FULL BOARD MEETING

Friday, November 16, 2018
10:00 a.m. EST

Holiday Inn Downtown
Knoxville, Tennessee

The Board of Directors held their 29th meeting at 10:00 a.m. EST on Friday, November 16, 2018 at Holiday Inn Downtown.

I. WELCOME, OPENING REMARKS, and INTRODUCTIONS

Chair Mike Littlejohn welcomed everyone and thanked the members for attending. He introduced Betsy Brasher Melby, UTAA past president as the new UTAA representative to the Foundation Board and Jackie Parreco, the foundation’s director of communications. Mr. Littlejohn then called for the roll.

II. CALL TO ORDER AND ROLL CALL

The Secretary called roll, and the following members of the Board of Directors were present:

Mr. Michael K. Littlejohn, Chair
Dr. Philip A. Wenk, Vice Chair
Mr. Kerry W. Witcher, Interim President and CEO
Dr. Joseph A. DiPietro, University President
Mr. Hans N. Airee
Mr. J. Jonathan Ayers
Ms. Alexis G. Bogo
Chancellor Keith S. Carver (non-voting)
Mr. Phillip A. Clendenin
Ms. Kimberly W. Cross
Mr. Robert F. Decosimo
Dean Robert S. Dooley (non-voting)
Mr. Ronald E. Frieson
Mr. James L. Herbert Jr
Mr. Joseph LaPorte III
Ms. Betsy B. Melby
Mr. Charles E. Moore
Mr. Richard H. Sain
Ms. Betty Ann Tanner
Mr. Ronald L. Turner
Mr. Charles A. Wagner III
Board of Directors not present:

Mr. Christopher B. Bollinger
Mr. Gregory E. Cox
Ms. Kathy W. Ledbetter

Ms. LeBlanc announced the presence of a quorum.

Officers of the foundation and vice chancellors for development were also present, as well as counsel Dan Holbrook, additional foundation and university leadership.

III. UNIVERSITY PRESIDENT’S REPORT

UT President Joe DiPietro thanked everyone for attending his retirement party the night before and for their engagement and service on the foundation board. He then reviewed accomplishments:

- Student enrollment increased from 49,545 students in fall 2011 to 50,810 students enrolled in fall 2018.
- Freshman to sophomore retention has improved to 81% system-wide.
- Six-year graduation rate is up 6% system-wide over the last five years.
- Research achieved a record high system-wide $481 million in sponsored research. It is imperative to continue increasing for Knoxville to climb in the Top 25.
- Partnership with Oak Ridge National Lab is stronger than ever (Battelle, joint faculty, Governor’s Chairs, Bredesen Center, Summit, DEO performance scores).
- UTIA and IPS have 5 million+ contacts with Tennesseans statewide annually.
- Record fundraising year of $397 million with four named colleges
- Physical plant is better than before with over 240 projects totaling more than 11.5 million square feet constructed and/or renovated across the system. For every dollar the state provided, the university secured about a dollar and a half.
- Most proud of shoring up the funding model to assure sustainability and record four years of low and/or no tuition increases. He credited former Trustees Vice Chair Brian Ferguson, a hard-working team, Governor Haslam, and the general assembly in providing state appropriations increasing about $164 million over seven years.

The president commended the fundraising team across the system and stated he felt assured the institution is in good hands with Randy Boyd. He asked the members to join him in endowing the Leadership Institute and gave an overview of the program.

Mr. Littlejohn thanked Dr. DiPietro for his service to UT Foundation and presented him with a Waterman fountain pen engraved with his years of service 2011-2018, enclosed in a wooden box with the UTFI logo on the cover. He encouraged the board members to each make gifts in honor of Dr. DiPietro’s service to the system.
IV. REMARKS FROM METRICS TASK FORCE

Mr. Littlejohn asked Keith Barber, UTIA Vice Chancellor to give remarks on behalf of the task force. Dr. Barber stated they were asked to look strategically at setting goals and metrics to attain across the system, which will align with the system's strategic plan. Target numbers and objectives were discussed. He thanked task force members Chip Bryant/UTK, Paul Clark/UTC, Lee Patouillet/UTK, Gregory Harris/UTHSC, and Michael Carter/Central Services, for their continued time and effort.

V. FOUNDATION PRESIDENT’S REPORT

Interim President Kerry Witcher reported to the board (Exhibit 1) on operational goals, objectives, and metrics, and also highlighted 2018 accomplishments and progress in 2019. He stated the Metrics Task Force was begun in July 2018 with the objective of increasing financial, public and political support for the UT system as a whole.

Mr. Turner requested that the philanthropic goals be increased to stretch goals and that starting values be compared to peers to confirm all units are starting at median or above.

Chip Bryant, UTK Vice Chancellor stated the Big Orange Give had raised $2,135,000 in twenty four hours. The campus alumni board not only challenged them to set the stretch goal, but also helped them achieve and surpass the $2M goal through matches. He recognized Ron Frieson, Charlie Wagner, and Chris Bollinger for matching gifts.

VI. CONSENT AGENDA

a. Approval of the June 15, 2018 Minutes
b. Approval of Fall 2019 Board Meeting Dates (Exhibit 2)

Chair Mike Littlejohn presented the consent agenda. Hearing no request for any item to be removed for discussion, Dr. Wenk moved that consent agenda items be approved. Mr. Herbert seconded, and the items were approved unanimously.

VII. COMMITTEE REPORTS

a. Executive Committee

Chair Mike Littlejohn reported that the committee had met in September to consider Bob Smith’s report and noted the board structure recommendations (Exhibit 3) coming forth from the committee would require a roll call vote to amend the corresponding Bylaws.

Mr. Turner moved that two chancellors be designated by the University President as ex-officio voting Directors of the UTFI Board, serving staggered two-year terms and rotating amongst the campuses beginning July 1, 2019; and that the ex-officio non-voting position of dean be eliminated from the Board effective June 30, 2019. Dr. Wenk seconded the motion, a roll call vote was taken, and the board structure and corresponding Bylaws changes were unanimously approved.
Mr. Littlejohn presented the proposed Board Member Job Description. Mr. Herbert moved approval of the job description (Exhibit 4). Dr. Wenk seconded the motion, and it was approved unanimously.

b. Audit Committee

Committee Chair Fred Decosimo stated he and Lisa Taylor had met with the auditor. He said the firm of Brown, Jake, and McDaniel has found a clean audit for fiscal year ended June 30, 2018. However, the report has not yet been released. All financial statements are fine as well.

c. Development Committee

Committee Chair Phil Wenk stated the committee membership has expressed interest in restructuring the committee. More to come as the leadership explores the possibilities. The 9/30/18 development report (Exhibit 5) was included as information in the material.

d. Directorship Committee

Committee chair Charlie Moore stated the committee had not met since June, when it was decided that no new members would be nominated for election. He and Ron Turner will be the two members whose terms expire next June; so with the desire to reduce the board size, it is not likely that anyone will be nominated for election in 2019.

Mr. Moore asked that each board member sign and leave their FY 2019 form assenting to the Ethics and Responsibility Policy.

e. Finance Committee

In Committee Chair Gregory Cox’s absence, Lisa Taylor reviewed the June 30 year end performance (Exhibit 6). Overage are due to higher than projected interest earnings, and expenditures were under budget in operations, salaries and benefits.

The draft FY19 budget had been presented at the June meeting with the understanding that the numbers could change slightly as campuses made final adjustments. The Finance Committee reviewed the changes and recommend approval of the finalized FY19 budget.

Ms. Tanner moved approval of the final fiscal year 2019 budget (Exhibit 7). Joe LaPorte seconded the motion, and the final budget was approved as submitted.

Ms. Taylor gave a financial update as of September 30, 2018 (Exhibit 8). Revenue is on budget through the first quarter. Expenditures are under budget as expected, due to low campus expenses, but will ramp up in the second quarter.

f. Real Estate Committee

Committee Chair Charlie Wagner reported that Real Estate Committee had been quite active this fall (Exhibit 9). Additionally, the committee has also agreed to accept 25 acres
valued ~$1.8 million near Fall Creek Falls, which has not yet been received. In conjunction with legal counsel, the committee has begun reviewing UTFI and UTFI Real Estate LLC policies, to assure full compliance. Mr. Wagner reiterated the importance and need for UT Foundation to accept real property on behalf of the university, especially in light of the Focus Act.

VIII. INFORMATION

Copies of the standing committee and chair appointments (Exhibit 10) and 2019 meeting dates and locations (Exhibit 11) were included in the meeting material for information and reference. Mr. Littlejohn asked each member to complete the meeting evaluation before leaving.

IX. ADJOURNMENT

The meeting was adjourned and Board members convened for lunch with faculty and students from the Haslam College of Business’s Anderson Center for Entrepreneurship and Innovation.

Rachael LeBlanc, Secretary