

**South Carolina Commission on Higher Education**

Finance and Facilities Committee Board Meeting

June 18, 2020

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**DRAFT MINUTES**

COMMISSION ON HIGHER EDUCATION

COMMITTEE ON FINANCE & FACILITIES

June 18, 2020

TIME 2:30 P.M. VIA ZOOM

Committee Members

Commissioner Charles Dalton, Chair  
Commissioner Linda Dolny, Vice Chair  
Commissioner Paul Batson  
Commissioner Edgar Dyer  
Commissioner Patrick White

Staff

Dr. Rusty Monhollon  
Ms. Yolanda Myers  
Ms. Shakara Smith  
Mr. Georges Tippens  
Mr. Bryce Wilson

Guests

Forest Mahan  
Andy Jordan  
Toni Marshall  
Beth Bell  
Rick Petillo  
Carol Routh  
Laura Stoner  
Davis Watson  
Michael Hughes  
Jennifer LoPresti  
Jacqui DiMaggio  
Keith Miller  
Anna Lucas  
Harold Hawley  
Stacie Bowie  
Greg Weigle  
Patrick Wamsley  
Christine Smalls Brown  
Randy Johnson  
Kevin Graham  
Christy Brandon  
Ray Switzer  
Derek Gruner  
Craig Parks  
Justin Oates  
Chris Johnson

Aiken Technical College  
Aiken Technical College  
Aiken Technical College  
Clemson University  
Clemson University  
Clemson University  
Clemson University  
Clemson University  
Clemson University  
Department of Administration  
Department of Administration  
Greenville Technical College  
Greenville Technical College  
Herald Office Supplies  
Horry-Georgetown Technical College  
Lander University  
Medical University of South Carolina  
Medical University of South Carolina  
Medical University of South Carolina  
State Tech System Office  
State Tech System Office  
State Tech System Office  
Spartanburg Community College  
USC-Columbia  
USC-Columbia  
Winthrop University  
Winthrop University

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

**1. Call to Order**

Chair Dalton called the meeting to order at 2:30 p.m. and noted the establishment of a quorum of committee members.

## **South Carolina Commission on Higher Education**

Finance and Facilities Committee Board Meeting

June 18, 2020

---

### **2. Approval of Minutes**

A motion was made (White), seconded (Batson), and carried to approve the minutes of the May 5, 2020 Finance and Facilities Committee meeting.

### **3. Chair's Report**

Chair Dalton welcomed everyone in attendance and moved into permanent improvement project approvals.

### **4. Permanent Improvement Project Approvals**

The following new projects were presented:

- A. Clemson University
  - i. CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Uplift
    - Establish Phase II Construction Budget

Georges Tippens introduced the item. Clemson University sought recommendation of the Committee on Finance and Facilities to start the Phase II construction of additional laboratory space within the Campbell Graduate Engineering Center to create a propulsion system lab. The total ask is \$5 million and will be funded by indirect cost recovery. Chair Dalton inquired if the federal grant had been approved, and Rick Petillo, Chief Financial Officer with Clemson University, responded that the grant had been approved. Commissioner Batson asked how the project related to instruction and education, which Mr. Petillo responded that the project is part of the automotive engineering program. Commissioner Dolny confirmed that the project is fully grant funded and funds could not be rescinded. Rick Petillo reiterated that the grant would pay for the project indirectly; the university would use the indirect cost revenue generated from the grant to replenish the indirect cost funds it will use to pay for the construction costs. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Batson). The Committee carried the motion to recommend the project as presented.

- B. Clemson University
  - i. Dunlap Property Acquisition
    - Establish Phase I

Georges Tippens introduced the item. Clemson University sought recommendation of the Committee on Finance and Facilities to acquire a one-acre property in North Carolina bequeathed to the university. Clemson plans to transfer the property to its Foundations who will then dispose of the property and use the proceeds to benefit the university. The total ask is \$20,000 to fund the appraisal and environmental assessment. Chair Dalton asked how the university acquired the property prior to all proper inspections. Mr. Petillo confirmed that they were in the process, but the State closed unexpectedly. Laura Stoner, with Clemson University, added that the university was not notified prior that the gift would be bequeathed. Commissioners then inquired on the value of the property and the role of the real estate foundation in allocating funding. Clemson staff responded that donors can specify the usage of the gift, and if unspecified the funds become unrestricted funds used to benefit the university. Clemson staff added that there is not an appraisal on the property currently but estimated \$175,00-\$180,000 for the property's value. Commissioners discussed extensively what would happen if Clemson decided to not accept the property considering there may be

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

June 18, 2020

---

environmental concerns. Clemson staff reiterated that the environmental study will identify if there are any concerns, which Clemson will then decide how to proceed with the property. Commissioner Dyer requested that Clemson draft a letter to the probate court and/or appropriate entities advising that Clemson has not officially accepted the property and is in the preliminary stages of having the property evaluated, which Clemson staff agreed. Commissioner Dyer made a motion to approve the project subject to Clemson consulting with SFAA regarding appropriate actions necessary prior to accepting the property, which was seconded (Dolny). The Committee carried the motion to recommend the project once those conditions were met.

### C. Greenville Technical College

- i. Parking Lot R Construction – Barton Campus  
– Establish Phase II Construction Budget

Georges Tippens introduced the item. Greenville Technical College sought recommendation of the Committee on Finance and Facilities to approve Phase II construction fees associated with developing a parking lot for students and visitors on vacant land and to rehabilitate an existing parking lot currently used by students and faculty. The anticipated project cost would be \$2,768,260. Chair Dalton welcomed Mr. Keith Miller with Greenville Technical College to comment before the Committee's consideration. Mr. Miller remarked that the college is willing to defer the review of the parking lot project until late summer, early fall given the current pandemic. Chair Dalton thanked Mr. Miller for his comment and then asked for a motion to defer consideration of the project, which was made (Batson) and seconded (Dolny). The Committee carried the motion to defer the project.

### D. Medical University of South Carolina

- i. Combined Heat and Power Facility  
– Establish Phase I

Georges Tippens introduced the item. Medical University of South Carolina sought recommendation of the Committee on Finance and Facilities to approve a project to construct a 15,000 square foot combined heat and power facility for MUSC's campus to self-generate power for the campus. The ask is \$1.5 million. Chair Dalton welcomed Mr. Greg Weigle, Chief Facilities Officer with the Medical University of South Carolina to comment and to further explain the need of the request before the Committee's consideration. Mr. Weigle discussed the benefits of energy conservations measures with paybacks and sustainability during emergency events, such as storms. Chair Dalton inquired of Mr. Weigle the megawatts of the facility, who responded that it is approximately 2 megawatts for the facility and 3 to 4 megawatts for the full campus. (Mr. Weigle later provided staff information showing the proposed turbine will produce 7.88 mega-watts of power and the campus needs to be higher.) Chair Dalton questioned the cost savings associated with the proposal, and Mr. Weigle responded that using generated steam would allow boilers throughout campus to be turned off leading to cost savings. Chair Dalton then asked what the payback period would be to recover the investment, and Mr. Weigle responded 17 to 18 years approximately. Chairman Dalton thanked Mr. Weigle and opened the floor to questions from the Committee.

Commissioner Dolny confirmed with Mr. Weigle that the campus was never without power, who then reiterated the cost savings and energy conservation associated with the request. Commissioner Dolny expressed concern with student fees related. Mr. Weigle

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

June 18, 2020

---

explained that funding will come from the State Treasurer's Office Master Lease Program, and there would not be a student contribution. Mr. Patrick Wamsley, Chief Financial Officer with MUSC, confirmed that there would not be a student fee associated. Commissioner Batson asked the length of Phase I, and Mr. Weigle responded eight to nine months. Commissioner Batson then inquired how the progression to Phase II would be impacted should there be a hardship with the State, which he was informed that the project would be canceled. Commissioner Batson lastly asked if funding of the Master Lease Program would come from the State's Treasurer Office, and Mr. Wamsley confirmed that to be accurate. Commissioner Dyer asked if flooding would impact the facility. Mr. Weigle responded that it would not, and that equipment would be above flooding level. Commissioner Dyer then asked if there were any discussions with other neighboring institutions to collaborate, which Mr. Weigle responded that it would not be cost effective to do so. Commissioners then inquired regarding a regulation that the local utility would have to buy back any excess energy produced, which Mr. Weigle responded that the campus is producing less than its demand. Commissioner Batson confirmed that \$1.5 million of the project's cost will be coming from its own MUSC funds. He then asked what the reserve would be after commitment of the money. Mr. Wamsley confirmed that the reserve would be \$11 million. Chair Dalton then asked for a motion to approve phase I of the project, which was made (Dyer) and seconded (Batson). The Committee carried the motion to approve phase I of the project.

The following recommitted projects were presented:

E. Aiken Technical College

- i. Aiken-CEAM Expansion and Renovation for Welding Area  
– Establish Phase II Construction Budget

Georges Tippens introduced the item. Aiken Technical College sought recommendation of the Committee on Finance and Facilities to approve Phase II construction of a project to renovate 5,560 square foot of existing space in the Center for Energy and Manufacturing to increase the number of welding booths from 36 to 60. The budget for the project is \$1 million to be funded by local college funds. Commissioner Batson welcomed President Forrest Mahan with Aiken Technical College to address comments. Commissioner Batson posed three questions to include projected enrollment numbers for fall, timing of the project and likelihood of filling to capacity. President Mahan responded that 42 students are currently in the summer program, and 39 last summer. There were 97 students in fall 2019 and 70 in spring. Fall 2020 numbers are slightly down, but that is likely attributed to relying solely on online enrollments and the challenge of completing course work remotely. President Mahan then mentioned there would be a 105-day turnaround on the contract, and the college would be prepared to accept students fall 2020.

Commissioner Dolny asked whether the project will be completed while students are using the equipment. President Mahan confirmed and added that the college does have the capacity to temporarily move students. Commissioner Batson inquired on the impact on student cost, and President Mahan confirmed that there is not an associate student cost, and the college reserve stands at \$22.8 million. Commissioner Dyer suggested deferring consideration of the project to the Committee's September meeting allowing more time to monitor enrollment numbers and to launch in the spring. President Mahan

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

June 18, 2020

---

responded that there is more likelihood to secure a better rate on the bid of the project due to current conditions. Chair Dalton asked for a motion to recommend the project, which was made (Dolny) and seconded (Batson). The Committee carried the motion to recommend the project as presented.

### F. Greenville Technical College

- i. New Arts & Sciences Building Construction  
– Establish Phase I

Georges Tippens introduced the item. Greenville Technical College sought recommendation of the Committee on Finance and Facilities to approve the Phase I design of a project to construct a three story 125,000 square foot academic building to house various programs. The budget for the project is \$990,000 to be funded by local college funds from county appropriations. Commissioner Batson welcomed President Keith Miller with Greenville Technical College to address comments. Commissioner Batson mentioned that the project was already vetted at last month's Committee meeting but requested an update on the current status of the college. President Miller responded that the project is fully funded by county funds and that there will not be any student fees associated with the project. He projects that enrollment will slightly increase by 1 percent for the fall due to current conditions. Commissioner Batson confirmed with President Miller that county council approved the bonding of the project and that \$36 million of the bonds have rolled off and been paid for. Chair Dalton inquired whether the county was providing bonding for the project or whether there was a separate entity involved. President Miller and Jacqui DiMaggio stated that a newly created nonprofit corporation of the college will be issuing the bonding for Phase II, which debt service will be repaid by the annual appropriations the college receives from the county. Chair Dalton asked for a motion to recommend the project, which was made (Batson) and seconded (Dyer). The Committee carried the motion to recommend the project as presented.

### G. Spartanburg Community College

- i. Land Acquisition Phase I – Whelchel Property 1  
– Establish Phase I
- ii. Land Acquisition Phase I – Whelchel Property 2  
– Establish Phase I

Georges Tippens introduced both items. Spartanburg Community College sought recommendation of the Committee on Finance and Facilities to approve two Phase I land acquisition projects. The College aims to secure a 4.11-acre property to add an additional entrance way to its campus to decrease traffic and a 1.22-acre property to serve as a buffer zone and potential for future developments. The budget for the projects is \$156,200 and \$37,210 respectively to come from local funds, with no student funds associated. Commissioner Batson welcomed Mr. Ray Switzer with Spartanburg Technical College to address comments, who then discussed the need of the request. Chair Dalton asked for a motion to recommend each project, which were made (Batson) and seconded (Dolny). The Committee carried the motion to recommend both projects as presented.

### H. Winthrop University

- i. High-Voltage Electrical Substation & System Upgrade  
– Establish Phase II Construction Budget

Georges Tippens introduced the item. Winthrop University sought recommendation of the

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

June 18, 2020

---

Committee on Finance and Facilities to approve Phase II replacement of its current substation with federal and state grant funds. The budget for the project is \$1.83 million, with \$623,000 to be funded by state capital reserve funds and \$1.2 million with federal EDA grants, no student associated fees. Chair Dalton welcomed Mr. Justin Oates, CFO with Winthrop University and inquired who Winthrop currently uses as their utility provider. Mr. Oates confirmed that Duke Energy is the supplier, but the university owns its own substations. Commissioner Batson asked about enrollment. Mr. Oates stated that enrollment remained flat, but there may be a decrease in undergrad and increase in grad for fall 2020. Chair Dalton asked for a motion to recommend the project, which was made (Dolny) and seconded (Batson). The Committee carried the motion to recommend the project as presented.

The following previously recommended projects were presented:

- I. Horry-Georgetown Technical College
  - i. Expansion of Diesel Engine Training Facility
    - Establish Phase I

Georges Tippens introduced the item. Horry-Georgetown Technical College sought recommendation of the Committee on Finance and Facilities to approve Phase I to expand its training facility by 7,500 square foot and to renovate existing space with a budget request of \$56,250. Chair Dalton called on Mr. Harold Hawley to answer questions related to the project and to provide an update. Mr. Hawley confirmed that the college remains committed to the project for three primary reasons: to alleviate denying students access, to utilize donated equipment, and to cut cost associated with delaying the project. Commissioner Batson inquired about enrollment and revenue of the college. Mr. Hawley predicted that enrollment will remain flat but is prepared for a slight decrease. Commissioner Dyer confirmed with Mr. Hawley that there would be no associated student fees or increased taxes on constituents. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Batson). The Committee carried the motion to recommend the project as presented.

- J. University of South Carolina – Columbia
  - i. Colonial Life Arena Roof Replacement and Envelope Maintenance
    - Establish Phase I

Georges Tippens introduced the item. University of South Carolina sought recommendation of the Committee on Finance and Facilities to approve Phase I to repair exterior moisture damaged areas and replace the 17-year-old roof. The ask is for \$30,000 with an overall budget of \$2.85 million to be funded by athletic operating funds. There will be no student fees associated with the project. Chair Dalton called on Mr. Craig Parks with UofSC to answer questions related to the project. Mr. Parks stated that the university wishes to proceed with the critical request as the roof warranty has expired and there are active leaks. Commissioner Batson asked what would happen if the project were delayed, which UofSC staff responded more damage will happen to the interior. Commissioner Dolny inquired why the project was listed as fourteen on their CPIP, which UofSC staff responded that they had to balance other critical projects. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Batson). The Committee carried the motion to recommend the project as presented.

**South Carolina Commission on Higher Education**

Finance and Facilities Committee Board Meeting

June 18, 2020

---

**5. Lease Approvals**

- A. Clemson University
  - i. One Research Drive

Georges Tippens introduced the item. Clemson University sought recommendation of the Committee on Finance and Facilities to approve a new lease of a 24,000 square foot property located on One Research Drive to be used by the College of Engineering Computing and Applied Sciences. The 5-year lease has an annual rate of \$540,000 to include university operating costs. Chair Dalton called on Mr. Rick Petillo with Clemson University to answer questions related to the project. Commissioner Dyer then confirmed that there would be an internal transfer of funds between the university and its Foundation, which Mr. Petillo confirmed. Chair Dalton 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.

**6. Other Business**

- A. Georges Tippens reminded guests of the main Commission meeting to consider the projects is scheduled on Monday at 12:30 p.m. He then explained that all items will be on the consent agenda since they received favorable recommendation, apart from the Dunlap Land Acquisition project from Clemson University. Commissioner Dyer requested that Chair Dalton mention at the meeting that none of the projects would result in additional student fees, tuition, or increased taxes.

**Adjournment**

Being no other business before the Committee, Chair Dalton adjourned the meeting at 5:05 p.m.