

University of South Carolina
BOARD OF TRUSTEES

Executive Committee

August 3, 2012

The Executive Committee of the University of South Carolina Board of Trustees met in a called meeting on Friday, August 3, 2012, at 10:00 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Eugene P. Warr, Jr., Vice Chairman; Mr. John C. von Lehe, Jr.; and Mr. Toney J. Lister. Dr. C. Edward Floyd was absent.

Other Trustees present were: Mr. Chuck Allen; Mr. Robert "Eddie" Brown, Mr. J. Egerton Burroughs; Mr. Thomas C. Cofield; Mr. A.C. "Bubba" Fennell; Mr. William W. Jones, Jr.; Mr. Hubert F. Mobley; Ms. Leah B. Moody; Dr. C. Dorn Smith, III; Mr. Thad H. Westbrook; Mr. Mack I. Whittle, Jr.; Mr. Charles H. Williams and Dr. Mitchell M. Zais. Mr. Mark W. Buyck and Mr. William C. Hubbard were absent.

Also present were faculty representative Dr. Sandra J. Kelly and the student representative Kenny Tracy, as well as Cynthia Lister and Ann Loadholt.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Vice President for Academic Affairs and Provost Michael D. Amiridis; General Counsel Walter (Terry) H. Parham; Chief Financial Officer Edward L. Walton; Vice President for Development and Alumni Relations Michelle Dodenhoff; Vice President for Human Resources Chris Byrd; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Communications Luanne Lawrence; Vice President for Research Prakash Nagarkatti; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Athletics Director Ray Tanner; Athletics Department Chief Operating Officer Kevin O'Connell; University Treasurer and Associate Secretary Susan D. Hanna; Associate Vice President for Business and Finance Leslie Brunelli; Associate Vice President for Business Affairs, Division of Business and Finance, Helen T. Zeigler; University Architect Derek S. Gruner; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Director of Facilities, USC Upstate, Rick Puncke; Director of State Relations Trey Walker; Associate Director of Planning and Assessment Cameron Howell; Assistant Athletics Director, Ticket Operations, Lance Grantham; Director of Marketing, Athletics Department, Josh Waters; Chief Financial Officer, Athletics Department, Jeff Tallant; College of

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Arts and Sciences Dean Mary Anne Fitzpatrick; USC Salkehatchie Dean Ann Carmichael; Vice Provost and Executive Dean for Extended University Chris Plyler; Alumni Association Executive Director Jack Claypoole; Director of Development Donor Relations, University Development, Cary Henderson; Assistant Vice President Constituent Programs, University Development, Susan E. Lee; Senior Director of Development Principal Gifts, University Development, Christina H. Myers; Associate Vice President Advancement Services, University Development, Darla E. Smith; Director of Internal Audit Phil Iapalucci; Associate Vice President for Transportation Derrick Huggins; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Director of Capital Budgets & Financing, Division of Finance and Planning, Charlie Fitzsimons; University Treasurer Susan Hanna; Special Assistant to the President J. Cantey Heath Jr.; Director of News and Internal Communications Wes Hickman; University Technology Services Production Manager Justin Johnson; and Board staff members Debra Allen, Terri Saxon, and Vera Stone.

Chairman Loadholt called the meeting to order and invited those present to introduce themselves. Mr. Hickman introduced members of the media in attendance: Andy Shain of The State and Scott Hood of Gamecock Central.

Chairman Loadholt 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.

Chairman Loadholt stated that there were personnel and contractual matters appropriate for discussion in Executive Session. Mr. Warr moved to enter Executive Session. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stone, Dr. Amiridis, Mr. Walton, Mr. Byrd, Ms. Dodenhoff, Ms. Lawrence, Mr. Tanner, Mr. Waddell, Mr. O'Connell, Mr. Parham, Ms. Mills, Mr. Walker, Mr. Heath and Mr. Hickman.

Return to Open Session

I. Contracts

A. Participation Agreement for Assembly Street Improvements

Chairman Loadholt called on Mr. Parham who said that the University requests Board approval of the Participation Agreement for the Assembly Street Improvement Project. On June 29th, the Board approved a maintenance agreement for this project. As indicated in your materials, today's agreement is between the University, the City of Columbia and the State Department of Transportation. The agreement, which stipulates the responsibilities of the parties involved, allows SCDOT to move forward with Phase II of the Assembly Street Corridor Improvement Project. The University's estimated financial responsibility for this project is \$3,250,000.

Chairman Loadholt called for a motion for approval of the agreement as described in the agenda materials and presented by Mr. Parham. Mr. Warr so moved. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

B. SCE&G

1. Electrical Services for Old SCETV Administrative Building

Chairman Loadholt called on Mr. Parham who said that the University requests Board approval of a contract with SCE&G to provide electrical services for the old SC ETV Administrative Building on George Rogers Boulevard.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Lister so moved. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

2. Electrical Services for Darla Moore School of Business, 1014 Greene Street

Chairman Loadholt called on Mr. Parham who said that University requests Board approval of a contract with SCE&G to provide electrical services for the Darla Moore School of Business, which is being constructed at 1014 Greene Street. As indicated in your materials, estimated value of this five-year contract is \$27,000 per month or \$1,620,000.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Lister so moved. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

1. Athletic Contracts

1. Tri-State Pump and Controls, Inc.

Chairman Loadholt called on Mr. Parham who said that the Athletics Department seeks Board approval of a three-year contract to lease equipment from Tri-State Pump and Controls,

Inc. at a monthly cost of \$8,182 with an option to purchase the equipment at fair market value at the conclusion of the contract.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Lister so moved. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

2. TicketMaster

Chairman Loadholt called on Mr. Parham who said that the Athletics Department seeks Board approval to enter a five-year contract with Ticketmaster as the exclusive seller of its event tickets. As indicated in your materials, Ticketmaster will provide the University hardware valued at \$150,000 and will assess and collect charges and fees per ticket. The University expects to pay transaction fees of approximately \$400,000 per year and will retain rights to sell season tickets, to sell tickets at the box office, to conduct group ticket sales and to retain a reasonable number of house seats. The contract guarantees no minimum or fixed number of ticket sales.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Warr so moved. Mr. von Lehe seconded the motion. The vote was taken, and the motion carried.

3. Tailgate Guys

Chairman Loadholt called on Mr. Parham who said that the Athletics Department seeks Board approval of a three-year contract allowing Tailgate Guys, an Alabama limited liability company, to provide tailgating services and products to Gamecock fans tailgating during home football. Under the terms of the contract, Tailgate Guys will pay USC Athletics a commission equal to 40 percent of net revenue.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Lister so moved. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

4. Employment Contracts

a. Head Baseball Coach Contract

Chairman Loadholt called on Mr. Parham who said that the Athletics Department seeks Board approval of a five-year employment contract for Baseball Coach Chad Holbrook with a base salary of \$200,000, supplemental compensation of \$75,000 and media/personnel service compensation of \$125,000.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Lister so moved. Mr. von Lehe seconded the

motion. The vote was taken, and the motion carried.

b. Head Women's Golf Coach Contract

Chairman Loadholt called on Mr. Parham who said that the Athletics Department seeks Board approval of a four-year employment contract for Head Women's Golf Coach Kalen Anderson with a base salary of \$110,000 plus incentives.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. von Lehe so moved. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

c. Head Women's Tennis Coach Contract

Chairman Loadholt called on Mr. Parham who said that the Athletics Department seeks Board approval of a three-year employment contract for Head Women's Tennis Coach Kevin Epley with a base salary of \$100,000 plus incentives.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Lister so moved. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

D. Royall & Company – Student Marketing Programs

Chairman Loadholt called on Mr. Parham who said that the University Office of Undergraduate Admissions seeks Board approval of a contract with Royall & Company under which Royall will provide what is known as a Student Search Lead Generation and Student Search Rapid Response Fulfillment Program.

Each year, Mr. Parham said the University begins the process of identifying high school students that it wants to recruit. The Admissions Office identifies high school students with profiles and characteristics that we are interested in such as GPA, test scores, year of graduation, and geographic location. The University gets lists of those names from several sources (such as PSAT and SAT test takers). Admissions then provides these names in bulk to Royall that cleans up the lists, eliminates duplications, and develops a master list of up to 185,000 United States high school students and up to 6,000 international students who match our desired characteristics.

Once the prospective students have been identified, Mr. Parham said, Royall will undertake a comprehensive communication campaign that will result in multiple e-mail blasts and a regular U.S. Postal mailing to these students designed to introduce the prospective students to USC and encourage their interest in learning more about USC. The content and form of all of these communications are pre-approved by USC and are sent to the students as if they were being sent directly by USC. The goal of these multiple communications is to have the student opt-in – that is,

to send a response card or online communication indicating an interest in learning more about USC.

Next, as to those students who respond Mr. Parham said, Royall continues to generate e-mail communications to the students and also mails a brochure approved by USC, currently titled the College Students Checklist, that provides more detailed information about USC. Follow-up emails are sent within one business day to students who reply online.

Royall has been performing this service for USC for the past three years. According to USC's Admissions Director Scott Verzyl, said Mr. Parham, when USC Undergraduate Admissions handled its own student search campaign, USC received a response rate of 3% to 5%. Since Royall has taken over this responsibility, the response rate averages between 17% and 20%. An additional measure is the number of students who not only respond to the mass communications but who then go the next step and seek additional information about USC. Prior to Royall being involved, this inquiry pool was about 35,000 high school students each year. That number has now increased to more than 78,500 inquiries. Obviously, there are many factors that affect that increase in inquiries, Mr. Parham said, but Royall's efforts certain is a significant factor.

Under the contract USC will pay Royall \$311,668. Funding for this contract was approved by the Board as a permanent line item operating expense of the Admissions Office's budget. Royall will begin work upon approval of the contract. The contract is for a one-year term.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Lister so moved. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

E. Arts and Sciences – Quasi-Endowment

Chairman Loadholt called on Mr. Walton who said that the College of Arts and Sciences' Department of Chemistry and Biochemistry seeks Board approval to establish an Arts and Sciences Quasi-Endowment in the amount of \$250,000. The interest income that is generated will be used to finance graduate fellowships, travel grants and other non-payroll expenses related to the Department of Chemistry and Biochemistry graduate education.

Chairman Loadholt called for a motion for approval of the contract as described in the agenda materials and presented by Mr. Parham. Mr. Warr so moved. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

II. OneCarolina Update

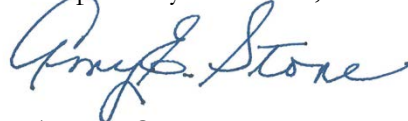
Chairman Loadholt called on Dr. Hogue who provided an update on the current status and future plans for OneCarolina. Dr. Hogue reported that the new admissions system went into

production for USC Columbia in mid-July and is successfully processing applications from prospective students. Admissions for the remainder of the USC System campuses will go live in mid-August. He also presented an overview of the information technology infrastructure that supports students, faculty, staff, and business operations at the University.

III. Other Matters

Since there were no other matters to come before the Executive Committee, Chairman Loadholt declared the meeting adjourned at 11:15 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Amy E. Stone". The signature is written in a cursive style with a large initial "A" and "S".

Amy E. Stone
Secretary