

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

In Open Session

Members of the University of Louisville Foundation , Inc. Board of Directors met on March 8, 2010, at 12:05 p.m., in the Mary Bingham Room, of the Chancey Center on Belknap Campus, with members present and absent as follows:

Present: Mr. J. Chester Porter, Chair  
Mr. Burt Deutsch  
Dr. Salem George  
Ms. Margaret Handmaker (joined the meeting at 12:10)  
Dr. James R. Ramsey  
Mr. Eddy Roberts  
Mr. Robert W. Rounsavall, III  
Dr. William Selvidge  
Mr. Frank Weisberg

Absent: Mr. Kevin Cogan  
Mr. Owsley Frazier  
Ms. Joyce Hagen  
Mr. D. Harry Jones  
Mr. Sam Rechter  
Mr. William Wilcox

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

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

From the  
University: Dr. Shirley Willihnganz  
Dr. William Pierce  
Mr. Keith Inman  
Mr. Mike Curtin  
Mr. Larry Owsley  
Mrs. Kathleen Smith  
Mrs. Debbie Dougherty

I. Call to Order

Chair Porter called the meeting to order at 12:05 p.m.

II. Consent Agenda

Chair Porter read the consent agenda items.

Approval of Minutes

- December 1, 2009

From the Finance Committee:

- Information Item: Quarterly Investment Performance Report
- Information Item: Interim Financial Statements through December 31, 2009
- Information Item: PSC Policy
- Action Item: Approval of Investment in Axiom International Equity Fund
- Action Item: Approval of Item Listed as # 5, 2 of 3-year Moving Average (eliminate low year) spending policy per Endowment Spending Policy Options

Hearing no objection, Mr. Roberts made a motion, which Mr. Deutsch seconded, to approve the consent agenda. The motion passed.

III. Report of the Nominating Committee

Chair Ramsey reported the Nominating Committee met. Because the Governor has appointed Marie Abrams to the Board of Trustees, Ms. Abrams, who serves as an at-large member, can no longer serve on the Foundation. All Trustee-Director appointments are filled. On behalf of the Nominating Committee, President Ramsey recommended Ms. Margaret Handmaker to fill Ms. Abrams' unexpired term, through June 30, 2012. Chair Ramsey called for any other nominations. Hearing none, Mr. Deutsch made a motion, which Mr. Weisberg seconded to approve

**Margaret Handmaker fill the unexpired term through June 30, 2012, of at-large director to replace Marie Abrams to serve on the ULH and UofL Foundation boards.**

The motion passed. Ms. Handmaker joined the meeting. Chair Porter welcomed Ms. Handmaker to the board.

IV. Action Item: Approval of Liquidation of Wilbur Ball Estate Fund Ramsey

President Ramsey reported the December 2009 market value of this account was \$431,371.40. The Wilbur Ball Quasi Endowment funds are unrestricted and undesignated. The funds were not endowed for a specific purpose. The University endowed the funds to adhere to a university policy, which required any contribution over \$100,000 to be endowed. Dr. Ramsey explained the Vice President for University Advancement would like to liquidate these funds for the purpose of using it toward the

library archives project. Mr. Deutsch made a motion, which Dr. George seconded to approve the

**President's recommendation that the Board of Directors authorize the liquidation of funds from the Estate of Wilbur Ball (Quasi Endowment) to be used for the library archives project.**

The motion passed.

V. Action Item: Authorization of Audit Committee and Resolution to Amend By-laws

President Ramsey reported recent changes in the IRS Code require a governing board of a tax exempt corporation review the corporation's submission of its Form 990. Also, the Finance Committee has been carrying out functions normally executed by an audit committee, but it is best practices to have separate committees. The establishment of an audit committee allows the Board to delegate functions to this Committee. Mr. Roberts made a motion, which Mr. Rounsavall seconded, to approve the

**Chair's recommendation that the Board adopt the Amendments to the By-Laws (listed below). The scope of the Audit Committee, as set forth in the Amendments, is as follows:**

- **Approve annual audited financial statements**
- **Approve the annual IRS Form 990 Submission**
- **Monitor the annual completion of board members' conflict of interest statements and other policy compliance**
- **Meet annually with the external auditors**

## **RESOLUTIONS**

**RESOLVED, that the Board of Directors hereby adopts the Amendments to the By-Laws of the Corporation attached hereto.**

**FURTHER RESOLVED, that individuals are hereby appointed as the initial members of the Audit Committee to serve until their successors are appointed or until they shall resign or shall be removed with or without cause by the Board of Directors.**

**FURTHER RESOLVED, that the Corporation's officers be, and they hereby are, authorized and directed to take all steps and do all things that they may deem necessary, desirable or appropriate to carry out the aforesaid resolutions.**

## **AMENDMENTS TO THE BY-LAWS OF UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

**The By-Laws of University of Louisville Foundation, Inc. are hereby amended as follows:**

**1. Section 3.9(1) of the By-Laws is hereby amended so that, as amended, it shall read in its entirety as follows:**

**“(1) In General.”**

**The Standing Committees of the Board shall be an Executive Committee, Committee on Finance, a Nominating Committee, a Development Cabinet, a Property Committee, and an Audit Committee. A majority of all members of a Standing Committee (including ex officio members), more than half of whom are At-Large Directors, shall constitute a quorum of a Standing Committee, except for the Nominating Committee, Development Cabinet, and Property Committee. All members of the Nominating Committee must be present for the Nominating Committee to select and recommend to the Directors candidates for election as At-Large Directors and for filling vacancies in any At-Large Directorships.”**

**2. A new Section 3.9(9) is hereby added to Article III of the By-Laws, and shall read in its entirety as follows:**

**“(9) Audit Committee.”**

**The Audit Committee shall consist of the Chairman of the Committee on Finance, who shall serve ex officio, three Trustee Directors and four At-Large Directors. The Audit Committee shall be responsible for, and shall have and may exercise all of the authority of the Board in, reviewing and approving the annual financial audit of the Corporation and the Corporation’s annual Form 990, Return of Organization Exempt from Income Tax. The Audit Committee shall also have general supervision over conflict of interest and other policy compliance. The Audit Committee shall meet at least once annually with the Corporation’s external auditor to review the Corporation’s annual Form 990, Return of Organization Exempt from Income Tax.”**

The motion passed.

VI. Information Item: Update on New Companies

President Ramsey introduced Mr. Steve Gailar, president and CEO of Metacyte. Mr. Gailar reported Metacyte continues to focus on three main areas:

1. Adding value and raising capital for existing portfolio companies

2. Working with University faculty, Office of Technology Transfer (OTT) and Nucleus to determine appropriate commercialization pathways for inventions and novel technologies (when appropriate) and
3. Creating companies to optimize the commercialization potential of the technologies.

He summarized the activities in the following three areas:

Companies Created Since July 1, 2009:

- 3 currently in progress
- 4 created since January 1, 2009
- 1 potential company in discussion stages

Funds Raised Since July 1, 2009:

- \$4.2 million
- *Sources:* Venture Capital, Kentucky Enterprise Fund, SBIR/STTR

Pending Financings:

- \$900,000
- *Sources:* Venture Capital, Kentucky Enterprise Fund, The Vogt Awards

Mr. Gailar shared updates on the following companies: AllTranz, Inc., AnosiaVax, Inc., ApoImmune, Inc., Evevation, Gnarus Systems, Inc., InnoRem, Inc., Intrepid Bioinformatics, Inc., Pradama, Inc., RhinoCyte, Inc., TrackFive Diagnostics, Inc., and In Vivo Life Sciences. He noted a potential opportunity with Dr. Andre Gobin in Bioengineering. Chair Porter thanked Mr. Gailar for an excellent update.

VII. Report of the President

Capital Campaign

President Ramsey introduced Vice President Inman. Vice President Inman expressed his appreciation to board members for their support. He noted the University continues to chart its course for progress in accomplishing the 2020 Plan. The University experienced the 2<sup>nd</sup> fastest research growth in the country. Alumni philanthropy is at a disappointing 10-12%. His office will focus on improving this during the capital campaign. Currently, leadership is conducting interviews with key donors and testing the campaign goal amount. He is working with the President, Provost and deans to catalog their needs. Every department at the university, including Athletics, is engaged. Mr. Inman recognized the various needs of the colleges, including scholarships (both need and merit based), endowed chairs, learning space and research facilities. He again thanked board members for their continued support and urged them to continue working with the University to promote the campaign. President Ramsey thanked Mr. Inman for the update on the campaign.

President Ramsey reiterated appreciation to the board members for their support. He noted concern with the legislative session and potential upcoming budget cuts. Provost Willihnganz explained the proposed legislative bill concerning transfer students was problematic because of several restrictions. The bill is not in the best interest of the

students or universities. University officials are working with CPE and some legislative leaders to address these concerns. Provost Willihnganz discussed concerns about the proposed meal plan policy. She recognized the University's meal plan as a critical part in achieving the overall retention targets and graduation goals.

President Ramsey reported the Foundation has received a record number of open records requests (ORR). One in particular dealt with private practice plans, UMC and Passport. Dr. Cook serves as chair of Passport, the only successful Medicaid managed care program in Kentucky. It effectively provides care in 16 counties. Dr. Cook reported Passport has been in existence for 12 years and is responsible for providing care to 165,000 people, representing 20% of the state. Audited reports indicate Passport saves the state over \$300 Million. Passport is one of the top 20 Medicaid managed programs in the nation.

President Ramsey noted the recent announcement for the University of Louisville James Graham Brown Cancer Center as the first and only center in Kentucky to be granted a full three-year accreditation by the National Accreditation Program for Breast Centers (NAPBC).

Dr. Ramsey reported the Kentucky Pollution Prevention Center (KPPC) has received nearly \$9 million in federal stimulus funding through the U.S. Department of Energy for the Kentucky Industrial and Commercial Sustainability Program (KICSP). The funding expands KPPC's nearly decade-long success in providing energy efficiency and renewable energy services for a variety of Kentucky manufacturers, businesses, schools, universities, government agencies and other organizations.

Dr. Ramsey said that on March 15 Signature HealthCARE will announce its decision to move its operation from Florida to Louisville, resulting in 150 new professional jobs to the area. Also on that day, UofL will hold a press conference on ShelbyHurst to announce the selection of an architect for the joint venture initiative with NTS.

Dr. Ramsey reported that UofL leads the state in vanity license plates sold. The Cardinal license plate proceeds provide funds for Hallmark scholarships.

Dr. Ramsey thanked Chair Porter and his wife, Betty, for hosting an extraordinary campaign dinner at their house recently.

#### VIII. Report of the Chair

The Chair had no report.

#### IX. Adjournment

The meeting adjourned at 1:15 p.m.

**BOARD ACTION:**

Passed       X      

Did not pass                     

Other                             

Asst. Secretary   *Katalin M. Smith*