

Minutes of the Executive Committee  
of the Board of Trustees  
University of Kentucky  
Monday, March 16, 2015

The Executive Committee of the Board of Trustees of the University of Kentucky met on Monday, March 16, 2015 in the 18<sup>th</sup> floor, Patterson Office Tower.

A. Meeting Opened

Dr. O. Keith Gannon, chair of the Executive Committee, called the meeting to order at 8:00 a.m. and asked Secretary Sheila Brothers to call the roll.

B. Roll Call

The following members of the Executive Committee answered the call of roll: O. Keith Gannon (chair), Barbara Young (vice chair), and C.B. Akins, Sr., E. and Mark Bryant were present. E. Britt Brockman was not in attendance.

Trustees Cammie Grant, Robert Grossman, Kelly Holland, Robert Vance and John Wilson were in attendance. General Counsel William Thro and a member of the media were also in attendance.

C. Approval of Minutes

Chair Gannon said that the minutes of the December 9, 2014 Executive Committee meeting had been distributed and asked for any comments. Vice Chair Young moved approval and Trustee Akins seconded the motion. It carried without dissent.

Chair Gannon stated that the minutes of the January 15, 2015 Executive Committee meeting had been distributed and asked for any comments. Trustee Akins moved approval and Trustee Bryant seconded the motion. It carried without dissent.

D. ECR 1 Approval of Executive Committee Authorization of Sale of the Coldstream Laboratories Inc. Manufacturing Facility Located on Coldstream Research Campus

Chair Gannon stated the ECR 1 is the approval of the Executive Committee Authorization of Sale of the Coldstream Laboratories Inc. Manufacturing Facility Located on Coldstream Research Campus. This recommendation is a confirmation of the business transacted at the January 15, 2015 Executive Committee meeting.

Chair Gannon stated that ECR 1 is the recommendation that pursuant to Kentucky Revised Statute (KRS) 164.190 and Governing Regulation II.E.2.a(4), the Board of Trustees consider and approve the actions taken by the Executive Committee of the Board of Trustees on behalf of the Board of Trustees on January 15, 2015.

Chair Gannon explained that the transaction consisted of five items. They are: A) the Committee's receipt of the offer from Coldstream Laboratories Inc. ("CLI") to purchase the

University's interest in the manufacturing facility that CLI current leases from the University; B) the Committee's finding that in accordance with KRS 164A.575(7), it was in the best interests of both the University and the public to sell the CLI Building, but not the land on which it sits; 3) the Committee's finding that in accordance with KRS 164A.575(7), a sale of the CLI Building following CLI's acquisition by PH Kentucky, Inc., would be a use more suitably consistent with the public interest; D) the Committee's approval of the sale of the CLI Building to CLI for its appraised value of \$5,650,000.00, subject to a ninety-nine (99) year ground lease with the University for the land on which it sits; and E) the Committee's authorization of the President or his designee to execute any documents necessary or required by law to be recorded to effect such sale.

Chair Gannon stated that in summary KRS 164.190 and Governing Regulation II.E.2.a(4) require the Executive Committee to submit to the Board of Trustees at each meeting, for the latter's consideration and approval, a complete record of the proceedings of the Executive Committee. The Executive Committee thus submits ECR 1.

Trustee Bryant moved for approval of ECR 1. Vice Chair Young seconded the motion. It passed without dissent. (See ECR 1 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Trustee Bryant praised the administration for doing a good job with such a challenging business venture. Chair Gannon stated there was a huge amount of background work that went into the venture over a long period of time and it can be said that this was a very successful venture, both the sale of CLI and the sale of the building.

#### E. Presidential Evaluation Discussion

Chair Gannon provided background of the Presidential Evaluation. A comprehensive presidential assessment is required in 2015 as specified in President Eli Capilouto's employment contract with the University of Kentucky. Per Governing Regulation GR II.E.a(2)c, it is a responsibility of the Executive Committee of the Board of Trustees to oversee the completion of this review and offer a final report to the full Board.

Chair Gannon shared that many university boards often engage third-party consultants to assist in carrying out presidential assessments. The expertise brought by such individuals grants great assurance that assessments will serve the chief executive, the Board, and the university. In early January, a request for proposal for a presidential evaluator was formally issued by the UK Purchasing Department. Of nine responses, three finalists were selected and formally interviewed by a four member evaluation committee composed of senior members of UK Purchasing, Human Resources, Public Relations, and Administration. Following each committee interview, Chair Gannon and Trustee Akins interviewed each of the final candidates. Based on these interviews and subsequent reference interviews, a consensus preferred candidate was selected.

Chair Gannon thanked the evaluator committee for their highly professional performance when conducting the evaluation. Chair Gannon also thanked Trustee Akins for participating in the interviews with each individual.

Chair Gannon continued that Dr. Carol Cartwright, from Association of Governing Boards (AGB) Consulting and President Emerita of Kent State University was selected as the evaluator. The comprehensive review will include the years 2011-2015. The approach will be a conventional AGB style interview-based approach, with the annual faculty survey results incorporated. The foundation of the evaluation will be the guiding principles that were passed each of the last four years at the Board of Trustees retreats beginning in 2011. The general timeline calls for the evaluation to begin the week of March 16, 2015. A contract would be entered into and by the end of March the evaluator would be on site beginning introductory meetings and planning sessions. In April to mid-May there would be surveys, interviews, and President Capilouto will submit his self-evaluation. At the end of May, Dr. Cartwright will submit a preliminary report to the Chair and the President. In early June, Dr. Cartwright will present a report to the Executive Committee. The process would be finalized at the June 19<sup>th</sup> board meeting with a full report to the Board of Trustees.

Chair Gannon asked for a motion to open the floor for discussions on the proposed timeline. Trustee Akins moved the motion and Vice Chair Young seconded. Hearing no discussion, Chair Gannon asked for the vote and the proposed plan and timeline passed without dissent.

F. Process for the 2014-15 Presidential Evaluation (ECR 2)

Chair Gannon stated ECR 2 was the recommendation that the Board of Trustees authorize the Chair of the Board of Trustee to enter into negotiation with the Association of Governing Boards (AGB) for the services of Dr. Cartwright to serve as facilitator for President Eli Capilouto's 2014-2015 evaluation.

Trustee Bryant moved approval of ECR 2. Trustee Akins seconded the motion. Chair Gannon opened the floor for discussion. Trustee Bryant asked who Dr. Cartwright has previously evaluated and for more information in general about Dr. Cartwright's experience. Trustee Akins stated Dr. Cartwright has done five evaluations and is extremely competent.

Trustee Bryant inquired about the interview process that Dr. Cartwright will follow and who she will interview. Chair Gannon stated that AGB has an industry protocol for performing evaluations. The University of Kentucky will use an interview based process and may incorporate a quantitative survey that has been used in the past. The final approach/process will not be decided until Dr. Cartwright is on campus and has had a discussion with President Capilouto and Chair Gannon. There will be a large number, with a broad range of constituents, (including Trustees) who will be interviewed.

Trustee Bryant asked the original purpose of including evaluations in President Capilouto's employee contract. Chair Gannon explained that the Executive Committee serves as the performance review committee for the President and this is performed on a regular basis. There is standard protocol across the country to use a third party with expertise in the field. The goal of the assessment is to provide the President with the opportunity to improve in areas and be recognized for successes. Ultimately, the relationship between the Board, President, and University will be improved. A third party offers more objective insight than an assessment handled entirely internally.

Secretary Brothers asked if all of the candidates were from AGB. Chair Gannon replied that there were three different firms interviewed.

Vice Chair Young shared that this process allows the Board to know what the campus, including faculty and staff, is thinking. She has found it enlightening from past evaluation interviews.

Trustee Bryant questioned the confidentiality of the process. Chair Gannon stated that one of the reasons to use an experienced third party is to ensure confidentiality.

Chair Gannon asked for the vote and it passed without dissent. (See ECR 2 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

With no further business, Chair Gannon adjourned the meeting at 8:20 a.m.

Respectfully submitted,



Sheila Brothers, Secretary