

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

June 15, 2017

In Open Session

Members of the University of Louisville Board of Trustees met at 1:31 p.m. on June 15, 2017, in the Jefferson Room of Grawemeyer Hall, with members present and absent as follows:

Present: Mr. David Grissom, Chairman Pro Tempore
Mr. William Armstrong
Ms. Bonita Black
Mr. Brian Cromer
Ms. Sandra Frazier
Ms. Diane Medley
Mr. James Rogers
Mr. Nitin Sahney
Mr. John Schnatter
Prof. Enid Trucios-Haynes
Mr. Aaron Vance
Dr. Ron Wright

From the
University: Dr. Greg Postel, Interim President and Interim Exec. VP for Health Affairs
Dr. Dale Billingsley, Acting Executive Vice President and University Provost
Dr. William Pierce, Executive Vice President for Research and Innovation
Ms. Leslie Strohm, Vice President for Strategy and General Counsel
Mr. Tom Jurich, Athletic Director and VP for Athletics
Mr. Keith Inman, Vice President for University Advancement
Ms. Susan Howarth, Interim CFO
Mr. Lee Smith, Interim COO (arrived at 12:16 p.m.)
Dr. Toni Ganzel, Dean, School of Medicine
Mr. Kevin Miller, Assoc. Athletic Director
Dr. Michael Mardis, Dean of Students
Mr. Kenny Klein, Associate Athletic Directors
Ms. Ingrid Gentry, Interim Controller
Ms. Jeanell Hughes, Associate Vice President for Human Resources
Mr. Gary Mans, Director of Media Relations, HSC
Ms. Cheri Jones, Interim Assoc. VP for Audit and Compliance
Ms. Cindy Hess, Director, Communications and Marketing (arrived at 11:49 a.m.)
Mr. John Karman, Director of Media Relations
Mr. Rick Graycarek, Director of Budget and Finance
Mr. Chris Hodgkins, Budget Analyst
Mr. Michael Morsovillo, Budget Analyst

Mr. Renaldo Domoney, Budget Analyst
Mr. Vishnu Tirumala, SGA President-elect
Mr. Jake Beamer, Boards Liaison and Assistant Secretary

Outside

Counsel: Mr. Sam Hinkle, Stoll Keenon Ogden, PLLC
Mr. Craig Dilger, Stoll Keenon Ogden, PLLC

I. Call to Order

Mr. Beamer read the roll. Having determined a quorum present, Chairman Grissom called the meeting to order at 1:31 p.m.

Approval of Minutes, 6-8-2017

Mr. Armstrong made a motion, which Ms. Frazier seconded, to approve the minutes of the June 8, 2017 meeting. The motion passed.

II. Action Item: Approval of Operating Budget 2017-18

Tuition

Mr. Sahney made a motion, which Mr. Vance seconded, to approve the

President's recommendation that the Board of Trustees make no increases to tuition rates for AY 2017-18.

Following a roll call vote, the motion passed unanimously.

Fees

Mr. Cromer made a motion, which Ms. Black seconded, to approve the

President's recommendation that the Board of Trustees approve the new fees and adjustments to the existing fees, as attached.

Following a roll call vote, the motion passed with only Mr. Vance opposed.

Operating Budget

Dr. Postel and Ms. Howarth briefed the Board on the 2017-18 Operating Budget using the **attached** presentation. They then fielded questions from trustees.

Mr. Cromer made a motion, which Dr. Wright seconded, to approve the

President’s recommendation that the Board of Trustees approve the proposed University operating budget for Fiscal Year 2017-18, as attached.

Following a roll call vote, the motion passed unanimously.

III. Action Item: Approval of ULAA Construction Projects

Capital Projects

Mr. Miller presented the proposed Capital Projects to the Board which includes the construction of balconies at Cardinal Arena for volleyball games; replacement of the Lacrosse Field Turf; replacement of the Trager Center Field Turf; and the construction of a video wall and ribbon board upgrade at Papa John’s Cardinal Stadium, a line scoring display at Patterson Baseball Stadium, and a new outdoor video display at the Bass-Rudd Tennis Center.

Ms. Frazier made a motion, which Mr. Cromer seconded, to approve the

Athletic Director’s recommendation that the Board of Trustees authorize the purchase of facility improvements for athletic facilities on campus with the estimated costs budgeted:

<u>Facility</u>	<u>Funding Status</u>	<u>Project Scope</u>
A. Construction of Balconies at Cardinal Arena	Funded	\$450,000
B. Replace Field Turf Field-Lacrosse	Funded	\$325,000
C. Replace Field Turf Field-Trager Indoor	Funded	\$325,000
D. Video Wall and Ribbon Board upgrade at PJCS; a line scoring display at Patterson Stadium, and a new outdoor video display at the Bass-Rudd Tennis Center	Funded	\$2,000,000

Following a roll call vote, the motion passed unanimously.

Renovation of Patterson Baseball Stadium

Mr. Miller then briefed the Board on the proposed renovations to Patterson Baseball Stadium, explaining the recent success and the increased popularity of the baseball program have resulted in increased attendance that has made it necessary to review plans to expand the stadium. He noted this project requires approval to be added to the University’s Six-Year Capital Plan which will be submitted to the state government.

Dr. Wright made a motion, which Ms. Frazier seconded, to approve the

Athletic Director’s recommendation that the Board of Trustees authorize renovation of Jim Patterson Baseball Stadium with the estimated costs budgeted:

<u>Facility</u>	<u>Funding Status</u>	<u>Project Scope</u>
Jim Patterson Baseball Stadium	Private Funding	\$9.5M

Following a roll call vote, the motion passed unanimously.

IV. Report of the Ad Hoc Committee on Board Governance

Approval of Revisions to *The Redbook*

Ms. Black presented revisions to Chapter 1 of *The Redbook*, as approved by the Ad Hoc Committee on Board Governance on June 12, 2017. She thanked Ms. Strohm and Mr. Beamer for their work revising the chapter to reflect changes to the Board’s bylaws, the Kentucky Revised Statutes, and requirements of the Southern Association of Colleges and Schools (SACS).

Ms. Medley made a motion, which Mr. Armstrong seconded, to approve the

Ad Hoc Committee on Board Governance’s recommendation that Chapter 1 of The Redbook be revised, as attached.

The motion passed.

Update on MOU with UofL Foundation

Ms. Black stated her committee was working with the governance committee of the UofL Foundation to create a Memorandum of Understanding (MOU) detailing the relationship between the University and the Foundation. She reported both governance committees had resolved all but a few technical issues, and expects to present a final copy of the MOU to the board at a special meeting before July 1, 2017.

Mr. Grissom thanked Ms. Black and her committee for its work.

V. Report of the President

Updates

President Postel updated the Board on completed 2017-18 projects and works in progress using the **attached** tables. He then fielded questions from trustees.

Action Item: UofL Hospital Affiliation Agreement

Dr. Postel briefed the Board on the recommendations to approve two documents regarding UofL Hospital: a revised lease agreement and revised academic affiliation agreement. He explained that due to the termination of the partnership with KentuckyOne Health and the transition to UMC, both documents required revisions to reflect UMC as managing entity of the Hospital.

Chairman Grissom requested additional time for the Board to consider the proposed revisions to the lease agreement and academic affiliation agreement, and stated a special meeting would be called prior to July 1, 2017, in which to approve the documents.

Mr. Cromer requested an explanatory memorandum to be included in the materials.

No action was taken.

VI. Report of the Chair

The Chairman announced the composition of the Ad Hoc Tenure and Nepotism Policy Committee as follows:

Sandra Frazier , Chair
William Armstrong
Dale Billingsley
Bonita Black
Brian Cromer
James Rogers
Enid Trucios-Haynes

Mr. Grissom asked Ms. Frazier to coordinate with the Boards Liaison regarding committee meeting dates and times.

VII. Executive Session

Ms. Black made a motion, which Dr. Wright seconded, to go into Executive Session at 2:09 p.m. to discuss litigation and personnel matters pursuant to KRS 61.810(1)(c) and (f).

The motion passed.

Mr. Cromer departed the meeting at 3:49 p.m.

VIII. Open Meeting Reconvenes

The open meeting reconvened at 4:08 p.m. Chairman Grissom reported the board discussed litigation and personnel matters.

The following actions were then taken:

Personnel Matters

Dr. Wright made a motion, which Ms. Frazier seconded, to approve the following personnel recommendations:

From June 15, 2017:

Law

Lars Smith, LL.M., JD, Professor (Tenured) of Law, the Samuel J. Stallings Chair in Law, and Associate Dean for Academic Affairs; additional appointment as Interim Dean of the Louis D. Brandeis School of Law, July 1, 2017 through December 31, 2017. Appointment as Interim Dean is at the pleasure of the Board of Trustees.

Public Health and Information Sciences

Timothy Wiemken, PhD, Assistant Professor (Term) of Medicine (School of Medicine); change of appointment and promotion to Associate Professor (Probationary) of Epidemiology and Population Health (School of Public Health and Information Sciences) effective June 19, 2017.

JB Speed School of Engineering

Gail DePuy, PhD, Professor (Tenured) of Industrial Engineering and Associate Dean for Academic and Student Affairs; additional appointment as Interim Dean of the Speed School of Engineering effective July 1, 2017. Appointment as Interim Dean is at the pleasure of the Board of Trustees.

From May 18, 2017:

Administration

Jason Chesney, MD, PhD, Professor (Tenured) of Medicine and Pharmacology and Toxicology and Brinkley Chair in Lung Cancer Research; additional appointment as Associate Vice President for Health Affairs and Director of the James Graham Brown Cancer Center; change of appointment from Brinkley Chair in Lung Cancer Research to James Graham Brown Foundation Chair, May 18, 2017. Appointments as Associate Vice President and Director of the James Graham Brown Cancer Center are at the pleasure of the Board of Trustees.

Daniel Durbin, MPA, West Virginia University; Associate Vice President for Health Affairs and Health Sciences Center Chief Financial Officer, July 1, 2017. Appointment as Associate Vice President is at the pleasure of the Board of Trustees.

Kevyn Merten, PhD, Assistant Vice President for Research and Innovation; promotion to Associate Vice President for Research and Innovation, July 1, 2017. Appointment as Associate Vice President for Research and Innovation is at the pleasure of the Board of Trustees.

Arts and Sciences

Craig Grapperhaus, PhD, Professor (Tenured); additional appointment as Chair of Department of Chemistry, July 1, 2017 through June 30, 2020. Appointment as Department Chair is at the pleasure of the Board of Trustees.

Business

Jay Brandi, PhD, Professor (Tenured) and Interim Chair of Department of Finance; change of appointment to Chair of Department of Finance, July 1, 2017 through June 30, 2022. Appointment as Department Chair is at the pleasure of the Board of Trustees.

Law

Colin Crawford, JD, Harvard Law School; Professor with tenure and Dean of the Louis D. Brandeis School of Law and Associate in the Department of Urban and Public Affairs (College of Arts and Sciences), January 1, 2018. Appointment as Dean is at the pleasure of the Board of Trustees.

Medicine

Dwayne Compton, EdD, Instructor (Term) of Medicine and Executive Director of Diversity Initiatives; change of appointment to Instructor (Term) of Medicine and Associate Dean for Community Engagement and Diversity, July 1, 2017. Appointment as Associate Dean is at the pleasure of the Board of Trustees.

Public Health and Information Sciences

Karunarathna Kulasekera, PhD, Professor (Tenured) and Chair of Department of Bioinformatics and Biostatistics; additional appointment as Assistant Dean for Academic Affairs, July 1, 2017. Appointments as Department Chair and Assistant Dean are at the pleasure of the Board of Trustees.

The motion passed with Mr. Armstrong opposed.

Authorization to Amend Alvarez & Marsal Contract

Mr. Sahney made a motion, which Dr. Wright seconded, to approve the following resolution:

RESOLVED, the Board of Trustees authorizes the Chairman of the Board to negotiate an amendment of the contract with Alvarez & Marsal to cover additional expenses that are responsive to the information requested by board counsel as a result of the forensic audit of the UofL Foundation, as presented to the Board of Trustees on June 8, 2017.

The motion passed.

IX. Adjournment

Dr. Wright made a motion, which Prof. Trucios-Haynes seconded, to adjourn.

The motion passed and the meeting adjourned at 4:11 p.m.

Approved by:


_Signature on File
Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING REVISIONS OF *THE REDBOOK* CHAPTER 1

Ad Hoc Committee on Board Governance – June 12, 2017
Board of Trustees – June 15, 2017

RECOMMENDATION:

The Ad Hoc Committee on Board Governance recommends that Chapter 1 of *The Redbook* be revised as attached.

BACKGROUND:

The revised Chapter 1 reflects changes to the Bylaws of the Board of Trustees and Kentucky Revised Statutes, and ensures compliance with SACSCOC in relation to the University's accreditation probation.

COMMITTEE ACTION:

Passed X

Did Not Pass _____

Other _____

Signature on File

[Signature]
Assistant Secretary

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

Signature on File

[Signature]
Assistant Secretary

THE REDBOOK

CHAPTER ONE

Organization and Operation of the Board of Trustees and the Board of Overseers

Article 1.1 The Board of Trustees

Sec. 1.1.1 Membership of the Board

Per KRS 164.821, the government of the University of Louisville is vested in a Board of Trustees appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky. The Board shall consist of thirteen total members, as follows: (a) ten (10) members appointed by the Governor, at least one (1) of whom shall be a graduate of the university; (b) one (1) member of the teaching faculty of the university who shall be the chief executive of the ranking unit of faculty government; (c) one (1) member of the permanent staff of the university who shall be chief executive of the staff senate; and (d) one (1) student member who shall be president of the student body during the appropriate academic year.

Sec. 1.1.2 Powers of the Board

In accordance with the statutory authority of the Commonwealth of Kentucky and implemented in the By-Laws of the Board of Trustees and the governmental procedures for the University, the Board of Trustees is the governing body of the University of Louisville. Within the limits set by the Federal and State Constitutions and federal and state law, the Board shall actively engage in policy making, be responsible for aiding the University to perform at a high level of excellence, adopt an annual budget and ensure that the financial resources of the University are sufficient to provide a sound educational program, and periodically evaluate the University's progress in implementing its missions, goals, and objectives.

The Board of Trustees shall have the powers set forth in KRS 164.830, including the authority (i) to select, hire, regularly evaluate, and, when appropriate, suspend or remove the President of the University; (ii) to receive and administer University revenues; and (iii) to grant degrees to graduates of the University.

Sec. 1.1.3 Voting by the Board/Conflict of Interest

Each member of the Board of Trustees shall have a full and independent right to vote upon matters coming before the Board, pursuant to the procedures set out in the Board's By-Laws.

Per Section 5.1 of the Board's By-Laws, all trustees shall disclose any known conflict of interest and shall avoid participating in any decision or advocating any subject matter before the Board in which the trustee, a business in which the trustee is an owner or an employee, or a member of the immediate family of a trustee has a conflict of interest. When a trustee learns that a business transaction presents a conflict of interest, that trustee must make an immediate, full disclosure to the Board of his or her interest in the subject and refrain from participating in any discussion of or decision on the issue.

The Chair of the Board of Trustees shall begin each meeting of the Board with the following statement: "As Chair, it is my responsibility to remind all members of the Board of their responsibility to avoid conflicts of interest and appearances of conflict of interest. Each member has received the agenda and related information for this Board of Trustees' meeting. If any Board member knows of any conflict of interest or appearance of conflict of interest with respect to any matter coming before the Board of Trustees at this meeting, please identify the conflict or appearance of conflict at this time."

All trustee conflict of interest statements or similar disclosure documents and any conflict of interest or appearance of a conflict of interest identified by a trustee, whether at a meeting or otherwise, shall be referred to the Board's governance committee for review. If a determination is made that further action is needed, a recommendation for further action will be communicated to the involved trustee(s) and to the Board Chair. If a member of the governance committee has a substantial interest in the matter that has been disclosed, then the matter may instead be referred for review and recommendation to the Board's Executive Committee or to an ad hoc committee of no less than three members of the Board of Trustees.

Sec. 1.1.4 Meetings of the Board

Regular, special, and emergency meetings of the Board shall be held as specified in the Board's By-Laws.

Sec. 1.1.5 Officers and Committees of the Board

The officers of the Board of Trustees shall be a Chair, a Vice-Chair, a Secretary, and a Treasurer, and such other officers and assistant officers as the Board may appoint.

The Board shall have an Executive Committee and such other standing and ad hoc committees as established by the Board pursuant to its By-Laws.

Sec. 1.1.6 Suspension or Removal of University Personnel

- A. Board action to suspend or remove University personnel is required only in those instances: (a) when the appointment of the person in question was approved by formal Board action – not by delegated authority to the President or others, or (b) when Board action is otherwise required pursuant to the provisions of this Redbook. Any person serving at the formal appointment of the Board in an administrative capacity may be suspended or removed from their administrative responsibilities by the President, except that such action is subject to ratification by the Board.
- B. Removal of the President or a faculty member for incompetence, for neglect of or refusal to perform his or her duty, or for immoral conduct shall be taken in accordance with the minimum procedures as set out in KRS 164.360 and KRS 164.830. Additional procedures relating to the termination of faculty members are further set out in this *Redbook*.

Sec. 1.1.7 Removal of Board of Trustees

Pursuant to state law and Article 3 of the Board's By-Laws, individual trustees can be dismissed or, in compelling circumstances, the entire Board of Trustees removed for limited and appropriate reasons and by a fair process that provides for notice and the right to be heard.

Article 1.2 Board of Overseers

Sec. 1.2.1 Membership of the Board

Membership on the Board of Overseers of the University of Louisville shall be by appointment in accordance with the procedures set out in the Bylaws of the Board of Overseers. The membership shall be broadly representative of the public.

Sec. 1.2.2 Purpose

The Board of Overseers shall be a body advisory to the President of the University with specific responsibility to assist the Office of the President in accordance with the following objectives:

- A. To maintain and enhance the quality and efficiency of the University's programs.
- B. To serve as a resource to the President for strategic planning and other special needs.
- C. To strengthen external relations.
- D. To assist the University in identifying and obtaining resources.
- E. To assist the University in recruiting and retaining outstanding students.

Sec. 1.2.4 Organization of the Board

A set of Bylaws shall be established by the Board of Overseers. Such Bylaws shall provide for membership, officers, committees, meetings and such other matters as may be necessary to carry out the duties of the Board of Overseers.