

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

In Open Session

The members of the University of Louisville Foundation Board of Directors met on Wednesday, December 8, 2004, in the Bingham Library of the Chancey Center with members present and absent as follows:

Present: Mr. J. Chester Porter, Chairman  
Mr. Morris Borowitz  
Mr. H. Scott Davis, Jr.  
Ms. Donna Tinsley Denny  
Mr. Burt Deutsch  
Ms. Joyce Hagen  
Mr. Frank Hower  
Dr. Joe Kutz  
Dr. James Ramsey  
Ms. Sandy Metts Snowden  
Mr. Frank Weisberg  
Mr. William Wilcox

Absent: Mr. Larry Hayes  
Mr. Robert W. Rounsavall, III

Foundation Legal

Counsel: Mr. Kennedy Helm, Stites & Harbison

From the

University: Dr. Shirley Willihnganz, EVP and Provost  
Mr. Mike Curtin, Assistant Treasurer, ULF  
Mr. Joe Beyel, Vice President for University Advancement  
Ms. Susan Magness, Controller's Office  
Mr. Rex Davidson, CPA, Controller's Office  
Mrs. Kathleen Smith, Assistant Secretary  
Mrs. Debbie Dougherty, Board Liaison

Guests: Ms. Lisa Brones Huber, the Commonwealth Group

I. Convene Meeting

Having determined a quorum present, Chair Porter called the meeting to order at 12:10 p.m.

II. Consent Agenda

- Approval of Minutes of Regular Meeting, 9/15/04

- Approval of Minutes of Special Meetings of the Executive Committee, 9/29/04, 10/8/04, and 12/2/04

From the Finance Committee:

Mr. Deutsch reported the Finance Committee met on December 2, 2004 and reviewed the following items:

- Information Item: Quarterly Investment Performance Report
- Information Item: Investment Performance Summary
- Action Item: Approval of Banking Resolution
- Action Item: Approval of Reauthorization of Special Project Fund
- Action Item: Approval of Marketable Alternatives Investment

Chair Porter read the roll of consent agenda items. Hearing no opposition, Mr. Deutsch made a motion, which Mr. Borowitz seconded, to approve the consent agenda. The motion passed unanimously.

- III. Action Item: Approval of Establishment of the Endowment Funds: Dr. Arno Spatola Endowed Fellowship Fund in Chemistry, and Dr. Rudy Ellis Sports Medicine Scholarship Fund

President Ramsey reported the creation of the two endowment funds were routine requests in memory of former faculty. Dr. Arno Spatola was a professor in Chemistry, and the endowed fellowship fund will support students in the Chemistry Department. Dr. Rudy Ellis was associated with the University's Sports Medicine program and served as team doctor for basketball and football for many years. The scholarship will support students pursuing degrees in Sports Medicine. Both funds have reached the threshold for establishing an endowment. Ms. Hagen made a motion, which Mr. Hower seconded, to approve the

**President's recommendation that the Board of Directors approve the conversion of Account G1369S to an endowed account restricted to establish the Arno F. Spatola Endowed Fellowship Fund in Chemistry for the College of Arts and Sciences Chemistry Department.**

The motion passed unanimously.

Ms. Denny made a motion, which Mr. Green seconded, to approve the

**President's recommendation that the Board of Directors approve the conversion of funds from A0078 to an endowed account restricted for the Dr. Rudy Ellis Sports Medicine Scholarship Fund.**

The motion passed unanimously.

- IV. Action Item: Approval of FY 2004 Financial Statements

President Ramsey reported Deloitte & Touche conducted an external audit of the Foundation's financial position. The audit reflected a very favorable financial position for the Foundation. Mr. Deutsch stated the Finance Committee thoroughly reviewed the audited financial statements with University staff and Deloitte & Touche. Deloitte & Touche issued a clean, unqualified audit. Vice President Curtin and his staff were available to answer any questions. Mr. Deutsch made a motion, which Mr. Davis seconded, to approve the

**Finance Committee's recommendation that the Board of Directors accept the audit report for the University of Louisville Foundation, Inc. for the year ended June 30, 2004, and 2003 as prepared by Deloitte & Touche (copy available upon request).**

The motion passed unanimously.

IV. Action Item: Approval of Signature Authority

President Ramsey reported the request for signature authority was routine in nature and it authorized appropriate directors and staff to act as agents for the Foundation. Mr. Borowitz made a motion, which Ms. Snowden seconded, to approve the

**Signature Authority Resolution (copy available upon request).**

The motion passed unanimously.

VI. Report of the President

President Ramsey appointed a committee to advise about facilities, support, and programmatic issues affecting Cardinal Athletics as the University enters the Big East Conference. He noted it was crucial that UofL, initially and long term, compete at its highest level in this new conference.

VII. Executive Session - Directors Only

Pursuant to KRS 61.810(1)(c), Ms. Hagen made a motion, which Mr. Borowitz seconded, to go into executive session at 2:00 p.m. The motion passed unanimously.

VIII. Open Meeting Reconvenes

Chair Porter reported during the executive session the Board discussed the status of current litigation. On November 24, Jefferson Circuit Court Judge Steve Mershon ordered the University of Louisville Foundation to make public the names of its corporate and private foundation donors, including the 75 corporate and private foundation donors who had contributed to the Foundation at a time when, as Judge Mershon acknowledged, "the Foundation had relied in good faith on prior appellate decisions finding that the Foundation was not a public agency." Judge Mershon went on

to say that “neither this recognition nor the donors’ belief that a contribution was being made to a private agency necessitates the conclusion that the statutory privacy exemption applies” to these corporate and private foundation donors.

The Foundation has litigated this issue in the courts for several years because it believes that there are a number of valid reasons why corporate and foundation donors should be entitled to make anonymous contributions. But while the Foundation respectfully disagrees with Judge Mershon’s ruling, the Foundation has concluded that its mission is not furthered by appealing this ruling again.

Judge Mershon agreed with the Foundation that individual donors who requested anonymity have a statutory right to privacy. The Courier-Journal has appealed that ruling. The Foundation will continue to defend vigorously the right of all individual donors to make anonymous contributions.

VIII. Adjournment

There being no further business, the meeting adjourned at 2:30 p.m.

**BOARD ACTION:**

Passed        X                       
Did not pass                       
Other                             

Asst. Secretary                     *Katalin M. Smith*

