

MINUTES OF THE REGULAR MEETING OF THE UNIVERSITY OF LOUISVILLE FOUNDATION BOARD OF DIRECTORS MEETING

Members of the University of Louisville Foundation , Inc. board of directors met on December 11, 2008, at 12:10, in the board room of the Chancey Center on Belknap Campus, with members present and absent as follows:

Present: Mr. J. Chester Porter, Chair
Mr. Kevin Cogan
Dr. Salem George
Ms. Joyce Hagen
Mr. D. Harry Jones
Ms. Sandy Metts Snowden
Dr. James R. Ramsey
Mr. Eddy Roberts
Mr. Robert W. Rounsavall, III
Mr. Frank Weisberg
Dr. Barbara Weakley Jones
Mr. William Wilcox

Absent: Mr. Burt Deutsch
Mr. Owsley B. Frazier
Mr. Sam Rechter
Mr. Ulysses L. Bridgeman, Jr.

From Legal
Counsel: Mr. Kennedy Helm, Stites & Harbison

Guests: Mr. Steve Gailar, Metacyte
Mr. Bob Gunnell, Peritus Public Relations
Ms. Vickie Yates Brown, Nucleus

From the
University: Dr. Shirley Willihnganz
Dr. Manny Martinez
Dr. Larry Cook
Mr. Keith Inman
Mr. Mike Curtin
Mr. Joe Gahlinger
Mrs. Kathleen Smith
Mrs. Debbie Dougherty

I. Call to Order

Chair Porter called the meeting to order at 12:10 p.m.

II. Consent Agenda

Chair Porter read the consent agenda items.

Minutes from September 4, 2008

From the Finance Committee

Information Item: Quarterly Investment Performance Report

Approval of FY 2008 Audited Financial Statements for year ending June 30, 2008

Approval of the Special Conditions of the Mohr Bequest

Mr. Rounsavall made a motion, which Mr. Weisberg seconded, to approve the consent agenda. The motion passed. Chair Porter noted the quarterly investment performance report was for information only. Vice President Inman and Mr. Gahlinger summarized the quarterly investment performance data. Mr. Gahlinger noted also that BKD thoroughly reviewed the audited financial statements with the Finance Committee.

III. Report of the President

President Ramsey reported the progress made on many projects including signage and wayfinding, the acquisition of LMCDC, management and oversight of three different real estate properties. He noted as a result of the LMCDC acquisition, administration worked to obtain TIF for the development of the Haymarket and the entire Health Sciences Campus master plan. During this acquisition process, the Foundation rebranded LMCDC as Nucleus, hired Ms. Yates Brown as president of that entity and moved forward on development of the research park. Metacyte hired Mr. Gailar in 2004 as its president – Metacyte is a new business development that takes research from the mind to marketplace. Dr. Ramsey praised these efforts for their economic development. The theory behind Metacyte has had positive outcomes. Dr. Ramsey then introduced Mr. Gailar, who presented Chair Porter and President Ramsey with a check representing the Foundation's share in the sale of Immunotheragnostics created by the Taylors, which recently sold to Karas Diagnostic Company. The company sold for \$1.5 million up front and a commitment to support the work of the researchers in Immunotheragnostics for ovarian cancer diagnostic protocols, etc.

The President then called upon Mr. Gunnell to showcase the Foundation's updated web page. The new website will be accessible on December 15 and will include links to Kentucky Author Forum, Nucleus, Metacyte, Cardinal Station and other affiliates. He noted the website will show the breadth of the Foundation's support and its strong relationship with the community. His firm worked with Mary Moss Greenbaum to update the Kentucky Author Forum's website to make sure the Foundation is mentioned prominently on the Kentucky Author Forum's website. President Ramsey thanked Mr. Gunnell for an excellent update.

President Ramsey reviewed Kentucky employment data. The data represented all non-agriculture employment as reported by employers. He shared information about the state budget deficit and anticipated budget cuts. The President expressed optimism for the University's continued movement toward goals outlined in the 2020 Plan. Budget cuts make this more challenging; however, the President restated the strong commitment of the University's leadership team to achieve the established goals. Dr. Ramsey summarized the major grant

announcements, noting 2007-08 was a record year in fundraising. President Ramsey acknowledged Vice President Inman's strong fundraising record. He also thanked Mr. Rounsavall for his continued leadership with cancer philanthropy.

President Ramsey reported the University may be able to manage the current year budget cut without doing significant damage to any academic programs. The University anticipated a cut, and planned for 3%. It can manage 3 or 4 % through various management efficiencies. He noted the University has been self insured in its health plan since 2002. Through pharmacy management and "Get Healthy Now" programs, premiums have tracked usage. Health insurance premiums will not increase January 1.

The President said since the acquisition of Cardinal Station, the Foundation already has recognized a revenue stream.

President Ramsey discussed the DataSeam partnership. This partnership contracts with school districts around the state to allow the University to use excess computer capacity. Under this arrangement, the University saved \$8 million the researcher needed for super computers. Additionally, two cancer drugs have reached licensure status.

Dr. Ramsey recognized Provost Willihnganz for creating a campus-wide committee to review all programs. Dr. Willihnganz said as the University continues to move forward, it is important to determine if new programs are needed or initiatives that the University could start to generate revenue streams.

The President reminded board members of the December 17 ribbon-cutting ceremony on the Shelby Campus property. The roads will be named Chester Porter Parkway and Sam and Lita Weakley Boulevard.

Dr. Ramsey observed the Grawemeyer Award functions on campus during the past week. He also noted that under the leadership of Drs. Willihnganz and Cook, the University has retooled the former Home of the Innocents building into the offices for UofL's School of Public Health and Information Sciences (SPHIS).

In closing, the President referenced the many positive recommendations Audit Services Director Dave Barker and external auditors Cotton & Allen made in their review of the grants management process. He has appointed a task group to develop a plan for implementing the changes. He also noted the creation of the Vice President for Human Resources, which will report to the Provost.

IV. Adjournment

Dr. Weakley-Jones made a motion, which Ms. Snowden seconded, to adjourn the meeting at 1:05 p.m. The motion passed.

BOARD ACTION:

Passed X

Did not pass

Other

Date 12-11-08

Asst. Secretary *Katalin M. Smith*