

MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

In Open Session

The Finance Committee of the University of Louisville Board of Trustees met on Thursday, January 12, 2006, in the Brown & Williamson Club of Papa John's Cardinal Stadium, with members present and absent as follows:

Present: Mr. Ulysses L. Bridgeman, Jr., Chairman
Ms. Sandy Metts Snowden
Mr. Bill Brammell, Jr.
Mr. Bill Stone

Absent: Mr. Kevin Cogan
Mr. Owsley B. Frazier
Mr. Steve Poe

Other Trustees

Present: Ms. Marie Abrams
Ms. Donna Tinsley Denny
Mr. Bill Forman
Dr. Salem George
Mr. Nathaniel E. Green
Ms. Margaret Handmaker
Mr. Grant Helman
Dr. Robert Curtis Hughes
Ms. Jessica Loving
Prof. Bill Pierce
Mr. J. Chester Porter
Ms. Sandy Metts Snowden
Mr. Bill Stone
Ms. Elizabeth Worland

From the
University:

Dr. James R. Ramsey, President
Dr. Shirley Willihnganz, Executive Vice President and Provost
Ms. Angela D. Koshewa, University Counsel
Dr. Larry Cook, Executive Vice President & Chancellor for Health Affairs
Dr. Nancy C. Martin, Senior Vice President for Research
Mr. Mike Curtin, Vice President for Finance
Mr. Larry Owsley, Vice President for Business Affairs
Mr. Ronald L. Moore, Vice President for Information & Technology
Mr. Dan Hall, Vice President for External Affairs
Mr. Joe Beyel, Vice President for University Advancement

Dr. David Howarth, Associate University Provost
Mr. John Drees, Interim Associate VP for University Advancement
Ms. Terri Rutledge, Assistant Vice President for Business Affairs
Ms. Anne Rademaker, Controller's Office
Ms. Carolyn Cochran, Assistant to the Provost
Mrs. Kathleen M. Smith, Assistant Secretary
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Bridgeman called the meeting to order at 2:10 p.m.

Approval of Minutes

Mr. Brammell made a motion, which Ms. Snowden seconded, to approve the minutes of May 12, 2005. The motion passed unanimously.

II. Action Item: Approval of Revision to the Retirement Plan

Vice President Owsley reported this revision conforms the University of Louisville 403(b) Retirement Plan to the higher limits currently permitted under federal law. Ms. Snowden made a motion, which Mr. Stone seconded, to approve the

President's recommendation that the Board of Trustees approve the revision to the University of Louisville 403(b) Retirement Plan, 4.2(a), as follows:

4.2 Limitations on Annual Additions. [EFFECTIVE December 31, 1995]

- (a) **Any provisions contained herein to the contrary notwithstanding, the "annual addition" to any Participant's Accounts shall not exceed the lesser of (i) \$40,000 ~~\$30,000 (pro-rated for the Plan Year beginning and ending December 31, 1997)~~ (or such larger amount as the Secretary of Treasury may determine in a manner consistent with the increases effected under Section 415(d) of the Code) or (ii) ~~25%~~ 100% of the Participant's Compensation. The term "annual addition" shall mean the sum of the Participant's share of University and Participant Contributions for the Plan year, and any amounts allocated on behalf of the Participant to an "individual medical account" (as defined in Section 415(1)(2) of the Code) which is part of a pension or annuity plan maintained by the University, and treated as annual additions to a defined contribution plan, and amounts derived from contributions paid or accrued attributable to post-retirement medical benefits allocated to the separate account of the Participant if he is a "key employee" (as defined in Section 419(d)(3) of the Code) under a**

welfare benefit fund (as defined in Section 419(e) of the Code) maintained by the University.

The motion passed unanimously.

III. Action Item: Approval of Upgrade of HVAC in Ford Hall

Vice President Owsley explained the present heating, cooling and ventilation (HVAC) system in Ford Hall does not control the humidity in the building. This results in the growth of mold at times. In addition, the building has several small air handling units above the ceilings which leak. The existing HVAC systems will be replaced with a single, more efficient system. Ms. Snowden made a motion, which Mr. Stone seconded, to approve the

President's recommendation that the following project be approved:

<u>PROJECT:</u>	<u>ESTIMATED COST:</u>	<u>FUND SOURCE:</u>
Upgrade HVAC in Ford Hall	\$325,000	Plant Funds

The motion passed unanimously.

IV. Action Item: Approval of Endowment Matches:

- Wendell Cherry Chair in Clinical Trial Research
- KY Lions Eye Research Chair in Ophthalmology.
- Ha and Nga Le Chair in Pediatric Allergy & Immunology
- Jewish Community Federation Chair in Judaic Studies
- Henry and Stella Hoenig Fund for the James Graham Brown Cancer Center
- David and Betty Jones Scholarship Program

Dr. Ramsey stated the University has received gifts/pledges from the above donors. The gifts will be matched by the Commonwealth of Kentucky Research Challenge Trust Fund. Ms. Snowden made a motion, which Mr. Stone seconded, to approve the

President's recommendations that the Board of Trustees:

Approve the establishment of a chair in clinical trial research in the School of Medicine that will be matched by the Commonwealth's Endowment Match Program; and

Authorize the Chair of the Board of Trustees to execute any documents required to complete the creation of this new endowed fund.

Approve the establishment of a chair in ophthalmology research in the School of Medicine that will be matched by the Commonwealth's Endowment Match Program; and

Authorize the Chair of the Board of Trustees to execute any documents required to complete the creation of this new endowed fund.

Approve the establishment of a new endowed chair in pediatric allergy and immunology in the School of Medicine that will be matched by the Commonwealth's Research Challenge Trust Fund; and

Authorize the Chair of the Board of Trustees to execute any documents required to complete the creation of this new endowed fund.

Approve the establishment of a chair in Judaic studies in the College of Arts & Sciences that will be matched by the Commonwealth's Endowment Match Program; and

Authorize the Chair of the Board of Trustees to execute any documents required to complete the creation of this new endowed fund.

Approve the establishment of a new fund for the James Graham Brown Cancer Center that will be matched by the Commonwealth's Research Challenge Trust Fund; and

Authorize the Chair of the Board of Trustees to execute any documents required to complete the creation of this new endowed fund.

Approve the establishment of a new fund to provide stipends to undergraduate scholars engaged in research at the University that will be matched by the Commonwealth's Research Challenge Trust Fund; and

Authorize the Chair of the Board of Trustees to execute any documents required to complete the creation of this new endowed fund.

The motion passed unanimously.

V. Information Item: Interim Financial Statements for Period Ending September 30, 2005 and 2004

Vice President Curtin reviewed the interim financial statements for period ending September 30, 2005 and 2005 (copy available upon request).

VI. Report of the President

Dr. Ramsey provided an update regarding the University's legislative priorities and strategies. He discussed 1) benchmark funding, 2) Bucks for Brains and research support, 3) Buildings and 4) Bond requests for capital replacement fund, research buildings, and academic initiatives. He noted the 6-year road fund project potentially included I 65 on/off ramps and the Shelby Campus infrastructure.

VII. Adjournment

Mr. Brammell made a motion, which Ms. Snowden seconded, to adjourn the meeting at 2:55 p.m. The motion passed unanimously.