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University of South Carolina

BOARD OF TRUSTEES

Intercollegiate Activities Committee

June 9, 2005

The Intercollegiate Activities Committee of the University of South Carolina Board of Trustees met on Thursday, June 9, 2005, at 9:30 a.m. in the Campus Room of Capstone House.

Members present were: Mr. Samuel R. Foster, II, Chairman; Mr. Arthur S. Bahnmuller; Mr. Mark W. Buyck, Jr.; Mr. Toney J. Lister; Mr. Michael J. Mungo; Mr. M. Wayne Staton; Mr. Othniel H. Wienges, Jr.; Mr. Herbert C. Adams, Board Chairman; and Mr. Miles Loadholt, Board Vice Chairman. Members absent were: Mr. Mark W. Buyck, Jr. and Mr. William C. Hubbard. Other Trustees present were: Mr. James Bradley; Ms. Rita M. McKinney and Mr. John von Lehe, Jr.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Vice President and Chief Financial Officer Richard W. Kelly; Associate Provost for Budget and Operations William T. Moore; Vice President for University Advancement T. W. Hudson Akin; Vice President & Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs Dennis A. Pruitt; Vice Provost & Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; Legal Counsel Walter (Terry) H. Parham; Dean of USC Lancaster John Catalano; Associate Vice Provost of Regional Campuses and Continuing Education Carolyn A. West; Senior Associate Athletics Director for Business and Development, Department of Athletics, Brad Edwards; Chief Financial Officer in the Department of Athletics, Shawn Eichorst; Associate Dean for Research, Arnold School of Public Health, Russell R. Pate; Director of the Department of Internal Audit Alton McCoy; Chairman elect to the Faculty Senate C. Eugene Reeder; Public Information Officer, Office of Media Relations, Karen Petit; University Legislative Liaison John D. Gregory; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; and members of the media.

Chairman Foster called the meeting to order and invited those present to introduce themselves. Mr. McKinney introduced members of the media who were in attendance. Chairman Foster stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and

supporting materials had been circulated to members of the Committee; and a quorum was present to conduct business.

I. Department of Athletics Budget: Chairman Foster called on Mr. Brad Edwards who presented an overview of the Athletics Department's budget for FY 2005-2006.

Mr. Edwards projected total departmental revenues of \$45,930,951 for FY 2005-2006. In FY 2003-2004, total revenue from all sources was \$52,892,126; of that figure, \$39,957,970 was derived from department operations and \$5,972,981 was generated by the Colonial Center. Overall, this amount represented an 8 percent increase over budgeted FY 2004-2005 revenues.

Mr. Edwards reported that non-arena operations revenues had increased to \$39,957,970; a 7.91 percent increase (\$2,928,303) from FY 2004-2005. Revenue from admissions ticket sales increased 18.33 percent primarily due to one additional home football game. For the 2005 season, 11 football games had been scheduled (seven home and four away). Football admission was projected to total \$10,987,867, a 23 percent increase above the 2004 season. For men's basketball, the total (\$1,700,000) was slightly lower than the budgeted amount for FY 2004-2005; baseball admissions had increased 23 percent (\$75,000).

In addition, Gamecock Club contributions increased 11.5 percent (\$1,252,500) to reflect the addition of new members and membership upgrades resulting from the hiring of Coach Steve Spurrier; the Southeastern Conference revenue share increased \$210,000. Other revenues such as media payments and concessions decreased slightly.

Mr. Edwards briefly summarized the Athletic Department's expenditures. Budgeted non-arena operational expenditures were projected to increase 6.7 percent for a total of \$35,913,898; of that amount, it was projected that nearly \$5 million would be used for Colonial Center operational expenses. Personnel requests for FY 2005-2006, such as salaries and benefits, would increase 9 percent (\$1,008,818) primarily due to salary increases for the new Athletics Director, new coaches and a 4 percent pay raise for state employees. Grants-in-aid expenses had been increased 6.29 percent (\$420,544) to cover anticipated raises in tuition and fees, room and board costs, and a reallocation of out-of-state grants.

Mr. Edwards stated that the Athletics Department would contribute approximately \$1.8 million in out-of-state athletic grant rebates to the University budget. Additional transfers included \$250,000 to fund University scholarships, \$309,000 for the ticket surcharge on the 2005 Clemson football tickets; \$145,000 to the University band; and \$47,000 annual contribution to Student Affairs/Student Government. The department will also transfer \$700,000 of the SEC revenues for the

accelerated defeasement of short-term debt on the Colonial Center and \$1 million for academic enrichment, student wellness and other academic services.

Mr. Edwards reported that construction was completed on the Charles F. Crews football facility at Williams Brice Stadium located underneath the "Zone". This \$3 million, 34,000 square feet training facility included individual and team meetings rooms, a recruiting area, a 17,000 square feet weight room, a 60-yard Olympic track and 2,400 square feet of agility space. In addition, the football stadium had been painted; soccer, track and field locker rooms had been renovated; the seating bowl was refurbished in the Colonial Center; the catwalk and five of the light standards were refurbished on the east side of the stadium; and extensive renovations had been completed on the women's tennis complex.

Mr. Foster called for a motion to recommend the Athletics Department's proposed budget to the Executive Committee for inclusion in the University's FY 2005-2006 budget. Mr. Adams so moved. Mr. Bahnmuller seconded the motion. The vote was taken, and the motion carried.

II. Other Matters: Mr. Mungo revisited a previous concern regarding armed security guards at games. Chairman Foster stated that the Board was awaiting a response from the Administration and Law Enforcement about the possibility of changing the current policy to address this matter; the Administration should have a response by the next committee meeting.

Mr. Bradley inquired about the projected Athletics Department debt service during the next 12 months. Mr. Edwards responded that the balance of \$29.6 million as of June 2005 will be reduced to approximately \$27 million.

Dr. Sorensen thanked the Athletics Department's staff for their progress in the defeasement of the loans.

Chairman Foster congratulated the Aiken Golf Team for winning the NCAA championship two years in a row.

There were no other matters to come before the Committee, and Chairman Foster declared the meeting adjourned at 10:00 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary