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University of South Carolina
BOARD OF TRUSTEES

Executive and Governance Committee

December 18, 2018

The Executive and Governance Committee of the University of South Carolina Board of Trustees met at 10:25 a.m. on Tuesday, December 18, 2018, in the Alumni Center's C. Edward Floyd Boardroom.

Members present were: Mr. John C. von Lehe Jr., Chairman; Mr. Hubert F. Mobley, Board Vice Chairman; Dr. C. Edward Floyd; and Mr. Miles Loadholt; with Mr. Toney J. Lister joining by telephone.

Other Trustees present were: Mr. Chuck Allen; Mr. Mark W. Buyck Jr.; Mr. Thomas C. Cofield; Mr. Robert F. Dozier Jr.; Mr. William C. Hubbard; Ms. Leah B. Moody; Rose Buyck Newton; Dr. C. Dorn Smith III; Mr. Thad H. Westbrook; Mr. Mack I. Whittle Jr.; and Mr. Charles H. Williams; with Mr. A.C. "Bubba" Fennell III joining by telephone.

Also present were: USC Columbia Faculty Senate Chair Marco Valtorta; USC Columbia Student Government President Taylor Wright; and the Board's Strategic Advisor David Seaton.

Others present were: President Harris Pastides; Secretary J. Cantey Heath Jr.; General Counsel Walter "Terry" H. Parham; Chief Operating Officer Edward L. Walton; Vice President for Student Affairs Dennis Pruitt; Chief Audit Executive Pam Doran; Chief Advancement Officer and Senior Advisor to the President Paula Harper Bethea; Chief Information Officer Doug Foster; Chief Communications Officer Wes Hickman; Athletics Director Ray Tanner; Vice President for Human Resources Caroline Agardy; Vice President for Facilities and Transportation Derrick Huggins; Vice President for Research Prakash Nagarkatti; Assistant to the President for System Affairs Eddie King; Associate Provost for Academic Programs Tena B. Crews; Palmetto College Chancellor Susan Elkins; USC Aiken Chancellor Sandra Jordan; USC Beaufort Chancellor Al Panu; USC Upstate Chancellor Brendan Kelly; Associate Vice President for Administration and Finance and Medical Business Affairs Jeffrey L. Perkins III; Executive Director for the Office of Economic Engagement William D. "Bill" Kirkland; Executive Director for Strategic Initiatives Jack Claypoole; University Treasurer Pat Lardner; Equal Opportunity Programs Director Clifford Scott; Director of Brand Strategy, Office of Communications and Public Affairs, J.C. Huggins; Public Relations Director Jeff Stensland; College of Arts and Sciences Dean Lacy Ford; Associate

Professor, Department of Instruction and Teacher Education, College of Education, George J. Roy; Assistant Professor of History, USC Lancaster, Ernest Jenkins; University Technology Services Production Manager Matt Warthen; and Board staff members Debra Allen and Ina Wilson.

I. Call to Order

Chairman von Lehe called the meeting to order and 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. Secretary Heath confirmed those Trustees joining by telephone.

Mr. Hickman introduced the news media in attendance: Lucas Daprile, Josh Kendall and Ben Breiner with *The State*; David Cloninger with *The Post and Courier*; John Whittle with *The Big Spur*; Collyn Taylor with *Gamecock Central*; and Jeff Diamond with *WIS-TV*.

Motion for Executive Session

Chairman von Lehe called for a motion and second to enter Executive Session for proposed contractual matters regarding integrated communications management; Athletics employment agreements for Head Football Coach Will Muschamp and Assistant Football Coaches Bryan McClendon, Travaris Robinson and Dan Werner; an amendment to the IBM contract for PeopleSoft/HCM implementation; and an extension of the Gideon Taylor Agreement. Mr. Mobley so moved, and Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

The following individuals were invited to remain: President Pastides, Secretary Heath, Dr. Valtorta, Mr. Wright, Mr. Seaton, members of the President's Executive Council, Ms. Doran and Mr. J.C. Huggins.

Executive Session

Return to Open Session

Before addressing the agenda items, Chairman von Lehe called on President Pastides who announced Provost Gable had been elected as president of the University of Minnesota, effective July 1, 2019.

Chairman von Lehe asked President Pastides to name other USC administrators who had gone on to serve as president of other universities. President Pastides said these included James Moeser went to UNC Chapel Hill; Art Smith went to the University of Utah and then on to another university; Mark Becker went to Georgia State; and Michael Amiridis went to the University of Illinois Chicago.

Trustee Floyd added that Dr. Moeser first went to the University of Nebraska then to Chapel Hill and before that Provost Frank Borkowski went to the University of South Florida and then to Appalachian State University.

II. Contracts

Chairman von Lehe called on Mr. Parham for presentation of contracts.

A. Athletic Employment Agreements

1. Head Football Coach Will Muschamp

Mr. Parham said Athletics Director Ray Tanner proposes three modifications to Coach Muschamp's contract. Before proceeding, Mr. Parham noted for the press that contract summaries were available from Mr. Hickman for the four athletic employment agreements.

The first modification for Coach Muschamp deals with the contract term. Currently, Coach Muschamp has five years remaining on a six-year contract, ending December 31, 2023. Mr. Tanner proposes extending the contract for one year, so it remains a six-year contract, ending December 31, 2024.

The second modification deals with compensation. His current base salary of \$1.1 million will remain unchanged. He also receives annual guaranteed outside compensation. Mr. Tanner is proposing that the annual \$200,000 increase in outside compensation found in his current contract apply to the one-year extension, so that Coach Muschamp will earn \$4.3 million in guaranteed outside compensation for total compensation in 2024 of \$5.4 million.

The third modification deals with Coach Muschamp's buyout obligation. If he terminates the contract, he will be obligated to pay the University \$4 million in year one; \$3.5 million in year two; \$3 million in year three; \$1 million in years four and five; and no buyout in year six – the same requirements of the current buyout structure.

Chairman von Lehe called for a motion and second to recommend full Board approval of the proposed modifications to Coach Muschamp's contract. Mr. Loadholt so moved. Dr. Floyd seconded the motion. The vote was taken, and the motion was approved.

2. Assistant Football Coach Bryan E. McClendon

Mr. Tanner proposes three modifications to Assistant Football Coach Bryan McClendon's Employment Agreement, Mr. Parham said.

Mr. Tanner proposes the term be extended for two years, with the contract expiring December 31, 2021. Mr. Tanner proposes to increase Coach McClendon's base salary to \$500,000 and his guaranteed outside compensation to \$500,000 for total compensation of \$1 million, which represents a \$350,000

increase. Under the new contract, Coach McClendon will pay a buyout of \$300,000 if he terminates in year one; \$200,000 if he terminates in year two; and \$100,000 if he terminates in three.

Chairman von Lehe called for a motion and second to recommend full Board approval of the proposed modifications to Coach McClendon's contract. Mr. Warr so moved. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

3. Assistant Football Coach Travaris J. Robinson

Mr. Tanner proposes two modifications to Assistant Football Coach Travaris Robinson's Employment Agreement, Mr. Parham said.

Mr. Tanner proposes the term be extended one year, with the contract expiring December 31, 2021. There are no proposed changes in Coach Robinson's compensation. He will continue to earn a base salary of \$500,000 and outside compensation of \$700,000 for a total compensation of \$1.2 million. Under the new contract, Coach Robinson will pay a buyout of \$300,000 if he terminates in year one; \$200,000 in year two; and \$100,000 in year three.

Chairman von Lehe called for a motion and second to recommend full Board approval of the proposed modifications to Coach Robinson's contract. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken, and the motion was approved.

4. Assistant Football Coach Dan Werner

Mr. Tanner proposes three modifications to Assistant Football Coach Dan Werner's Employment Agreement, Mr. Parham said.

Mr. Tanner proposes the term be extended for one year, with the contract expiring December 31, 2020. Mr. Tanner proposes Coach Werner's base salary be increased to \$500,000 and his outside compensation be increased to \$200,000 for total compensation of \$700,000, which represents a \$200,000 increase. Under the new contract, Coach Werner will pay a buyout of \$100,000 if he terminates in year one and \$50,000 in year two.

Chairman von Lehe called for a motion and second to approve the proposed modifications to Coach Werner's contract. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

B. IBM/PeopleSoft HCM Implementation

Mr. Parham said approval was sought to execute two project change requests (PCR) to the University's contract with IBM in connection with the implementation of the IBM/PeopleSoft HCM System, which is the University's Human Resources (HR)/Payroll system.

The first request is to execute IBM PCR 11, which authorizes the University to pay IBM the sum of \$2,516,756.96. This amount represents the additional personnel costs IBM will incur as a result of having to continue the implementation process for the HR/Payroll system for an additional three months.

The second change order – IBM PCR 12 – represents a savings to USC resulting from the same three-month period. So the system will not be implemented until three months after the original go-live date, USC will not need IBM post-implementation support during that three-month period, representing a savings to USC of \$131,856.

The net effect of IBM PCR 11 and 12 totals \$2,384,900.96 and no new money will be required to cover these costs because when the Board approved the \$24.5 million budget for the HR/Payroll system, it approved a contingency amount that will cover this additional cost.

Chairman von Lehe called for a motion and second to recommend approval by the full Board of IBM PCR 11 and IBM PCR 12. Mr. Warr so moved. Mr. Mobley seconded the motion. The vote was taken, and the motion was approved.

C. Gideon Taylor Consulting, LLC

Mr. Parham said approval was sought for a project change request (PCR) with Gideon Taylor Consulting, LLC. On December 19, 2017, the Board approved an initial agreement with Gideon Taylor under which Gideon Taylor would provide eform development, testing, migration and implementation support as part of the HR/Payroll system module.

This proposed modification with Gideon Taylor covers additional services for forms development, migration into the new system and implementation support. Mr. Parham said the cost of these additional services provided by Gideon Taylor is not to exceed \$219,665. This amount does not represent new money but is within the \$24.5 million budget approved by the Board.

Chairman von Lehe called for a motion and second to approve the project change request for Gideon Taylor. Mr. Loadholt so moved. Dr. Floyd seconded the motion. The vote was taken, and the motion was approved.

D. Pathology Consultants, Inc./USC School of Medicine Greenville Master Memorandum of Understanding, Amendment

Mr. Parham described an amendment to the master memorandum of understanding (MOU) with Pathology Consultants, Inc. as an annual housekeeping matter involving the USC School of Medicine (USCSOM) Greenville. Board approval was sought for an agreement with Pathology Consultants, Inc. under which Pathology Consultants will continue to review, update and teach the core

pathology curriculum that is part of the required biomedical science curriculum for first- and second-year medical students.

This is the identical agreement approved by the Board in 2017. The one-year term begins July 1, 2018 and ends June 30, 2019. For its services, Pathology Consultants will be paid approximately \$780,570, which is less than the \$918,725.43 it was paid last year. This amount is part of the annual budget for the USCSOM Greenville approved by the Board of Trustees.

Chairman von Lehe called for a motion and second to recommend full Board approval of the amendment to the USCSOM Greenville MOU with Pathology Consultants, Inc. Dr. Floyd so moved. Mr. Warr seconded the motion. The vote was taken, and the motion was approved.

E. Leepfrog Technology, Inc.

Mr. Parham said Board approval was sought to enter into a service and software license agreement with Leepfrog Technologies, Inc. to acquire use of the Leepfrog Bulletin and Curriculum Management software system. This software was selected pursuant to the South Carolina Procurement Code.

The software will serve as a unified system for faculty and administrators to propose, vet, approve, and publish academic courses and curricula in the University's academic bulletins, including the Columbia Undergraduate and Graduate School bulletins, as well as the bulletins for the Schools of Medicine, School of Law and Palmetto College campuses.

The software system also will serve as the University's "program inventory" and will archive important faculty approval documents and Faculty Senate courses and curriculum minutes as well as approvals and notifications from the South Carolina Commission on Higher Education and the Southern Association of Colleges and Schools. All of this will ensure that the data related to courses and curricula remain accurate. The five-year agreement will cost \$839,508.

Chairman von Lehe called for a motion and second to recommend approval by the full Board of the service and software license agreement with Leepfrog Technologies, Inc. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

F. Agreement of Academic Collaboration, National Economic University of Vietnam

Mr. Parham said the Academic Affairs and Faculty Liaison Committee earlier in the day approved a new dual degree program for a Bachelor of Science in Hospitality Management between USC's College of Hospitality, Retail and Sport Management (HRSM) and the National Economic University of Vietnam.

The agreement creates a 2+2 program under which students will complete the first two years of study at the National Economic University of Vietnam and then, upon being admitted to USC, will be eligible to complete the final two years of study in HRSM, leading to a Bachelor of Science in Hospitality Management. Students who enroll in this program must meet all USC academic requirements and will pay full out-of-state tuition and fees. During the five-year term, HRSM estimates it will receive revenues of up to \$550,000. The agreement may be terminated by either party with 90 days written notice.

Chairman von Lehe called for a motion and second to approve the academic collaboration with the National Economic University of Vietnam. Mr. Mobley so moved. Mr. Warr seconded the motion. The vote was taken, and the motion was approved.

G. Indefinite Delivery Contracts

1. GMK Associates
2. ING Consulting
3. Peritus Engineers
4. RMF Engineering
5. Swygert & Associates

Mr. Parham said approval was sought for five indefinite delivery contracts (IDCs) for mechanical consultant services. The provisions in all five contracts are identical and are established by the state. During the two-year contract term, the maximum amount of work that can be performed by any one company cannot exceed \$500,000 and the maximum amount of work that any one company can perform on any one project cannot exceed \$200,000.

Chairman von Lehe called for a motion and second to approve the indefinite delivery contracts for mechanical consultant services. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion was approved.

H. Gift Agreements

Mr. Parham presented eight gift-naming agreements for approval in two separate motions. Each agreement was previously approved by the Gift Naming Opportunities Committee and the Buildings and Grounds Committee, but because of the amounts of the gifts approval by the Executive and Governance Committee also is required.

1. \$250,000 to name the Jerry Fedder Head Coach Conference Room at the Football Operations Center
2. \$250,000 to name the Karen and Russ Lloyd Family Display Case at the Colonial Life Arena
3. \$250,000 to name the Foti-Packer Defense Team Meeting Room at the Football Operations Center

4. \$500,000 to name the Muschamp Family Team Meeting Room at the Football Operations Center

Chairman von Lehe called for a motion and second to approve these gift-naming agreements. Mr. Mobley so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion passed.

Mr. Parham said the following four gift-naming agreements are valued at more than \$750,000 and require full Board approval.

5. \$1,160,168.26 to name the James S. Konduros Courtyard at the School of Law
6. \$1 million to name the Schaper Coaches Office Suite at the Football Operations Center
7. \$1 million to name the Ken and Cheryl Wheat Weight Room at the Football Operations Center
8. \$3 million to name the Lisa and Joseph Rice Football Campus at the Football Operations Center

Chairman von Lehe called for a motion and second to recommend full Board approval of these gift-naming agreements. Mr. Warr so moved. Mr. Loadholt seconded the motion. The vote was taken, and the motion passed.

III. Adjournment

With no other matters to come before the committee, Chairman von Lehe declared the meeting adjourned at 11:56 a.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary