

MINUTES OF THE ANNUAL MEETING OF THE
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.
BOARD OF DIRECTORS

May 12, 2005

IN OPEN SESSION

The University of Louisville Research Foundation, Inc., Board of Directors met on May 12, 2005, in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present: Mr. Kevin Cogan, Chairman
Ms. Marie Abrams
Judge Angela McCormick Bisig
Mr. Ulysses L. Bridgeman, Jr.
Mr. Bill Forman
Mr. Nathaniel Green
Mr. Grant Helman
Mr. Mike Livingston
Ms. Jessica Loving
Mr. Ryan McKinley
Mr. Larry Owsley
Prof. William Pierce
Mr. J. Chester Porter
Mr. Steve Poe
Dr. James R. Ramsey
Mr. Bill Stone
Dr. Shirley Willihnganz
Ms. Beth Worland

Absent: Ms. Sandra Metts Snowden
Mr. Tommie Burns
Ms. Donna Tinsley Denny
Mr. Owsley Frazier
Ms. Margaret Handmaker
Dr. Nancy C. Martin

From the
University:

Ms. Angela D. Koshewa, University Counsel
Dr. Larry Cook, Interim Executive Vice President for Health Sciences
Mr. Joseph S. Beyel, Vice President for University Advancement
Dr. Denise D. Gifford, Vice President for Student Affairs
Dr. David Howarth, Associate Provost
Mrs. Terri Rutledge, Associate Vice President for Business Affairs

Mr. David Barker, Director of Audit Services
Ms. Susan I. Howarth, Director of Budget Planning
Ms. Susan Magness, Associate Controller
Ms. Anne Rademaker, Controller's Office
Mr. John Drees, Acting Associate V. P. for Communications
Ms. Carolyn Cochran, Assistant to the Provost
Ms. Kathleen M. Smith, Assistant Secretary, Board of Trustees
Ms. Debbie Dougherty, Board Liaison, President's Office

Guests: Dr. Roberto Bolli, Endowed Chair

I. Call to Order

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

II. Action Item: Approval of Minutes of meeting, 11/11/04

Ms. Abrams made a motion, which Judge Bisig seconded, to approve the minutes of November 11, 2004.

III. Report of the Nominating Committee

Ms. Abrams reported the Nominating Committee polled the board of directors for nominations. The Committee met on May 9, 2005 and developed the 2005-06 slate of officers. Chair Cogan sought any additional nominations from the floor before voted. There were no additional nominations. Ms. Abrams moved, and Mr. Porter seconded, the Board approve the following nominations

The Nominating Committee's recommendation of the following slate of officers for 2005-06:

Chairman	Kevin D. Cogan
Vice Chair	Sandra Metts Snowden
Treasurer	Grant Helman
Secretary	Judge Angela McCormick Bisig
President	James R. Ramsey
Vice President	Shirley Willihnganz
Vice President	Nancy Martin
Vice President	Larry L. Owsley
Vice President	Mike Curtin
Legal Counsel	Angela D. Koshewa
Assistant Secretary	Kathleen M. Smith

The motion passed unanimously.

IV. Information Item: Interim Financial Statements

Vice President Curtin reported total net assets for the Research Foundation decreased \$18.1 million, or 42%. This was due mainly to timing issues related to grant revenue. As of March 31, 2005, the Research Foundation had \$61.1 million in federal grant revenue, a slight decrease from the prior year. However, in April an additional \$14.0 million in federal grant revenue has been recognized, the majority of which relates to expenses incurred in prior months. This revenue contributed to an increase in net assets during April to \$36.3 million, \$11.3 million higher than the balance at March 31, 2005.

For the nine months ended March 31, 2005 compared to the same time period in the prior year, state and local grants, and nongovernmental grants have increased \$7.2 million and \$1.3 million, respectively. Research expense has increased \$13.0 million, or 21% over the prior year reflecting the increase of grant awards.

At the same time, cash has also decreased significantly to \$10.5 million from \$34.3 million at March 31, 2004. This was also due mainly to the timing of the grant revenue and billing. As of April 30, 2005, the cash balance has increased \$9.5 million to \$20.0 million.

Mr. Curtin said the Research Foundation was continuing to invest in the capital assets necessary to support the research and instruction mission. Net capital assets are now valued at \$12.1 million, a \$5.2 million increase over the prior year.

In response to Chair Cogan's inquiry, Vice President Curtin said as research efforts increased, Senior Vice President Martin has addressed the need to add staff for compliance and services to the faculty receiving the grant funds. Dr. Martin has added staff over the last 3-4 years in the area of pre-award, e.g., all of the activities that lead up to getting that award. She has also funded the VP Finance Office three positions for post-award activities. He noted recently, Executive Vice President Cook funded an information compliance officer position, which the VP Finance office will fund next year. Two years ago, the University hired a HIPAA (Health Insurance Portability and Accountability Act) Coordinator to monitor the compliance to HIPAA regulations. Mr. Curtin acknowledged the excellent work of Mr. Dave Barker and the staff of Audit Services in raising issues relating to compliance in grants and contracts areas.

Prof. Pierce inquired concerning maintenance and operation (M&O) cost increases. Vice President Curtin explained these categories are classified by program. These amounts represent renovation work done to laboratories with funds from the Research Foundation. In response to Mr. Stone's inquiry concerning the determination of vendor contracts, Mr. Curtin explained the University awards contracts on a competitive basis following state procurement laws.

Mr. Cogan thanked Vice President Curtin for the report and noted the financial statements were provided as information and no action was required

V. Report of the President

President Ramsey recognized Dr. Roberto Bolli, Division of Cardiology, for his outstanding research and pioneering scientific investigation in cardiovascular medicine. Dr. Bolli just received an \$11.7 million program project grant from the National Heart, Lung, and Blood Institute, one of the largest in university history. President Ramsey read the following resolution of appreciation. Ms. Abrams made a motion, which Judge Bisig seconded, to approve the resolution.

Roberto Bolli, M.D.

WHEREAS, Dr. Roberto Bolli has served the University of Louisville with distinction as Professor and Chief of Cardiology since 1994;

WHEREAS, his leadership is extraordinary and he has earned the deep respect and admiration of scientists and medical colleagues throughout the world;

WHEREAS, he was singularly instrumental in building UofL's Division of Cardiology into a world-class research program that is regarded as a world-wide leader in myocardial ischemia;

WHEREAS, his scientific investigation has attracted a medical team that achieved significant NIH funding and earned the reputation of one of the most NIH-funded cardiology units in the United States;

WHEREAS, most recently, he has secured an \$11.7 million NIH research grant, the largest program project grant in UofL's history, from the National Heart, Lung, and Blood Institute to continue his research into ways the heart can protect itself from tissue damage at the molecular and cellular level;

WHEREAS, his outstanding personal success and the remarkable accomplishments of his team have elevated the Institute of Molecular Cardiology to international attention and recognition as a premier program;

WHEREAS, the prestige he brings to UofL comes not only from medical colleagues, but from institutions such as the National Institutes of Health where reviewers rated his proposed research program as exceedingly innovative and potentially high impact—the paradigm of what a program project grant should be;

WHEREAS, Dr. Bolli has received the 2005 Howard Morgan Award for Distinguished Achievements in Cardiovascular Research from the International Academy of Cardiovascular Sciences, the 2004 Research Achievement Award from the International Society for Heart Research, the

2001 MERIT Award from the National Institutes of Health, and the Basic Research Prize of the American Heart Association in 2001;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the University of Louisville Research Foundation, Inc. hereby expresses its deep appreciation to Dr. Roberto Bolli for his extraordinary leadership, his outstanding performance, and his devoted scientific investigation of genetic therapies and other innovative treatments for heart disease; and

BE IT FURTHER RESOLVED, that the Board recognize Dr. Bolli as the premier Researcher in Cardiology in the nation and an outstanding catalyst for heart research world-wide; and

BE IT ALSO RESOLVED that a copy of this Resolution appropriately signed, be presented to Dr. and Mrs. Bolli with our deepest and continuing appreciation.

The motion passed unanimously. Dr. Bolli expressed his deep appreciation for this recognition. He thanked the Board of Directors, President Ramsey, Provost Willihnganz, Dr. Cook and Dr. Schweitzer for their support in the ultimate establishment of UofL as a nationally-recognized cardiovascular research center. Mr. Bridgeman thanked Dr. Bolli, on behalf of the University's Board of Trustees for his dedication in moving the University into preeminence in cardiovascular research. Prof. Pierce congratulated Dr. Bolli for his excellent research efforts and noted this program grant was based entirely on merit and peer review of the highest order.

VI. Adjournment

Ms. Abrams made a motion, which Ms. Loving seconded, to adjourn the meeting at 1:30 p.m. The motion passed unanimously.