

DRAFT MINUTES

COMMITTEE ON FINANCE AND FACILITIES

OCTOBER 4, 2018

10:00 A.M.

S.C. COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

Committee Members

Commissioner Dianne Kuhl, Chair (via phone)

Commissioner Paul Batson

Commissioner Ken Kirkland

Mr. Craig Parks

Ms. Kelly Parkson

Mr. Rick Petillo

Mr. Ray Switzer

Ms. Christine Smalls Brown (via phone)

Mr. Greg Weigle (via phone)

Mr. David Yancey

Committee Members Not Present

Commissioner Kim Phillips

Commissioner Linda Dolny

Staff

Ms. Laura Belcher

Ms. Yolanda Myers

Ms. Katie Philpott

Mr. Georges Tippens

Mr. Bryce Wilson

Guests

Ms. Beth Bell

Dr. Ralph Byington

Dr. David DeCenzo

Ms. Jacqui DiMaggio

Mr. David Frost

Mr. Derek Gruner

Mr. Rick Kelly

Ms. Anna Lucas

Mr. Derrick Maggie

Mr. Rein Mungo

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

1. Call to Order

Commissioner Kirkland called the meeting to order at 10:03 a.m. Chair Kuhl joined the meeting via teleconference shortly thereafter.

2. Approval of Minutes

A motion was made (Batson), seconded (Kirkland), and carried to approve the minutes of the September 6, 2018 Finance and Facilities Committee meeting.

3. Chair's Report

Chair Kuhl had no report.

4. Interim Capital Projects

The following agenda items were presented:

- A. Clemson University
 - i. Center for Manufacturing Innovation Building Renovation
 - Increase Budget

Chair Kuhl introduced the item, and a motion was made (Batson) and seconded (Kirkland) to consider the item. The Commission's Finance and Facilities Committee questioned why the University is seeking to demolish floors of a facility that is approximately two years old. According to staff, when Greenville Technical College originally constructed the building, they did not know the specifications or requirements of the equipment that would be using the same. The equipment that was ultimately chosen has specific needs for its footprint. This response satisfied the Committee members. After discussion, the Committee carried the motion to recommend the project as presented.

- B. Coastal Carolina University
 - i. Kimbel Library Renovation
 - Establish Project (Phase I)

Chair Kuhl introduced the item. and a motion was made (Kirkland) and seconded (Batson) to consider the item. The 46,674 sq. ft. library was constructed in 1976 and is using the original HVAC System. The project will use excess debt service reserved for capital projects to fund the HVAC System replacement and associated renovations to the building to equip the new HVAC system. After discussion, the Committee carried the motion to recommend the project as presented.

- ii. Academic Enrichment Center & Auditorium Land Donation Phase I
 - Establish Project

Chair Kuhl introduced the item. and a motion was made (Kirkland) and seconded (Batson) to consider the item. The Committee on Finance and Facilities inquired about any potential topography concerns related to the land where the academic enrichment center will be located. Coastal Carolina staff noted that the planned building will be situated on a current parking lot donated by the Coastal Educational Foundation and that there are utility pipes running under the land; however, the University will attempt to mitigate relocating these systems when designing the new facility. After discussion, the Committee carried the motion to recommend the project as presented.

- iii. Academic Enrichment Center & Auditorium Phase I
 - Establish Project

Chair Kuhl introduced the item. and a motion was made (Batson) and seconded (Kirkland) to consider the item. Coastal Carolina University identified \$25.5 million of its Penny Sales Tax for this project. As of July 31, 2018, the uncommitted Penny Sales Tax balance is \$21.4 million. Coastal Carolina University staff noted that it receives approximately \$9.5 million in Penny

Sales Tax collections annually and that it does not foresee a substantial effect on revenue streams due to Hurricane Florence's impact in Horry County. After discussion, the Committee carried the motion to recommend the project as presented.

- C. Greenville Technical College
 - i. Building 102 Renovation-Barton Campus
 - Establish Project

Chair Kuhl introduced the item, and a motion was made (Batson) and seconded (Kirkland) to consider the item. This project will renovate an existing building on campus to house student service programs that are currently located in an off-site facility. University officials plan to dispose of the existing off-campus building via sale or lease. After discussion, the Committee carried the motion to recommend the project as presented.

- D. Medical University of South Carolina
 - i. MUSC/SCEO PEER Program Energy Performance Contract 2016
 - Increase Budget

Chair Kuhl introduced the item and a motion was made (Kirkland) and seconded (Batson) to consider the item. MUSC plans to implement energy saving measures in all its buildings. This project is funded by the South Carolina Energy Office's Peer Program. This program supplies loans that are repaid by cost savings realized from improved energy efficiencies. Because MUSC received an investment grade audit from its contractor, if savings are not realized to meet the annual loan repayments, the contractor is liable for the difference. After discussion, the Committee carried the motion to recommend the project as presented.

- ii. Basic Science Building Air Handler Units 3 and 5 Replacement
 - Establish Project

Chair Kuhl introduced the item. and a motion was made (Batson) and seconded (Kirkland) to consider the item. This project will replace air handler units that are beyond their useful life with accumulated deferred maintenance funds. After discussion, the Committee carried the motion to recommend the project as presented.

- E. Spartanburg Community College
 - i. Spartanburg Cherokee County Campus Land Acquisition
 - Establish Project

Chair Kuhl introduced the item. and a motion was made (Batson) and seconded (Kirkland) to consider the item. Spartanburg Community College has been contacted by a landowner seeking to sell 3.71 acres of land adjacent to the campus. Money requested is for costs related to due diligence, including obtaining a land appraisal and other preliminary land investigation studies. College officials noted that the total budget relates to the acquisition and associated costs only; the College would seek in the future to clear the land and potentially construct a driveway to offload traffic from the Freightliner Service Center, who would potentially share in the costs. Chairperson Kuhl requested the College update its A1 to remove all descriptions of capital

improvements to the project to clarify the project scope. After discussion, the Committee carried the motion to recommend the project as presented.

- F. USC Beaufort
 - i. 2014-15 Maintenance Need
 - Increase Budget

Chair Kuhl introduced the item. and a motion was made (Batson) and seconded (Kirkland) to consider the item. The Committee on Finance and Facilities questioned why a four-year old project scope was being increased. USC officials noted that originally when Phase II began, the University had insufficient funds to complete the project. The project has taken so long because the University only recently was able to commit additional funds after closing another project that was under budget. Officials noted that the original work was doing proactive maintenance and that there were no additional costs or significant deterioration caused to the facilities resulting from delaying finishing the project. After discussion, the Committee carried the motion to recommend the project as presented.

- G. USC Lancaster
 - i. Lancaster Physical Plant Repairs
 - Increase Budget, Revise Scope

Chair Kuhl introduced the item. and a motion was made (Batson) and seconded (Kirkland) to consider the item. The scope change relates to performing elevator maintenance and upgrades to two campus buildings not included in the original project scope. Typically, a budget and scope revision of this magnitude would be staff approved; however, this was the second time the University sought to increase this project's budget. As a result, Commissioner Kuhl requested the Committee on Finance and Facilities to review the project.

While the Committee on Finance and Facilities has no concerns with the project itself, it would like input from JBRC on the process to follow when a University adds a seemingly unrelated project to an already existing project. USC officials did note that when originally planned, it was considering including repairs to the elevators located in other campus buildings, but they did not share that information with CHE staff prior to the Committee meeting. After discussion, the Committee carried the motion to recommend the project as presented.

5. Other Business

Chair Kuhl called for motions and seconds for two items considered. [Item Biii; Item Di]

A. List of Capital Projects & Leases Processed by Staff for September 2018

The item was presented as information. A description of the capital projects processed by staff in September is included in the published meeting materials.

B. 2019 Comprehensive Permanent Improvement Plan (CPIP) Submissions

Chair Kuhl gave an overview of the FY 2018-19 CPIP analysis requested by the Department of Administration (DoA). She noted that DoA requested that CHE characterize the institutions' projects into "wants" and "needs." Based on the November 1, 2018, turnaround and the size of the project, she suggested that CHE consider prioritizing projects based on whether the projects

address maintenance needs, then are central to the mission, and finally whether they are extracurricular.

Chair Kuhl asked for input from institutions about refining the CPIP process. Institutional representatives offered valuable feedback and based on their comments, the Finance and Facility Committee suggested holding a workshop in collaboration with the institutions and DoA to develop a plan to improve the submission process for FY 2019-20. The Committee also hopes to use this workshop to develop a framework to refine the prioritization process of institutional permanent improvement projects.

C. Other Business

Chair Kuhl thanked The Citadel for providing information regarding its 5-year strategic planning.

Please refer to the attached transcription for detailed discussion on each item.

There being no additional items before the Committee, the meeting was adjourned at 11:34 a.m.

South Carolina Commission on Higher Education

Finance and Facilities Meeting

October 4, 2018

KENNETH KIRKLAND: Let's go ahead and call the meeting to order and get things moving. Dianne is on the phone as a call-in. She had some family emergency come up this morning and she's unable to physically be here, but she is on the line and she is going to run the meeting from the telephone. But we want to go ahead and make sure that, Yolanda, we are in FOIA compliance and do our introductions and make sure that we move forward.

YOLANDA MYERS: Okay. We have with us this morning from Clemson University Ms. Beth Bell, Mr. Rick Petillo, Ms. Carol Routh; from the University of South Carolina Mr. Derek Gruner, Mr. Rick Kelly, Mr. Craig Barnes, and Mr. Derek McGee; from Coastal Carolina we have the President with us this morning, Dr. David DeCenzo, also Mr. David Yancy, Mr. David Frost, and Mr. Ralph Byington; also, from Greenville Technical College Ms. Jacqui DiMaggio; from Spartanburg Community College Mr. Ray Switzer; and we also have on the telephone Mr. Greg Weigle.

Do we have anyone else on the line?

FEMALE SPEAKER: Christine Brown from MUSC.

FEMALE SPEAKER: Coastal Carolina, Kelly Parkson, Rein Mungo.

YOLANDA MYERS: Thank you.

This meeting is being held in accordance with the Freedom of Information Act.

KENNETH KIRKLAND: Dianne, are you there?

DIANNE KUHL: I am here.

KENNETH KIRKLAND: Take it away.

DIANNE KUHL: Thank you so very much for stepping in, and I apologize to you all for not being with you there in person, but sometimes you got to do what you got to do.

The first order we have is the approval of minutes. Have you all had a chance to look over those, and if so, do we have a motion to approve?

PAUL BATSON: So moved.

KENNETH KIRKLAND: Second.

DIANNE KUHL: Okay. All in favor?

PAUL BATSON: Aye.

KENNETH KIRKLAND: Aye.

DIANNE KUHL: Aye. All right, thank you very much.

We're going to skip the Chair's Report this time and move straight into our capital project approval, and the first item we have is for Clemson University.

This is a Phase II with \$3.9 million. This is a renovation of approximately 10,000 square feet in the Center for Manufacturing Innovation at ICAR.

This is a joint venture between both Clemson and Greenville Tech with widespread support from Department of Commerce and private industry providing an educated workforce for the automotive and advanced manufacturing industries in South Carolina.

Do we have a motion on this project?

PAUL BATSON: So moved to approve the project.

KENNETH KIRKLAND: Second.

DIANNE KUHL: Okay, is there any discussion, any questions either of you?

KENNETH KIRKLAND: No. It's pretty clean far as I can tell.

DIANNE KUHL: Okay, I did have one question for Clemson. I notice in here-- This is obviously pretty new construction and you guys are going to have to tear up the floor and the foundation. Was this just-- What happened there? Was this a design issue? Is there a structural failure? What happened?

RICK PETILLO: Yeah, happy to answer. This is Rick Petillo, Commissioner Kuhl.

DIANNE KUHL: Thank you.

RICK PETILLO: My understanding is that essentially since it is Greenville Tech's building, you know, they-- that was their decision to make, and I think it's a reasonable decision given the fact that this space will be occupied by very

specific manufacturing equipment that has its own footprint, footer needs-

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DIANNE KUHL: Right.

RICK PETILLO: --and that equipment specification wasn't fully known when the building was constructed. So the only other option, I understand, would've been for Greenville Tech to leave that portion of the slab unpoured, which would've left them with an unfinished building in the event that something happened with our project.

DIANNE KUHL: Got you. Makes perfect sense.

RICK PETILLO: This may also be helpful. My understanding is that the portion of the project that is involved with demoing that slab is a relatively minor component of the project cost.

PAUL BATSON: Madam Chair, this is Paul.

DIANNE KUHL: Mm-hmm.

PAUL BATSON: Our CFO at Greenville Tech is here also, Jacqui DiMaggio. I think she could confirm what Rick just said.

JACQUI DiMAGGIO: Yes, everything that he said was absolutely 100 percent accurate. As far as I know, we just have to demo out four small areas where we're going to cut out the floor and dig down and put in a much deeper concrete to hold a very, very heavy piece of equipment.

DIANNE KUHL: That makes perfect sense. I had wondered if it was for basically a load-bearing issue. And that makes perfect sense that you had to put some kind of flooring in there, and now you got to go back and get exactly what you need so thank you for that.

Okay, so with a motion and a second, are there any additional questions?

All right, all in favor of approving the project as submitted please say aye.

KENNETH KIRKLAND: Aye.

PAUL BATSON: Aye.

DIANNE KUHL: Aye. All right, motion passes. Thank you.

Our next project is Coastal Carolina. This is-- Let me get to it. Here it is. Okay, this is for the Kimbel Library renovation. This is Phase I. Coastal is asking for \$60,000 for a \$4 million total project. This is going to be for an HVAC replacement for a 42-year-old system, but I think it's pretty impressive that it's lasted 42 years, especially down there on the coast where it runs a lot.

But the source of funds is institutional capital project funds. They currently have a \$7.9 million balance, so that's going to leave about 3.9 behind.

So do we have a motion on this project?

KENNETH KIRKLAND: So moved.

PAUL BATSON: I'll second.

DIANNE KUHL: [UNCLEAR] because there's only three of us.

KENNETH KIRKLAND: Yeah.

DIANNE KUHL: Okay, do either of you have any questions on this one?

KENNETH KIRKLAND: No. I'm--

DIANNE KUHL: All right.

KENNETH KIRKLAND: I'm pretty good.

DIANNE KUHL: All right, make it easy.

Okay. All right, with no questions and a motion and a second, all in favor of approving the library renovation?

PAUL BATSON: Aye.

KENNETH KIRKLAND: Aye.

DIANNE KUHL: All right, thank you very much.

Our next project is a land donation also with Coastal Carolina. They have-- This is a Phase I. They're wanting to receive 2.87 acres from the Coastal Carolina Foundation that they plan to use, as you will see in a moment, to build an academic enrichment center and auditorium. It will be paid for by the penny sales tax, which currently has a \$21 million balance. They want \$10,000 for this one.

Do we have a motion for the project?

KENNETH KIRKLAND: So moved.

PAUL BATSON: I'll second.

DIANNE KUHL: Okay, are there any questions or comments on this project?

PAUL BATSON: Madam Chair, I would like to get a little bit of background on what their--

DIANNE KUHL: Yes, please.

PAUL BATSON: --what their intention is with the building. I think the project is fine, but I'd just like to know about the building.

RALPH BYINGTON: Well, that's really-- In Phase I-- This is Ralph Byington, Commissioner Kuhl.

DIANNE KUHL: Mm-hmm.

RALPH BYINGTON: This project in particular is part of our student achievement initiative to increase our retention and our graduation rates. It's something we've identified, the enrichment center, of having something for the students to be able to allow them to come in and use that facility for tutoring, for some of our academic outreach, some of our coaching programs we've put in place, and this is a building that will allow us to do that.

Additionally, this will be attached or affiliated with our library. If you look at the size of our library, it's a relatively small facility compared to institutions of our size. So this allows us to increase that footprint pretty substantially from where we are now to where we need to be.

PAUL BATSON: So physically, this is close-- this project will be close to your current library?

RALPH BYINGTON: Yes, exactly.

PAUL BATSON: And what kind of timeframe are you anticipating for the building itself?

RALPH BYINGTON: Well, you know, going through the process is pretty lengthy, so the building will not be completed until 2021 I believe is the final date by the time we go through all of the steps of getting the architectural renderings and then going through, you know, the committees and then actually [UNCLEAR].

We are building on a parking lot because we learned with our last academic building we did that building on a parking lot does shave some of the time off, and so we're building on a parking lot.

PAUL BATSON: And then do you have any feel on the source of funds later on for this building?

RALPH BYINGTON: We have more than enough that's been accumulated with the penny sales tax. After we complete this building, the remaining balance of the penny sales tax fund will be \$10 million. Is that right?

MALE SPEAKER: That's after our next building.

RALPH BYINGTON: After our next building it'd be \$10 million, and our next building will be another academic building. So we haven't even projected out the end of the penny sales tax fund.

PAUL BATSON: Good. I appreciate it.

KENNETH KIRKLAND: Are there any issues that-- You know, as far as the topography and the design and the piece of land, is there anything out there weird that should be at least mentioned or made note of?

RALPH BYINGTON: It's a great question because actually what we have is-- And Rein Mungo is on the phone, and Rein can do a better job. We do have some concerns with some pipes and some-- What are those, water pipes, Rein? And also--

REIN MUNGO: Yes, sir.

RALPH BYINGTON: --air conditioning, and so we have some chiller lines that are running under the ground. So we're going to look at a way to tie those buildings and not disturb those lines, and so that is something we're looking at. But we'll know--

REIN MUNGO: [UNCLEAR]

RALPH BYINGTON: --much more after we do the architectural portion. I'm sorry, Rein.

REIN MUNGO: Yeah, that's the chilled water lines. We've got water and sewer and natural gas so that we're going to try to manipulate and go around that with the building and not disturb any of that. So that will kind of lower down our infrastructure costs of coming out of the ground.

PAUL BATSON: So at the end of the day this building is not replacing something else. It's a-- It's an entirely new standalone concept in addition to the current academic buildings?

RALPH BYINGTON: To our-- To our current academic [UNCLEAR]. That's exactly right.

DIANNE KUHL: Okay. Now, let me remind everybody that at this point what we're talking about is just the land donation, not the building.

KENNETH KIRKLAND: Right, right.

DIANNE KUHL: We'll take the building up next.

So I do have one quick question on this. I noticed that you guys have been leasing this land for quite some time?

RALPH BYINGTON: Well, the way this-- at Coastal is that our educational foundation-- They own the property, and so as owning the property, we have had a parking lot in that property, so it has been leased historically. And so now it is actually for that to be transferred so that we can build on it.

DIANNE KUHL: Okay, thank you.

Does anybody have any additional questions?

All right let's move to a vote. All in favor, please signify by saying aye.

KENNETH KIRKLAND: Aye.

PAUL BATSON: Aye.

DIANNE KUHL: Okay. Now let's move into the actual building. This is the Academic Enrichment Center & Auditorium. This is a Phase I request, asking for \$47-
- I'm sorry, \$427,500. Total project cost is estimated at \$28.5 million. This

will be a 40,500 square foot building with computer labs, seminar offices, study lounges, and a 17,000 square foot auditorium.

The money for this does come from the penny sales tax. They've got \$25.5 million allocated from the sales tax and \$3 million from the capital reserve fund appropriation.

Do any-- Do either of you guys have any questions on this one?

KENNETH KIRKLAND: Well, naturally, the sales tax-- You know, one of the things I'd like to just ask is with the catastrophe we just had with Florence coming through. Certainly it was-- had impacted certainly some sales, certainly some things on the coastal area. Do you see that having an impact-- a significant impact or something that needs to be considered?

RALPH BYINGTON: Well, I'll ask David Frost if he wants to add in as our CFO. But what we're looking at right now, this is money that we've already accumulated. So we are in great shape to be able to do this project with our money that we've accumulated or the money we've accumulated from the penny sales tax plus a little bit of addition that we'll get before the end of next year I believe is actually the total that will be funding it.

So the projections here-- And once again, I think as far as-- If you look at the Horry County as a whole, we will be just fine and so I'm not expecting a major impact on future projects. This project will definitely not be impacted.

KENNETH KIRKLAND: Okay.

DIANNE KUHL: Ralph, I've got a question on that since you say that you've got the money. So if we're looking at a project that's estimated at \$28.5 million and you're wanting to fund 25.5 out of that, according to your A-1 you've only got 21.4 in the uncommitted balance as of July of this year. So by my math, you've got a deficit there.

RALPH BYINGTON: Yeah, I'll let David Frost do the total as far as-- You know, this is, of course, Phase I and we're talking about the projected revenues at least for rest of them, but he'll answer that.

DAVID FROST: Right. Dave Frost from Coastal. We currently have \$21 million in our penny tax fund right now. We get about \$9.5 million a year and that penny tax expires in 2024, so we've got another about \$73 million coming in in penny tax by the expiration of the term.

RALPH BYINGTON: And our next installment will be when and how much?

DAVID FROST: We get it every month. It's about \$600,000 a month that comes in on that penny tax.

PAUL BATSON: Just for informational, you're getting a penny sales tax from all of Horry County just for Coastal?

DAVID FROST: It's for education. Thirteen percent of it goes to Coastal, seven percent goes to Horry-Georgetown Tech, and then the balance goes to K-12 education.

PAUL BATSON: So it's shared?

DAVID FROST: It's divvied up.

PAUL BATSON: That's a nice source of funds.

RALPH BYINGTON: It is a very nice source of funds. We're very fortunate.

PAUL BATSON: Just curious, what kind of trouble did you have getting that through?

RALPH BYINGTON: I guess the president probably could address that better than anyone. As far as getting the penny sales tax, the first time through, I believe, was a relatively painless process.

DAVID DeCENZO: You know, the interesting piece was it started in the process right about the time that there was the no tax increase pledge. And so what ultimately happened is what we asked for was not the General Assembly to approve it, but for the General Assembly to give us the opportunity to take it to a referendum vote, and it passed two to one in the referendum vote.

PAUL BATSON: Congratulations.

DAVID DeCENZO: Thank you.

DIANNE KUHL: Okay, are there any additional questions on this project?

All right, one thing that I will say is I noticed that you've got this listed as an internal estimate. Obviously, that's what Phase I is for, but I'm actually hoping that you guys nail this one and it's not going to come back with a much larger price tag.

RALPH BYINGTON: We completely agree, and we hope we've nailed it also.

DIANNE KUHL: And you know what? If you come back that you overestimated, that would be good too. It'll give you more money to spend on those next projects.

All right, does anybody else have any additional questions or comments on this project?

All right, then let's move to a vote. All in favor?

PAUL BATSON: Aye.

KENNETH KIRKLAND: Aye.

DIANNE KUHL: It's really easy when I can hear you both. I know there are not any nays.

Okay, that one passes. Let's move on to Greenville Technical College.

This is a Phase I request for a renovation of Building 102. They're asking for \$390,600. Total renovation estimate is \$18.6 million. This will allow them to move student services to the actual Greenville Tech campus from an offsite facility, and the source of funds is college plant maintenance.

Paul, I'm guessing that right now student services is down at the University Center. Is that right?

PAUL BATSON: Admissions and registration is down there. Student services also. So yeah, that's down at the old McAlister Square. We want to get it on campus. And in addition, this building needs renovation anyway, but it's also part of our master plan. We've got a number of other things that are going to come out of this, we hope, somewhere down the line if we can find all of the money.

DIANNE KUHL: Will--

PAUL BATSON: But this is--

DIANNE KUHL: Will this also wind up saving you guys some money because you won't be having to pay-- Because, I mean, right now are you leasing that space from the University Center?

PAUL BATSON: Well, I know the answer to that, but I'm going to let our CFO talk about that, Jacqui--

DIANNE KUHL: Okay.

PAUL BATSON: --DiMaggio.

JACQUI DIMAGGIO: Good morning. This is Jacqui DiMaggio.

PAUL BATSON: Hang on one second, Jacqui.

Madam Chair, do you want a motion on this before we discuss?

DIANNE KUHL: Oh, yes. Thank you.

PAUL BATSON: Let me make the motion to approve.

DIANNE KUHL: Okay. I'll even second it. How about that?

PAUL BATSON: Thank you.

JACQUI DiMAGGIO: So currently the McAlister Square Mall is owned by Greenville Technical College and the interior of the mall is owned by the Greenville Tech Foundation. The building that the University Center occupies they lease from the college at a very nominal lease rate.

So what we're planning to do is to move out of the-- that end of the mall, which is the former Upton's building. We're occupying about 60,000 square feet and we would consolidate that into existing buildings on the main campus.

DIANNE KUHL: Okay.

PAUL BATSON: Can you add on, Jacqui, what that will do for the foundation and the space that'll be freed up at McAlister Square?

JACQUI DiMAGGIO: We would be freeing up that 60,000 square feet of space. We would probably give the University Center the first option if they were to want to lease it if they needed the space. If that wasn't the case, we would look at leasing or selling the property. So we would actually be consolidating the-- you know, consolidating 60,000 square feet out of our college footprint and possibly either making it a revenue-generating opportunity if we were to lease the space or put it back on the tax rolls if we were to sell it.

DIANNE KUHL: Okay, thank you. I think personally it's a great idea to have your student services right there where your students are every day. So that's-- You got my support on it.

Are there any additional questions on the Greenville Tech project?

PAUL BATSON: No.

JACQUI DIMAGGIO: Thank you.

DIANNE KUHL: Okay, let's move to a vote. All in favor?

KENNETH KIRKLAND: Aye.

DIANNE KUHL: Aye. Okay, thank you.

Our next project is the Medical University of South Carolina, and we have two from MUSC.

The first one is the Energy Performance Contract. This is Phase II and we're looking at, if I've got my numbers right here, \$29 million roughly. Let me pull that up and make sure that I've got the right number on that. This is coming from-- Yeah, we're looking at-- Okay, we're looking at \$30 million for this. But we're-- This is-- Funding is coming from the State Treasurer Master Lease Program and Engineering Facilities Operating fund. That's a mouthful.

This basically will allow MUSC to go through and do a very comprehensive audit, looking at the energy savings measures that are available in all of

their buildings. So it's-- There's not a whole lot of information on here, but this is basically covering everything from lighting systems to operations sequences, air handler recovery installation, envelopes; all of those nice glamorous things that really make a difference in overall operational costs.

But anybody have any questions or comments on this particular project?

PAUL BATSON: The source of the funds, that was Master Lease Program. I'm not sure what that is.

GREG WEIGLE: This is Greg Weigle from MUSC. So we're-- The way the energy performance contract works is that we would be taking this loan from the Treasurer's Office and be paying it back through the utility savings that we get from implementing the measures. So it's essentially borrowing the funds from the Treasurer's Office and then through our operating-- utility operations account savings that we achieve over current-- where our current budget levels would be where the dollars would come from to pay it back.

KENNETH KIRKLAND: That's one of the things I noticed. It looks like you're saving, according to this, about three and a half million dollars a year over the first three years anyway.

GREG WEIGLE: Yes.

KENNETH KIRKLAND: Where do you think that's being driven from? I mean, three and a half million is a lot of operating money to save every year. Where is that coming from?

GREG WEIGLE: There were a couple of the items in here that probably drive most of the savings. Lighting is a big deal. We did a performance contract around 2006 and at the time we did some lighting, but LED lights were still in their infancy or early technology and they were very expensive. We're at a point now where LED technology is-- the cost has come down greatly and the life of these lights has also increased. So LED light uses a fraction of the percentage of electricity than fluorescent lights do. So we're getting a fair amount of saving by replacing a lot of our lighting from fluorescent incandescent to the LED technology.

And then there's a lot in our HVAC system. There's a couple of areas. More modestly, we're converting a couple of our reheat systems from electric and steam to hot water, and then in the cooling side there's an optimization going on of our-- in our chiller plants. So at a real high cursory level we generate chilled water in our plants and that's the primary flow, and then we distribute that to buildings and the buildings are a secondary system.

And over years of adding buildings those things get out of whack in terms of coordinating the temperatures that they should be delivered and the

amount of-- flow of water that should be delivered. So there's a lot of implementation of control technology to, again at a real high level, coordinate those temperatures and flows in the buildings so that we're not over-producing or over-pumping water into the buildings. So most of that is controls. And then there's a little bit of recovery of condensate water and some other things that are lesser.

But between that, getting a lot of the coordination of our controls and our HVAC and the lightings, that's where most of it comes from.

PAUL BATSON: The payback coming from savings. I'm just trying to think from an accounting standpoint and a budgeting standpoint. Mechanically how does this work? So do you-- I see your list of where the savings are coming from.

GREG WEIGLE: Right.

PAUL BATSON: So will you go into-- After the project is completed would you be reducing the budgets of all the areas that are generating savings and then accumulating some fund to service the debt? Hoes does that work?

GREG WEIGLE: Well, we would be holding our-- In essence, we would be holding our budget-- our utility budget at current level and-- you know, knowing that we would be getting savings and those savings would be what we would use to pay the loan. When the loan is paid, that's when we reduce our utilities budget for the ongoing savings.

PAUL BATSON: What happens if you don't generate the savings you anticipate?

GREG WEIGLE: Then the contractor is on the hook, because they provide us with investment grade audits that are guaranteed.

PAUL BATSON: You say the contractor is on the hook?

GREG WEIGLE: Yes. So what they do is the-- And if I may, the latest process is we did an RFP with the bidders and they submitted some proposals of ideas that they thought would work where we could get savings. We evaluated those RFPs, chose Ameresco, the contractor we're working with, and then after that they went out and did some really detailed analysis and came back with investment grade audits to calculate the payback. So the investment grade audit, obviously, one you can take to the bank and get a loan on and part of the performance contract is they're guaranteeing the performance. So they're guaranteeing that we would get those savings. So in essence, they're on the hook for that guarantee.

KENNETH KIRKLAND: Let me just make a quick, quick point. I just want to confirm what I thought I just heard. You're saying that with the savings, if they're fully realized according to projections, that once this debt is paid off you would be reducing your budget by three and a half million dollars per year from current levels based on cost savings of this particular project. Is that what I'm hearing?

GREG WEIGLE: Yes, sir.

KENNETH KIRKLAND: Well, let's hope that comes to fruition.

PAUL BATSON: Yeah. Thank you very much. That was helpful.

DIANNE KUHL: Thank you for that explanation and for that question. That was a really good one. And I really like the fact that you've got a built-in guarantee there. So that's-- This is kind of a win/win for the university.

All right, any--

GREG WEIGLE: And if I may say that the South Carolina Energy Office and the State Engineering Office have a program for this and we've followed the script, so it's-- I don't think we're the first to do it. I think some other folks have done it as well. But it is something that they have a program that we followed.

DIANNE KUHL: Am I correct in-- You guys have done a little bit of work in this area sort of heading in this direction in the past, have you not?

GREG WEIGLE: Yes. We did one in 2006, which completed around 2011 maybe. It was about a five-year [UNCLEAR]. A lot more in scope than what this one contains.

DIANNE KUHL: Okay. And you had pretty good results from that?

GREG WEIGLE: Yes, we did. We actually paid the loan off sooner than we estimated.

DIANNE KUHL: Great. All right, thank you very much.

GREG WEIGLE: Thank you.

DIANNE KUHL: Any additional comments or questions?

Okay, let's move to a vote. All in favor of approving the MUSC project?

KENNETH KIRKLAND: Aye.

PAUL BATSON: Aye.

DIANNE KUHL: Okay, the second MUSC project. This one's pretty easy. They're asking for \$18,000 for Phase I, a total of \$1.2 million for the project for a basic air handler unit replacement and they will be using deferred maintenance funds.

Anybody have any comments or questions on that one?

KENNETH KIRKLAND: No, Madam Chair. It's pretty clean.

DIANNE KUHL: All right, let's move straight to a vote. All in favor?

PAUL BATSON: You need a motion, Madam Chair?

KENNETH KIRKLAND: We need a motion.

DIANNE KUHL: Oh, I'm so sorry.

PAUL BATSON: So moved.

DIANNE KUHL: Do we-- Yes. May I have a motion?

PAUL BATSON: So moved.

KENNETH KIRKLAND: I will second.

DIANNE KUHL: Kenny, you seconded it?

KENNETH KIRKLAND: Yes, ma'am.

DIANNE KUHL: Okay. Now can we vote on it? All in favor?

KENNETH KIRKLAND: Aye.

DIANNE KUHL: Paul, you voting aye?

PAUL BATSON: Yes, ma'am.

DIANNE KUHL: Okay, thank you. All right, let's move that one on forward.

Next project is Spartanburg Community College. This is a land acquisition for the Cherokee County campus. They're asking for \$20,000 at this point on this. This one's got a little bit of confusion from me on it. This is-- They're asking to receive 3.71 acres that adjoin the community college campus and the idea would be-- Eventually they'd like to use it to create an alternative entrance to the campus for the Freightliner Service Center.

I will go ahead and tell you that the college-- They're really wanting to be able to get this finalized before the end of the year. I'm guessing that the donor is wanting to get this dealt with for tax purposes for this year, and the college has already come to us and asked to move Phase II forward fairly quickly, assuming we approve Phase I. And we have allowed them to put this on the calendar for November because if we did not, our December meeting is after the December JBRC meeting. So this will be--

This project will be moving fairly quickly in order to accommodate their needs and get this donation taken care of.

One of the questions that I have on this as we go into it-- We've got \$20,000 requested here, but if you get down into the meat of the project, it says that you're looking at a budget of \$317,000.

So do we have a motion on this project?

PAUL BATSON: I'll move to a motion to approve.

DIANNE KUHL: Okay. All right and I'll second it for the sake of discussion. But let's talk about this. Do we have somebody from Spartanburg with us?

KENNETH KIRKLAND: We do.

DIANNE KUHL: Okay. So this \$317,000-- As I got in there and looking at this, it looks like you're looking at-- You've got the environmental studies and, I'm guessing, the legal fees necessary for the transfer of the property, but you've also got some language in there talking about doing some tree clearing and some soil moving; that type of thing. Could you clarify on this project what's going on?

RAY SWITZER: I can. Commissioner Kuhl, this is Ray Switzer with the college. This property is situated directly in front of the Freightliner Service Center and, you know, the plan is to acquire this property, and then later on we would plan to clear that property and to cut in a roadway there for access to that

service center. We don't feel that'll be a major expenditure and we believe also that there will be a cost-sharing with that with the Freightliner corporation.

DIANNE KUHL: Okay. So why is the total amount that we've got down in here-- The total projected cost of the project is \$317,000. What are you planning on that covering?

RAY SWITZER: Yes, ma'am. That would cover the cost of acquiring the property from the owner and plus it would be, you know, for the Phase I environmental site assessment and for the appraisal work that would be required.

DIANNE KUHL: Okay. Are you planning to do any physical improvements to the property?

RAY SWITZER: No, ma'am, not at this point, at this time. It's primarily to--

DIANNE KUHL: Okay.

RAY SWITZER: --to acquire the property and to do the ESA and the appraisal for it.

PAUL BATSON: So this is--

DIANNE KUHL: Okay.

PAUL BATSON: This is just land-- Ultimately, it's just land acquisition?

RAY SWITZER: Yes, sir, correct.

DIANNE KUHL: Okay, can you explain why it's going to be so expensive for that?

RAY SWITZER: Well, we're situated there on I-85, that I-85 corridor, there at the intersection of Highway 11 and that's why property is, you know, appraising for and selling for along that corridor.

KENNETH KIRKLAND: What is the actual purchase price of the land? Is it--

RAY SWITZER: The owner has requested \$300,000, but we believe it will be just shy of that.

KENNETH KIRKLAND: Okay.

DIANNE KUHL: Okay. Okay.

RAY SWITZER: And understand that we haven't done the appraisal yet. That's what we're asking to do.

KENNETH KIRKLAND: Right, right.

DIANNE KUHL: Okay, I see where some of my confusion is coming from. This is actually a land purchase. We've got listed on our--

KENNETH KIRKLAND: As a donation.

DIANNE KUHL: --project as a project land donation.

KENNETH KIRKLAND: Right. It's a purchase deal.

DIANNE KUHL: Okay, that makes a little bit more sense. Okay.

KENNETH KIRKLAND: That [UNCLEAR]--

KENNETH KIRKLAND: And Dianne, in fairness to you, that is somewhat confusing. Our information does say land donation, which would ultimately be a zero cost to the university. We were trying to connect the dots to get to 317 from zero--

RAY SWITZER: Right.

DIANNE KUHL: Exactly.

KENNETH KIRKLAND: --and that was the whole gist of, I know, Dianne's rationale and her direction. So that certainly helps clarify things.

RAY SWITZER: Right, this is an acquisition. It is not a donation.

KENNETH KIRKLAND: Okay.

DIANNE KUHL: Okay. Yeah, that makes a whole lot more sense.

KENNETH KIRKLAND: Whole lot of difference.

DIANNE KUHL: Okay. One thing that I will suggest to you just to make your lives easier as you move forward-- Somewhere in this documentation -- because I found it -- it does say something about clearing some trees, doing some dirt removal, moving some stuff around. Before you send this to JBRC it would be a real good idea to take that out because that will be seen as capital improvement as opposed to land acquisition and with you guys wanting to fast-track this, you don't want to have anything in there that's going to

slow you down. So I would strongly recommend, especially when it comes back with Phase II, that you pull that language out of there.

RAY SWITZER: Yes, ma'am. We'll do that. Thank you.

DIANNE KUHL: Okay, good deal. Okay, thank you for that clarification. That helps a lot.

All right, let's move-- Anybody else have any questions or comments?

All right, let's move to a vote. All in favor please say aye.

PAUL BATSON: Aye.

KENNETH KIRKLAND: Aye.

DIANNE KUHL: Aye. Okay, thank you.

Our next project is USC Beaufort. This, believe it or not, is listed as 2014-2015 maintenance needs. We're a few years off from that. This is a budget increase request of \$29,245.22. They are wanting to increase the budget to cover the cost to work on the Hargray and Technology buildings on the Hilton Head gateway campus, including roof repairs, facade cleaning, and exterior caulking inspection, replacement and repair.

Do we have a motion on this project?

PAUL BATSON: So moved.

KENNETH KIRKLAND: Second.

DIANNE KUHL: Okay, does anybody-- Derek, you want to pick this one up? Why are we in 2018 and looking at a budget increase on 2014-15 maintenance needs?

DEREK GRUNER: Yes, I can try to respond to that. The scope of work got laid out according to what their priorities were and once the funding was approved late in that year. We hired the architect and they did the design, but what they realized was that the scope of work that they aspired to do on the USCB campus was more than what the original \$65,000 would let them do. And frankly, it languished at that point while the campus was trying to find the money to bridge the gap between the \$65,000 and what they really needed to finish the project.

Then another previous project closed out and was finished. That work was completed and there was \$29,000 left over and that was then-- When that came available we rolled it into this project for Hargray and Science and Technology buildings so that we can complete that work.

There is no change in scope with this. It's just an effort to do the original scope that was planned but there was a shortfall on the money.

DIANNE KUHL: Okay. So they have actually not done anything or have they just-- this will allow them to complete what they were wanting to do?

DEREK GRUNER: My understanding, Madam Chair, is that they have done some of the work. Where they had water coming in around windows, they have caulked that

and fixed the roof so there's no active leaks coming in. They've done that work while they were waiting to be able to complete the overall project.

DIANNE KUHL: Okay.

All right, Paul, do you or Ken, either one, have any questions or comments on this project?

PAUL BATSON: I think Derek just sort of answered mine. I was a little concerned that we have a '14-'15 project and roof repairs and I was wondering if water was still coming in after these years.

DEREK GRUNER: Thank you.

DIANNE KUHL: Ken?

KENNETH KIRKLAND: No. That's exactly right. My whole deal, if it was a safety issue for whatever the reason was, it seems like it would've been addressed a little bit earlier than that, at least for the basics. And what I'm hearing is that some of the safety pieces were probably taken care of, but the full scope of the project was not realized until now.

DEREK GRUNER: Right. And the project was an attempt to be proactive. They saw that there was deterioration in the caulking and the roof and wanted to fix that. If there was any active leaks, they would've addressed those immediately to prevent water from intruding into the building which of course increases your maintenance costs down the line.

KENNETH KIRKLAND: Right.

DEREK GRUNER: Incidentally, USCB-- These are still relatively new buildings compared to most of our other campuses so--

DIANNE KUHL: Okay.

DEREK GRUNER: --this will be [UNCLEAR].

DIANNE KUHL: Any other questions or comments?

PAUL BATSON: Not from me, Madam Chair.

43.04DIANNE KUHL: All right, then we'll move to a vote on this. All in favor of approval as presented?

PAUL BATSON: Aye.

KENNETH KIRKLAND: Aye.

DIANNE KUHL: All right.

And our final project is USC Lancaster. This is listed as a physical plant repair contract, and they are asking to increase the budget by \$39,551. It looks like the-- I have very limited paperwork on this one, but it looks like the original project was \$800,000. This is one that I think Bryce went back to USC and had some additional questions on.

The project says that they want to increase the budget and revise the scope for an initial project addressing renovations on the Health and Wellness Center and repairs on the Bradley Arts and Science Building. Now

they're wanting to use this additional funding they're requesting for elevator maintenance and upgrades to two different buildings; Medford Library and Hubbard Hall. Funding source is listed as capital reserve, state appropriation, lottery funds, lottery match, and maintenance reserves.

Do we have a motion to consider this project?

KENNETH KIRKLAND: So moved.

PAUL BATSON: Second.

DIANNE KUHL: Okay. Paul, do you and Kenny want to start with questions? Because I know I've got some.

PAUL BATSON: I'll defer to you, Madam Chair.

DIANNE KUHL: Okay. Derek, help me out on this. We had-- This is the one where originally you were looking at replacing gymnasium floor, racquetball court floor, doing some work in the pool area, basic maintenance and renovations in the gym area, and then you did some roof and drain repairs in the science building, and now you're adding two totally separate buildings. I did have some conversation with JBRC about this project and one of their concerns was where's the connectivity. Why are we not seeing this as a totally new project? Because it looks like you're taking an existing project and now well, let's put this building under there. Help me out with this.

DEREK GRUNER: Okay. Well, we finished a project-- a 2013-2014 maintenance needs project. All the work was completed and there was \$39,550 remaining. With this Lancaster physical plant repair project, most of this work that you read was accomplished. There was an original aspiration to actually do some of the elevator work in Medford, but there wasn't adequate money. With respect to the Lancaster physical plant repair project, the work was completed. There was a little bit of money left over and the campus realized that by transferring the \$32,000 of campus ICPF and \$7,000 of E&G maintenance reserve into the physical plant project it would let them address their next highest priorities, which was an elevator in Medford and an elevator in Hubbard.

So this was really a vehicle to transfer some remaining maintenance funds from '13-'14 to maintenance work in a project that was already open; another state project. We have historically done this because these maintenance projects, they generally come about every year or every other year. When you finish them up if there's some leftover money, we try to roll that forward to a subsequent project, utilize that money for the next highest maintenance priority. So it's a bit of an accounting gesture, but the money is always put toward maintenance projects. Maintenance money is never used toward say new construction or equipment.

DIANNE KUHL: May I ask whoever is listening to the lovely classical music to please mute their phone? I don't know about anybody else, but I'm getting a nice organ cantata going on here.

KENNETH KIRKLAND: Yeah, we are too.

DIANNE KUHL: If you're on the line, please mute your call. Okay, so apparently, we're going to have a little church today.

Okay, I understand, Derek, what you're trying to do here. I think you may hit some resistance with this when you get across the street.

Kenny, do you have any thoughts on it?

KENNETH KIRKLAND: Well, I guess what Dianne's thinking-- I understand when you have an overage you want to basically roll that money into the next available or the next best use, and I get that, and I understand that. I guess we're talking about smaller numbers right now. I guess what I'm trying to do is I'd like to see it more of a precedent being set because we never know where the numbers will land; maybe it'll be bigger numbers with different institutions. But it technically is a new project for this, so rather than having just a change of scope and adjust the numbers I think it would be a good idea to look at these specific things as they come forward on their own merits for these new projects.

And again, if it was-- the scope of work was included with the original piece and there were three or four, five items that were listed, certainly it would

make more sense to have a change in dollar amount, but when something may be added after the fact I would rather personally see it as a new venture for that particular project. That would be my thinking.

PAUL BATSON: Is that the correct procedure, Madam Chair, to address these separately?

DIANNE KUHL: You know, this is one that I had to go and ask for advice from my friends over at JBRC, and it was their opinion-- When I talked with JBRC staff it was their opinion that if there is not any connectivity between the projects, that they probably would be more favorably received if they were submitted as, you know, as a new project as opposed to an add-on to an existing project.

Derek, is there any reason why you would not put it in as a new project?

DEREK GRUNER: I guess one question I'd like to just ask for future reference is would this be staff approval, or would this be approval that have to go to a meeting like this because historically these have always been staff approvals. We would submit-- We would usually receive questions, mostly to assure the staff that the money was refocused to other maintenance projects and then the A-1s were being approved. If we stand up a new project-- And in the case, actually, of this Lancaster project this is not CRF or lottery money, this \$39,000. This is Lancaster campus money. Are we doing that as a new A-1 that would then actually be submitted and come to meetings and go

through then the JBRC and SFAA for formal approvals and-- Hopefully not a Phase I and a Phase II.

DIANNE KUHL: Well, I think--

DEREK GRUNER: Is that what we're contemplating?

DIANNE KUHL: --again, there are certain parameters and guidelines that are set that deal with dollar amounts and types of projects, et cetera. This probably would have ordinarily been a staff approval, but this was the second-- this is the second increase that you all-- Or as I'm being told by our staff, this was the second rather significant proportional increase that you had asked for for this project in the last couple of years.

So, you know, if you come back and say hey, we want to increase the budget by this much one time, okay. But when it starts becoming an annual thing that raises some eyebrows and it's like okay, what's going on here, are you just using this as a vehicle to solve a quick problem or what's going on. And that was one of the things that we tried to get some answers to ahead of time with the timelines and what was going on and I don't think we ever really had those questions answered so we're having to do it here in the meeting.

PAUL BATSON: Madam Chair, to Derek's question-- Sorry.

KENNETH KIRKLAND: Go ahead.

PAUL BATSON: To Derek's question, if this were presented under a different project, would it be subject only to staff approval and not have to go through all the other red tape?

DIANNE KUHL: As low as the dollar amount is on it, I would think so.

KENNETH KIRKLAND: I was going to say the other thing is that, you know, I'm for somewhat of a consistent process. If JBRC has an opinion on something like this, certainly we should all be singing out of the same book with the same song with the same information. Certainly we don't want to create a precedent or a policy or a recommendation that's counter to what everybody else wants to see, so I get that.

I guess my comment would be I think it should be some discussion because we're talking \$39,000. What if we were talking \$3.9 million or what if we were talking a different number? I just want to make sure everybody has a good understanding with the CHE, with JBRC and in that process what we can expect to be a normal and regular occurrence.

DIANNE KUHL: And let me just say I agree with Ken 100 percent, and I don't have a problem with spending \$39,000 to upgrade elevators. I think that's a great idea. That's what we've been saying; do your maintenance, do your maintenance. You know, I don't think there's anybody who is challenging that as a good solid use of money.

What I'm trying to prevent, I don't want you guys to get over to JBRC and have this project fail or have you-- We're trying to protect you guys at this point because we don't want you to be embarrassed and we don't want there to be any additional delays. I don't have problem personally sending it over there with a note that we discussed whether or not it should be a separate project, but I think that the reason this got flagged is because this is the second budget increase that you've done on this project.

KENNETH KIRKLAND: Dianne, Rick's going to make a comment.

DIANNE KUHL: Okay.

KENNETH KIRKLAND: He's got his hand held up ready to go.

RICK KELLY: Madam Chair, I'm sorry you're not here.

DIANNE KUHL: Well, thank you.

RICK KELLY: I think, Ken, what you said is right. Whatever we're doing we need to be consistent with what we're doing, and I think if you would check back over the years, that you will find that as projects are closed out if there are excess dollars-- and many times there are not, but if there are excess dollars -- small amounts -- then they are asked by staff through the staff process to just approve moving them to another somewhat similar general project.

And if you'll notice that this project is a general maintenance project for Lancaster, so it's not something that was-- excluded elevators from being done. It was-- excluded elevators from being done because originally there wasn't enough money to do them. And so that's how we sort of consistently said that the way we've done this before is that we come to the staff of all the committees and we get their approval for small amounts of money to--

And if you all want to change that process, there's no problem. Derek doesn't have a bit of problem with creating a \$40,000 elevator project and, you know, some might even say that that will not rise to the level of even staff approval. We may even have the authority to do that ourselves.

DEREK GRUNER: We would in this case.

RICK KELLY: I think there is a consistency process for letting you track the dollars that were in a project and now it's excess dollars. Well, where did those dollars go? Well, they went to this elevator project, which by the way was originally included anyway.

But no, it's not anything for us. Dianne, we'd be happy to create a new project. We were trying to be consistent with what we've done over the years and if there's a new conductor that says that we need to go a different direction, we'll go a different direction, I promise you--

DIANNE KUHL: Okay.

RICK KELLY: --and not be angry or belligerent or anything else. We'll just do what we're told to do.

DIANNE KUHL: And I appreciate that. And again, we're not trying to cause any additional work for you guys. We're trying to keep there from being any additional work.

RICK KELLY: We understand.

DIANNE KUHL: And I think Kenny kind of hit this on the head. Maybe what we need to do is to request some clarification from JBRC and get them to provide that to all of us so that we know exactly how they want to handle this in the future. So this can be a good teaching example for all of us. You know, if they're willing to continue to accept things in this way, then that's okay with us, and we appreciate the heads up on the change of scope.

My recommendation would be that we go ahead and send this through as it is, just with a note that we did have this conversation in requesting additional clarification for future projects from JBRC.

Ken, how do you and Paul feel about that?

KENNETH KIRKLAND: I think that would be fine. I just-- I don't want to do anything to reinvent the wheel. I do want to do anything that's going to muddy the water, but I just want it to be a situation where it can be a box checked and things can move through, especially for something as small or something as necessary, obviously, as this is.

DIANNE KUHL: Right.

KENNETH KIRKLAND: Again, I think it's a logistic piece, not an approval piece--

RICK KELLY: That's right.

KENNETH KIRKLAND: --is what I'm--

DIANNE KUHL: Exactly.

PAUL BATSON: And I agree with that.

DIANNE KUHL: Paul?

PAUL BATSON: I agree with that too, Madam Chair. I thought our procedure for closing a project out was it came through and if there's excess money, we indicate that the project's been closed out and there's \$39,000 left or whatever the number is and then that was the end of it. Am I wrong?

DIANNE KUHL: No. That is usually the way that it's handled.

PAUL BATSON: So we're just--

DIANNE KUHL: But--

PAUL BATSON: You're saying let's just send this on now and avoid further work, further detail, just note to JBRC what our concern about the process is, but we don't have any tangible concerns about this specific set of circumstances.

DIANNE KUHL: Correct.

KENNETH KIRKLAND: Mm-hmm.

PAUL BATSON: Well, should we amend the motion then to include that?

DIANNE KUHL: Yes, please.

PAUL BATSON: Did I--

DIANNE KUHL: I'll amend the motion.

PAUL BATSON: I'll amend the-- I think I made the motion. I'll amend--

DIANNE KUHL: Okay.

PAUL BATSON: --the motion to allow this project to proceed to JBRC with notes that the process may not be exactly in order with what has been previously done, but we have no problem in substance with this project being approved.

RICK KELLY: May I get a point of clarification? Because when you say what is traditionally done and I think you're right-- And Bryce, you can correct me if I'm wrong here. There's two ways that-- When you close a project if it has a few dollars left there have been two traditional processes; just return the money to the original source, which in this case would've been maintenance reserve funds for the university or move it to another project that has some similarity or has some reason to say that.

So there hasn't been just-- This is not unique. What we ask you to do was something that traditionally we've done for years and that is ask staff to approve under a certain dollar value. And I wanted to make a point, Ken. If there was some huge amount of money-- If it was \$3.9 million left in a

project, that's enough money that it's going to drive coming back through the Commission, JBRC, and others. I mean, the dollar amount's going to drive that. The dollar amount drove this one to say that we could ask staff and inform staff we were going to move it to another project rather than just return it to the former base, which was the general fund of USC.

So I think there is that distinction because we have done this in the past. This has been approved by staff in the past under a certain dollar amount, but if that's not what you all want to see done, we won't do that anymore.

And I think the other thing that led us to the fact that we should consider increasing this project was the fact this elevator work was on the original scope of the project. It was only deleted when we didn't have enough funds to do it, and so now there was some other money we could add to this project and get those elevators back in there.

And Dianne, we completely appreciate your trying to get clarification of this, but it has been something that has been traditionally done over the past.

DIANNE KUHL: Rick, to that-- I'm going to make one comment on that.

RICK KELLY: Yes, ma'am.

DIANNE KUHL: We tried to get clarification prior to this meeting. We did not get it. The information that we received in response to our inquiry was-- It did not say that the elevators were part of the original scope. And I think that, you

know, you're looking at something that started a couple of years ago and, you know, we've been trying to get timelines as well because this was a project-- Let's see. I mean, I think you guys started work on this project in '16, so I'm not sure when it was actually approved. This one's been a bit of a challenge to tie down the loose pieces on, but it would have been helpful had we gotten a response ahead of time so that we could've worked through some of this stuff.

But I think the other challenge is-- I understand what you're saying--

RICK KELLY: Yes, ma'am.

DIANNE KUHL: --and when you have an increase and it's a \$39,000 increase you're right, ordinarily that would've just been staff approved, but \$39,000 this year, \$40,000 the next year, \$27,000 the next year. If you-- When you start to see a pattern, then that's what raises the questions. It's like okay, are we just using this particular project as a vehicle to-- sort of a catchall vehicle or is there some relation in here. That's what we've been trying to figure out is how does all of this stuff tie together.

Like Kenny said and Paul said, none of us have a problem with fixing the elevators. That's a good thing to do--

RICK KELLY: Sure.

DIANNE KUHL: --but, you know, we're trying to figure out what the procedure is and certainly that would be very useful for you guys to know because if you

don't have to send in something as small as a \$39,000 elevator repair, why should you?

PAUL BATSON: That's right.

DIANNE KUHL: You know?

KENNETH KIRKLAND: Yeah.

RICK KELLY: Yes, ma'am.

DIANNE KUHL: So--

RICK KELLY: And thank you for that. I apologize if we were not clear enough in our-- what had happened and how this project was developed, and we will certainly work to improve that. And again, we will take your guidance and work on this in any way you want us to.

DIANNE KUHL: Well, I think we've got a motion-- an amended motion on the table that will meet your needs for the moment and then hopefully provide us all with the clarification and the direction to move forward.

KENNETH KIRKLAND: I will second the motion on the table.

PAUL BATSON: Okay.

DIANNE KUHL: All right, so all in favor?

PAUL BATSON: Aye.

KENNETH KIRKLAND: Aye.

DIANNE KUHL: All right, motion passes.

All right, ladies and gentlemen, we have just done ten projects in an hour.

How about that?

KENNETH KIRKLAND: Hey, Dianne, let me just-- I'm just-- I know we've done ten projects in an hour, which is an awesome thing by the way, so we want to keep that momentum going next month and the month after. But my question is-- I just want to check with Laura to make absolutely sure that we've got proper motions, proper seconds, and proper votes for every single piece. Can you check the minutes real quick and just make sure everything is on top of everything that we need? It seems like we were moving pretty quick.

DIANNE KUHL: Yeah, we've got two. She sent me a note.

KENNETH KIRKLAND: Oh, did she? Okay, good.

DIANNE KUHL: Yeah, it's a little hard to keep track of all of these things, unfortunately, over the phone, but she said we did not get a motion or a second on the third Coastal project, which I believe was the actual Phase I construction of the auditorium and--

KENNETH KIRKLAND: Enrichment center.

DIANNE KUHL: --academic enrichment center.

So may we have an actual motion and second on that project?

PAUL BATSON: So moved.

KENNETH KIRKLAND: And I will second.

DIANNE KUHL: Okay. And then the MUSC energy performance, she said we didn't get that one. I swear we did, but she said we didn't so I believe her.

So may we also have a motion and second on that project?

KENNETH KIRKLAND: I will make that motion.

PAUL BATSON: Second.

DIANNE KUHL: Okay. Laura, we got you covered now?

LAURA BELCHER: Thank you.

DIANNE KUHL: You're welcome.

LAURA BELCHER: [UNCLEAR]

DIANNE KUHL: All right, under other business-- We're not going to go through all of this, but you have in your packet a list of the capital projects and leases that were staff approved for September.

Bryce, are there any comments that you need to make to the Committee on this topic?

BRYCE WILSON: Just want to make one comment on the staff approval for the York Technical College and that was one that we did for \$2.4 million. And that was legislatively mandated and that's why we were able to staff approve that project. The others were just decreased budget and closed projects.

KENNETH KIRKLAND: Bryce, let me ask you a quick question. Just looking at these, the one that jumps out at me is the student residence hall at USC Aiken; basically, a million dollars under budget. What happened right-- Do you have any details as to what drove that \$902,000--

BRYCE WILSON: I did not get any details on that.

KENNETH KIRKLAND: Okay. That's just-- And the reason I'm asking, that's a big number. A \$15 million project and we have a million dollar under budget item. It would be-- That's enough to almost get your attention and wonder what happened--

BRYCE WILSON: Yes, sir.

KENNETH KIRKLAND: --to cause-- to drive that number. Maybe we can get that in the next few days.

BRYCE WILSON: [UNCLEAR]

KENNETH KIRKLAND: Thank you.

DIANNE KUHL: Derek, do you know, or do you want to address that?

DEREK GRUNER: What project?

KENNETH KIRKLAND: It's the student resident hall construction and land acquisition at USC Aiken completed 9 of '18, September; fifteen and a half million-dollar project.

DEREK GRUNER: No. I think I've got to research that so I make sure [UNCLEAR]--

KENNETH KIRKLAND: Now, I will say it started-- According to this that we've got here, it started in 2006, so we may be clearing the books, but a million dollars is still a million dollars.

DEREK GRUNER: That's five years before my time.

KENNETH KIRKLAND: Yeah.

DEREK GRUNER: So let me do a little research on that one.

KENNETH KIRKLAND: It'd be nice to just know.

DIANNE KUHL: Come on, Derek. You don't just carry that stuff around in your head?

DEREK GRUNER: Well, I think there may have been some [UNCLEAR] or something going on with that. Let me do some research.

KENNETH KIRKLAND: Sure. No worries.

DIANNE KUHL: Okay, thank you.

Okay and our next item is CPIP. We had a little bit of conversation about this. We got two documents. One is a 280-page document that covers the CPIP priorities for research and comprehensives and 194 pages from our technical colleges. And we got that less than a month ago and they want us to rank these puppies, and there is just absolutely no way that we can go through and do anything even resembling a meaningful discussion on this many projects with the limited amount of information that we have.

One of the pieces of information that we recently received was that the Department of Administration would like our input on basically what's a want versus what's a need. And I'm going to make the recommendation to this Committee -- and we've had a little conversation about this in the past -- that rather than go through and try to look at these projects individually, which quite frankly I don't think would be fair to the institutions given our limited knowledge of these individual projects, and given the fact that this is a planning tool and they're still coming forward with Phase I and Phase II and that's when they come in and they really give us the details on the projects and why they're wanting to move forward and how this fits in with their overall campus plan.

What I would like to suggest that we do is to simply send a statement to the Department of Administration dealing with the CPIP and basically say that from our perspective, as we've been saying over the past year, we look at fix it first, that items that are building and lack safety, that are maintenance needs, that are things that need to be done in order to protect the physical aspects of the institutions, that those should be addressed first, then those items that are central to mission should be addressed second, and that the items that are extracurricular should be addressed third.

Obviously, there's going to have to some balance in that and that's why we have Phase I and Phase II because you may have something that's an

extracurricular request -- you know, an intramural field, an auditorium -- that is being paid for 100 percent by donor dollars. That doesn't mean that that should have to wait until you get everything on your campus fixed. So that's why we have Phase I and Phase II as we move into the actual process of capital improvement approvals.

But Paul, Ken, how do you feel about that as a possible response to the Department of Administration?

PAUL BATSON: I think that's good, Madam Chair, because I think when this was first put in our pocket it was sort of overwhelming. I know last year it was. But are those projects otherwise identified under the three categories that you mentioned?

DIANNE KUHL: Are they broken down into those categories?

PAUL BATSON: Right.

DIANNE KUHL: Not that-- I don't think that they've been here are our maintenance projects here are-- No. I think you have to look at, go okay this is an HVAC replacement, and okay that's maintenance. We know what that is. You know, new construction is this central to mission or is something that's not, and of course, determining what's central to mission, that can get a little more questionable.

You know, would we call the project we just approved for Coastal for the new library and student enrichment center, would that be considered

central to mission? Some people might argue that it's not. I've got folding money that says Coastal would argue that it is, and they could probably make a pretty good case for that.

But my concern is given the limited information that we have at this point and given the incredibly limited amount of time and the volume of the projects and the data that we've been asked to look at, I don't think that at this point we can go through and make those determinations.

KENNETH KIRKLAND: Dianne, let me ask you a question. Now, I'm just throwing this out there because I really--

DIANNE KUHL: Mm-hmm.

KENNETH KIRKLAND: I understand exactly what you're saying about getting-- you know, about having the resources to do the proper vetting for every single project for every single school. But if there was a way that we could break it down according to the wants and needs, realizing some of that would be a blend or that could go in either category, if we could at least get it to a want and a need per university and maybe even if we had the opportunity to maybe have a conference call or a discussion or something with the universities at some point to talk about their top ten list or something like that, is there a way we could fine tune it a little bit rather than just having a blanket statement?

PAUL BATSON: Can I-- Before Dianne responds to that, can I talk to you about that?

KENNETH KIRKLAND: Sure.

PAUL BATSON: Breaking out a want and a need, if I put my Greenville Tech hat on and we have ten projects going through, I'm going to tell you every one of them is a need--

KENNETH KIRKLAND: Right.

PAUL BATSON: --despite what it might look like to anybody else. So I wonder-- And then we get into nuances and definitions of want versus need. I mean, if we're looking at that literally that way. I wonder if-- And I respect what you're saying. I wonder though if Dianne is looking broad categories, which indicates kind of to me that we are doing our job by saying this is what we believe would be the best way to rank those without us getting into the weeds--

KENNETH KIRKLAND: Yeah.

PAUL BATSON: --of determining each of those three. And I'm sorry to interrupt.

KENNETH KIRKLAND: No. And that's a great point. I guess, Dianne, I heard in your conversation that it was requested for us to provide possible want and need categories and kind of break that down, and I realize that most projects can fit into both categories -- I certainly get that -- depending on the lens you look through. But I guess I would love to get closer to providing what was asked than not providing much at all, and maybe there's a way we can somehow move the needle a little bit.

PAUL BATSON: And--

DIANNE KUHL: And--

PAUL BATSON: Go ahead.

DIANNE KUHL: --Ken, I will respond to that. I agree with you and quite frankly, I would love to be able for us to have a meeting and sit down and go through this stuff and do not only what they're asking us to do, but to give them a little more. The challenge on that comes with close to 400 pages of documentation and the other problem, at this point we don't have enough information-- Let's say we have a school that comes in and says all right, we need to build a new business college. So they're going to tell us that is an absolute need, they've got to have that building. We don't have the information or the time at this point-- Because keep in mind, they're wanting this stuff by the end of the month, so--

KENNETH KIRKLAND: Yeah, that's a short screw.

DIANNE KUHL: --we don't have the time to sit down and go through with them and say okay, so what's your justification, and quite frankly, they probably don't have all of the information either.

So what's your justification on this new business college? You know, how many students do you project? How many do you have now? What's your current building usage? Are you teaching classes in that building for four hours or for eight hours or for twelve hours?

I mean, the level of detail that we go into with the Phase I and Phase II that really lets us evaluate a project with some degree of objectivity, that's what concerns me about the idea of us just going through and saying that's a want, that's a need. At this point it's very subjective. How do we know whether it's a want or a need? And as Paul said, if we talk to an institution, they're all going to be needs.

KENNETH KIRKLAND: Right. And I get that, and I understand, and I certainly agree. Fix what you have first before you build a lot of new. I do get some of that. Let me leave it at this. I would completely agree sending things through the way you had suggested. I would say that CPIP is not going away for years to come, and when I'm no longer here I would love to have a process that is in place where we can simply tweak by adding or deleting and changing it to a W or an N--

DIANNE KUHL: Yes.

KENNETH KIRKLAND: --and each university we can have conversations over a month period, have that done in July, August, September, October so that when we need it November 1 we've already gotten the template in place, so to speak, so that we can update that every year with minimal work.

DIANNE KUHL: Absolutely.

KENNETH KIRKLAND: That would be my goal.

DIANNE KUHL: Kenny, I agree with a million percent on that. And one of the things that we asked for last year was to get this information a little earlier. We got it earlier this year than we did last year, but we still didn't get it with enough time to be able to give a good comprehensive and meaningful return of data back to the Department of Administration.

But I think-- What you're suggesting, we actually had some conversation where the possibility was raised that we could have staff have some of those conversations over the next month with the institutions to sort of determine okay, what are you calling a want, what are you calling a need, and I think part of that is already done as they're ranking here is our priority one, two, three, four because, obviously, whatever they're calling a priority one they're going to say we got to have that and it may have also to do with [UNCLEAR] and this is the priority one because we've got funding for it already.

But I think you're right and I think if we could start building that kind of a relationship with our CFOs-- And I think we've already got some things started going in that direction where we could go ahead and have some of those conversation ahead of time. And that's why we're having this discussion now. We don't get enough time that we could really talk about how can we do this so that it's productive and we're providing meaningful data back to the Department of Administration.

So I'm open to any suggestion we've got there and I love your idea of being able to have those conversations with the institutions in a couple of months leading up to. So maybe what we do is rather than wait for the Department of Administration to give us everything, we go ahead and start working with our institutions ahead of time because they've submitted all of this by-- Is it June?

PAUL BATSON: [UNCLEAR]

DIANNE KUHL: [UNCLEAR], is that right, you all have to have all this stuff to them by June?

MALE SPEAKER: June 30th.

KENNETH KIRKLAND: Okay. Yeah, that-- Maybe we could work-- you know, that can be something we can at least work toward. I just-- I would love to make the process more simple, easier to dissect and to update, and I feel like we're getting close, so maybe we can work towards that for next year.

DIANNE KUHL: Do any of our institutions that are present-- Is there anything that you all would like to toss into the discussion?

[No audible response]

DIANNE KUHL: Wow, crickets. Okay, so apparently not.

PAUL BATSON: Hang on one second, Dianne. Some people didn't hear the question. Please ask your question again to the institutions.

DIANNE KUHL: Okay. Is there anything that any of our institutional representatives-- Do you have any comments or thoughts that you would like to interject into this process?

PAUL BATSON: About the ranking of the CPIP.

DIANNE KUHL: About how we handle CPIP moving forward so that we can work together in a way to provide meaningful input to the Department of Administration.

DEREK GRUNER: This is Derek Gruner. I'll offer one comment. It's a question that I've had historically, and that is you do rank these, first of all, by year. You select one of the five years to indicate when the approval process would begin. You place a project in a fiscal year, but then within that year you're also prioritizing the projects and I have often wondered whether the priority should be based on which project would be coming first. Like, actually trying to put them in a sequential order of when they would come and saying that's the priority. It's time versus a priority of institutional impact by a project.

So for instance, you might have a very minor, insignificant project that you're listing number one because you think that's the first one you're going to be bringing, but then right behind it you might have an enormously impactful, much larger project. And so on the surface it looks like well, your first priority is maybe a renovation to a volleyball locker room or something as opposed to a new classroom building.

So that's a question I've discussed with staff and never had really a clear answer as to how I would prioritize them.

PAUL BATSON: Dianne, I think that's a great question [UNCLEAR].

DIANNE KUHL: Absolutely.

PAUL BATSON: That's kind of what I was getting toward when I was talking to Kenny while ago was how do you really rank the list of projects, what values-- how do you do that. So I don't know the answer to that.

Ralph Byington has something [UNCLEAR].

RALPH BYINGTON: You know, we all have master plans and so we've all planned out what we're going to do for construction projects, and they're something that's available and they're available for the long term, so we can do that.

But what I would encourage us to do is to make sure we break these projects down by different construction types. If you look at some of the space needs or teaching facilities, for example, versus the volleyball courts and the other things we do, they're very different projects, and being able to break those into individual categories and have them evaluated based on what their function is.

There's a great study that was done in Tennessee in particular that looked at really what buildings were being used for and that kind of rank what the needs were after that, and I would encourage the Commission to think

about looking at the relative needs and whether they're-- Because there's a very big difference, just as was mentioned, between a volleyball that you may want to do and be able to have the funds to do versus a larger project that maybe new construction.

PAUL BATSON: Very, very good input.

RICK PETILLO: Just to follow on that, I think at least for us we have a distinction that we would want at least to discuss and communicate that some of our projects are self-supporting auxiliary, so we're not crowding out an academic building by building a dorm or by expanding an athletic facility, which we can't use that money for-- can't use E&G money for that.

So, you know, when we have to prioritize in one major list our number one, you know, athletic priority is kind of independent of our number one E&G priority. And I think that may be what you're saying in terms--

KENNETH KIRKLAND: Mm-hmm.

RICK PETILLO: --of use, but then also in terms of fund source because, you know, particularly for institutions who didn't have it on our CPIP this year, they're requesting state dollars for something that should be of probably the most interest versus something that's donor-funded for instance. So I think that we encourage distinction on that in terms of what the plan fund source is.

PAUL BATSON: Thank you.

Dianne, I got a question for you.

DIANNE KUHL: Okay.

PAUL BATSON: These are really good input items that we're hearing from--

KENNETH KIRKLAND: Mm-hmm.

DIANNE KUHL: Absolutely.

PAUL BATSON: -- colleges. I wonder if we might, in another meeting, call it either a workshop or some time where we could add input again and then develop our ranking process [UNCLEAR] and everybody can be on the same page with it.

DIANNE KUHL: Paul, it's like you're kind of reading my mind.

KENNETH KIRKLAND: Mm-hmm.

DIANNE KUHL: Absolutely. I think that having this kind of input-- And I want to thank our institutions for stepping up and commenting, because this is exactly what we need to be doing is to have these conversations back and forth between us so that we can come up with something that works for everybody and it's not just another form or another piece of paper that somebody's got to fill out. We want to actually have purpose, and the comments that you guys made are very helpful and very, I think, spot on. And I'm going to be honest. When I look at CPIP, for me, I look at it as a planning tool. And I'm sorry, not being in the room I don't know who the

last person was that spoke, but you're spot on because is it the number one academic project and then this one is your number one athletic project. So having you guys have to rank your projects, especially if not all institutions are using the same ranking system, creates some challenges down the road.

And I think, for me, I'd just as soon not see the ranking because I want to look at it as a planning project so that I know in the next five years this is what Clemson wants to build or this is what Carolina sees as maintenance priorities over the next five years or-- so that we're looking at it and we know what your targets are because that lets us see how can we help, you know, what can we do to help position you guys to be able to meet those needs and it lets us sort of start thinking ahead as well, you know, when we're starting to see the Phase I and Phase II projects come in and it lets us ask the right questions.

So to be honest with you, I don't really pay attention to the rankings because, as you said, it varies from institution and it varies depending on okay, this is the first project or this is the one that we have funding for right now so.

But Paul, I love the idea of just pulling together a group of folks to let's sit down and talk about how we can really do this.

And I'll ask our institutions. Who do you think we should bring in for that? Should we bring the CFOs? Should we bring your planning officer? Who would you think would be the right person to represent the university in that conversation?

RALPH BYINGTON: The CFOs would be the logical choice.

DIANNE KUHL: Okay.

MALE SPEAKER: But I would open it up to the universities to send who they believe have the best information; maybe the CFO, maybe another person.

DIANNE KUHL: Okay. All right, I think we might be a little late for being able to get that done for this particular cycle, but if we start working now, then we can make next year's cycle hopefully a lot more productive and a lot less painful. So I love that idea, Paul. I think we need to do that.

KENNETH KIRKLAND: I completely agree. Very good.

DIANNE KUHL: All right, so coming-- Anybody else got any comments or thoughts on the CPIP process or where we're heading with this?

[No audible response]

DIANNE KUHL: And when I say anybody I mean institutions, we welcome your comments and thoughts as well.

RICK PETILLO: My only other comment -- Commissioner Kuhl, this is Rick Petillo; I spoke before -- is that hopefully we can use this discussion and this process to

provide-- And obviously things change from when we submit CPIP to when we come for approvals -- Phase I or Phase II -- but hopefully, that process would help inform where we are and things submitted today so that we can, like Commissioner Kirkland said, keep the strong record going for however many projects we did today. So hopefully, this will be productive in that effort too so that CPIP can serve as a kind of living planning document that we use throughout the year.

DIANNE KUHL: Right. Thank you.

Okay, so--

CHRISTINE BROWN: Hello? Excuse me?

DIANNE KUHL: Mm-hmm.

CHRISTINE BROWN: This is Christine Brown at MUSC. Greg Weigle was on the call, but he had to leave for another meeting. As far as MUSC in terms of involvement, it would probably be our [UNCLEAR] Greg Weigle, the director, and also maybe the CFO.

DIANNE KUHL: Okay, thank you.

Okay, so with that in mind, what if we-- Ken, Paul, this is for the two of you. What if we send just sort of a blanket statement back to Department of Administration and say here are the three areas that we think need to be classified and our first goal would be making sure that state assets are

protected, that second would be mission central, third would be, you know, a fun project, and with the obvious understanding that that is a very broad brush and that things change depending on funding sources, depending on a lot of different parameters, but-- and as one of our institutions said, that the CPIP needs to be a living, breathing document. It's not something that's going to be carved in stone because there are a lot of variables and as time goes on things change.

And then to also let them know that we are planning a workshop where we can bring folks together from the institutions to talk about how we can make this process smoother and more meaningful and that we would welcome their participation in that.

PAUL BATSON: I agree with your thought and I defer to your wording.

KENNETH KIRKLAND: Here, here.

DIANNE KUHL: Okay. Well, I'll actually write something up and send it to you because there's no way we're going to handle that on the phone, but--

LAURA BELCHER: Sounds good.

DIANNE KUHL: --we will go with that concept and send that over to the Department of Administration.

Is there any other business to come before the Committee?

[No audible response]

DIANNE KUHL: All right, I will just offer one little note. In our last meeting The Citadel offered to provide the strategic plan or their, if you will-- I can't remember exactly what they're calling it, but they have sent that forward and shared that with everybody. So we thank The Citadel for sharing that with us and for making that available to their peers, and we are looking at going ahead and scheduling sort of a CFO summit as we talked about at the last meeting. So I think now we have a whole new topic to add to that.

Any other business? Any other comments?

[No audible response]

DIANNE KUHL: All right, may we have a motion to adjourn?

PAUL BATSON: So moved.

KENNETH KIRKLAND: So moved.

DIANNE KUHL: Thank you very much everyone and I appreciate your forbearance for allowing me to be on the phone.

KENNETH KIRKLAND: Thanks, Dianne.

DIANNE KUHL: Thanks, Kenny.

PAUL BATSON: Thank you, Dianne.

[End of transcription]