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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

December 13, 2004

The Executive Committee of the University of South Carolina Board of Trustees met on Monday, December 13, 2004, at 9:45 a.m. in the Capstone House Campus Room.

Members present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Miles Loadholt; Mr. Michael J. Mungo; and Mr. Mack I. Whittle, Jr. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. Mark W. Buyck, Jr.; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Ms. Rita M. McKinney; Mr. Robert N. McLellan; Ms. Darla D. Moore; Mr. John C. von Lehe, Jr.; Mr. M. Wayne Staton; 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 University Advancement T. W. Hudson Akin; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; Vice Provost and Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; General Counsel Walter (Terry) H. Parham; Assistant Vice President for University Development Michelle Dodenhoff; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Beaufort Jane T. Upshaw; Dean of USC Lancaster John Catalano; Dean of USC Salkehatchie Ann Carmichael; Dean of USC Sumter C. Leslie Carpenter; Dean of USC Union James W. Edwards; Senior Associate Athletics Director for Business and Development Brad Edwards; Director of Campus Planning and Construction and University Architect Charles G. Jeffcoat; Assistant to the Vice President, Office of Business & Finance, Ken Corbett; Associate Professor in the Department of Pharmacology, Physiology, and Neuroscience and Chair of the Faculty Senate James R. Augustine; Senior Associate Athletics Director for Administration Shawn Eichorst; Assistant Treasurer Susan D. Hanna; Executive Assistant, Campus Planning and Construction, Donna Collins; Attorney Wayne Corley of the McNair Law Firm; retiring faculty member S. Robert Young from the Department of Obstetrics & Gynecology; University Legislative Liaison John D. Gregory; Public Information Officer, Office of Media Relations, Karen Petit; Director of University Communications, Division of University Advancement Russ McKinney, Jr. and members of the media.

Chairman Adams called the meeting to order and invited Board members and others in attendance to introduce themselves. Mr. McKinney introduced members of the media. 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 personnel matters relative to a Research Campus Foundation Board appointment and an appointment with tenure, as well as contractual matters relative to an Athletics contract and the purchase of property 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, Mr. Kelly, Ms. Jameson, Mr. Parham, Dr. Hogue, Dr. Pruitt, Dr. Plyer, Mr. Gregory, Mr. Eichorst, Mr. Edwards, Mr. McKinney, Ms. Tweedy, and Ms. Stone.

Return to Open Session

I. Contracts in Excess of \$250,000 - Athletics Contract: Chairman Adams called on Mr. Parham who reviewed a proposed contract to hire Coach John Latina as an assistant football coach. The term of the contract was two years commencing December 6, 2004 and ending December 31, 2006 with a base salary of \$155,000 per year. Coach Latina would have the opportunity to earn up to an additional \$20,000 per year in connection with his services to the TV and radio broadcast rights holder; the Athletics Department would be responsible for any difference in the amount not received directly from the broadcast rights holders. In addition, Coach Latina would have the use of an automobile.

The employment contract contained the standard termination provisions. If there was termination without cause and upon 15 days notice, the University would pay Coach Latina \$155,000 per year for the remaining term of his contract; he would have an obligation to mitigate those damages by finding other employment. If or when he found other employment, the University's liquidated damage payment would be reduced dollar for dollar based on the date of re-employment. Coach Latina could terminate the contract upon 15 days written notice in which case he would pay the University \$100,000 per year for the remaining term of the contract.

Mr. Adams called for a motion to approve the contract as presented and as described in the materials distributed for the meeting. Mr. Bradley so moved and Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

II. Arena Athletics Facilities Revenue BAN: Mr. Kelly reported that there were two bond resolutions to refund and refinance the Athletic Facilities Revenue Bond Anticipation Notes (BANs); one for the arena and another for the stadium.

Mr. Kelly stated that in February 2004, the Board of the Trustees approved BANs for two Athletics Department debt capacities and a payment schedule. These resolutions authorized the refinancing of the remaining balances.

Mr. Mungo inquired about the total indebtedness of the Athletics Department after the next payment. Mr. Kelly responded that the University would owe approximately \$10 million on the BANs and would have a total indebtedness of \$29,645,000.

Mr. Kelly requested approval to refund and refinance the Athletics Facilities Revenue Bond Anticipation Notes (BANs) relating to the arena which were issued on March 19, 2004 and would mature on March 18, 2005. The University anticipated issuing Athletics Facilities Revenue Bonds sufficient to pay the principal and interest due on this issue. It was projected that the University would pay down the arena BANs by the amount of \$860,000.

Dr. Floyd inquired about the University's indebtedness in comparison to other schools. Mr. Kelly responded that there had been discussions in the past about the possibility of increasing the Athletics Department debt capacity because there was room for growth. President Sorensen stated that the University was at the lower end as compared to other Division 1A schools; a "Big 10 University" had over \$100 million in Athletics Department debt.

Mr. Mungo moved approval of the Bond Resolution to refund and refinance the Athletic Facilities Revenue Bond Anticipation Notes relating to the arena as presented. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

Mr. Bradley recognized Mr. Wayne Corley, an attorney from the McNair Law Firm. He explained that Mr. Corley had effectively handled the filing of legal work for the University for the past twenty-five year; on behalf of the Board, Mr. Bradley expressed appreciation to Mr. Corley for his exemplary service.

III. Stadium Athletics Facilities Revenue BAN: Mr. Kelly reported that the University was requesting approval to refund and refinance the Athletics Facilities Revenue Bond Anticipation Notes (BANs) relating to the stadium which would mature on March 18, 2005. The proposed resolution provided for issuance of BANs not to exceed the current amount outstanding. It was anticipated that the University would reduce the BAN relating to the stadium by the amount of \$1,405,000.

Mr. Bradley moved approval of the Bond Resolution to refund and refinance the Athletic Facilities Revenue Bond Anticipation Notes relating to the stadium as presented. Mr. Mungo seconded the motion. The vote was taken, and the motion carried.

IV. Purchase of Naval Reserve Property: Mr. Kelly requested Executive Committee approval to purchase the Naval Reserve Property which was valued in the amount of \$2,030,000 and to advance the project through the state system. This amount included the cost to conduct an environmental study and building inspections.

Chairman Adams called for a motion for approval of the University's purchase of the Naval Reserve Property from the City of Columbia in the amount of \$2,030,000 as presented to be funded with institutional funds in the Three-Year Capital Plan. Mr. Whittle so moved. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

V. Research Campus Foundation Board Appointment: Chairman Adams called on President Sorensen who recommended Alfred R. Berkley to serve on the Research Campus Foundation Board. Mr. Berkeley had served as President of the NAASDAQ Stock Market, Inc.; he was also a Trustee of Johns Hopkins University.

Chairman Adams called for a motion for approval of the nomination of Alfred R. Berkeley to the Research Campus Foundation Board. Mr. Bradley so moved. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

VI. Other Matters: Appointment with Tenure (Dr. Joseph T. DiPiro):

Chairman Adams called on President Sorensen who reported that the Board of Trustees had authorized him and Dr. Greenberg to proceed with the search for an Executive Dean of the South Carolina College of Pharmacy as a result of the merger of the USC/MUSC schools of pharmacy. The search had been conducted by faculty from both institutions as well as several board members. An offer had been made to Joseph T. DiPiro who had subsequently accepted; currently, Dr. DiPiro served as the Dean of the College of Pharmacy at the University of Georgia.

Mr. Bradley moved approval of the appointment of Dr. Joseph T. DiPiro as Professor with tenure in the College of Pharmacy. Dr. DiPiro will hold the position of Executive Dean of the South Carolina College of Pharmacy and will report to both the University of South Carolina and the Medical University of South Carolina. Dr. Floyd seconded the motion. The vote was taken, and the motion carried.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 9:55 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary