

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF LOUISVILLE

In Open Session

Members of the University of Louisville Board of Trustees met on Thursday, November 13, 2008, in the Jefferson Room of Grawemeyer Hall, Belknap Campus, with members present and absent as follows:

Present: Ms. Sandy Metts Snowden, Vice Chair, Presiding
Ms. Marie Abrams
Mr. Jonathan Blue
Mr. Ron Butt
Mr. Brent Fryrear
Dr. Salem George
Dr. Robert Curtis Hughes
Ms. Rebecca Jackson
Prof. Melissa Laning
Ms. Jessica Loving
Mr. Frank Minnifield
Ms. Brucie Moore
Mr. Steve Poe
Dr. William Selvidge
Mr. Rudolph Spencer, III
Mr. William Stone

Absent: Mr. Owsley Frazier
Ms. Margaret Handmaker
Mr. J. Chester Porter
Ms. Debbie Scoppechio

From the
University: Dr. James R. Ramsey, President
Dr. Larry Cook, Executive Vice President for Health Affairs
Ms. Angela D. Koshewa, University Counsel
Mr. Keith Inman, Vice President for University Advancement
Mr. Mike Curtin, Vice President for Finance
Mr. Larry Owsley, Vice President for Business Affairs
Ms. Susan Ingram, Director of Budgets
Mr. John Drees, Associate VP for Marketing
Ms. Anne Rademaker, Manager, General Accounting and Reporting
Ms. Cynthia Hess, Director of Communications & Marketing
Ms. Carolyn Cochran, Assistant to the Provost
Ms. Kathleen M. Smith, Assistant Secretary
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Vice Chair Snowden called the meeting to order at 2:55 p.m.

II. Consent Agenda

A. Approval of Minutes

- Minutes from Annual Board Meeting, 9/11/08

B. From the Bylaws Committee

- Approval of Amendment to Bylaws

C. From the Personnel Committee

- Approval of Signature Authority for International Educational Affiliations
- Approval of Monthly Personnel Recommendations (October, November)
- Approval of the A&S Personnel Policy/Procedure
- Approval of VP for Human Resources Position and Job Description

D. From the Audit Committee

- Approval of Audited Financial Statements for Period Ending June 30, 2008 and Independent Auditor's Report
- Action Item: Approval of Audit Services Plan

E. From the Finance Committee

- Approval of Changes to 403(b) Retirement Plan

F. From the Academic & Student Affairs Committee

- Approval of Ph.D. in Physics

G. From the Nominating Committee

- Approval of At Large Nomination

H. Approval of Candidates for Degrees, December 2008

Vice Chair Snowden read the roll of consent agenda. Hearing no objection, Ms. Abrams made a motion, which Mr. Fryrear seconded, to approve the consent agenda. The motion passed.

III. Action Item: Approval of Security Clearance and Managerial Group

President Ramsey explained this was a routine resolution for the Board to delegate security duties and responsibilities to the University's managerial group and condense the group to the individuals listed on the resolution. Approval of the resolution will allow the University to maintain compliance with Federal security regulations. Dr. Hughes made a motion, which Mr. Butt seconded, to approve the

President's recommendation that the Board of Trustees adopt the attached Resolution revising the Managerial Group of the University of Louisville and waiving of security clearance for officers, Directors, and directors not a part of the managerial group; and

That the President be authorized to take any other steps necessary with regard to agreements or assurances to the Defense Security Service to effect the facility security clearance of the University of Louisville and clearance of its personnel including compliance with the provisions of the National Industrial Security Program Operating Manual or other Federal government policy relating to safeguarding of classified information.

The motion passed.

IV. Action Item: Authorization of Executive Committee to Act on Grawemeyer Awards and Routine Personnel Matters

President Ramsey noted that according to its bylaws, the Board of Trustees does not routinely meet in the month of December. Because of scheduling changes, the Trustees Personnel Committee will not meet between November 13, 2008, and January 14, 2009. The President, therefore, requested that the Board authorize the Executive Committee to act for the Board during this timeframe. Mr. Fryrear made a motion, which Dr. Hughes seconded, to approve the

Chair's recommendation that the Board authorize the Executive Committee to take action on the following:

- **Adopt Grawemeyer Awards for 2009**
- **Monthly personnel actions and routine personnel policy revisions**
- **Naming of dedicatory rooms and facilities; and**
- **Other matters of housekeeping nature.**

The motion passed.

V. Action Item: Approval of Health South Property Acquisition

President Ramsey said this property is on the market and is a critical parcel in the University's Health Science Center Master Plan. Ms. Abrams made a motion, which Dr. Selvidge seconded, to approve the

President's recommendation that the Board authorize him or his designee to purchase the property at 614 East Chestnut at a price not to exceed the appraised fair market value in accordance with state property acquisition laws and regulations. The property consists of 1.21 acres and a 13,700 square foot building currently used as a surgical center

The motion passed.

VI. Information Item: Update on Meal Plan

President Ramsey asked Vice Presidents Jackson and Owsley and SGA President

Spencer to discuss the process followed and the students' involvement in the discussion of the Meal Plan proposal. Using a Powerpoint, Vice President Jackson explained the importance of offering students with more dining facility options, healthy food choices, locally grown products, a greater variety of food choices and improved service with extended hours of operation. Dr. Jackson discussed other universities that have implemented successful dining projects on campus, and he reviewed the following timeline of communication to the campus”

2/07	Food Service Review Committee
6/08	Student Focus Group
8/08	Media briefing with the Cardinal
8/25 - 26/08	6,000 brochures distributed to Welcome Week
10/08	Meal Plan background and history on website
10/08	Letter from SGA President to students
10/08	Jazzman's opens

Vice President Owsley reported the following history on campus:

- UofL is a campus in transition
- Vendor turnover
- Food Services Review Committee – February 2007
- Student focus groups identified new options needed prior to RFP
- Spring 2008 RFP issued
- SGA and Resident Student Association support proposed improvements
- Proposals reviewed by student, faculty, and staff committee
- Sodexo Campus Services proposal unanimously approved

Vice President Owsley explained that over a ten year period, beginning with the 2008-09 fiscal year, Sodexo will invest a total of \$11,685,000 in dining improvements. New plan changes include:

Jassman's Café Opened

SAC Terrace

Sushi, Mein Bowl, Garden Toss, Global Market, Dunkin Donuts, Chick-fil-a

Two new Café Ala Carte locations

Davidson

Miller Technology

New Mobile Card “Café Cab”

New Freshens

Smart Market (“grab and go” sandwiches, salads and desserts)

Longer hours of operation

Dr. Jackson said upcoming projects include:

McAlister's – Spring 2009

Einstein Bros. – Fall 2009

Damon's – Fall 2009

West Campus Dining – Spring 2010
SAC Terrace Renovation – Fall 2010

Dr. Jackson discussed aspects of the \$250 meal plan:

- It only applies to full-time undergraduate students on Belknap that are not taking one of the other meal plans
- It is a dollar for dollar benefit for students, much like a prepaid debit card for food
- For a 15-week semester, the cost is \$3.33 per day. The unused balance will carry forward from fall to spring
- It can be used anywhere on campus, including convenience stores

In response to Vice Chair Snowden’s inquiry about other meal plans provided on campus, Vice President Jackson offered to provide that information.

SGA President Spencer reported the Student Government Association has held student forums, distributed brochures, emailed students, and has made every possible attempt to communicate the information to the student body. Mr. Spencer reported that he and the Student Government Association support the meal plan proposal. Mr. Spencer reported SGA has received approximately 300 written complaints. On Facebook, there is a group called “stop the meal plan” that has approximately 1300 people signed on, but many aren’t from the University of Louisville. Mr. Spencer estimated the total number of students who have articulated an issue with the plan is 1000; he noted there are approximately 11,000 students on campus.

Vice President Owsley said since state funding does not provide for food service improvements, the University looked for an innovative, partnership to proceed. He stated there is a dining waiver process. He noted also that enhancing food service completes the campus experience:

- Academic facilities
- Library facilities
- Housing
- Recreation and athletics
- And now. . . . food service

Ms. Loving complimented them on the ways in which they proceeded to communicate this information to the student and the public. In response to Mr. Poe’s inquiry regarding pricing, Vice President Owsley explained that students using the debit card do not pay sales tax. President Ramsey reported that upon explanation, students’ parents have supported the meal plan. The plan is still in the vetting process, administration is obtaining feedback, and this report was provided as information only, with no action required at this time. There is an opportunity to request an exception/waiver. Dr. Hughes commended the University for their work on this project. Mr. Stone concurred and noted many students with whom he has spoken understand the need for the meal plan and support the goals of the university but need some ability to waive participation. Ms. Snowden commended the University in its quest to achieve the long-term goals by looking at several strategies.

VII. Action Item: Approval of Retirement Incentive Plan

President Ramsey reported the University of Louisville would like to offer a special window of opportunity for eligible tenured faculty to participate in early retirement, which would enable the University to respond to budgetary and planning considerations. The proposed plan will afford the University needed flexibility in reaching institutional objectives and dealing with programmatic shifts, internal reallocation, and will provide an equitable method to increase the flexibility of the University in cost-saving measures. The allocation of unit maximums will limit the impact of the Plan on any one academic unit. The Deans have advised that, assuming the level of funded participation in the Plan, the academic units will be able to provide continued staffing without disrupting academic programs.

President's recommendation that the Board of Trustees approve a one-time Retirement Incentive Plan (the "Plan") to be offered to regular full-time tenured faculty at the University who will have a combination of age and years of service equal to or greater than 91 as of June 30, 2009.

That the President, or his designee, is authorized to enter into binding agreements and take other steps needed to effect the Plan; and

That the following apply:

- **Service, though it need not be continuous, must be as a result of a regular full-time faculty appointment at the University of Louisville. The faculty member's status on June 30, 2009 will determine eligibility for the Plan. Employees who select to separate under the Plan must remain in a full-time employment status until June 30, 2009.**
- **Employees who for any reason fail to remain in a full-time employment status until the above date will not be eligible for any payment under the Plan even though they may have submitted a written election. Employees who die or become medically disabled during the period prior to June 30, 2009, shall not be eligible for any payments under the Plan.**
- **Separations under the Plan must be scheduled to occur on June 30, 2009. In order to be eligible for the Plan, employees must make a written election through appropriate administrative channels in the prescribed form no later than two months prior to the elected date (April 30). Once an employee has been approved for participation in the Plan and an agreement has been executed, subject only to the exceptions for failure to maintain full-time employment status, death or disability, the election shall be irrevocable unless written notice of revocation is received within seven days of the date of execution of the agreement.**
- **The university will pay to the eligible individual faculty member an amount equal to 100% of the faculty member's faculty annual base salary exclusive of any supplementary or overload pay, x-pay amounts, and summer teaching pay. One half of this amount will be paid to the faculty at the time of separation, the other half in the following fiscal year.**

- **For retirees younger than age 65 the university will provide an additional payment equal to the amount of monthly employer contribution towards university health insurance times the number of months until age 65. One half of this payment will be paid to the faculty at the time of separation, the other half in the following fiscal year. Retirees 65 and over will be eligible for regular benefits provided for any retiree age 65 and over.**
- **The total payments by the university under the Plan are not to exceed 5 million dollars. In the event this total is over subscribed, priority will be determined by ranking applicants in each academic unit on the combined years of age and service from highest to lowest within unit allocations as determined by the president. In the event of a tie with age and service then the length of service is the determining factor. The University reserves the right to increase funding to the Plan.**
- **As a condition of participating in the Plan, each faculty member will agree not to apply for or accept employment with the University after his or her retirement date, excepting only term or part-time employment if requested by the university.**
- **These payments are taxable wages and will be administered as x-pays through Payroll.**

This plan supersedes and replaces any previous plans, arrangements or customs regarding retirement incentives previously used in any University unit.

The motion passed.

VIII. Report of the President

At President Ramsey's request Cotton & Allen reviewed the University's grants management as compared to best practices. Although Cotton & Allen has not finalized its work, representatives provided a preliminary report to the board. President Ramsey introduced Messrs. Simon Keemer and Dub Newell from Cotton & Allen for the briefing. Messrs. Keemer and Newell provided an overview of procedures performed, the process, an overall conclusion, as well as discussing opportunities for improvement. Vice Chair Snowden thanked Messrs. Keemer and Newell for their review and recommendations.

Through a Powerpoint presentation, President Ramsey displayed the progress the University of Louisville has made in the last ten years. Despite state budget cuts in 7 of the past 9 years, the University has advanced in many areas, including 1) its 6-yr graduation rates, 2) the number of undergraduate degrees awarded, 3) endowed chairs and professorships, and 4) patents and license option agreements. The UofL Foundation's endowment has grown from \$317 million to over \$719 million. He noted 39 states face budget shortfalls. Dr. Ramsey discussed employment trends in the state of Kentucky and reported that Governor Beshear has created a consensus forecasting task group to begin looking at the budget. The Governor also has commissioned a work group on college tuition affordability. President Ramsey discussed looking at efficiencies and

reserves in managing the potential mid-year budget cuts, as well as the impact of revenue shortfall. He further discussed the University's strategies to increase income and build clinical income. Dr. Ramsey shared the success recognized by the Kentucky Datastream Initiative, noting the many Kentucky counties participating in this project. In moving the campus projects forward, Dr. Ramsey talked about the upcoming announcements and events:

- November 17 - Freedom Park dedication
- November 18 – Cancer Center Announcement
- December 1-5 – Grawemeyer Awards Announcements
- December 17 – Ribbon Cutting Ceremony, Shelby Campus
- January 29 – Public Health Center Grand Opening, Home of the Innocents

Vice Chair Snowden thanked President Ramsey for an excellent update.

IX. Report of the Chair

Vice Chair Snowden congratulated Dr. Robert Curtis Hughes and Dr. Larry Cook for receiving Health Kentucky's Medical Service Award earlier this month. The award is presented annually to physicians who have demonstrated a commitment to serving the indigent population in the Commonwealth of Kentucky through their participation and support of Health Kentucky's Physician Care Program. The Program provides access to medical care and prescription drugs for Kentuckians who do not have insurance or the ability to pay for these services. The Board recognized Drs. Hughes and Cook with a round of applause. Dr. Hughes also recognized the KMA primary care physician award to Salem George for 2008. The Board acknowledged Dr. George's distinction with a round of applause.

X. Adjournment

Ms. Loving made a motion, which Mr. Minnifield seconded, to adjourn the meeting at 4:15 p.m. The motion passed.

BOARD ACTION:

Passed _____

Did not pass _____

Other _____

Date _____

Asst. Secretary *Katalin M. Smith*