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University of South Carolina

BOARD OF TRUSTEES

Governance Committee

December 15, 2020

The Governance Committee of the University of South Carolina Board of Trustees met at 9:30 a.m. on Tuesday, December 15, 2020, in the Pastides Alumni Center Ballroom and via Microsoft Teams video conference.

Committee Members present were Mr. Thad H. Westbrook, Chair; Mr. C. Dan Adams; 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. Participating by Microsoft Teams video conference were Dr. C. Edward Floyd; Mr. Toney J. Lister; and Mr. Miles Loadholt.

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

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

Others in attendance were President Robert L. Caslen Jr.; Secretary J. Cantey Heath Jr.; Vice President of Human Resources Caroline Agardy; Assistant Vice President Health and

Wellness and Executive Director of Student Health Services Deborah Beck; President's Chief of Staff Mark Bieger; Dean of the Darla Moore School of Business Peter Brews; President and CEO University Foundations Jason Caskey; Chief Audit Executive Pamela Dunleavy; Chancellor Palmetto College Susan Elkins; Interim Chief Development Officer William Elliott; Associate Vice President of Finance and Budget Kelly Epting; Executive University 101 Programs Director Dan Friedman; Dean of College of Arts and Sciences Lacy Ford; Vice President of Information Technology and Chief Information Officer Doug Foster; Director Center for Teaching Excellence August Grant; Associate Vice President of Facilities Planning and University Architect Derek Gruner; Board of Trustees Governance Consultant Cameron Howell; Chief Executive Officer USC Alumni Association Wes Hickman; Dean of the School of Medicine Greenville Marjorie Jenkins; Vice Provost and Dean of Undergraduate Studies Sandra Kelly; Assistant to the President for System Affairs Eddie King; Executive Director Office of Economic Engagement Bill Kirkland; Associate Vice President and Chief Procurement Officer Venis Manigo; Assistant Professor Arnold School of Public Health Melissa Nolan; General Counsel and Executive Director of Compliance Programs Terry Parham; Associate Dean for Operations and Accreditation Arnold School of Public Health Lee Pearson; Chief Operating Officer Jeffrey L. Perkins; Vice President for Student Affairs and Vice Provost Dennis Pruitt; Interim Executive Communications Director Amy Rogers; Special Assistant to the President James Smith; University Treasurer and Assistant Vice President of Administrative Operations and Chief of Staff Joe Sobieralski; Assistant Vice President Media and External Engagement Jeff Stensland; Director of Athletics Ray Tanner; Executive Vice President for Administration and CFO Ed Walton; and Vice President for Diversity Equity and Inclusion Julian R. Williams. Others attending via Microsoft Teams were Executive Director of Strategic Planning Jack Claypoole; Interim Chancellor USC Upstate

Derham Cole; Assistant Dean for Enrollment Management and Academic Program Development, College of Education Rob Dedmon; Interim Associate Dean for Academic Affairs School of Law Susan Kuo; Vice President for Research Prakash Nagarkatti; Chancellor USC Beaufort Al Panu; Dean of the College of Education Jon Pedersen; Executive Vice President for Academic Affairs and Provost Bill Tate.

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 in attendance via Microsoft Teams video conference.

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.

Chair Westbrook called on Jeff Stensland to introduce members of the media. Mr. Stensland introduced Lucas Daprile with *The State* and Rich Owensby with WLTX. Mr. Stensland advised Reggie Anderson with WLTX and Christine Bartruff with *The Daily Gamecock* joined by audio.

Chair Westbrook announced at the last Governance Committee meeting a preview of the software used to measure progress on strategic plan milestones and goals was presented. The Committee had anticipated a full presentation at this meeting; however, a key staff member of the Office of Institutional Research, Assessment and Analytics (OIRAA) was out on medical leave and the project has been delayed. He anticipates this will be an agenda item for the February 2021 meeting of the Governance Committee.

Chair Westbrook advised the Committee will be evaluating the dollar threshold of contracts which need approval by the Governance Committee and the full Board. The assessment will identify areas for improved efficiency and streamline meetings.

II. Lease, Contracts and Resolution Approvals

Chair Westbrook called on Terry Parham to present leases, contracts, and a Resolution for approval.

A. Leases

1. USC Development Foundation – School of Music: 1100 Greene Street

Mr. Parham advised the School of Music seeks Committee approval of a standard state lease agreement with the USC Development Foundation for property located at 1100 Greene Street. The property consists of a one-third acre of land, three buildings totaling 10,360 square feet of space and fourteen onsite parking spaces. The property will be used by the School of Music for concert performances, rehearsals, music instruction and office space. The lease term is for 10 years and will end December 31, 2030 with annual rent of \$98,420.04. Mr. Parham advised the lease terms were posted on the Board portal for this meeting.

Mr. Mobley made a motion to approve the lease agreement as presented and posted on the Board portal. Ms. Moody seconded the motion. A vote was taken, and the motion carried.

2. USC Educational Foundation – College of Engineering/McNair: 1000 Catawba Street

Mr. Parham advised Associate Vice President of USC Facilities Planning, Design and Construction Derek Gruner seeks Committee approval

of a standard lease agreement with the USC Educational Foundation for the property located at 1000 Catawba Street known as the Innovation Center. The property is owned by the South Carolina Research Authority and is currently leased to the USC Educational Foundation, which in turn subleases to USC. The property contains 17,296 rentable square feet and has been home to the McNair Center Laboratory since 2017. The lease agreement runs through December 31, 2022 with annual rent of \$99,999. USC will be responsible for maintenance and operational costs.

Ms. Newton made a motion to approve the lease agreement as presented and posted on the Board portal. Mr. Adams seconded the motion. A vote was taken, and the motion carried.

B. Contracts

1. Primary Beverage Supplier for Bookstore and Dining Operations

Mr. Parham advised the University's Finance and Administration Office seeks approval of a new agreement with Pepsi Beverage Company as primary soft drink beverage partner in the University's Bookstore and Dining areas on campus. The University's current agreement with Pepsi was approved by the Board in 2015 and expires at the end of 2020. The new agreement is a result of competitive solicitations for service by the University pursuant to the procurement code. The agreement does not cover vending machines on campus or pouring rights at University athletics facilities. The term of the agreement is three years ending December 31, 2023. The University has the right to extend the agreement for up to two additional one-year periods. Additional terms and details were posted on the Board portal.

Mr. Warr made a motion to approve the Pepsi contract with the University's Bookstore and Dining Operations as presented and posted on the Board portal. Mr. Whittle seconded the motion. A vote was taken, and the motion carried.

2. Pritchard's Island Research Facility Demolition

Mr. Parham advised in 1983 an Atlanta businessman by the name of Philip Rhodes donated Pritchard's Island to what was then the University's Carolina Research and Development Foundation. Pritchard's Island is a barrier island off the coast of Beaufort accessible only by boat. In 1991, Mr. Rhodes signed a Memorandum of Understanding (MOU) with the Foundation and the University created a fund of \$300,000 for the purpose of constructing a research facility on the island to promote barrier island research with an emphasis on studying sea turtles. The Foundation built the facility and entered into a lease with the University whereby the University obtained the right to use the facility for 25 years. The lease obligated the University to insure the property. Barrier island restrictions prohibit the construction of a barrier wall to protect property located on the island. Subsequently, the facility has suffered considerable damage due to erosion and in 2015 the Department of Health and Environmental Control (DHEC) required the University to come up with a demolition plan. At that point, the University filed a claim with the insurance carrier. The carrier determined the property was a complete loss and paid the University insurance proceeds which now amount to \$408,811. The demolition will be difficult because of accessibility. Derek Gruner seeks approval to allow the Foundation to demolish the property. The approval is

necessary to transfer the insurance proceeds to the Foundation. Only funds necessary for engineering, design, demolition, and removal associated with demolition will be transferred and the University will retain the remaining insurance proceeds.

Ms. Newton made a motion to approve the Pritchard's Island Research Facility demolition. Ms. Moody seconded the motion. A vote was taken, and the motion carried.

Mr. Lister asked if the University was rebuilding on the site. Mr. Parham advised that decision has not been made.

3. Holiday Inn Rental Agreement

Mr. Parham advised that University Housing seeks approval of a hotel contract with Holiday Inn located at 1233 Washington Street. Under the agreement the University will secure 90 rooms for the period of December 30, 2020 through March 1, 2021. The rooms will be used by the University for quarantine and isolation of students testing positive or exposed to COVID-19. The University will pay \$69 per room per night plus tax. The estimated total cost over this period is \$431,843. The terms of the agreement were posted on the Board Portal.

Mr. Mobley made a motion to approve the Holiday Inn rental agreement. Mr. Adams seconded the motion. A vote was taken, and the motion carried.

4. Lady Margaret Hall College, University of Oxford – Darla Moore School of Business: Visiting Student Agreement

Mr. Parham advised the Darla Moore School of Business seeks approval of a visiting student agreement with Lady Margaret Hall College at Oxford University. The Darla Moore School of Business has enjoyed a relationship with this College for five years. Mr. Parham reviewed terms of the agreement which were also posted on the Board Portal.

Ms. Moody asked if visiting students would attend Lady Margaret College during the COVID-19 pandemic. Mr. Parham advised the University is not obligated to send students and would not do so if it were unsafe.

Mr. Parham clarified for Ms. Spearman the students selected were Darla Moore Students majoring in International Business.

Mr. Whittle made a motion to approve the Lady Margaret Hall College, University of Oxford agreement with the Darla Moore School of Business. Ms. Moody seconded the motion. A vote was taken, and the motion carried.

5. Illumina – College of Pharmacy: SAFE COVID-19 Testing

Mr. Parham advised the College of Pharmacy seeks approval to purchase two pieces of equipment from a company named Illumina. The equipment will be used by the College's diagnostic genomics laboratory, which is the same lab where the University currently is conducting COVID-19 testing. The equipment will enhance the College's ability to contact trace those who have tested positive for COVID-19. The cost of the equipment is \$340,004.

Mr. Mobley made a motion to approve the College of Pharmacy agreement with Illumina as presented and posted on the Board Portal. Mr. Adams seconded the motion. A vote was taken, and the motion carried.

6. Lexington County School District One MOU – College of Education

Mr. Parham advised the College of Education seeks approval of a memorandum of understanding (MOU) with Lexington County School District One. The MOU is designed to address a critical shortage of principals and administrators in K-12 schools in South Carolina by making the Master in Education degree in Educational Administration/Principalship more readily available to public school teachers. In exchange for providing this degree program the University will receive a flat fee of \$324,000 for 20 participants in the program. The \$324,000 is based on the South Carolina Certified Teacher tuition rate, which is approved by the Board each year. It does not include the cost of application and those fees individual teachers pay.

Mr. Warr made a motion to approve the MOU with Lexington School District One. Ms. Newton seconded the motion. A vote was taken, and the motion carried.

7. National Resource Center First-Year and Students in Transition – Hyatt Regency Agreement

Mr. Parham advised the Board approved a contract on June 23, 2017 with Hyatt Regency in Seattle to serve as the host site for the February 2021 Annual Conference of USC's National Resource Center for the first-year experience. The conference has been cancelled due to COVID-19. As a result, Board approval is sought to amend the contract with Hyatt Regency in Seattle

to allow the event to be held in February 2026. All terms and conditions are primarily the same, except for an increase in room rate of \$26 per night. Registrants for the conference are responsible for paying room charges directly.

Mr. Adams made a motion to approve the National Resource Center agreement with Hyatt Regency. Mr. Mobley seconded the motion. A vote was taken, and the motion carried.

8. John and Margaret Downs Gift Agreement – University Libraries

Mr. Parham advised Dean Tom McNally and University Libraries seeks Board approval of a gift agreement with John and Margaret Downs to accept the donation of an extensive collection of memorabilia from the rock band KISS. The KISS collection has been appraised at \$302,960. The Library will use the KISS collection to enhance the 20th and 21st Century popular music holdings.

Ms. Newton asked if the University would incur cost to insure this gift. Mr. Parham advised he would ask Dean McNally for that information. Ms. Newton stated it would be helpful to present ancillary cost for accepting such gifts.

Ms. Newton made a motion to approve the John and Margaret Downs gift agreement as presented and posted on the Board Portal. Ms. Moody seconded the motion. A vote was taken, and the motion carried.

9. Amendment: Charles and Donna H. Bryan Health Science Library Gift Agreement

Mr. Parham advised the Governance Committee approved a gift naming agreement to name the Charles S. and Donna H. Bryan Health Science

Library at the USC School of Medicine for a sum of \$1,000,000. The donors have now requested the agreement be amended in a series of ways including 1) the payment schedule for donations toward this naming and 2) a provision that allows the donor to withhold payment should ground not be broken by December 2024 for the new School of Medicine at Bull Street or until that project is advanced and ground is broken.

Mr. Mobley made a motion to approve the Amendment of Charles and Donna H. Bryan to the USC School of Medicine. Mr. Whittle seconded the motion. A vote was taken, and the motion carried.

10. Joey Rose, LLC Gift Agreement – Athletics Department

Mr. Parham advised the Athletics Department seeks approval of a gift agreement with Joey Rose, LLC to accept the donation of a 2007 Bay Warmblood Gelding horse by the name of Cracker Jack. The value of the horse has been appraised at \$337,500.

Mr. Tanner advised this a normal occurrence for the Equestrian Team whereby people donate horses to the program. Mr. Whittle asked how much it would cost the Athletics Department to accept this gift and if the horse will be used in competition. Ms. Newton stated ancillary costs need to be presented with such gift naming opportunities. Mr. Tanner advised the Equestrian Team typically does not have enough horses and it can be challenging at times. Ms. Morris asked if the horse has a history of injury. Mr. Tanner was able to confirm the horse has been cleared by a veterinarian and will be used in competition.

Mr. Warr made a motion to approve the Joey Rose, LLC gift agreement as presented and posted on the Board portal. Mr. Mobley seconded the motion. A vote was taken, and the motion carried.

C. Architectural Service Indefinite Quantity Contracts

Mr. Parham advised Derek Gruner seeks approval of indefinite quantity contracts for architectural services from ten firms listed on the agenda with supporting documentation posted on the Board portal. Every two years the University contracts for professional services that establishes a list of Architectural firms to provide planning and design services to the University on a strictly controlled as needed and when requested basis. These firms are selected so the University can quickly respond as projects arise. The process is governed by the procurement code. The contracts are identical, and each provides for two-year terms and no firm can be used on any one project more than \$200,000 and cannot be paid \$500,000 in fees cumulative over the two-year period.

Mr. Whittle asked how the firms were selected and the geographical location of selected firms. Mr. Parham advised that Mr. Gruner has provided geographical locations of firms in material posted on the Board portal. These firms serve all University campuses. Mr. Gruner stated this process repeats itself every two years and the University seeks diversity in the selection process. Nine of the ten firms on the list are South Carolina firms with multiple offices located throughout the state. Ms. Moody asked if diversity included female or minority owned businesses. Mr. Gruner advised the University follows the guidelines of the procurement code. He stated he would provide more information in the future for female and minority owned indefinite delivery contracts. Mr. Whittle asked Mr. Gruner to provide the Board a

list of all architectural firms in South Carolina that have over 20 architects and list the ones hired.

Mr. Adams made a motion to approve the Architectural Indefinite Quantity Contracts as presented and posed on the Board portal. Mr. Mobley seconded the motion. A vote was taken, and the motion carried.

D. Adoption of a DOE Resolution: Exclusion of Certain Trustees and Officers

Mr. Parham advised the Office of Research at the University seeks approval of a Resolution for exclusion of Trustees and Officers with the US Department of Energy. The University has entered into an agreement along with four other universities in South Carolina and Georgia to compete as a consortium for the Savannah River National Laboratory management and operation contract to be funded by the Department of Energy (DOE). As part of the process, it requires classified information security clearances by Savannah River Nuclear plant. Rather than require all Board members to comply with the Federal government classified security clearance process, DOE has allowed the University to exclude all but the Chairman and Vice Chairman of the Board of Trustees by adopting a Resolution which was posted on the Board portal.

Mr. Warr made a motion to approve the DOE Resolution as presented and posted on the Board portal. Mr. Adams seconded the motion. A vote was taken, and the motion carried.

III. Election of Trustee to the South Carolina Research Foundation

Chair Westbrook advised in accordance with BTRU 3.00, the Governance Committee is charged with recommending a Trustee to serve on the South Carolina Research Foundation Board for full Board approval. Mr. Mobley made a motion to recommend Trustee Richard

A. Jones, Jr. to serve on the South Carolina Research Foundation Board. Mr. Adams seconded the motion. A vote was taken, and the motion carried. Chair Westbrook stated the Governance Committee's recommendation will be presented to the full Board later in the day.

Mr. Whittle stated in approximately 2007 the South Carolina Research Authority was restructured in a manner which allowed the Authority to be more proactive and collaborative with universities in identifying research funds. He asked Trustee Jones to report at a future meeting the current mission and how the University is asked to participate. Chair Westbrook stated Mr. Whittle's request was very timely as the Foundation has recently adopted new Bylaws and restructured. He asked Trustee Jones and Bill Kirkland to provide a report to the Board.

IV. USC President Evaluation Process Improvement

Chair Westbrook called on Cameron Howell to facilitate a discussion on improvements to the USC President Evaluation process.

Dr. Howell stated perhaps the agenda title was not appropriate as there is not an assumption that the process requires improvement. He advised the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) looked at the University process as part of the monitoring report the University submitted to SACSCOC in September and determined the University was in compliance. The specifics of the SACSCOC standard state the governing Board will regularly review the Chief Executive Officer's performance. Dr. Howell stated the University performs the President's evaluation each year and also follows the South Carolina State Agency Head process. A substantial amount of material was posted on the Board portal that describes this process.

Chair Westbrook stated there needs to be a written policy for guidance and consistency for future years. He called on President Caslen for comments.

President Caslen stated the process the Board went through in his evaluation this past year far exceeded what he observed as a SACSCOC evaluator for other universities. He stated the only item he might suggest for improvement was the counseling session in which someone explains strengths and weakness and helps implement a plan for improvement.

Chair Westbrook stated there was a need to document the process in policy and procedures. In response to a question from Mr. Whittle, Dr. Howell stated his understanding is the Compensation Committee, which is a subset of Audit, Compliance and Risk Committee, works with the Governance Committee on questions of compensation.

Chair Westbrook stated the discussion was received as information.

V. Review of Recommendation Memos for BTRU 3.01, Presidential Candidate Search Committee

Dr. Howell stated Chair Smith solicited comments from a variety of stakeholders regarding the new BTRU policy 3.01 (Presidential Candidate Search Committee) and invited representatives from each of the five groups of stakeholders to comment regarding their respective recommendations. The Board heard comments from representatives of the Palmetto College, Alumni Association, Faculty Senate, Columbia Staff Senate and USC Foundations.

Chair Westbrook thanked the representatives and stated their comments were received as information.

VI. Assessment Results October 2020 New Trustee Orientation

Dr. Howell presented an overview of survey results from the new Board of Trustees member orientation session held in October. He stated the results were posted on the Board

portal. Chair Westbrook stated he would like another survey conducted in March to include Trustees English, Harlan, and Morris which might provide further insights on improving this process. Chair Westbrook stated the report was received as information.

VII. Update on Draft Committee Charters and Matrices Discussion

Dr. Howell thanked each Committee and Committee Chair for work on their respective charters and matrices. He noted the work would enable Chair Smith, Vice Chair Westbrook, and Secretary Heath the opportunity to anticipate work on the horizon and coordinate scheduling of agenda items.

Chair Westbrook advised this discussion was received as information.

VIII. Non-Board, Non-Voting Members of Committees Discussion

Chair Westbrook reminded the Committee that revisions to Board Bylaws earlier this year make it possible for Committees to recommend non-Board, non-Voting members to Committees, with ultimate approval by the full Board. Dr. Howell stated the Bylaws might include more specific information, however he posed questions that might help each Committee ascertain the need for non-Board, non-voting members. Chair Westbrook outlined general guidelines. Mr. Mobley asked Secretary Heath to schedule a called Health and Medical Affairs Committee meeting prior to the next Board meeting for the purpose of electing a non-Board, non-voting member to that Committee.

IX. Timeline for Review of Board Bylaws and Policies

Chair Westbrook stated a timeline was posted to the Board portal for review of several policies and Bylaws over 2021. The Governance Committee will oversee a process by which every Board Bylaw and policy will be reviewed for consistency and improvement. Initial focus will be Bylaws that yield the greatest benefits to the Board and its Committees in terms

of efficiency. Chair Westbrook advised the non-Board, non-voting policy revision will be addressed at the February 19th meeting.

X Approval of Mission Statements

Chair Westbrook called on Eddie King to present mission statements for USC Aiken, USC Beaufort, and USC Upstate for approval. Mr. King presented each mission statement as posted on the Board portal.

Mr. Mobley made a motion to approve USC Aiken, USC Beaufort, and USC Upstate Mission statements as presented and posted on the Board portal. Mr. Adams seconded the motion. A vote was taken, and the motion carried.

XI. Other Matters

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

XII. Adjournment

Hearing none, Chair Westbrook declared the meeting adjourned at 11:05 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Cantey Heath, Jr.", is written in a cursive style.

J. Cantey Heath, Jr.
Secretary