

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

In Open Session

Members of the University of Louisville Board of Trustees met on Thursday, September 17, 2009, at 1:00 p.m., on September 17, 2009, in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present: Mr. Owsley B. Frazier, Chairman
Mr. Jonathan Blue
Mr. Ron Butt
Dr. Kevin Cosby
Mr. Brent Fryrear
Dr. Salem George
Ms. Margaret Handmaker
Dr. Robert Curtis Hughes
Ms. Rebecca Jackson
Prof. Melissa Laning
Dr. Mark Lynn
Ms. Brucie Moore
Mr. OJ Oleka
Mr. Steve Poe
Mr. J. Chester Porter
Ms. Debbie Scoppechio
Dr. William Selvidge
Mr. William Stone
Ms. Phoebe Wood

Absent: Mr. Frank Minnifield

From the
University: Dr. James R. Ramsey, President
Dr. Shirley Willihnganz, Executive Vice President and Provost
Dr. Larry Cook, Executive Vice President for Health Affairs
Ms. Angela D. Koshewa, University Counsel
Mr. Mike Curtin, Vice President for Finance
Mr. Keith Inman, Vice President for Advancement
Mr. Larry Owsley, Vice President for Business Affairs
Dr. Tom Jackson, Vice President for Student Affairs
Ms. Priscilla Hancock, Vice President for Information Technology
Ms. Kimberly Maffet, Interim Vice President for Human Resources
Ms. Mary Griffith, Senior Associate VP, University Advancement
Mr. John Drees, Associate VP for Marketing
Mr. Jimmy Ford, Assistant Vice President, Alumni Association
Mr. Mark Hebert, Director of Media Relations
Ms. Kathleen M. Smith, Assistant Secretary
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Frazier called the meeting to order at 1:00 p.m.

II. Consent Agenda

Chair Frazier read the roll of consent agenda items, hearing no objection, Ms. Jackson made a motion, which Mr. Stone seconded, to approve the

A. Approval of Minutes

- Special Board Meeting at Annual Retreat, 7/30/09
- Regular Board Meeting at Annual Retreat, 7/29/09

B. From the Personnel Committee

- Action Item: Approval of Honorary Degree Nominations
- Action Item: Approval of QCCT Board Members

The motion passed.

III. Report of the Nominating Committee

Mr. Porter reported after polling all members of the Committee about possible nominees, the Nominating Committee met today to discuss the following proposal for nominations for officers and the Executive Committee. Mr. Fryrear made a motion, which Ms. Jackson seconded to approve the following slate of officers for 2009-2010:

CHAIR	Owsley B. Frazier
VICE CHAIR	Salem George
TREASURER	Frank Minnifield
SECRETARY	Robert C. Hughes
AT LARGE	Debbie Scoppechio
PAST CHAIR	
EX OFFICIO, NONVOTING	J. Chester Porter
CONSTITUENCY	O J Oleka, Student Trustee
BOARD COUNSEL	Angela Koshewa
ASSISTANT SECRETARY	Kathleen Smith
ASSISTANT TREASURER	Michael Curtin

The motion passed.

IV. Action Item: Energy Savings Performance Contract

Increase in Contract Authorization for Energy Savings Performance Contract

President Ramsey reported at the July Board meeting, the Board approved an energy savings performance resolution for Belknap campus. Shortly thereafter, the Kentucky Finance & Administration Cabinet revised its guidelines relating to this type of contract. Under the revised guidelines, this project is eligible for an additional \$2 Million in energy savings improvements. This revised recommendation permits the University to take advantage of all savings allowed under the revised state guidelines. The Kentucky Office of Financial Management approved the University's performance contract in late August.

Mr. Poe made a motion, which Ms. Wood seconded, to approve the

President's recommendation that he or his designee be authorized to negotiate and execute, for and on behalf of the University of Louisville, an Energy Savings Performance Contracting Agreement, by and between the University of Louisville and Siemens Building Technologies, Inc., in an amount not to exceed \$22,000,000.

The motion passed.

Resolution for Energy Savings Performance Contract

President Ramsey reported this resolution requires the Board's approval to complete the energy savings contract process and recommended approval. Ms. Jackson made a motion, which Dr. Hughes seconded, to approve the

**RESOLUTION OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF LOUISVILLE**

At a duly called meeting of the governing body of the University of Louisville, held in accordance with all applicable legal requirements, including open meeting laws, on the 17th day of September, 2009, the following resolution was introduced and adopted:

A RESOLUTION OF THE GOVERNING BODY OF UNIVERSITY OF LOUISVILLE AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH NATIONAL CITY COMMERCIAL CAPITAL COMPANY, LLC, AS LESSOR, AND SEPARATE LEASE SCHEDULES THERETO AND ESCROW AGREEMENT FOR THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT WITHIN THE TERMS HEREIN PROVIDED; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, the University of Louisville (the "Lessee"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the Commonwealth of Kentucky is authorized by the laws of the Commonwealth, including Section 56.784 and Sections 65.940 through and including 65.956 of the Kentucky Revised Statutes to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its students, faculty and staff and to enter into contracts with respect thereto; and

WHEREAS, the governing body of the Lessee (the "Board") has determined that a true and very real need exists for the acquisition, purchase and financing of certain property consisting of items identified in the Energy Savings Performance Contract between the University and Siemens Building Technologies, Inc. (collectively, the "Equipment") on the terms herein provided; and

WHEREAS, in order to acquire and install such Equipment, the Lessee proposes to enter into a certain Master Equipment Lease-Purchase Agreement (the “Master Lease”) with National City Commercial Capital Company, LLC, as lessor (the “Lessor”).

WHEREAS, the Board deems it for the benefit of the Lessee and the efficient and effective administration thereof to enter into the Master Lease and the separate Lease Schedules relating thereto from time to time as provided in the Master Lease and an Escrow Agreement for the purchase, acquisition, financing and leasing of the Equipment to be therein more specifically described on the terms and conditions provided therein and herein;

NOW, THEREFORE, BE IT AND IT IS HERBY RESOLVED BY THE GOVERNING BODY OF THE LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of a Master Lease (including the Lease Schedule, Payment Schedule and Escrow Agreement) are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment.

Section 2. The form, terms and provisions of a Master Lease (including the Lease Schedule, Payment Schedule and Escrow Agreement) are hereby approved, with such insertions, omissions and changes as shall be approved by the President of the University, Dr. James R. Ramsey or his designee of the Lessee (the “Authorized Officers”) executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officers of the Lessee are each hereby authorized and directed to sign and deliver the Master Lease, each Lease Schedule thereto, each Payment Schedule relating thereto, each Escrow Agreement relating thereto and any related exhibits attached thereto if and when required; provided, however, that, without further authorization from the governing body of the Lessee, (a) the aggregate principal component of Rent Payments under all Leases entered into pursuant to the Master Lease shall not exceed \$22,000,000; (b) the maximum term under any Lease entered into pursuant to the Master Lease shall not exceed 15 years; and (c) the maximum interest rate used to determine the interest component of Rent Payments under each Lease shall not exceed the lesser of the maximum rate permitted by law or ten percent (10%) per annum. The Authorized Officers may sign and deliver Leases to the Lessor on behalf of the Lessee pursuant to the Master Lease on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate principal component, maximum term and maximum interest rate provided above. The foregoing authorization shall remain in effect for a period of two years from the date hereof during which the Authorized Officers are authorized to sign and deliver Leases pursuant to the Master Lease and related Escrow Agreements on the terms and conditions herein provided and to be provided in each such Lease.

Section 3. The Authorized Officers and other officers and employees of the Lessee shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Master Lease and each Lease Schedule (including, but not limited to, the execution and delivery of the certificates contemplated therein, including appropriate arbitrage certifications) and to take all action necessary in conformity therewith, including, without

limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease, each Lease Schedule and each Escrow Agreement.

Section 4. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. This Resolution shall be effective immediately upon its approval and adoption.

The motion passed.

V. Information Item: Report from UofL Foundation

As Trustee representative on the UofL Foundation Board, Dr. George provided the following report.

As a result of the LMCDC acquisition, administration achieved Tax Increment Financing for the development of the Haymarket and the Health Sciences Campus master plan. The Foundation received the assets of LMCDC, including Nucleus, with Vickie Yates Brown as president of that entity and Metacyte with Steve Gailar as its president. President Gailar reported the sale of Immunotheragnostics, which produced \$320,000 back to the Foundation out of a \$1.5 Million sale and a commitment to support the researchers in immunotheragnostics for ovarian cancer diagnostic protocols.

Through the UofL Development Company which serves as master developer for the ShelbyHurst Research and Office Park, a network of roads has divided Shelby Campus into development tracts. Today the Foundation announced its selection of NTS as developer of the initial building. The terms are 51% ownership for the Foundation and 49% ownership by NTS – same arrangements on rental income while the joint venture is 50-50 investment. Accolades to President Ramsey!

The Foundation created the Tanner Family Cardinal Covenant Scholarship Fund to help qualifying students cover the direct costs that cannot be covered by federal, state or other sources.

The Foundation supported other important initiatives such as the Kentucky Author Forum (KAF). Guest authors for the past year included Madeleine Albright, Greg Mortenson, David Boren, Elizabeth Gilbert, Malcolm Gladwell, and Michael Kinsley. The Foundation provided funding for the Forum to complete a media mailing of a series of 13 past Forum interviews, sent to PBS member stations under the marketing label of “Great Conversations.” Many cities, including Philadelphia, San Francisco, Boise, Salt Lake City, Nashville and Orlando have praised the coverage.

Although the market has been under stress, the Foundation’s endowment has performed well and continues to outperform the educational universe for similar

size endowments. Dr. George provided a copy of the chart depicting the endowment over time.

Chair Frazier thanked Dr. George for the informative update.

VI. Information Item: Report from the Alumni Association

Trustee Handmaker introduced Jimmy Ford. Mr. Ford reported on the Alumni Association's accomplishments for the past year. The Alumni Association sponsored over 425 programs and events. Recognizing Athletics' supportive role, he noted the Alumni Association took a proactive approach to expand the breadth of the program. With the difficult economy, the Association listened closely to alumni feedback. A new 3-month, professional-development program offered career and job search, financial planning, and retirement consultation. This new program was a huge success.

The Association utilized deans, faculty and administrators in the outreach program. One very successful program, the Fireside Chat utilized administrators, faculty and the President.

The Association offered the Alumni College, a half-day education program providing real life experience. It was well received in Los Angeles, Naples and Dallas. The Association continues to work hard and be strategic in its approach. In addition to doing its own benchmarking, an outside consultant is assessing its management and leadership. Results are expected in October.

From a philanthropic standpoint, the Alumni Association set its goal to reach 1,400 new donors to the University.

The Association's website is under construction and includes an interactive link to Facebook.

Over the last year, the license plate campaign generated \$220,000 for UofL scholarships. Since inception of this program, UL received through the Alumni Association \$1.125 million in scholarship funds.

Mr. Ford provided a flyer outlining many events in the near future. He encouraged board members to attend as many functions as possible. Dr. Hughes praised the outreach programs. Mr. Ford said this year marked the sixth year of outreach and recognized the job the President does with this program.

Mr. Ford reported for the last two academic years, over 50% of the freshman class originated from outside Jefferson County. Mr. Ford recognized Drs. Hughes and George for their dedication and support in these outreach programs. In response to Mr. Stone's inquiry to charge dues, Mr. Ford reported that during an 18-month survey conducted by the Alumni Association, the economic climate has changed drastically. Several universities charging dues have dropped their dues structure. In the Big East, Rutgers stopped charging dues, and West Virginia is considering it. The University's Association would prefer to focus on a philanthropic program; however, this is one area under review by an outside consultant. Chair Frazier thanked Ms. Handmaker and Mr. Ford for the excellent report.

VII. Report of the President

Update on Meal Plan

Trustee Oleka reported the University Meal Plan offers great options to the students. The only complaint received related to long lines. Many students are pleased. The Meal Plan Waiver Committee reviewed student requests for exemption. Only one student requesting a waiver was upset with the final outcome. Trustee Oleka reported working with administration to achieve even greater improvements. President Ramsey concurred the meal plan was well received and noted he had experienced long lines at restaurants during peak times at various locations.

Update on the Flood

President Ramsey displayed pictures from the August 4 flood that severely damaged the campus. There are still three closed buildings. Houchens staff move in today; College of Education and Human Development will move in soon; and Fairfax staff will move in on October 16. The residence halls received a lot of damage. It required a Herculean effort from so many people, including staff from Physical Plant, Environmental Health & Safety, Information Technology and Public Safety.

Resolutions for Flood Heroism

At the season's first football game, the University recognized flood-related heroes. Dr. Ramsey showed the video, which was also displayed at the State of the University address, that publicly recognized the many people involved in flood clean up. At President Ramsey's urging, Prof. Laning and Mr. Fryrear read resolutions which their respective senates passed. The resolutions professed appreciation to all contributors to the successful efforts to keep the University open fulfilling its educational, research and service missions during the flood recovery.

Freshman Profile

President Ramsey discussed the economic situation and how it will affect the University's planning for 2010-2012. The 2010 legislative session will be very important. The first five-year revenue forecast is due October 15th. On August 15, the state produced a five-year planning estimate, which is not official. Kentucky spends \$19,031 per inmate, while spending \$6,945 per college student.

President Ramsey outlined the University's budget priorities to include

- 1 fund maintenance and operations for current buildings
- 2 increase base funding
- 3 fund additional classroom space
- 4 fund Bucks for Brains

The University will provide "talking points" for board members that will outline the University's priorities. The legislature hasn't authorized maintenance & operation funds for new buildings. Dr. Ramsey understands the CPE will recommend this as a "technical

adjustment.” This will be especially important for the clinical and translational research building downtown and the Shelby Campus Biosafety Lab very high-tech buildings that are expensive to operate.

The University needs more classroom space. The CPE conducted a very detailed study 18 months ago, and determined current and future classroom space needs. For the University to reach its goals for 2020, the CPE recognized a lot of deficiencies in classroom space.

Announcements/Upcoming Events

Highlights of announcements/events are

- G.I. Jobs designated UofL as “military friendly” (designation received by only 15% of colleges and universities)
- UofL is working to become the Veterans University
 - Office of Military and Veteran Student Services is now open
 - Veterans and active duty personnel are already enrolled in UofL distance learning programs and earning degrees
- UofL announced it was the only public institution in Kentucky to collaborate with the James Graham Brown Foundation to launch the Brown Fellows Scholarship Program. As a result of this collaboration, ten of the best students across the country were selected to attend each institution.
- Dr. Roberto Bolli announced his selection to conduct adult cardiac stem cell infusion; to date, he has performed four infusions
- Dean Terry Singer announced Dr. Renato LaRocca Endowed Chair in Oncology Social Work, the first of its type
- Yajuan Ding defends dissertation in UofL-Beijing Foreign Studies University Program
- At the first football game this season, University heroes were honored for their brave and unselfish work related to the flood
- UofL football team visited Ft. Knox
- Marketing campaign signage is part of the outreach/advertising is getting attention
- UofL will announce the Owsley Brown Frazier gift to Physical Medicine and Rehabilitation
- The UofL Foundation named local real estate firm NTS as a partner of the UofL Development Co., LLC in the development of the ShelbyHurst Research and Office Park on Shelby Campus; President Ramsey thanked Trustee Poe for his guidance with this project
- On September 22, UofL will host the Oval fountains unveiling
- Several outreach programs are planned: Marion, Nelson, Breckinridge, Meade, Hopkins, Davies Calloway, Graves, McCracken and Floyd counties, as well as Northern Kentucky
- McConnell Archives will open on November 11

Given the economic situation, Mr. Stone recognized the Governor’s efforts to fund as many higher education initiatives as possible. President Ramsey concurred, noting the Governor was diligent in protecting all levels of education from cuts. Mr. Oleka reported

the Governor recently spoke to students on campus, fielded questions and explained what he is doing for higher education.

Dr. Ramsey encouraged board members to take an Outreach and University Heroes t-shirts. Chair Frazier thanked President Ramsey for an excellent update.

VIII. Executive Session

Mr. Stone made a motion, which Ms. Scoppechio seconded, to go into executive session at 2:20 p.m. to discuss a personnel matter. The motion passed.

IX. Open Meeting Reconvenes

The open meeting reconvened at 3:20 p.m. During the executive session the board discussed a personnel matter. No action was required.

X. Adjournment

Ms. Jackson made a motion, which Mr. Poe seconded to adjourn the meeting at 3:25 p.m.

BOARD ACTION:

Passed X

Did not pass

Other

Asst. Secretary *Katalin M. Smith*