

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

May 18, 2017

In Open Session

Members of the University of Louisville Board of Trustees met at 10:31 a.m. on May 18, 2017, in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present: Mr. David Grissom, Chairman Pro Tempore
Mr. William Armstrong
Ms. Bonita Black (via videoconference)
Mr. Brian Cromer (arrived at 10:33 a.m.)
Ms. Sandra Frazier
Mr. James Rogers
Mr. Nitin Sahney
Mr. John Schnatter
Prof. Enid Trucios-Haynes
Mr. Aaron Vance
Dr. Ron Wright

Absent: Ms. Diane Medley

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. David Adams, Interim Chief Administrative Officer
Mr. Keith Inman, Vice President for University Advancement
Mr. Dan Hall, Vice President for Community Engagement
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. Gary Mans, Director of Media Relations, HSC
Ms. Cheri Jones, Interim Assoc. VP for Audit and Compliance
Mr. John Drees, Interim Sr. Assoc. VP for Communications and Marketing
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
Ms. Priscilla Tingle, Sr. Budget Analyst

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

From the
CPE: Mr. Robert L. King, President
Ms. Heather Faesy, Associate, Board Relations and Special Projects

From the
Foundation: Mr. Keith Sherman, Interim Executive Director

Outside
Counsel: Mr. Sam Hinkle, Stoll Keenon Ogdon, LLC

I. Call to Order

Mr. Beamer read the roll. Having determined a quorum present, Chairman Grissom called the meeting to order at 10:31 a.m.

Approval of Minutes, 4-26-2017

Dr. Wright made a motion, which Prof. Trucios-Haynes seconded, to approve the minutes of the April 26, 2017 meeting. The motion passed.

II. Orientation of Board of Trustees by CPE

The Chairman introduced CPE President King who gave the **attached** presentation. He noted that state law mandates a minimum of six hours of orientation for new members of governing boards of Kentucky's colleges and universities.

President King then fielded questions from trustees.

The orientation concluded at 11:18 a.m. Chairman Grissom thanked President King for his thorough orientation.

III. Recess Board of Trustees; Convene Annual Meeting of the UofL Research Foundation

Ms. Frazier made a motion, which Dr. Wright seconded, to recess the Board of Trustees meeting.

The motion passed and the meeting recessed at 11:19 a.m.

IV. Reconvene Board of Trustees Meeting

Dr. Wright made a motion, which Prof. Trucios-Haynes seconded, to reconvene the Board of Trustees meeting.

The motion passed and the meeting reconvened at 12:33 p.m.

V. Report of the President

Updates

Interim President Postel provided updates on works in progress since the last board meeting, as attached. He then fielded questions from board members.

Dr. Postel also briefly discussed the May 13 Commencement ceremonies, noting this was the largest graduating class in history – 3,156 degrees conferred – with 18% minority graduates, and 14.5% first-generation college graduates.

Authorization regarding Clinical Operations of Health Sciences Center

The President reminded trustees about discussions related to the restructuring of clinical enterprises of the university into a separate business entity. He stated he and his leadership team discussed this proposal with members of faculty, members of University of Louisville Physicians, city and state officials.

Prof. Trucios-Haynes requested the language “internal constituents” be included in the resolution, specifically regarding with whom the Interim President will consult. The Chairman agreed and sought a motion for the resolution, as amended.

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

President’s recommendation that the Board of Trustees authorize him, in conjunction with the University’s consultants and law firm, ECG Consultants and Norton Rose Fulbright, to develop a proposal for the creation of a new University-affiliated academic medical center enterprise which would more closely align the interests of the University, University of Louisville Hospital, the University of Louisville Physicians, and other professional activity of the University’s full-time clinical faculty. The Interim President shall consult with the Office of the Governor of the Commonwealth of Kentucky, the Secretary for the Kentucky Cabinet for Health and Family Services, the Office of Attorney General, and internal constituents in the development of any proposal. When finalized, the proposal shall be presented to the Board of Trustees for review and approval.

The motion passed.

Budget Presentation

Dr. Postel explained the budget process and timelines, including the incorporation of the Athletic Association's 2017-18 operating budget, leading to the budget as presented. He thanked Interim CFO Susan Howarth and her team in the Office of Budget and Planning for their work in crafting a balanced budget.

Ms. Howarth used the **attached** presentation and fielded questions from trustees. Highlights included the budget development process, actions taken to ensure a positive FY 2017-18 year-end fund balance, a breakdown of revenues and expenditures in the general funds and total operating budgets, and tuition and fee proposals.

Ms. Howarth reiterated to the board that there would be no increase in undergraduate, graduate, and professional tuition rates, and no increase in mandatory student fees.

Dr. Postel stated Ms. Howarth and her team would continue to make adjustments to the budget and recommend the board consider its approval at the June 15, 2017 meeting.

Chairman Grissom thanked Dr. Postel and Ms. Howarth for their presentation.

VI. Report of the Chair

The Chairman stated the results of the forensic audit of the Foundation will be delivered to the Board at a special meeting on June 8, 2017, at 1:00 p.m.

Update on Bylaws

Chairman Grissom reported that the Ad Hoc Committee on Board Governance finalized its bylaws revisions at its April 27, 2017 meeting. Following that meeting, the Board of Trustees received the original bylaws, the revised bylaws as presented, and a redlined version for comparison. The Ad Hoc Committee Chair solicited comments and questions from members and presents the revised bylaws, in consideration for approval.

Ms. Black briefly detailed the process by which her committee made its revisions. She indicated the new bylaws would be effective June 1, 2017.

Ms. Black then thanked members of her committee for their work in drafting the new bylaws.

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

The Ad Hoc Committee on Board Governance's recommendation that the Board of Trustees adopt the revised Bylaws, as attached.

The motion passed.

Ad Hoc Tenure and Nepotism Policy Committee

The Chairman recommended the board create and charge an ad hoc committee to review the university's tenure and nepotism policies.

Prof. Trucios-Haynes requested a staff member be included when populating the committee. Chairman Grissom agreed and requested a motion to approve the amended resolution.

Prof. Trucios-Haynes made the motion, which Mr. Rogers seconded, to approve the following resolution:

RESOLVED, that the Board of Trustees approves the creation of an Ad Hoc Tenure and Nepotism Policy Committee. The Committee will have at least seven members selected from the Board of Trustees and the academic leadership of the University, including the chair of the Faculty Senate and a staff constituency representative.

The charge of the Ad Hoc Tenure and Nepotism Policy Committee shall be as follows:

- **Review the University's current tenure policies and practices and the University's current anti-nepotism policy and practices.**
- **Examine and determine best practices at comparable institutions.**
- **Make recommendations regarding the University's tenure policies and practices and the University's current anti-nepotism policy and practices to the Board of Trustees on or before November 16, 2017.**

The motion passed.

VII. Executive Session

Dr. Wright made a motion, which Ms. Frazier seconded, to go into Executive Session at 1:38 p.m. to discuss real estate, litigation matters, personnel matters, and a business proposal pursuant to KRS 61.810(1)(b) (c), (f) and (g).

The motion passed.

VIII. Open Meeting Reconvenes

The open meeting reconvened at 3:30 p.m. Chairman Grissom reported the board discussed real estate, litigation matters, personnel matters, and a business proposal.

The following actions were then taken:

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

Chairman of the ULAA Board of Directors' recommendation that the Board of Trustees authorize the construction of a television production studio for the new ACC Network.

<u>Facility</u>	<u>Funding Status</u>	<u>Project Scope</u>
Construction of Athletic Television Production Studio	Funded	\$8,000,000

The motion passed.

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

Athletic Director's recommendation, with approval from the UofL Athletic Association Board of Directors, that the Board of Trustees authorize the long-term ground lease and development of Churchill Park to build a soccer practice facility:

<u>Facility</u>	<u>Funding Status</u>	<u>Project Scope</u>
A. Purchase of reversionary interest In Churchill Park from Christ Church Cathedral	Funded	\$350,000 upfront / \$50,000 annually/10 years
B. Annual ground lease payment to Metro Government	Funded	\$15,000 annually
C. Construction of soccer practice Facility	Funded	\$1,000,000

The motion passed.

Mr. Cromer made a motion, which Prof. Trucios-Haynes seconded, to approve the following resolution:

RESOLVED, that the President of the University is authorized to negotiate the terms of a revised lease with the Arena Authority and will report back to the Board of Trustees for its consideration and approval of a final agreement.

The motion passed, with Mr. Rogers and Ms. Black abstaining.

IX. Adjournment

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

The motion passed and the meeting adjourned at 3:38 p.m.

Approved by:

Signature on File

Assistant Secretary