

# South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

November 5, 2020

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## DRAFT MINUTES

COMMITTEE ON FINANCE & FACILITIES

NOVEMBER 05, 2020

TIME 10:30 A.M.

COMMISSION ON HIGHER EDUCATION

### Committee Members

Mr. Charles Dalton, Chair  
Ms. Linda Dolny, Vice Chair  
Mr. Paul Batson  
Mr. Edgar Dyer  
Mr. Patrick White\*

### Staff

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

### Guests

Carol Routh  
Beth Bell  
Rick Petillo  
Julianne Cooke  
David Frost  
Paul Patrick  
Darry Bridges  
Jacqui DiMaggio  
Phil Mauney  
Brad Taylor  
Christine Brown  
Katherine Haltwinger  
Ray Switzer  
Derek Gruner  
Craig Parks  
Sheryl Turner-Watts  
Chris Johnson  
Christy Brandon  
Randy Johnson  
Michael Hughes  
Victoria Cowell

Clemson University  
Clemson University  
Clemson University  
Coastal Carolina University  
Coastal Carolina University  
College of Charleston  
Francis Marion University  
Greenville Technical College  
Medical University of South Carolina  
Medical University of South Carolina  
Medical University of South Carolina  
Medical University of South Carolina  
Spartanburg Community College  
University of South Carolina  
University of South Carolina  
University of South Carolina – Upstate  
Winthrop University  
State Technical System  
State Technical System  
SC Department of Administration  
No Affiliation

Commissioner White experienced connectivity issues and was in the meeting intermittently.

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 10:31 a.m. and noted the establishment of a quorum of committee members.

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

A motion was made (Dyer), seconded (Dolny) and carried to approve the minutes of the October 1, 2020 Finance and Facilities Committee meeting.

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

November 5, 2020

---

### 3. Chair's Report

Chair Dalton welcomed everyone in attendance and thanked the committee and institutions for their work. He then moved into permanent improvement project approvals.

### 4. Permanent Improvement Project Approvals

The following projects were presented:

- A. Clemson University
  - i. Dunlap Property Acquisition
    - Revise Scope (Phase II)

Chair Dalton asked Mr. Tippens to describe the project. Mr. Tippens explained that Clemson University sought recommendation of the Committee for a property acquisition of a 1.04 acre parcel of land in Watauga County, North Carolina. Mr. Tippens explained that the Commission previously approved Phase I, contingent on Clemson informing county officials that the university could not accept the property prior to State approval, with which the university complied. Mr. Tippens further explained that if acquisition is approved, the university planned to transfer the land to its foundation, which would then sell the property and donate the proceeds to the university. Chair Dalton called on Clemson staff to share further details relating to the project. Clemson staff stated that the university had conducted an environmental study and did not find any evidence of environmental concerns. Commissioners inquired with staff regarding the anticipated sale price of the property, to which staff responded that the property will likely sell above the current taxable value. Clemson staff also stated the foundation would reimburse the university for the cost of the environmental study. Chair Dalton then asked for a motion to approve Phase II of the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to approve the project.

- ii. Wastewater Treatment Plant Improvements
    - Increase Budget (Phase II), Change Source of Funds

Chair Dalton asked Mr. Tippens to describe the project. Mr. Tippens explained that Clemson University sought recommendation of the Committee to upgrade its wastewater treatment plants, increase the budget to \$8 million, and to fund 100 percent of project costs with State Institution Bonds. Chair Dalton then called on Clemson staff to share further details relating to the project. Clemson staff stated that the project would renovate and bring up to current standards the university's wastewater treatment plant, which would improve disinfecting water before discharged and reduce the use of chemicals. Commissioner Batson asked about the change in funding source, to which Clemson staff responded State Institution Bond money was not available in Phase I, therefore, the university fronted funds to pay for the design component. Staff explained that Clemson will then use State Institution Bonds once approved by the Joint Bond Review Committee (JBRC) and State Fiscal Accountability Authority (SFAA). Commissioner Dolny asked how many projects are on the university's CPIP list, to which staff responded approximately 15 projects are on the list and the project is a top priority. Chair Dalton then asked for a motion to approve Phase II of the project, which was made (Dolny) and seconded (Batson). The Committee carried the motion to approve the project.

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

November 5, 2020

---

### B. Greenville Technical College

- i. Greenville – Benson Campus Amphitheater and Student Plaza  
– Phase II Budget Increase

Mr. Tippens explained that Greenville Technical College sought recommendation of the Committee for a budget increase of \$92,000 to its existing budget of \$3.24 million for the Benson Campus Amphitheater and Student Plaza project. Mr. Tippens explained that the primary donor, who has contributed \$3.1 million to the project, requested the college include a paved drop-off zone in the handicapped parking area. Chair Dalton called on Greenville Technical College staff to provide an overview of the project. Staff shared the history of the project and explained that the addition would allow direct access to the site and would be funded exclusively by the donor. Chair Dalton inquired whether the revision work had already begun being that provided documentation stated the quoted price was based on work beginning before October 26, 2020, to which Greenville Technical College staff responded work had not yet begun – the college was waiting for state approval, and the quoted price remained valid. Chair Dalton then asked for a motion to approve Phase I of the project, which was made (Batson) and seconded (Dolny). The Committee carried the motion to approve the project.

### C. Medical University of South Carolina

- i. Basic Science Building Air Handler Units 4 and 4A Replacement  
– Phase II Budget Increase

Chair Dalton asked Mr. Tippens to describe the project. Mr. Tippens explained that the Medical University of South Carolina sought recommendation of the Committee for a budget increase of \$500,000 to its existing budget of \$1.2 million for their Basic Science Building Air Handler Units 4 and 4A Replacement project. Mr. Tippens explained the university's lowest bid on the project came in \$500,000 higher than budget. Chair Dalton then called on MUSC staff to share further details relating to the project. MUSC staff explained that the initial estimates were based on construction documents from the engineering team without market consideration and that the lowest bid received was \$1.7 million. MUSC staff shared the funding source would be the university's strategic investment deferred maintenance account, which currently has a \$4 million balance. Chair Dalton inquired whether the university received quotes for two smaller units rather than the one larger unit, to which staff explained that bids were received for one larger unit and the current layout was not conducive for installing two new air handlers. Chair Dalton asked whether the project could be delayed, to which MUSC staff responded that the project is an immediate need. Chair Dalton then asked for a motion to approve Phase II of the project, which was made (Batson) and seconded (Dolny). The Committee carried the motion to approve the project.

### D. Spartanburg Community College

- i. Spartanburg – Powers Building Renovations  
– Phase II Budget Increase

Chair Dalton asked Mr. Tippens to describe the project. Mr. Tippens explained that Spartanburg Community College sought recommendation of the Committee for a budget increase for a Phase II, \$2.9 million renovation project. Mr. Tippens explained that the college had been implementing the renovation in phases, and the request was aligned with the construction phase of the second of three phases. Chair Dalton then called on

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

November 5, 2020

---

Spartanburg Community College staff to share further details relating to the project. Spartanburg Community College staff described the project and shared that it would be ideal to begin the project during the summer. Commissioner Batson questioned the increase in estimated cost since the last time the college presented the project, to which staff explained that the college is confident in the estimate and does not anticipate numbers further increasing when it returns to seek approval of the third and final phase of the renovation. Chair Dalton asked how the college's enrollment number were, to which staff responded enrollment in the social sciences area has increased by 12 percent, but overall enrollment is down 10 percent. Chair Dalton then inquired whether the project would have any effect on student fees and tuition, to which staff responded that it would not, and renovations would be funded by the college's plant funds. Chair Dalton then asked for a motion to approve Phase II of the project, which was made (Batson) and seconded (Dyer). The Committee carried the motion to approve the project.

- ii. Whelchel Property Acquisition I
  - Increase Budget (Phase II)

- iii. Whelchel Property Acquisition II
  - Increase Budget (Phase II)

Chair Dalton motioned, due to the similarity between the two Whelchel Property projects, to review and provide recommendations on both projects collectively, which was seconded (Dyer) and approved unanimously. Chair Dalton asked Mr. Tippens to describe the projects. Mr. Tippens explained that Spartanburg Community College sought recommendation of the Committee to acquire two parcels of land along Whelchel Road, located in Gaffney, South Carolina. He explained, the first property is a 3.88 acre parcel, with a total purchase price of \$139,080. Mr. Tippens explained that the college intends on using the land to provide an additional entranceway to its campus, which will help with reducing traffic and for future development needs. Chair Dalton then called on staff to share further details relating to the request. Staff shared that both properties had been surveyed and the environmental study found no concerns. Chair Dalton then asked for a motion to approve both Whelchel Property Acquisition I and II requests, which was made (Batson) and seconded (Dyer). The Committee carried the motion to approve the project.

- E. University of South Carolina – Columbia
  - i. West Campus Parking Development
    - Increase Budget (Phase II)

Mr. Tippens explained that the University of South Carolina sought recommendation of the Commission on Higher Education to approve a surface parking lot development project for its West Campus for their Greek community and to renovate spaces for two programs that will be displaced by the parking lot. Mr. Tippens stated the current budget is \$4.24 million, which will be paid for with already collected student fees. Chair Dalton then called on UofSC staff to share further details relating to the project. Staff described the project and shared that initially the university envisioned, and the Greek Community approved, a parking garage, but the scope changed to reduce costs and shorten completion time. Commissioner Batson inquired why the university decided to decrease the number of parking spaces from 1,400 to 300, to which staff responded that the university acquired 500 additional spaces internally and plans to increase the shuttle system. Chair Dalton asked if there were any concerns by students regarding the already collected fees, which would not be utilized for its original purpose. UofSC staff explained that students endorsed dropping

## South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

November 5, 2020

---

the fee and providing a surface parking lot. Commissioner Dyer asked whether the shuttle could be increased during lunch hour, which staff favored. Chair Dalton then asked for a motion to approve Phase II of the project, which was made (Dyer) and seconded (Batson). The Committee carried the motion to approve the project.

### F. University of South Carolina – Upstate

#### i. Information Resource Center

– Phase II Budget Increase, Change Source of Funds, Revise Scope.

Mr. Tippens explained that the University of South Carolina-Upstate sought recommendation of the Committee for an increased budget, change in source of funds, and revision in the scope of the Information Resource Center project. Mr. Tippens shared that the original project scope envisioned constructing a new facility, however, the university now requests the committee's recommendation to perform minor renovation work instead. Mr. Tippens shared that approximately \$700,000 is available for this work. Chair Dalton then called on UofSC staff to share further details relating to the project. Staff described the project and shared that majority of the costs will be utilized to install a sprinklers system, replace ceilings, millwork and reconfiguration of walls to optimize the existing building. Commissioner Batson asked about enrollment numbers, to which staff responded the school is down 5 percent. Chair Dalton then asked for a motion to approve Phase II of the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to approve the project.

## 5. Lease Request

### A. College of Charleston

Mr. Tippens explained that College of Charleston sought recommendation of the Committee to for approval of a five year lease at 360 Concord Street, which is a 52,900 square foot facility. He shared that the previous lease would expire at the end of the year and the space houses the college's computer science department. Mr. Tippens explained, if approved, in the first year total cost would be approximately \$1.8 million, which would then increase annually by an inflationary index, which will be capped at no more than 3 percent. He explained the college will use tuition and fee revenue to fund costs and will not need to raise tuition. Chair Dalton then called on College of Charleston staff to share further details relating to the request. Staff explained that the space has been used as temporary placement as their science building undergoes renovations. During the lease term, the property will be used as a swing space for its School of Arts as that building undergoes renovation. Chair Dalton asked about the market price for rental space, to which staff responded that is the current market rate for the area. Chair Dalton then asked for a motion to approve Phase II of the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to approve the project.

## 6. Other Business

### A. Permanent Improvement Project Staff Approvals during October

Chair Dalton asked Mr. Tippens to describe the October Permanent Improvement Project Staff Approvals. Mr. Tippens shared that one project was approved to include USC Upstate revising the scope of its 2014-2015 maintenance needs project, which was funded by lottery funds. Mr. Tippens next shared that he approved a lease request from MUSC for 99 parking spaces to be utilized by students, faculty, staff and visitors. Mr. Tippens shared the total annual cost is \$159,000 and would be paid for by parking fee revenue.

**South Carolina Commission on Higher Education**

Finance and Facilities Committee Board Meeting

November 5, 2020

---

B. Report on FY 2020-21 First Quarter Financial Statements

Chair Dalton asked Mr. Wilson to describe the 2020-21 First Quarter Financial Report. Mr. Wilson summarized the report.

Chair Dalton next asked institutions if there were any comments regarding the permanent improvement project approval process. UofSC staff commented that he would be favorable of broadening authority for staff to review and approve projects, which would potentially expedite project approval requests. Chair Dalton requested that institutions follow up with the Committee regarding any additional suggestions for consideration.

**Adjournment**

Being no other business before the Committee, Chair Dalton adjourned the meeting at 11:55 a.m.