

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE

March 28, 2017
Chattanooga, Tennessee

The Advancement and Public Affairs Committee of The University of Tennessee Board of Trustees met at 2:30 p.m. EDT on Tuesday, March 28, 2017, on the campus of The University of Tennessee at Chattanooga.

I. CALL TO ORDER

Chair Sharon Pryse called the meeting to order.

II. ROLL CALL

Mr. Rickey McCurry, Vice President for Development and Alumni Affairs and Programs, called the roll of the Committee members. Those present were:

Ms. Sharon Pryse, Chair
Dr. Joe DiPietro
Mr. Raja J. Jubran
Ms. Rhedona Rose
Mr. David A. Shepard
Ms. Julia Wells
Mr. Charles Wharton

Mr. McCurry announced the presence of a quorum.

III. CONSENT AGENDA

Chair Pryse called the Committee's attention to the Consent Agenda and the following prepared motion in the meeting materials:

I move Committee approval of the Minutes of the Last Meeting and further move that the following action items on the March 28, 2017 Consent Agenda of the Advancement and Public Affairs Committee be recommended for approval by the full Board by unanimous consent:

1. Renaming Stokely Family Residence Hall as Stokely Hall (Exhibit 1)
2. Naming UT Knoxville Graduate School of Education—David T. Bailey (Exhibit 2)

3. Naming Tickle College of Engineering Honors Program—Joseph C. and Judith E. Cook (Exhibit 3)
4. Appointment of a University Representative as a Co-Trustee of the Farm Support Trust (Exhibit 4)

With the correction to the date on the Action Item Memorandum for the Tickle College of Engineering Honors Program to March 28, 2017, Trustee Wharton moved approval, Board Vice Chair Jubran seconded, and the motion carried unanimously.

IV. NAMING UT MARTIN BOLING UNIVERSITY CENTER LEGISLATIVE CHAMBER – ROBERT M. SMITH

On behalf UT Martin, Chancellor Keith Carver requested an exception to the Board policy on naming facilities and other assets to allow naming the Legislative Chamber in the Boling University Center the “Robert M. Smith Legislative Chamber” in honor of Dr. Robert M. Smith for his service and leadership to UT Martin (Exhibit 5). Board policy provides that current University employees and those employed within the previous three years are not eligible for naming. The policy also provides, however, for Board to make an exception to the principles and guidelines of the policy by duly adopted motion at any regular or called meeting of the Board.

President DiPietro heartily agreed with the request for an exception and recommended its approval. Trustee Wharton moved that the Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: An exception to the Board policy on naming facilities and other assets is granted, and the Boling University Center Legislative Chamber at The University of Tennessee at Martin is hereby named the “Robert M. Smith Legislative Chamber” in honor of the service and leadership of Dr. Robert M. Smith to UT Martin.

Board Vice Chair Jubran seconded, and the motion carried unanimously.

V. AGREEMENTS RELATED TO UC FOUNDATION

A. Employee Services Agreement between UT and UC Foundation (Exhibit 6)

President DiPietro recommended approval of the Employee Services Agreement between the University and UC Foundation to lease UTC Development and Alumni Affairs employees to the UC Foundation rather than to the UT Foundation. Key provisions of the Agreement, which is modeled after the 2011 Employee Services Agreement between the University and UT Foundation, are:

1. UC Foundation will assume all costs for UTC Development and Alumni Affairs employees leased to the UC Foundation (Section 2.1 and 2.1.2). Under the current lease arrangement with UT Foundation, the leased employee costs are borne by UTC through its payments to UT Foundation for services provided under the UT-UTFI Affiliation and Services Agreement. UC Foundation's assumption of the leased employee costs will save UTC \$1,676,922 in FY 2018.
2. UC Foundation will not start hiring development and alumni employees directly or establish its own Human Resources infrastructure until the Agreement is terminated (Section 1.5). Until then, the University will hire all new employees and simultaneously lease them to UC Foundation (Section 1.2). UTC will provide HR services for the leased employees as part of UTC's in-kind support of UC Foundation under the Affiliation and Services Agreement (Section 1.5.1).
3. The initial term of the Agreement ends in 2036, but the Agreement continues indefinitely thereafter from year to year, subject to termination provisions of the Agreement (Section 10.1). The Agreement may be terminated by either party upon 180 days' written notice (Section 10.3) or in the event of failure to cure a breach within 60 days of written notice (Section 10.4). The University may terminate the Agreement at the end of any fiscal year if sufficient funds are not available to carry out the University's obligations under the Agreement (Section 10.5).
4. The liability protections and insurance provisions in the Employee Services Agreement between the University and the UT Foundation are included in the Agreement (Sections 9.1 through 9.7 and Section 5.7, referencing Article 1 and Appendix B of the UCF-UT-UTFI Affiliation and Services Agreement).

Rickey McCurry, Vice President for Development and Alumni Programs and President of the UT Foundation, and Chancellor Steve Angle concurred in the recommendation. Board Vice Chair Jubran moved that the Advancement and Public Affairs Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The Employee Services Agreement between the University of Tennessee, on behalf of UTC, and the University of Chattanooga Foundation, Inc. is approved, and the President is authorized to execute the Agreement with any further changes that may be required by the Comptroller of the State of Tennessee or the Attorney General of the State of Tennessee.

The motion was seconded and carried unanimously.

B. Affiliation and Services Agreement among UT, UC Foundation, and UT Foundation (Exhibit 7)

President DiPietro recommended approval of the Affiliation and Services Agreement, which supersedes the 2011 agreement among the parties and makes the following key changes:

1. Recognizes that under a new Employee Services Agreement between the University and the UC Foundation, UTC Development and Alumni Affairs employees will be leased directly to the UC Foundation instead of to the UT Foundation (Article II, Section 1.a.);
2. Makes the term of the Agreement indefinite, subject to termination provisions of the Agreement (Article VII, Section 1). The initial term of the 2011 agreement ended on June 30, 2015, and the agreement continued thereafter from year to year, subject to termination provisions of the agreement. The new Agreement may be terminated by either party upon 180 days' written notice or upon failure to cure a default within 60 days of written notice. The University may terminate the Agreement at the end of any fiscal year if sufficient funds are not available to carry out the University's obligations under the Agreement; and
3. Revises the reporting structure to include the Chair of the UC Foundation (or designee) in key roles and responsibilities:
 - Article I, Section 3 (Vice Chancellor/Foundation Executive Director reports to UTC Chancellor, UT Vice President for Development and Alumni Affairs and Programs, and UC Foundation Chair or designee);
 - Article II, Section 1.a. (hiring, termination, and compensation of the Vice Chancellor/Foundation Executive Director);
 - Article I, Section 4 (preparation of an annual plan and budget for UTC development and alumni affairs programs); and
 - Appendix A (management responsibilities with respect to the Vice Chancellor/Foundation Director).

Rickey McCurry, Vice President for Development and Alumni Affairs and President of the UT Foundation, and Chancellor Steve Angle concurred in the recommendation. Board Vice Chair Jubran moved that the Advancement and Public Affairs Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The Affiliation and Services Agreement among the University of Chattanooga Foundation, Inc., The University of Tennessee, on behalf of

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the University of Tennessee at Chattanooga, and the University of Tennessee Foundation, Inc. is approved, and the President is authorized to execute the Agreement with any further changes that may be required by the Comptroller of the State of Tennessee or the Attorney General of the State of Tennessee.

The motion was seconded and carried unanimously.

C. First Amendment to the 2011 Employee Services Agreement between UT and UT Foundation (Exhibit 8)

President DiPietro recommended amendment of the 2011 Employee Services Agreement between the University and UT Foundation to accomplish the following:

1. Recognize that under a new Employee Services Agreement between the University and UC Foundation, UTC Development and Alumni Affairs employees will be leased directly to UC Foundation instead of to UT Foundation (paragraphs 1-3 of the First Amendment);
2. Conform certain provisions concerning the Vice President for Development and Alumni Affairs and Programs to Bylaw amendments adopted by the Board of Trustees on June 23, 2016 (paragraph 5);
3. Eliminate the requirement that UT Foundation establish its own HR and payroll infrastructure and begin hiring its own employees no later than 10 years from the effective date of the Agreement (paragraph 3) . UT Foundation will have those obligations only upon a future date agreed upon by the UT President and UT Foundation Board of Directors, but no later than the end of the term of the Agreement (paragraph 4);
4. Extend the initial term of the Agreement through June 30, 2036 (from the original end date of June 30, 2021) and provide that the Agreement will continue from year to year thereafter, subject to termination provisions of the Agreement (paragraph 7). The Agreement may be terminated by either party upon 180 days' written notice or upon failure to cure a breach within 60 days of written notice. The University may terminate the Agreement at the end of any fiscal year if sufficient funds are not available to carry out the University's obligations under the Agreement;
5. Make revisions required after preliminary review by the Attorney General (paragraph 9) and the Comptroller (paragraph 10); and
6. Make various housekeeping revisions (paragraphs 3, 4, 8, 11, 12, and 13).

Rickey McCurry, Vice President for Development and Alumni Affairs and President of the UT Foundation, concurred in the recommendation. Board Vice Chair Jubran moved that the

Advancement and Public Affairs Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The First Amendment to the 2011 Employee Services Agreement between The University of Tennessee and the University of Tennessee Foundation, Inc. is approved, and the President is authorized to execute the Amendment with any further changes that may be required by the Comptroller of the State of Tennessee or the Attorney General of the State of Tennessee.

The motion was seconded and carried unanimously.

D. First Amendment to the 2014 Affiliation and Services Agreement between UT and UT Foundation (Exhibit 9)

President DiPietro recommended amendment of the 2014 Affiliation and Services Agreement between the University and the UT Foundation to accomplish the following:

1. Recognize that under a new Employee Services Agreement between the University and UC Foundation, UTC Development and Alumni Affairs employees will be leased directly to UC Foundation instead of to UT Foundation (Appendix A to the First Amendment, FY17 Budget). UC Foundation will assume all costs for UTC Development and Alumni Affairs employees leased to the UC Foundation. Under the current lease arrangement with UT Foundation, the leased employee costs are borne by UTC through its payments to UT Foundation for services provided under the 2014 Affiliation and Services Agreement;
2. Conform certain provisions concerning the Vice President for Development and Alumni Affairs and Programs to Bylaw amendments adopted by the Board of Trustees on June 23, 2016 (paragraphs 2 and 3 of the First Amendment);
3. Make the term of the Agreement indefinite, subject to termination provisions of the Agreement (paragraph 7). The initial term of the 2014 agreement ended on June 30, 2018, and the agreement continued thereafter from year to year, subject to termination provisions of the agreement. The new Agreement may be terminated by either party upon 180 days' written notice or upon failure to cure a default within 60 days of written notice. The University may terminate the Agreement at the end of any fiscal year if sufficient funds are not available to carry out the University's obligations under the Agreement;
4. Replace Appendix A, Budget FY15, with Appendix A, Budget FY17 (paragraph 8);
5. Revise Appendix C, Joint Management Responsibilities with respect to Vice Chancellors for Development (paragraph 9); and

6. Make various housekeeping revisions (paragraphs 1, 4, 5, and 6).

Rickey McCurry, Vice President for Development and Alumni Affairs and President of the UT Foundation, concurred in the recommendation. Board Vice Chair Jubran moved that the Advancement and Public Affairs Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The First Amendment to the 2014 Affiliation and Services Agreement between the University of Tennessee and the University of Tennessee Foundation, Inc. is approved, and the President is authorized to execute the Amendment with any further changes that may be required by the Comptroller of the State of Tennessee or the Attorney General of the State of Tennessee.

The motion was seconded and carried unanimously.

VI. COMMUNICATIONS AND MARKETING REPORT

Associate Vice President for Communications and Marketing Tiffany Carpenter gave a brief communications and marketing update. She reported that a system-wide communicators meeting was held in Nashville in November to discuss the system crisis prevention and management plan developed last year to provide guidance to the campuses and institutes.

Ms. Carpenter shared communications and marketing performance snapshots for each campus, institute and the UT Foundation. She also updated the committee on the Office of Communications and Marketing's production of the President's second State of the University address in Nashville. The event brought more than 100 in-person attendees, almost 1,400 online viewers and garnered 23 million media impressions statewide and nationally.

Ms. Carpenter gave an update on the communications and marketing team effort to develop a UT System news app. She said the app will be a platform to communicate the great things going on across the System to UT alumni, students, parents and other supporters by pulling news releases from each UT entity and delivering them directly to phones as well as providing a direct link to information about the University's impact on the state, system-wide initiatives and links to campus and institute websites.

Ms. Carpenter closed her report with an update on the need to invest in the UT brand. The office will be submitting an RFP for marketing and branding services in March and is working with the UT Foundation to secure funding.

VII. GOVERNMENT RELATIONS AND ADVOCACY REPORT

Chair Pryse announced that Mr. Anthony Haynes, Vice President for Government Relations and Advocacy, was called to stay in Nashville on a legislative matter and will give an update in June.

VIII. REQUESTS TO ADDRESS THE BOARD

- A. **Ellie Newell, Student at UT Chattanooga and co-chair of the Young Democratic Socialists, in opposition to outsourcing facility services.** Newell said the Young Democratic Socialists campus group at UTC worked with United Campus Workers on their "Tennessee is NOT for Sale" campaign in opposition to the proposed outsourcing of facilities management at state-owned institutions. Ms. Newell asked the Board to consider the toll outsourcing will take on the lives of campus workers.

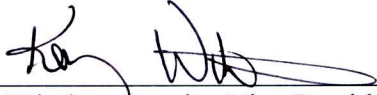
She argued that the contracting company can transfer workers to other buildings they manage and that although the contracting company cannot implement a reduction-in-force, the state retains the right; that, historically, outsourcing leads to extra fees not specified in the contract because contracts often do not fully cover the needs of a campus; that there has been no economic impact statement and no comptroller investigation, without which, she argued, it cannot be certain outsourcing will actually save students and tax payers money.

IX. OTHER BUSINESS

There was no other business to come before the Committee.

X. ADJOURNMENT

There being no other business, the meeting was adjourned.



Kerry Witcher, Interim Vice President for
Development & Alumni Affairs & Programs
Interim President/CEO, UT Foundation, Inc.