval of the Greenview Landscaping indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

4. Gregory Electric Co., Inc.: Mr. Bradley moved approval of the Gregory Electric Co., Inc. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

5. McCarter Mechanical, Inc.: Mr. Bradley moved approval of the McCarter Mechanical, Inc. indefinite delivery contract as described in the

materials distributed for the meeting. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

6. MSI Construction Co., Inc. - Electrical Services: Mr. Mungo moved approval of the MSI Construction Co., Inc. indefinite delivery contract for electrical services as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

7. MSI Construction Co., Inc. - Mechanical Services: Mr. Whittle moved approval of the MSI Construction Co., Inc. indefinite delivery contract for mechanical services as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

8. Shealy & Sons Electric Co., Inc.: Mr. Mungo moved approval of the Shealy & Sons Electric Co., Inc. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

9. The Shurburtt Corp.: Mr. Mungo moved approval of The Shurburtt Corp. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

10. Walker White, Inc.: Mr. Mungo moved approval of the Walter White, Inc. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

11. W.B. Thomasson Heating Co., Inc.: Mr. Mungo moved approval of the W.B. Thomasson Heating Co., Inc. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

12. W.O. Blackstone & Co., Inc.: Mr. Mungo moved approval of the W.O. Blackstone & Co., Inc. indefinite delivery contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

C. USC Development Foundation: Thomas Cooper Library Construction:
Chairman Adams called on Dean Willis who stated that the University was planning the construction of two wings onto the Thomas Cooper Library for a total of 72,000 square feet of additional space at a cost of \$18 million. One wing would hold rare book special collections; the other would house modern political collections. Dean Willis advised that \$16 million had been committed toward the

project; a campaign was underway to raise the remaining \$2 million. In addition, the University Libraries Division had applied for a \$1 million Kresge Grant.

To proceed with the project approval process involving the Commission on Higher Education (CHE) and the state required University confirmation that all funds were available; therefore, a contract with the Development Foundation had been prepared to cover the remaining \$2 million. Dean Willis assured the Committee that this loan would most likely be unnecessary "unless we fail with our fundraising and we don't intend to do that; therefore, we don't anticipate using this at all." Dean Willis anticipated groundbreaking in 2006 with a completion date of 2008.

Mr. Mungo moved approval of the Thomas Cooper Library Construction contract with the Development Foundation as described in the materials distributed for the meeting. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

D. Establishment of Quasi Endowment Fund: Cecil Winfield and Winifred Scott Scholarship Fund: Chairman Adams called on Dr. Pruitt who stated that the University was seeking Executive Committee authorization to establish a quasi-endowment fund in the amount of \$1,018,000 which the University had received from the estate of Cecil Winfield. Based on the donor's wishes, the money will be designated for scholarship purposes: half of that amount (\$509,000) will be used to assist capable undergraduate students majoring in liberal arts or general education; the other half will be used to assist graduate students specializing in counseling, psychology, or guidance.

Mr. Mungo asked whether only the interest will be used for financial assistance. Dr. Pruitt replied that the University was seeking Board permission to establish a quasi-endowment fund so that, if necessary, the principal could be expended in order to respond with flexibility to projected needs as the result of the establishment of an undergraduate financial aid need based program. "Our intention is not to use anything but the yield if possible."

Mr. Mungo moved approval of the establishment of the Cecil Winfield and Winifred Scott Scholarship Fund as a quasi endowment fund as described in the materials distributed for the meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

E. South Carolina Electric and Gas: Chairman Adams called on Mr. Kelly who stated that the five-year contractual agreement between the University and South Carolina Electric and Gas would supply electricity to the National Advocacy Center (a University facility). He noted that the yearly rate as

specified on the contract was subject to increases as approved by the Public Service Commission.

Mr. Bradley moved approval of the South Carolina Electric and Gas contract as described in the materials distributed for the meeting. Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

II. Parking Revenue Bond Resolution: Chairman Adams called on Mr. Kelly who stated that the Board had authorized the construction of a new 1,000-car parking garage on Blossom Street which was well underway. The University was requesting approval of a resolution to issue bonds of \$12,400,000 for the construction of the facility.

Mr. Loadholt moved approval of the Parking Revenue Bond Resolution as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

III. Other Matters:

A. Sonoco International Business Department Fund: Secretary Stepp explained that establishment of this fund was the product of a Gift Naming Opportunity Committee recommendation. Minor changes in the language of a gift agreement with Sonoco, Inc. had been necessary before final Board approval could be sought. Sonoco, Inc. will contribute \$3 million, payable in annual equal installments over a five-year period beginning January 2006, to establish an endowment fund to provide support for the Department of International Business in the Moore School of Business. In return, the University will permanently name that department "The Sonoco International Business Department in the Moore School of Business."

Mr. Bradley moved approval of this gift naming opportunity as presented. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

B. USC Upstate Fixed Fee for Summer Supplemental Courses: During the Executive Session earlier today, Chancellor Stockwell had explained that in order to facilitate marketing requirements, USC Upstate was seeking Executive Committee approval of a special fee structure for 2 summer programs: the first one specifically targeted 36 students who needed transition assistance from high school into the university setting; the other one targeted academically talented students.

Mr. Mungo moved approval of the USC Upstate Fixed Fee for Summer Supplemental Courses as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

C. Coach Curtis Frye Employment Contract: Chairman Adams called on President Sorensen who commented that under Coach Curtis Frye's guidance, the University had achieved its first NCAA national championship. He was an

outstanding coach who was respected and admired by all of the track athletes. President Sorensen heartily endorsed the proposed employment contract which Dr. McGee had negotiated.

Proposed was a five-year contract beginning May 1, 2005 and terminating May 31, 2010. Base salary would total \$144,375 (a ten percent increase above the current salary). Also included in the contract were incentive based supplemental compensation opportunities which were identical to those listed in the current agreement except that the benchmark amounts had been increased.

A new provision was the inclusion of a life insurance policy with term life insurance benefits totaling \$750,000 which Coach Frye would receive while in this position.

Coach Frye would also continue to receive the use of a vehicle and would continue to have the opportunity to sponsor summer camps for three weeks; this activity was considered a source of outside income.

Mr. Mungo moved approval of Coach Curtis Frye's employment contract as described in the materials distributed for the meeting. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

D. Coach Ray Tanner Contract: Chairman Adams called on President Sorensen who was very pleased with Coach Tanner's performance as the University's baseball coach; he heartily endorsed the proposed employment contract which Dr. McGee had negotiated.

The University was presenting for Executive Committee consideration what is effectively a 13 month extension of Coach Ray Tanner's existing employment agreement which would expire May 31, 2009; the new contract would expire June 30, 2010. Base salary would total \$160,000 (a \$5,000 increase above the current salary). Also included was a guaranteed supplemental compensation of \$60,000 per year (currently that amount was \$45,000). Coach Tanner would receive incentive based supplemental compensation opportunities of \$10,000 each if various benchmark goals were reached (i.e., winning the SEC Tournament Championship).

In addition, included in the new contract was a term life insurance provision; for Coach Tanner, that amount would total \$500,000. Other provisions including the use of a vehicle, sponsoring summer camps, and termination clauses mirrored the current employment contract.

Mr. Mungo moved approval of Coach Ray Tanner's proposed employment agreement as described in the materials distributed for the meeting. Mr. Whittle seconded the motion. The vote was taken, and the motion carried.

At Mr. Wienges request, President Sorensen updated the Committee regarding the status of the pharmacy merger. He indicated that the University was extremely

pleased to have secured the services of Dr. Joseph T. DiPiro as the Dean of the South Carolina College of Pharmacy; he will assume that position beginning May 15. Dr. DiPiro will be traveling between the USC/MUSC colleges of pharmacy.

Recently, President Sorensen hosted an alumni reception in Augusta, Georgia; Dr. DiPiro attended that event and was very favorably received by the alumni. In addition, leaders in retail and hospital pharmacy throughout the state were also favorably receiving him.

In the near future, President Sorensen hoped to submit for Board approval a proposal to establish a Doctor of Pharmacy program on the Greenville Hospital System campus.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary