

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

February 16, 2017

In Open Session

Members of the University of Louisville Board of Trustees met at 1:01 p.m. on February, 16, 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, at 1:07 p.m.)
Mr. Brian Cromer
Ms. Sandra Frazier (via videoconference)
Ms. Diane Medley
Mr. Nitin Sahney
Mr. John Schnatter
Prof. Enid Trucios-Haynes
Mr. Aaron Vance
Dr. Ron Wright (via videoconference, at 1:18 p.m.)

Absent: Mr. James Rogers

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. Keith Inman, Vice President for University Advancement
Mr. Dan Hall, Vice President for Community Engagement
Mr. David Adams, Interim Chief Administrative Officer
Ms. Susan Howarth, Interim Chief Financial Officer
Dr. Toni Ganzel, Dean, School of Medicine
Dr. Gerard Bradley, Dean, School of Dentistry
Dr. David Jenkins, Dean, Kent School of Social Work
Dr. Michael Mardis, Dean of Students
Mr. John Drees, Interim Sr. Assoc. VP for Communications and Marketing
Mr. John Karman, Director of Media Relations
Ms. Trisha Smith, Deputy Chief of Staff
Mr. Jake Beamer, Boards Liaison

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

Outside

Counsel: Mr. Craig C. Dilger, Stoll Keenon Ogden

I. Call to Order

Mr. Beamer read the roll. Having determined a quorum present, Chairman Grissom called the meeting to order.

The chairman made remarks regarding the challenges facing the University and how the Board of Trustees would face such challenges. He stated there are three objectives: (1) achieving financial stability, transparency, and integrity for both the University and the Foundation; (2) restoring the University's accreditation by the Southern Association of Colleges and Schools Commission on Colleges; and (3) conducting a successful search for the next president of the University.

He concluded his remarks by stating the Board of Trustees and the Board of Directors of the Foundation will address the issues facing the University in an open, collegial, and cooperative fashion, and will pursue a path that restores the reputation of the University of Louisville to the high level it once enjoyed.

Consent Agenda

Chairman Grissom read the consent agenda as follows:

Consent Agenda

- **Approval of Minutes, 1-21-2017**
- **Approval of Monthly Meeting Schedule**

Hearing no objections, Prof. Trucios-Haynes made a motion, which Mr. Armstrong seconded, to approve the consent agenda as listed. The motion passed.

II. Action Item: University Signature Authority

Chairman Grissom explained the resolution was routine in nature and reflects the appointments of the Interim President, Chief Administrative Officer, Chief Financial Officer, Chief Operating Officer, and Senior Associate Vice President for Communications and Marketing.

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

Interim President's recommendation that the Board of Trustees adopt the attached updated resolution regarding signature authority for the University of Louisville.

The motion passed.

III. Action Item: Banking Signature Authority

The Chairman stated this resolution, like the previous recommendation, is routine in nature and reflects the appointments of the Interim President, Chief Administrative Officer, and Chief Financial Officer.

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

Interim President's recommendation that the University of Louisville Board of Trustees adopt the attached resolution relating to investment custodial and safekeeping accounts at PNC Capital Markets, LLC Pittsburg, Pennsylvania.

The motion passed.

IV. Action Item: Approval of ULH Dorm Leases

Mr. Sherman and Dean Mardis briefed the board regarding the four (4) ULH Dorm Leases and related recommendations using the **attached** presentation.

Chairman Grissom asked the board to consider all four recommendations simultaneously. Ms. Medley made a motion, which Prof. Trucios-Haynes seconded, to approve the

Interim President's recommends the Board of Trustees approve the amended and restated ground leases of Bettie Johnson Hall, Community Park, Minardi Hall, and Kurz Hall, as attached.

The motion passed.

V. Report of the President

Budget Presentation

Interim President Postel briefed the board on the current budget situation and the processes by which the 2017-18 budget is shaped, using the **attached** presentation. He then fielded questions from the board.

Chairman Grissom asked the President to provide a status report of the budgeting process at each board meeting through May.

Mr. Inman departed the meeting at 1:58 p.m.

Welcome New Deans Bradley, Jenkins

President Postel introduced the new deans of the School of Dentistry and the Kent School of Social Work, Gerard Bradley and David Jenkins, respectively.

The Deans provided a brief overview of their schools using the **attached** presentations, and fielded questions from the board.

President Postel concluded his report by thanking each dean for presenting their vision for the future of the School of Dentistry and Kent School of Social Work.

VI. University of Louisville Foundation Report

Before Ms. Medley gave her report, Chairman Grissom publicly thanked her for the work she had already completed as chair of the Foundation.

Ms. Medley reported that, since the last Board of Trustees meeting and her election as chair, she had spoken with each board member of the Foundation and shared with them her vision for the future of the Foundation. She stated her goal was to return the reputation of the Foundation to what it once was. Ms. Medley continues to meet with Mr. Sherman regarding the organization's finances and praised his work as Interim Executive Director.

Ms. Medley appointed a nominating committee to fill vacancies on the Foundation board, and she anticipated those nominees would be approved at its next board meeting.

She stated June is the target month for the implementation of a corrective action plan, a result of the audit by the state auditor's office.

Chairman Grissom thanked Ms. Medley for her report.

VII. Report of the Chairman

Update on Key Legislation

Chairman Grissom briefed the board on Senate Bill 107 as it relates to the university's accreditation.

Presidential Search Committee

The Chairman stated his intention to update the presidential search committee resolution passed by the Board at its January 21 meeting. The update would change the composition of the committee to include more members representing additional constituent groups in the community.

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

RESOLVED, that the Board of Trustees approves the creation of a Presidential Search Committee. The Presidential Search Committee shall have up to sixteen members as follows:

- a) **The faculty, student, and staff constituent representative members of the Board of Trustees;**
- b) **At least one individual who is a current or former member of the Alumni Association;**
- c) **At least one other individual who is a graduate of the University;**
- d) **At least one individual who has experience serving on the Kentucky Council on Postsecondary Education;**
- e) **At least one current or former member of the boards of directors of the University of Louisville Foundation, Inc. and the University of Louisville Athletic Association, Inc.;**
- f) **At least two individuals who have made donations in support of the University;**
- g) **At least one individual who serves on the board of a local philanthropic organization that provides financial support to the University;**
- h) **The chair of the Board of Trustees, who shall serve ex officio as a voting member of the Committee;**
- i) **Recognizing that a single individual may meet more than one of the criteria listed above, additional current or former trustees.**

Pursuant to Section 2.7 of the By-Laws of the Board of Trustees, the Board Chair is directed to make the appointments to the Presidential Search Committee outlined in paragraphs (b) through (i) above after receiving recommendations from the members of the Board of Trustees.

The charge of the Presidential Search Committee shall be as follows:

- **Select and retain an executive search firm to assist with developing a leadership profile for the next president and identifying and recruiting outstanding candidates for the position of president of the University of Louisville.**
- **Design and implement a plan of outreach for seeking broad perspectives and input from the entire community served by the University, including the Faculty Advisory Committee comprised according to the Redbook, faculty members, students, staff, alumni, current and former trustees, related foundations, board of overseers, and citizens and leaders of the Commonwealth and local community.**

- **Design and conduct a wide-ranging and inclusive search for the next president, with emphasis on attracting a broad pool of candidates who reflect the University’s commitment to community engagement and diversity.**
- **Accept and acknowledge all applications and nominations for the position, assuring confidentiality to the extent possible.**
- **Select and retain independent counsel, if deemed necessary, to assist in developing and negotiating the new President’s employment contract with the University.**
- **Recommend to the Board of Trustees one or more finalists for the next president of the University and a proposed starting date of the appointment.**

The motion passed.

Mr. Grissom read the names of the appointees to the presidential search committee as follows: David Grissom, Co-Chair; John Schnatter, Co-Chair; Bonita Black, Brian Cromer, Charles Denny, Sandra Frazier, Alice Houston, Diane Medley, Alex Rankin, Eddy Roberts, Jim Rogers, Nitin Sahney, Steve Trager, Will Armstrong, Enid Trucios-Haynes, Aaron Vance.

Trustee Appointments to the UofL Athletic Association

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

Chairman’s appointment of Brian Cromer and John Schnatter as trustee representatives on the University of Louisville Athletic Association, Inc. Board of Directors.

The motion passed.

VIII. Action Item: Authorization of Governance Committee

The Chairman briefed the board on the creation of an ad hoc committee on board governance to review governance procedures and best practices of university boards. In addition, this committee, in conjunction with a similar committee of the UofL Foundation, will negotiate a memorandum of understanding as to the governance of both organizations.

Prof. Trucios-Haynes concurred with the Chairman regarding the importance of this committee and recommended a university constituency representative be included. Mr. Grissom agreed.

Mr. Vance made a motion, which Mr. Schnatter seconded, to approve the following resolution:

RESOLVED, that the Board of Trustees approves the creation of an Ad Hoc Committee on Board Governance. The Committee shall have four members to be appointed by the Chairman, one of whom is a constituency representative trustee (faculty, staff, or student).

The charge of the Ad Hoc Committee on Board Governance shall be as follows:

- **Identify best practices in public university governance and recommend for consideration by the Board policies, procedures, and a committee structure that strengthen the Board's ability to carry out its fiduciary responsibilities.**
- **Identify best practices for forging an effective relationship between the University and the University of Louisville Foundation, Inc. and recommend for consideration by the Board a new Memorandum of Understanding that documents how the University and the Foundation will work together.**
- **Review the Board's current governance practices and documents (e.g., By-Laws and Redbook) and recommend for consideration by the Board updates and amendments that reflect best practices and conform to the requirements of Kentucky law.**
- **Educate Board members and constituencies regarding Board statutes, By-Laws, policies, procedures, and practices.**

The motion passed.

Mr. Grissom read the names of the appointees to the Ad Hoc Committee on Board Governance as follows: Bonita Black, Chair; Brian Cromer, James Rogers, Enid Trucios-Haynes.

The Chairman then reported on the forensic audit of the Foundation being conducted by Alvarez & Marsal. He noted the cost of the audit would be likely be increased due to preliminary findings resulting in the broadening of the audit's scope.

This concluded the Chairman's report.

IX. Executive Session

Prof. Trucios-Haynes made a motion, which Mr. Armstrong seconded, to go into

Executive Session at 2:37 p.m. to discuss litigation and personnel matters pursuant to KRS 61.810(1)(c) and (f).

The motion passed.

X. Open Meeting Reconvenes

The open meeting reconvened at 3:38 p.m. Chairman Grissom reported the board discussed litigation and personnel matters.

Approval of Contract for Interim President

Mr. Sahney made a motion, which Prof. Trucios-Haynes seconded, to approve the Interim President's contract in the form **attached**.

The motion passed.

XI. Adjournment

Mr. Armstrong made a motion, which Ms. Black seconded, to adjourn.

The meeting adjourned at 3:40 p.m.

Approved by:


Signature on File
Assistant Secretary

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF LOUISVILLE
REGARDING THE APPOINTMENT OF AN AD HOC COMMITTEE ON BOARD
GOVERNANCE**

February 16, 2017

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- Review the Board's current governance practices and documents (e.g., By-Laws and Redbook) and recommend for consideration by the Board updates and amendments that reflect best practices and conform to the requirements of Kentucky law.
- Educate Board members and constituencies regarding Board statutes, By-Laws, policies, procedures, and practices.

Board Action:

Passed: X

Did Not Pass:

Other:

Signature on File
Assistant Secretary