

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

July 20, 2017

In Open Session

Members of the University of Louisville Board of Trustees met at 1:03 p.m. on July 20, 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
Dr. Raymond Burse
Mr. Brian Cromer
Ms. Sandra Frazier
Ms. Diane Medley
Mr. James Rogers
Mr. Nitin Sahney
Mr. John Schnatter (via videoconference)
Mr. Vishnu Tirumala
Prof. Enid Trucios-Haynes
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 Vice President for Athletics
Dr. Ralph Fitzpatrick, Assoc. Vice President for Community Engagement
Mr. Bryan Robinson, Sr. Asst. Vice President for University Advancement
Mr. Lee Smith, Interim COO (arrived at 12:16 p.m.)
Dr. Toni Ganzel, Dean, School of Medicine
Dr. Michael Mardis, Dean of Students
Mr. Kenny Klein, Associate Athletic Directors
Ms. Ingrid Gentry, Interim Controller
Mr. John Drees, Interim Sr. Assoc. VP for Communications and Marketing
Mr. John Karman, Director of Media Relations
Dr. Michael Mardis, Dean of Students
Mr. Mark Hebert, Director of Media Relations
Dr. Susan Jarosi, Associate Professor of Women's and Gender Studies
Dr. Robert Keynton, Professor & Endowed Chair for Biomechanical Devices
Mr. Jake Beamer, Boards Liaison and Assistant Secretary

Outside

Counsel: Mr. Alex P. Herrington, Stites & Harbison, PLLC

I. Call to Order

Mr. Beamer read the roll. Having determined a quorum present, Chairman Grissom called the meeting to order at 1:03 p.m.

Welcome New Board Members: Raymond Burse and Vishnu Tirumala

Chairman Grissom welcomed and introduced new board members Raymond Burse, gubernatorial appointee, and Vishnu Tirumala, Student Government Association President.

Conflict of Interest Affirmation

The Chairman reminded all members of the board of their responsibility to avoid conflicts of interest and appearances of conflicts of interest. He stated each member has received the agenda and related information for this Board of Trustees' meeting. Chairman Grissom requested 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, to please identify the conflict or appearance of conflict at this time.

Ms. Black and Mr. Rogers stated they would recuse themselves from any discussion and/or vote regarding the KFC Yum! Center Arena.

Mr. Grissom thanked Ms. Black and Mr. Rogers for their statements of recusal.

Approval of Minutes, 6-28-2017

Dr. Wright made a motion, which Mr. Armstrong seconded, to approve the minutes of the June 28, 2017 meeting.

The motion passed.

II. Report of the Ad Hoc Committee on Board Governance

Chair Black reported the committee met on July 17 and discussed the selection of the board officers and the at-large member of the Executive Committee for 2017-18. She asked each current officer if they are interested in continuing to serve in their same capacity, and each stated they would be.

On behalf of the Board Governance Committee, Chair Black moved the following slate for approval:

Slate of Officers for 2017-18:

Chair	David Grissom
Vice Chair	John Schnatter
Treasurer	Diane Medley
Secretary	Brian Cromer

At-Large Member of Executive Committee: Nitin Sahney

The motion passed.

Chair Black noted that Faculty Senate Chair Enid Trucios-Haynes will also continue on the Executive Committee as the constituent representative.

Conflict of Interest Policy and Processes

Ms. Black reported the Board has accomplished a great deal of governance-related work, including the adoption of a new Financial Transactions (Spending) Policy, an updated set of By-Laws, a revised Section 1 of the Redbook addressing the responsibilities of the Trustees, and a new Memorandum of Understanding between the University and the UofL Foundation.

Chair Black noted that under revised Section 1 of the Redbook, effective July 1, the Governance Committee is charged with reviewing any conflict of interest disclosures made by a Trustee. To fulfill that obligation, she had asked committee members to review the current Conflict of Interest Statements each trustee submitted and to report back in the coming weeks. In addition, the Governance Committee will be reviewing and updating the Board of Trustees Conflict of Interest Disclosure Form to reflect best practices, and will work with staff on an electronic tool to make updating the statements easier for board members.

She stated the board's intention to share with SACS in August the progress it is making in creating an environment of best practices regarding Conflicts of Interest.

Fiduciary Responsibility

Chair Black concluded her report with the **attached** presentation on Fiduciary Responsibility, as part of the Committee's responsibility to ensure the Board has ongoing education. She reminded trustees that state law requires all board members receive a minimum of six hours of orientation in their first year.

Chairman Grissom thanked Ms. Black and members of the committee for their work.

III. **Action Item: Approval of August Degree Candidates**

Dr. Postel presented the candidates for degrees and certificates to be conferred by the University of Louisville on August 8, 2017.

Prof. Trucios-Haynes made a motion, which Mr. Armstrong seconded, to approve the

Interim President's recommendation that the Board of Trustees approve the Candidates for Degrees and Certificates to be conferred by the University of Louisville on August 8, 2017 and that the Board authorize the Acting Executive Vice President and University Provost to approve the awarding of degrees to others who have been certified by the unit faculties as having completed the appropriate courses of study, but missed the deadline for Board action.

The motion passed.

IV. Action Item: Approval of 2015-16 Endowment Match Annual Report

Dr. Postel briefed the Board on the 2015-16 Endowment Match Annual Report, noting it was a housekeeping item, deferred from December 2016, and requested by the Council on Postsecondary Education.

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

Interim President's recommendation that the Board of Trustees approve the Endowment Match Program 2015-2016 Annual Report as requested by the Council on Postsecondary Education.

The motion passed.

V. Report of the Ad Hoc Tenure and Nepotism Policy Committee

Chair Frazier reported the Ad Hoc Tenure and Nepotism Policy Committee met on July 12 and reviewed its charge to review the University's current tenure and nepotism policies and make recommendations to this Board about updating the policies to reflect best practices of similar and benchmark institutions.

Because the majority of anti-nepotism policies affect staff, and the tenure policy affects faculty, committee members agreed to separate the issues and assess the nepotism policy first. Ms. Frazier requested her committee review a draft of an updated nepotism policy and send her their comments and/or revisions.

Ms. Frazier stated the committee would meet again in late August to approve a new policy, and bring it to the board for consideration at its September meeting. Following the approval of a new nepotism policy, the committee will focus its efforts on reviewing the University's current tenure policies.

Chairman Grissom thanked Ms. Frazier at her committee for its work in establishing best practices for nepotism and tenure policies.

VI. Report of the Audit Committee

Chair Rogers reported the Audit, Compliance, and Risk Committee met prior to the board meeting and received the Internal Auditor’s Report of activities from the period of November 2016 to June 2017. It included the project ratings and descriptions of each audit performed during the period, including activities performed by the Institutional Compliance Office and the Information Security Office.

Mr. Rogers noted the committee also approved the 2017-18 Audit Plan. On behalf of the Audit, Compliance, and Risk committee, he moved the following recommendation for approval:

The Audit, Compliance, and Risk Committee’s recommendation that the Board of Trustees approve the Audit Services project plan for 2017-18:

2017-2018 DRAFT AUDIT PLAN

Compliance - Routine Audits to obtain reasonable assurance that the university is compliant with applicable laws, regulations, or third party obligations.

Project Name	College/School/Division
Federal Work Study Program	Office of the Provost/Student Financial Aid
Foreign Workers – VISA Program	Various
Sub-Recipient Monitoring	Executive Vice President for Research and Innovation

Operational - Routine Audits to obtain reasonable assurance that department operations are efficient, effectively controlled, and compliant with university policy, laws, and regulations.

Project Name	College/School/Division
Conn Center for Renewable Energy Research	Speed School
Kentucky Spinal Cord Injury Research Center	Executive Vice President for Health Affairs
Office of the President	Office of the President
Department of Medicine – Infectious Disease	School of Medicine

Information Technology - Routine Audits to obtain reasonable assurance that information technology is effectively controlled, data is secure, and data is accurate and reliable.

Project Name	College/School/Division
Data Encryption	Information Technology/various units throughout campus

integrated Research Information System (IRIS)	Executive Vice President for Research and Innovation
Software and Firmware Change Management Process	Information Technology

Other projects

Project Name	Comment
Cash Handling - 2018	Annual random cash counts, review of the effectiveness of internal controls, and follow-up on prior audits.
Athletics – Equipment Management	Follow-up on issues identified during a prior consulting project.
Internal Quality Assurance Review	A self-assessment in Audit Services to ensure compliance with professional standards in preparation for a required external assessment.
Special Projects/Investigations	Placeholder for emerging issues

The motion passed.

VII. Report of the President

Interim President Postel stated he would provide at the Board’s next meeting a detailed report of the financial performance of the University since the trustees approved the 2017-18 budget.

Dr. Postel then reported on the transition of the management of UofL Hospital from KentuckyOne Health to the University Medical Center (UMC), noting the transition was smooth and resulted in a transfer of \$250M to the balance sheet of UMC. Additional updates would be provided at future board meetings.

The Interim President then briefed the board on the construction projects on the University’s campuses. Highlights included: the topping-off ceremony for the Belknap Academic Building, a state-funded project primarily focused on undergraduate education and new and improving teaching techniques; the Pediatric Medical Office Building was named the Novak Center for Children’s Health at a naming ceremony earlier in the day; the ribbon-cutting for the remodeled Swain Student Activities Center will occur in September; and the north end zone of the Papa John’s Cardinal Stadium expansion is ongoing. Dr. Postel noted all four major construction project were on schedule and on budget.

The President updated the board on the NCAA Committee on Infractions’ appeals process and stated a draft of the University’s appeals document would be provided to the Board for review.

Dr. Postel also discussed the details related to the University’s accreditation probation by the Southern Association of Colleges and Schools (SACS). An accreditation consultant has been retained to aid administration in addressing SACS’s concerns, and a SACS

committee would visit the University in September. A decision regarding the University's probation would be reached at SACS's annual meeting in December.

Dr. Postel stated he would host two Open Forums for faculty, staff, and students in an effort to address the University's trajectory and resolve specific problems both campuses are facing.

Action Item: Yum! Center Lease Agreement

The Interim President announced that the University of Louisville Athletic Association (ULAA) Board of Directors approved a proposal to create an amendment to the arena lease at the KFC Yum! Center. He then briefed the board on the history of the lease agreement and why an amendment was necessary.

Dr. Postel then introduced Mr. Herrington who further discussed the necessity to amend the original Yum! Center lease, using the **attached** presentation.

Dr. Postel and Mr. Herrington then fielded questions from board members.

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

Interim President's recommendation that the Board of Trustees approve the following resolution:

WHEREAS, the University of Louisville Athletic Association, Inc. ("ULAA") is a not for profit corporation affiliated with the University of Louisville (the "University") pursuant to KRS 164A.610 and incorporated under the laws of the Commonwealth of Kentucky for the performance of charitable, educational and scientific purposes, including, developing intercollegiate athletic teams composed of students of the University of Louisville and scheduling and managing intercollegiate college contests all in harmony with and in subjection to the general educational policy of the University; and

WHEREAS, in connection with its stated purposes, ULAA entered into a Lease Agreement (the "Original Lease"), dated July 3, 2008, between the Louisville Arena Authority, Inc. ("LAA") and ULAA in connection with the use of the Louisville Arena (the "Arena") by ULAA for any athletic, academic or related activity that is sponsored and solely arranged by either ULAA or the University, including, without limitation, basketball games, other athletic games or events, University graduations, student performances and the like; and

WHEREAS, the financing for the Arena was primarily provided through the \$349,218,518.30 Kentucky Economic Development Finance

Authority Louisville Arena Project Revenue Bonds, Series 2008 (Louisville Arena Authority, Inc.) (the “2008 Bonds”); and

WHEREAS, LAA has determined that it is necessary to refinance the 2008 Bonds in order to effect both cost savings and restructuring to avoid future financial difficulties with respect to the current Arena financing; and

WHEREAS, ULAA and the University have undertaken discussions with LAA to amend the Original Lease in a manner to assist in the refinancing of the 2008 Bonds and to make other modifications to the Original Lease through the terms (including an additional annual payment of \$2,420,000) set forth in the First Amendment to Lease Agreement between Louisville Arena Authority, Inc. and University of Louisville Athletic Association, Inc. (the “First Amendment”), substantially in the form attached hereto and incorporated herein by reference as Exhibit A; and

WHEREAS, LAA and ULAA have agreed to the terms set forth in the First Amendment;

NOW, THEREFORE, BE IT RESOLVED, that, pursuant to KRS 164A.610, the Board of Trustees of the University of Louisville hereby requests that the Board of Directors of ULAA take formal action to enter into the First Amendment and:

To authorize the Chair of the Board and other appropriate officers of ULAA to execute the First Amendment with such changes, insertions and omissions as may be approved by the Chair of the Board of ULAA, and to take such further actions and execute such additional documents as may be necessary to effect the purposes of this Resolution.

Following a roll-call vote requested by the Chairman, the motion passed 7-2 with Mr. Armstrong, Dr. Burse, Mr. Cromer, Ms. Frazier, Mr. Grissom, Ms. Medley, and Mr. Tirumala approving the motion.

Mr. Sahney and Dr. Wright opposed the motion.

Mr. Schnatter and Prof. Trucios-Haynes abstained.

Ms. Black and Mr. Rogers recused themselves.

Action Item: Approval of Updated University Organizational Chart

Dr. Postel concluded his report by recommending the Board approve an updated university organizational chart reflecting personnel changes in the university’s central

administration. The new chart aligns with The Redbook Article 2.2 (sections 2.2.1, 2.2.2, and 2.2.3).

Dr. Wright made a motion, which Ms. Frazier seconded, to approve the **Interim President's recommendation that the Board of Trustees approve the administrative organization of the university as outlined in the attachment.**

The motion passed.

VIII. Executive Session

Mr. Armstrong made a motion, which Ms. Frazier seconded, to go into Executive Session at 2:45 p.m. to discuss personnel matters pursuant to KRS 61.810(1)(f).

The motion passed.

IX. Open Meeting Reconvenes

The open meeting reconvened at 2:57 p.m. Chairman Grissom reported the board discussed personnel matters.

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

Interim President's recommendation that the following personnel recommendations be approved by the Board of Trustees:

Administration

John Elliott, MBA, Troy State University; appointment as Interim Associate Vice President of Human Resources, July 22, 2017. Appointment as Interim Associate Vice President of Human Resources is at the pleasure of the Board of Trustees.

Ralph Fitzpatrick, EdD, University of Pennsylvania, Associate Vice President for Community Engagement; change of appointment to Interim Vice President for Community Engagement, July 1, 2017. Appointment as Interim Vice President for Community Engagement is at the pleasure of the Board of Trustees.

Bryan Robinson, MA, University of Louisville, Senior Assistant Vice President; change of appointment to Interim Vice President for University Advancement, August 1, 2017. Appointment as Interim Vice President for University Advancement is at the pleasure of the Board of Trustees.

Arts and Sciences

Diane Pecknold, PhD, Associate Professor (Tenured) of Women's and Gender Studies; additional appointment as Department Chair of Women's and Gender Studies, July 1, 2017 through June 30, 2018. Additional appointment as Department Chair is at the pleasure of the Board of Trustees.

Business

Christopher Stivers, PhD, Professor (Tenured) of Finance and Associate Dean of Undergraduate Programs; additional appointment as PNC Professor of Banking and Finance, August 1, 2017 through July 31, 2022. Additional appointments as Associate Dean and PNC Professor of Banking and Finance are at the pleasure of the Board of Trustees.

Dentistry

Richard Lamont, PhD, Professor (Tenured) and Interim Chair of Oral Immunology and Infectious Diseases and Delta Dental Endowed Professor of Oral Health and Systemic Diseases; additional appointment as Department Chair of Oral Immunology and Infectious Diseases, August 1, 2017. Additional appointment as Department Chair and Delta Dental Endowed Professor are the pleasure of the Board of Trustees.

Michael Metz, DMD, Associate Professor (Tenured) and Interim Chair of General Dentistry and Oral Medicine; additional appointment as Department Chair of General Dentistry and Oral Medicine, August 1, 2017. Additional appointment as Department Chair is at the pleasure of the Board of Trustees.

The motion passed.

X. Report of the Chairman

Evaluation of Interim President

Chairman Grissom briefed the Board on the process for conducting an evaluation of the Interim President. While Dr. Postel has served as Interim President for only five months, Mr. Grissom stated his intent to establish a practice of the President's review being discussed each year as part of the Annual Meeting.

The Chairman requested members of the Governance Committee to talk with each trustee in the next two weeks to seek their perspective on Dr. Postel's performance. Mr. Grissom also asked the constituency representative trustees to consult with their respective faculty, staff and student constituents and provide their collective thoughts to himself and the Chair of the Ad Hoc Committee on Board Governance. He also requested a self-assessment from the Interim President.

The resulting materials will be used prepare Dr. Postel's annual review, which will be discussed at a future Board meeting in open session, as required by Kentucky law.

Forensic Audit of UofL Foundation

Chairman Grissom notified the Board he would convene a special meeting at 1:00 p.m. on August 10, 2017 to hear the recommendations of its outside counsel regarding actions to be taken, if any, resulting from the forensic audit of the UofL Foundation.

Update on Presidential Search

Mr. Grissom stated the University received 12 responses to the Request for Proposal for a Presidential Search Firm, and asked Trustees Burse, Sahney, and Trucios-Haynes to join him in evaluating the proposals to narrow the field of firms. The resulting firms would be asked to present their proposals to the board at a future meeting.

XI. Adjournment

Mr. Sahney made a motion, which Mr. Cromer seconded, to adjourn.

The motion passed and the meeting adjourned at 3:01 p.m.

Approved by:


Assistant Secretary

MINUTES OF THE ANNUAL MEETING OF THE
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July 20, 2017

In Executive Session

Present: Mr. David Grissom, Chairman
Mr. William Armstrong
Ms. Bonita Black
Dr. Raymond Burse
Mr. Brian Cromer
Ms. Sandra Frazier
Ms. Diane Medley
Mr. James Rogers
Mr. Nitin Sahney
Mr. John Schnatter (via videoconference)
Mr. Vishnu Tirumala
Prof. Enid Trucios-Haynes
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
Ms. Leslie Strohm, Vice President for Strategy and General Counsel
Mr. Jake Beamer, Boards Liaison and Assistant Secretary

I. Call to Order

Chairman Grissom called the meeting to order at 2:46 p.m.


II. Personnel Matters

The Board discussed personnel matters.

III. Adjournment

The executive session adjourned at 2:57 p.m.

Approved by:


Assistant Secretary

RECOMMENDATION TO THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES
REGARDING THE ELECTION OF OFFICERS AND THE AT-LARGE MEMBER
OF THE EXECUTIVE COMMITTEE FOR 2017-18

Ad Hoc Committee on Board Governance – July 17, 2017
Board of Trustees – July 20, 2017

RECOMMENDATION:

The Ad Hoc Committee on Board Governance recommends the following for election:

Slate of Officers for 2017-18:

Chair	David Grissom
Vice Chair	John Schnatter
Treasurer	Diane Medley
Secretary	Brian Cromer

At-Large Member of Executive Committee: Nitin Sahney

BACKGROUND:

Per the Board of Trustees Bylaws, the annual meeting of the Board shall be held in July of each year. At said annual meeting the Board shall elect its officers and the at-large member of the Executive Committee.

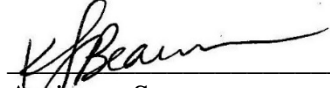
The Executive and Compensation Committee shall consist of the officers of the Board of Trustees, one at-large member of the Board who shall be elected by the Board, and one of the three constituency representatives who shall be a member. In the case of the one constituency representative who shall serve on the Executive and Compensation Committee, the seat shall be filled, beginning with the Faculty Senate chair, on a rotating academic year basis beginning with the 2017-2018 academic year.

COMMITTEE ACTION:

Passed X

Did Not Pass

Other



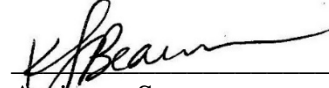
Assistant Secretary

BOARD ACTION:

Passed X

Did Not Pass

Other



Assistant Secretary