

UNIVERSITY OF UTAH
BOARD OF TRUSTEES MEETING
JUNE 10, 2014

TRUSTEES PRESENT

H. David Burton	Michele Mattsson (Vice Chair)
Phillip W. Clinger	Taft E. Price
Lisa E. Eccles	Keven Rowe
David Huntsman	Justin Spangler
Clark D. Ivory (Chair)	

TRUSTEES ABSENT

Cristina Ortega

UNIVERSITY REPRESENTATIVES PRESENT

Cathy Anderson	Associate Vice President, Academic Affairs – Budget and Planning
Arnie B. Combe	Vice President Administrative Services
Steve Corbato	Interim Chief Information Officer
Gordon Crabtree	Chief Financial Officer, University of Utah Hospitals and Clinics
David Entwistle	Chief Executive Officer, University of Utah Hospitals and Clinics
Chris Hill	Special Assistant to the President and Athletic Director
Paul Larsen	President, University of Utah Staff Council
Vivian S. Lee	Senior Vice President, Health Sciences
Laura Marks	Liaison to the Board of Trustees
Rebecca McGarvey	Executive Assistant to the Board of Trustees
John K. Morris	Vice President and General Counsel
John E. Nixon	Chief Business Officer
Thomas N. Parks	Vice President, Research
Michael G. Perez	Associate Vice President, Administrative Services - Facilities
Jason Perry	Vice President, Government Relations
David W. Pershing	President
Robert F. Phillips	Accountant, Associated Student of the University of Utah
Patricia A. Ross	Chief Strategy Officer and Secretary to the University
Barbara H. Snyder	Vice President, Student Affairs
Jacob Sorenson	Business Manager, Student Media Council
Kathryn Stockton	Interim Associate Vice President, Equity and Diversity
Ruth V. Watkins	Senior Vice President, Academic Affairs
Karen West	Executive Assistant to Chief Strategy Officer
Andrew Weyrich	Associate Dean, Molecular Medicine
Gordon N. Wilson	Assistant Vice President, Auxiliary Services

OTHERS

Julie Barrett	President, Alumni Association Board of Directors
Dan Campbell	Chair, Utah State Board of Regents

CALL TO ORDER

Information: 1.01 - Call to Order

The meeting of the Board of Trustees was called to order at 9:10 AM. Chair Clark Ivory welcomed Trustees and others in attendance. He excused Cristina Ortega who was out of town.

CHAIR'S REPORT

Action: 2.01 – Resolution of Appreciation

Chair Ivory recognized Trustee Keven Rowe for his service to the Board of Trustees. Vice chair Michele Mattsson read the resolution noting Mr. Rowe's great leadership and thanked him for serving as chair of the Trustees Honors Committee and on the Presidential Search team.

Motion to approve the Resolution of Appreciation by Michele Mattsson, second by David Huntsman.

Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler.

A copy of the Resolution of Appreciation is included as Appendix I with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Information: 2.02 - Current Events and Announcements

Chair Ivory recognized Dan Campbell who was in attendance. Mr. Ivory congratulated him on being named the new chair of the Utah State Board of Regents.

Chair Ivory reflected on the recent Honorary Degree Dinner and the University's 2014 Commencement and remarked on the noteworthy caliber of both events. Vice President Snyder recognized Associate Vice President Mary Parker's work on improving the Commencement event adding that students, parents and faculty commented very positively on the keynote speech by alumnus Alex Smith. President Pershing added that the increase in the "focus on students" is evident and that the administration will turn their attention to improving the College Convocations.

PRESIDENT'S REPORT

Information: 3.01 - Honors and Awards to Members of the University Community, Distinguished Visitors and Research

President David W. Pershing highlighted the three faculty members who were inducted into the Academy of Science adding that it is an extraordinary accomplishment to have three named in one year. He also noted that for the seventh time in eight years the University has a Truman Scholar which speaks to the caliber of our students.

A copy of the President's Report is included as Appendix II with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Information: 3.02 - Current Events

President Pershing reported on the *Together We Reach* gala which was recently held in celebration of a successful capital campaign. He also noted that an MOU was signed with the Ute Tribe. President Pershing added that two groundbreaking ceremonies have been held since the last Trustees meeting, the Huntsman Cancer Center Phase IV and the Basketball Practice Facility.

SENIOR VICE PRESIDENT'S REPORTSReport 4.01 – Health Sciences Report

Senior Vice President Vivian Lee reported on the Huntsman Cancer Center Phase IV groundbreaking event adding that being able to build a major research building is an effective recruitment tool for highly sought-after faculty and administrators. She also reported on the School of Medicine's (SOM) Convocation in which Mario Cappechi was the keynote speaker. Dr. Lee noted that this fall 102 SOM students have been admitted, 85% of which have Utah affiliations. She added that next year the number of admitted students will increase to 122.

Dr. Lee noted that the Farmington Clinic's business plans will be presented later in this meeting. She added that the Harvard Business Review this month features an article on the need to engage physicians in health care transformation. There are four case studies presented, one of which features the University of Utah's "Exceptional Patient Experience." An outcome of this transformation is evident in that many of our doctors are now ranked exceptionally high in patient surveys.

Report 4.02 – Academic Affairs Report

Senior Vice President Ruth Watkins reported that our top faculty are being recruited by other schools. She added that in an effort to turn this around an anonymous donor has created a presidential scholarship for mid-career faculty to help retain our rising stars. The scholarship is to be used for research discretionary funding and is awarded for three years.

Dr. Watkins recognized Associate Vice President Cathy Anderson, stating that she was a remarkable asset and appreciated her diligence in getting the new budgets rolled out. She also introduced Kathryn Stockton the interim Associate Vice President for Equity and Diversity. She added that they are beginning a search for that position and hope to have someone in place soon.

STAFF COUNCIL

Report: 5.01 – Staff Council (*This report was deferred until August 2014.*)

GENERAL CONSENT

Action (Consent): 6.01 - Minutes of the April 8, 2014, Meeting of the Board of Trustees

Action (Consent): 6.02 - Faculty and Staff Matters April, May, and June 2014 (including University Professors, 2014-2016) (Appendix III)

- Action (Consent): 6.03 - Second Language Teaching and Research Center (Appendix IV)
- Action (Consent): 6.04 - New Department of Entrepreneurship and Strategy (Appendix V)
- Action (Consent): 6.05 - Honors Integrated Minor in Ecology & Legacy (Appendix VI)
- Action (Consent): 6.06 - Combined BS/MS in Chemistry (Appendix VII)
- Action (Consent): 6.07 - Dual Degree for Master of Real Estate Development and Juris Doctor (Appendix VIII)
- Action (Consent): 6.08 - Consolidation of Middle East Studies Degrees (Appendix IX)
- Action (Consent): 6.09 - Discontinue Communication Minors and Teaching Degrees (Appendix X)
- Action (Consent): 6.10 - Discontinue Clinical Nursing Leader Emphasis (Appendix XI)
- Action (Consent): 6.11 - New Emphasis in Psychiatric Mental Health Nurse Practitioner (Appendix XII)
- Action (Consent): 6.12 - Revisions to Policies 6-303 and 6-310 (*Faculty Review System Policies*) (Appendix XIII)
- Action (Consent): 6.13 - Revisions to Policies 6-203 and 6-201 (*Graduate School Policies*) (Appendix XIV)
- Action (Consent): 6.14 - Sponsored Projects Reports for the months of March and April 2014 (Appendix XV)
- Action (Consent): 6.15 - Investments Compliance Report (Appendix XVI)
- Action (Consent): 6.16 - Reports of Investments Portfolio for the months March and April 2014 (Appendix XVII)
- Action (Consent): 6.17 - Quarterly report of the performance of the University's Cash Management Pool, Endowment Pool and Hinckley Pool for the quarter ended March 31, 2014 (Appendix XVIII)
- Action (Consent): 6.18 - Administrative Reports from the University of Utah to the State Building Board (Appendix XIX)
- Action (Consent): 6.19 - Capital Facilities Projects - Approval to Provide a Building for the Farmington Clinic (Appendix XX)
- Action (Consent): 6.20 - Monthly Comparison Reports (Gifts) for the months of March and April 2014 (Appendix XXI)
- Action (Consent): 6.21 - Naming of Facilities in the Student Life Center (Appendix XXII)

Action (Consent): 6.22 - Naming of Facilities in the College of Engineering (Appendix XXIII)

Chair Ivory introduced the General Consent Calendar. There were no questions or concerns raised by the Trustees.

Motion to approve the Consent Calendar by David Huntsman, second by Keven Rowe. Final Resolution: Motion Approved. Aye: H. David Burton, Phillip W. Clinger, Lisa E. Eccles, David Huntsman, Clark D. Ivory, Michele Mattsson, Taft E. Price, Keven Rowe, and Justin Spangler

Background materials are included in the Appendix (as noted above) and are on file in the office of the Secretary to the University.

ACTION AGENDA

Action 7.01 – Associated Students of the University of Utah (ASUU) 2014-15 Budget

Vice President Barbara Snyder introduced Rob Phillips, accountant for ASUU. Mr. Phillips, along with Trustee Justin Spangler, presented the budget for 2014-2015. Trustee Spangler reported that they budgeted 5.65% less for this year due to a declining enrollment. He added that the decrease was across the board.

Motion to approve the ASUU Budget 2014-2015 by Michele Mattsson, second by Lisa Eccles. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler

A copy of the proposal is included as Appendix XXIV with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action 7.02 – Student Media Council Membership 2014-2015Action 7.03 – Student Media Council Budget 2014-2015

Agenda Items 7.02 and 7.03 were considered in tandem. Jacob Sorensen, director of student media, introduced the proposed Student Media Council membership. He noted that current chair, Kimberley Mangum, had agreed to stay on for an additional year in that role. Due to that decision, there were no new faculty members proposed for the upcoming year.

Mr. Sorensen reported that the conservative budget being proposed is a move towards reducing the deficit. He added that advertising revenues continue to fall which is typical industry wide. Funding has been budgeted to help grow the digital media platforms as the demand for print media is also diminishing. He thanked the administration for their help in addressing the budget deficit. Laura Marks commended Mr. Sorensen for his thoughtful consideration in creating a viable future for Student Media.

Motion to approve the Student Media Council Membership and Budget for 2014-2015 by Keven Rowe, second by Taft price. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe and Justin Spangler

A copy of the proposal is included as Appendix XXV and XXVI, respectively, with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action 7.04 – University of Utah Hospital and Clinics Budget 2014-2015

David Entwistle, CEO of the University of Utah Hospitals and Clinics (UUHC), reported on the review process noting that with healthcare reforms and market dynamics a thorough review was needed. He added that revenues will decline due to the diminishing of Medicare insurance along with other contracted revenues. The labor wage increase of a \$1.2 million, mainly tied to nursing salaries, reflects a .59% increase in the total UUHC budget. Mr. Entwistle noted that key information technology projects will continue to receive vital funding as will outreach and network development. The network development will create affiliations with facilities outside our market which results in many referrals come from these facilities. He reported that the Farmington Clinic business model being proposed today will follow the South Jordan Clinic model which has been very successful.

Gordon Crabtree, CFO of the UUHC, highlighted the volume growth of the hospital and consolidated clinics. He noted that there are no state appropriations for any clinical or lab services. Mr. Crabtree added that the margins are 1/2 or less than a non-profit or for profit medical system. He reviewed the different clinics and their operating margins noting that community clinics have born the cost of the newer South Jordan Clinic but now with the deficit down the clinic should break even this month and begin to generate a profit. Mr. Crabtree reported that the University's Neuropsychiatric Institute has the smallest profit margins due in large part to the challenges faced since the SL County contracts have moved to another provider.

Mr. Entwistle stated that new medical advances help defray costs. He discussed the risks, noting the expected revenue decline. He added that UUHC will continue to work on efficiency.

Motion to approve the UUHC Budget for 2014-2015 by David Huntsman, second by Keven Rowe. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler

A copy of the proposal is included as Appendix XXVII with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action 7.05 – Approval to Remodel the Biomedical Polymers Research Building

Andrew Weyrich, associate dean of Molecular Medicine, reported that with the majority of the researchers from the Biopolymers building moving to the new Skaggs Research building the open space created is a prime location for researchers from the School of Medicine (SOM) building which will lose their space when Building 521 (SOM) is demolished. The third, fourth and fifth floors will be extensively remodeled to create a more collaborative space. Dr. Vivian Lee added that the SOM is looking to develop a Neurosciences Institute in this building if this collaborative space proves successful.

Motion to approve the remodel by David Burton, second by Lisa Eccles. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler

A copy of the proposal is included as Appendix XXVIII with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action 7.06 – Better Building Challenge - Energy Efficiency Phase 1

Chief Business Officer John Nixon reported that the Better Building Challenge initiative is sponsored in part by Department of Energy. He noted that when the University accepted the challenge to reduce our energy consumption by 20% by 2020 we were one of only six universities asked to participate. He added that no funds are being provided by the Department of Energy but they are offering consulting assistance.

Mr. Nixon reviewed the three areas of focus; energy improvement projects, behavioral program, and retrocommissioning program. He reported that phase one includes heating, ventilation, and air conditioning upgrades to the Eyring Chemistry, Biology, and the Skaggs Biology Research buildings. He noted that the change in heat and ventilation systems will help us achieve 20% savings in this area of campus. Phase one costs also includes designing the southwest chiller plant and designing of Phase 2 (Health Sciences area) of the Challenge. Mr. Nixon added that the costs will be financed internally and paid back by savings. In response to Trustees' questions Nixon noted that the cost payback timeline is not stellar but goes a long ways towards helping us reduce energy consumption.

Motion to approve the by David Burton, second by Michele Mattson. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler

A copy of the proposal is included as Appendix XXIX with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action 7.07 – Approval of the 2015 -16 Capital Facilities Budget Request and the Projected “5-Year Plan” for Capital Projects

Chief Business Officer John Nixon reviewed the proposed capital facilities budget request noting that the top priority on the state funding list for the upcoming 2016 year is the Crocker Science Center. He added that the 5-year request list for state funded projects includes the Medical Education and Discovery Building (School of Medicine) and the Orson Spencer Hall Redevelopment Project. Mr. Nixon stated this proposal's non-state funded projects include the Healthcare Rehabilitation Institute and the Browning Building Addition.

Trustee Lisa Eccles commented that the Trustees' Campus Master Planning Committee (CMP) is confident in the proposals and are hoping to see the start construction on Crocker Science Center within the next few years.

Motion to approve the Capital Facilities Budget Request by Lisa Eccles, second by David Huntsman. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler.

A copy of the proposal is included as Appendix XXX with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action 7.08 – Board of Trustees Elections

President Pershing introduced the election noting that the Trustees Executive Committee elections were necessary due to Clark Ivory's departure. He proposed that the slate of Michele Mattsson as chair and Phillip Clinger as vice chair, which were previously approved by anonymous ballot, be formally approved in a public vote.

Motion to approve the new chair and vice chair of the Board of Trustees by Keven Rowe, second by Lisa Eccles. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe and Justin Spangler

Action 7.09 – Resolution of Appreciation for Trustee Clark Ivory

Trustee Taft Price read the Resolution of Appreciation. He thanked Chair Ivory for his ability to solicit from others what they can best contribute to an organization. He has also committed vast amounts of time and resources to his many interests on campus. Clark enthusiastically spoke of his time on the board and noted the commitment that the Trustees and the Administration have to make this a better university for students, faculty, and staff. He stated that the University is of great value to the community and it serves the people well.

Motion to approve the Resolution of Appreciation by Michele Mattsson, second by Lisa Eccles. Final Resolution: Motion Approved. Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler

A copy of the resolution is included as Appendix XXXI with the official minutes of this meeting and is on file in the office of the Secretary to the University.

ADJOURN

At 11:00 a.m. the June 10, 2014 open meeting of the Board of Trustees voted to adjourn.

The next scheduled meeting will be held August 12, 2014.

Motion to approve by Lisa Eccles, second by David Huntsman. Final Resolution: Motion Approved
Aye: H David Burton, Phillip W Clinger, Lisa E. Eccles, David Huntsman, Clark D Ivory, Michele Mattsson, Taft E Price, Keven Rowe, and Justin Spangler

Signed by: Laura Marks

Date approved: 12 August 2014