

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

January 21, 2017

In Open Session

Members of the University of Louisville Board of Trustees met at 9:31 a.m. on January 21, 2017, in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present: Mr. William Armstrong
Ms. Bonita Black (via videoconference)
Mr. Brian Cromer
Mr. David Grissom
Ms. Diane Medley
Mr. James Rogers
Mr. Nitin Sahney
Mr. John Schnatter (via videoconference)
Prof. Enid Trucios-Haynes
Mr. Aaron Vance
Dr. Ron Wright

Absent: Mr. Ulysses L. Bridgeman, Jr.
Ms. Sandra Frazier

From the
University: Dr. Neville Pinto, Acting President
Dr. Greg Postel, Interim Exec. VP for Health Affairs
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. Lee Smith, Assoc. VP for Performance Improvement and Business Analytics
Ms. Amy Shoemaker, University Counsel
Ms. Jeanell Hughes, Asst. VP for Finance & Operations & Int. Exec. Dir. of HR
Dr. Michael Mardis, Dean of Students
Mr. John Karman, Director of Media Relations
Mr. David Adams, CEO of the Institute for Product Realization
Ms. Becky Simpson, Sr. Assoc. VP for Communications and Marketing
Ms. Trisha Smith, Deputy Chief of Staff
Mr. Jake Beamer, Boards Liaison

From the
Foundation: Mr. Keith Sherman, Interim Executive Director
Ms. Aleque Novesl, Executive Assistant and Boards Liaison

Outside

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

I. Administration of Constitutional Oath of Office

Dr. Pinto introduced Judge Gina Calvert who administered the oath of office to the Trustees.

II. Call to Order

Having determined a quorum present, Dr. Pinto called the meeting to order at 9:31 a.m.

III. Election of Chairman Pro Tem to Serve Until the Board's Annual Meeting

Dr. Pinto opened the floor for nominations for chairman pro tem. Mr. Sahney nominated Mr. Grissom. Dr. Wright nominated Mr. Bridgeman.

Ms. Medley made a motion, which Mr. Armstrong seconded, to close nominations. The motion passed.

Dr. Wright made a motion, which Prof. Trucios-Haynes seconded, to vote for chairman pro tem by written ballot. The motion passed. Ballots were distributed, collected, and counted.

The Board elected Mr. Grissom as Chairman Pro Tem.

IV. Election of Vice Chairman Pro Tem to Serve Until the Board's Annual Meeting

Chairman Grissom opened the floor for nominations for vice chairman pro tem. He nominated Mr. Schnatter. Prof. Trucios-Haynes nominated Ms. Medley, who declined the nomination.

Mr. Sahney made a motion, which Ms. Medley seconded, to close nominations. The motion passed.

Ms. Medley made a motion, which Dr. Wright seconded, to elect Mr. Schnatter as Vice Chairman Pro Tem. The motion passed.

V. Election of Secretary Pro Tem to Serve Until the Board's Annual Meeting

Chairman Grissom opened the floor for nominations for secretary pro tem. He nominated Mr. Cromer.

Mr. Armstrong made a motion, which Dr. Wright seconded, to close nominations. The motion passed.

Dr. Wright made a motion, which Mr. Sahney seconded, to elect Mr. Cromer as Secretary Pro Tem. The motion passed.

VI. Election of Treasurer Pro Tem to Serve Until the Board's Annual Meeting

Chairman Grissom opened the floor for nominations for treasurer pro tem. He nominated Ms. Black, who declined the nomination.

Dr. Wright nominated Ms. Medley.

Dr. Wright made a motion, which Mr. Armstrong seconded, to close nominations. The motion passed.

Prof. Trucios-Haynes made a motion, which Mr. Armstrong seconded, to elect Ms. Medley as Treasurer Pro Tem. The motion passed.

VII. Election of At-Large Member to Executive Committee

Ms. Strohm explained the composition of the executive committee and the state law requiring the faculty constituency representative to be a member.

Chairman Grissom opened the floor for nominations for the at-large member on the executive committee. Ms. Medley nominated Mr. Sahney.

Dr. Wright made a motion, which Ms. Medley seconded, to close nominations. The motion passed.

Ms. Medley made a motion, which Mr. Armstrong seconded, to elect Mr. Sahney as At-Large member of the Executive Committee. The motion passed.

VIII. Approval of Minutes, November 29, 2016

Prof. Trucios-Haynes made a motion, which Mr. Armstrong seconded, to approve the minutes of the November 29, 2016 meeting. The motion passed.

IX. Selection of Four Trustee Members to be appointed by the Chair Pro Tem to the Board of Directors of the UofL Foundation, Inc.

Chairman Grissom appointed Mr. Sahney, Mr. Schnatter, Ms. Medley, and himself to be appointed to the UofL Foundation, Inc., Board of Directors.

Prof. Trucios-Haynes indicated the Faculty Senate and the Student Government Association passed resolutions supporting the appointment of a university constituency representative on the Foundation board. Mr. Grissom concurred with Prof. Trucios-

Haynes and stated he hoped the Foundation board would review its governance structure and bylaws to include a constituency representative.

X. Consider Resolution of the Board of Trustees of the University of Louisville regarding the Chairman of the Foundation Board of Directors

Chairman Grissom read the following resolution:

RESOLVED, it is the desire and directive of the University of Louisville Board of Trustees that Diane Medley, a trustee member of the board of directors of the University of Louisville Foundation by virtue of her appointment by the Chair of the Board of Trustees, be elected to serve as chair of the UofL Foundation board of directors.

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

The Chairman opened the floor for discussion. Prof. Trucios-Haynes asked for more information regarding the Foundation's finances before passing the resolution, and questioned the authority of the Board of Trustees to direct the Board of Directors of the Foundation.

Mr. Grissom explained this resolution was a request and the trustees were urging the Foundation to respond positively to this and other requests.

The motion passed with Prof. Trucios-Haynes opposed.

XI. Consider Resolution of the Board of Trustees of the University of Louisville regarding the Investment Policy of the Foundation

Chairman Grissom read the following resolution:

RESOLVED, it is the desire and directive of the University of Louisville Board of Trustees that the University of Louisville Foundation make no investment of funds held by the Foundation or any of its subsidiaries or affiliates other than investments in publicly traded stocks and bonds before the completion of the forensic audit of the UofL Foundation and the acceptance of the audit report by the University of Louisville Board of Trustees.

Prof. Trucios-Haynes asked for additional information.

Mr. Sherman, Interim Executive Director of the Foundation, responded by stating that both boards were directionally aligned in not wanting to make any large investments or speculations that would put the Foundation at risk. He noted the resolution could be a detriment to certain investments within the Foundation's portfolio. He assured the

Trustees that the Foundation would undertake no major projects before the completion of the forensic audit.

Chairman Grissom thanked Mr. Sherman for his assurance and withdrew the resolution from the agenda. There were no objections.

Ms. Black departed the meeting at 10:04 a.m.

XII. Consider Resolution of the Board of Trustees of the University of Louisville regarding Foundation Termination Agreements

Chairman Grissom read the following resolution

RESOLVED, it is the desire and directive of the University of Louisville Board of Trustees that the University of Louisville Foundation enter into no settlements or termination agreements with any employee or former employee of the UofL Foundation before the completion of the forensic audit of the UofL Foundation and the acceptance of the audit report by the University of Louisville Board of Trustees.

Mr. Rogers made a motion, which Mr. Sahney seconded, to approve the resolution. The motion passed.

XIII. Consider Resolution of the Board of Trustees of the University of Louisville regarding New Contracts with the Foundation

Based on Mr. Sherman's previous assurance, Chairman Grissom withdrew this item from agenda. There were no objections.

XIV. Report to Board Concerning the Forensic Audit of the UofL Foundation

Chairman Grissom reported forensic auditing firm has been collecting information since November. He met with their representatives and was very impressed with the work. He asked them to complete their audit by May 1, and no later than May 15, 2017.

The chairman noted supervision and oversight of the firm will come from the firm of Stoll Keenon Ogden and himself.

XV. Report on Process for Selecting an Interim University President

The chairman explained this would be discussed in closed session.

XVI. Appointment of a Presidential Search Committee

Ms. Strohm explained the composition of the search committee. Prof. Trucios-Haynes distributed the **attached** attributes for candidates for president, as approved by the

Faculty Senate.

Mr. Armstrong made a motion, which Prof. Trucios-Haynes 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 eleven 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) The chair of the Board of Trustees, who shall serve ex officio as a voting member of the Committee.**
- (h) 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 (h) 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.

Chairman Grissom asked all trustees to email to him their nominations to the committee no later than Friday, January 27, 2017.

XVII. Consider Policy Concerning Employment and Consulting Contracts and Appointments to the Office of the President

Chairman Grissom read the following resolution:

RESOLVED, it is the policy of the University of Louisville Board of Trustees that all employment contracts, consulting contracts and appointments for persons to serve as an administrator as defined in the Redbook for a term longer than one year shall require the approval of the Board of Trustees prior to becoming effective.

Mr. Grissom explained the resolution as preventative, ensuring a new president would not be restricted by newly-hired administrators with multiple-year contracts.

Prof. Trucios-Haynes asked the Board to recognize the various ranges of administrators' contracts, i.e., deans have 5-year contracts.

Ms. Medley stipulated this resolution only requires that multiple-year contracts have board approval.

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

The motion passed.

XVIII. Consider Policy Concerning Settlements of Disputes Involving the University of Louisville

At the request of University Counsel, this consideration was withdrawn. There were no objections.

XIX. Establish a Schedule for Regular Meetings of the Board of Trustees

Chairman Grissom reported the board would meet monthly, and requested the Boards Liaison to poll trustees for their preferences on regular meeting dates and times.

XX. Appoint a Member of the Board of Trustees to the University Medical Center, Inc. Board of Directors

Chairman Grissom appointed Dr. Wright as a member of the University Medical Center, Inc. Board of Directors. Mr. Cromer made a motion, which Ms. Medley seconded, to approve the appointment.

The motion passed.

XXI. Ratify Ground Lease for Pediatric Medical Office Building

Dr. Postel briefed the board on the ratification of the ground lease for the Pediatric Medical Office building, noting it was already fully leased. In the process of developing a construction loan, leadership became aware for the need for this granting of the ground lease from the Commonwealth of Kentucky to PMOB, LLC., a subsidiary of the UofL Real Estate Foundation, Inc. (ULREF). The University and the ULREF would have no financial obligation, and PMOB would construct and operate the building. After 65 years, the land reverts to the University.

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

Board Chair's recommendation that the Board of Trustees approve and ratify a ground lease by the University to PMOB, Inc., a corporation created by the University of Louisville Physicians, Inc. and the University of Louisville Real Estate Foundation, Inc. The ground lease leases to PMOB for 65 years a parcel of real property located at 401 East Chestnut Street, Louisville, Kentucky, on which PMOB, Inc. will construct a pediatric medical office building, on the terms set forth in the Ground Lease attached hereto as Exhibit A. The Acting President and the Interim Executive Vice President and Provost are granted signature authority to execute any documents required in connection with this transaction on behalf of the Commonwealth of Kentucky, for the use and benefit of the University of Louisville, and any signatures previously affixed by them to such documents are hereby ratified and approved.

The motion passed.

XXII. Executive Session

Mr. Armstrong made a motion, which Dr. Wright seconded, to go into Executive Session at 10:36 a.m. to discuss personnel matters pursuant to KRS 61.810(1)(f).

The motion passed.

Ms. Black rejoined the meeting at 10:59 a.m.

XXIII. Open Meeting Reconvenes

The open meeting reconvened at 11:52 a.m. Chairman Grissom reported the board discussed personnel matters.

Personnel Recommendations

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

Administration

James Begany, MS, Marshall University; Vice Provost for Strategic Enrollment Management and Student Success, effective October 1, 2016. Appointment as Vice Provost for Strategic Enrollment Management and Student Success is at the pleasure of the Board of Trustees.

T. Gerard Bradley, DrMedDent, Professor (Tenured); Dean of the School of Dentistry, effective August 1, 2016. Appointment as Dean of the School of Dentistry is at the pleasure of the Board of Trustees.

Jeanell Hughes, MPA, Assistant Vice President for Finance and Operations and Interim Executive Director of Human Resources; change of appointment to Associate Vice President for Human Resources/Chief Human Resource Officer, effective January 1, 2017. Appointment as Associate Vice President is at the pleasure of the Board of Trustees.

David Jenkins, PhD, Professor (Tenured); Dean of the Kent School of Social Work, effective August 1, 2016. Appointment as Dean of the Kent School of Social Work is at the pleasure of the Board of Trustees.

Todd Mooradian, PhD, University of Massachusetts; Professor (Tenured) of Marketing and Dean of the College of Business, March 1, 2017. Appointment as the Dean of the College of Business is at the pleasure of the Board of Trustees.

Shannon Rickett, JD, Baylor University; Interim Assistant Vice President for Government Relations; change of appointment to Assistant Vice President for Government Relations, effective January 3, 2017. Appointment as Assistant Vice President is at the pleasure of the Board of Trustees.

James Sears, MS, Worcester Polytechnic Institute; Associate Vice President for Facilities Management, effective April 18, 2016. Appointment as Associate Vice President for Facilities Management is at the pleasure of the Board of Trustees.

Trisha Smith, MA, University of Louisville, Director of Administrative Affairs in the Office of the President; change of appointment to Chief of Staff in the Office of the President, effective January 11, 2017. Appointment as Chief of Staff is at the pleasure of the Board of Trustees.

Rebecca Stahl, JD, Associate University Counsel; change of classification from Professional and Administrative staff to Board-appointed Administrator, effective January 23, 2017.

Mark Watkins, BS, Iowa State University; Associate Vice President for Business Services, effective May 1, 2016. Appointment as Associate Vice President for Business Services is at the pleasure of the Board of Trustees.

Health Sciences Center

V. Faye Jones, PhD, Professor (Tenured) and Assistant Vice President for Health Affairs/Diversity Initiatives; promotion of additional appointment to Associate Vice President for Health Affairs/Diversity Initiatives effective November 20, 2016. Appointment as Associate Vice President is at the pleasure of the Board of Trustees.

Nancy Tierney, MS, University of Cincinnati, Interim Associate Vice President for Health Affairs/Facilities Planning and Management; change of appointment to Associate Vice President for Health Affairs/Facilities Planning and Management, effective November 1, 2016. Appointment as Associate Vice President is at the pleasure of the Board of Trustees.

The motion passed.

Appointment of Interim President

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

that the Board of Trustees appoint Dr. Gregory C. Postel as Interim President effective January 30, 2017, and that the Chairman of the Board be delegated the authority to negotiate the terms of the appointment with Dr. Postel, with a proposed agreement to be presented to the Board for consideration at its February meeting.

The motion passed.

XXIV. Adjournment

Mr. Vance made a motion, which Mr. Rogers seconded, to adjourn.

The meeting adjourned at 11:55 a.m.

Approved by:

Signature on File –
Assistant Secretary