

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

May 2, 2019

DRAFT MINUTES

COMMITTEE ON FINANCE AND FACILITIES

MAY 02, 2019

11:00 A.M.

S.C. COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

Committee Members

Commissioner Paul Batson, Vice Chair

Commissioner Edgar Dyer

Commissioner Linda Dolny

Commissioner Patrick White

Staff

Mr. Georges Tippens

Mr. Bryce Wilson

Ms. Yolanda Myers

Ms. DeVaris Hatten

Other Commissioners

Julie Godshall Brown

Dr. Cleveland Sellers

Guests

Jeff Lamberson

Kathleen Dille

Carol Routh

Greg Weigle (via phone)

Andy Jordan

Forest Mahan

Dora Roberson

Dr. Richard Gough

Drew Smith

Chef Miles Huff

Mary Lee Carnes

John Durst

Paul Sommerville

Art Brown

Michael Hughes

Luke McCary

The Citadel

The Citadel

Clemson University

MUSC

Aiken Technical College

Aiken Technical College

Aiken Technical College

Technical College of the Lowcountry

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Area Commission, TCL

Department of Administration

POND

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

1. Call to Order

Vice Chair Batson called the meeting to order at 11:05 a.m.

2. Approval of Minutes

A motion was made (Dyer), seconded (Dolny), and carried to approve the minutes of the April 04, 2019 Finance and Facilities Committee meeting.

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4. Permanent Improvement Project Approvals

The following agenda items were presented:

A. Aiken Technical College

- i. Aiken-CEAM Expansion and Renovation for Welding Area
– Establish Project**

Georges Tippens introduced the item. Aiken Technical College sought recommendation of the Commission on Higher Education to establish this project to expand the number of welding booths in its Center for Energy and Advanced Manufacturing from 36 to 60. The Committee members asked the College about the need for the increase of booths, specifically if there was any new industry coming to the area. Aiken Technical College's President noted that there is an extreme need for welding, particularly along the Savannah River area. He noted that starting wages are approximately \$20 - \$25 an hour and for specialized fields, such as underwater welding, welders can make upwards of \$80,000 over a three-month period. The President also stated that they designed the Center for Energy and Advanced Manufacturing to allow for additional welding booths, but did not anticipate the need so soon. As a result, the project will not require new space or demolition of existing systems. Vice Chair Batson asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

B. The Citadel

- i. Boat Center Redevelopment
– Increase Budget**

Georges Tippens introduced the item. The Citadel sought recommendation of the Commission on Higher Education to increase the project budget from \$5,000,000 to \$8,000,000. The Committee members inquired about the underlying causes leading to the \$3,000,000 increase, or 60% of the original budget. The Citadel staff gave multiple reasons for the increase, including that the original estimate was based on an incomplete project design and lack of escalators built into the estimates. After learning that the original \$5,000,000 and additional \$3,000,000 is being gifted from the same donor, Committee members asked whether The Citadel would be pursuing this project if it had to use other funding sources. The Citadel staff stated that they have much higher priorities and but for the private donation for this specific project, they would not be pursuing it at this time. Vice Chair Batson asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

C. Medical University of South Carolina

- i. MUSC/SCEO PEER Program Energy Performance
– Change Source of Funds**

Georges Tippens introduced the item. Medical University of South Carolina sought recommendation of the Commission on Higher Education to change the source of

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funds for its PEER Program Energy Performance Project. The University requested to utilize \$30,000,000 fully from the Treasurer's Master Lease Program rather than \$675,000 from its engineering and facilities' department budget. The Committee members inquired whether, in effect, the change of source funds makes the \$675,000 guaranteed because of the investment grade audit. The Committee members also were interested in when the determination of the energy cost savings is made and by whom. MUSC staff stated that the University will hire contractors to determine the upgraded performance at the end of each phase of discrete improvements. Vice Chair Batson asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

D. Technical College of the Lowcountry

- i. Lowcountry Culinary Arts Institute and Interpretive Center – Land Acquisition – Increase Budget
- ii. Construction of the Lowcountry Culinary Arts Institute and Interpretive Center – Increase Budget

Georges Tippens introduced the items together because of their interrelatedness. Technical College of the Lowcountry sought recommendation of the Commission on Higher Education to fully fund its budget to acquire a 0.97 acre piece of property in Bluffton, South Carolina for the purposes of constructing a new 29,000 square foot Culinary Arts and Institute and Interpretive Center and to fund the Center's construction budget. The Committee members were appreciative of the commitment of Beaufort County and its substantial financial support for the project, noting that out of the \$13 plus million combined budget, only \$2.5 was coming from College sources. Committee members asked about the design of the project, specifically the description of the interpretive center. They also inquired whether the College has reached out to local high schools about transitioning students into the programs that will be offered at the Culinary Arts Institute. Because the increase in budget had yet to receive recommendation from the South Carolina Board of Technical and Comprehensive Education, Vice Chair Batson asked for a motion to conditionally recommend the projects subject to positive recommendation by the South Carolina State Board of Technical and Comprehensive Education at its May meeting. Commissioner Dolny moved and Commissioner White seconded for the land acquisition project and Commissioner Dyer moved and Commissioner Dolny seconded for the construction project. The Committee carried the motions to conditionally recommend the projects as presented.

5. Other Business

Georges Tippens stated he approved establishment of two legislatively-authorized projects the previous month: the USC Salkehatchie Maintenance and Renovation Project at USC Salkehatchie and the USC Union Maintenance and Renovation Project at USC Union. He also processed a budget increase funded entirely by legislative appropriations for the Hollings Cancer Center Mechanical Systems Replacement project at MUSC. In addition, Georges stated he

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processed a new lease requested totaling \$637,000 over three years for student apartment rentals in Charleston for Clemson University funded by student housing fees.

Georges Tippens also presented a change in policy that would allow the staff to process budget transfer requests between two previously approved projects as long as the transfer does not increase the budget of the receiving project by more than 10% or change the project scope. Previously, all budget transfer requests required review and recommendation of approval by the Committee on Finance and Facilities. Vice Chair asked for a motion to approve the policy change, which was made (Dolny) and seconded (White). The Committee carried the motion to approve the policy change.

Adjournment

The Committee adjourned the meeting at 12:02 p.m.