MINUTES
UNIVERSITY OF HOUSTON SYSTEM
SPECIAL CALLED
BOARD OF REGENTS MEETING

Monday, April 21, 2014 – The members of the Board of Regents of the University of Houston System convened at 9:14 a.m. on Wednesday, January 30, 2013, at the University of Houston, Waldorf Astoria Ballroom E, Second Floor, 4800 Calhoun, Houston, Texas, with the following members participating:

ATTENDANCE –

Present	Member(s) Absent
Jarvis V. Hollingsworth, Chairman	Tilman J. Fertitta, Vice Chair
Welcome W. Wilson, Jr., Secretary	Spencer D. Armour, III, Regent
Durga D. Agrawal, Regent	
Beth Madison, Regent	
Paula M. Mendoza, Regent	
Peter K. Taaffe, Regent	
Roger F. Welder, Regent	
Benjamin P. Wells, Student Regent, nonvoting	

Chairman Hollingsworth was delayed getting to the meeting and requested the Secretary of the Board, Regent Welcome W. Wilson, Jr., start the meeting in his absence.

Prior to calling the meeting to order, Regent Wilson, Jr. stated he was delighted to introduce and welcome our newly appointed regent to the Board, Ms. Beth Madison. Regent Wilson, Jr. asked Regent Madison and Chancellor Khator to step up to the podium for a brief swearing-in ceremony.

Regent Wilson, Jr. stated that Ms. Madison had been appointed by Governor Rick Perry effective February 26, 2014 and would serve on the Board until August 31, 2015. In 1983, Ms. Madison founded Madison Benefits Group, Inc., which in 2008 became a wholly-owned subsidiary of Higginbotham, a commercial risk management and insurance firm, where she now serves as Managing Director. Ms. Madison is a Certified Employee Benefits Specialist, Certified Property and Casualty Underwriter and a Chartered Life Underwriter. She served as President of the Houston Estate and Financial Forum and is on the board of the Houston Chartered Life Underwriters.

Ms. Madison is active in Houston philanthropic activities, serving as Trustee of the Madison Charitable Foundation, Past Chairman of the Houston World Affairs Council, Senior Chairman of the Houston Grand Opera, Board Secretary of the Alley Theater and Secretary of the Rice University Shepherd School of Music Society.

She has served on numerous boards such as the Houston Symphony, Trees for Houston, Preservation Houston and the Advisory Boards of Baylor College of Medicine Teen Clinic and the Baylor Partnership.

She has been recognized for her services by ABC/13 as a Woman of Distinction in 2011 and named Ambassador in 2014. She received the Community Pillar Award in 2012 from Preservation Houston; named Visionary Leader by the Houston Symphony in 2012; and inducted into the Greater Houston Women's Chamber of Commerce Hall of Fame in 2013.

Ms. Madison earned her Bachelor of Arts degree in Sociology from the University of Houston.

Regent Wilson, Jr. administered the Oath of Office to Ms. Madison; and Chancellor Khator presented Regent Madison with the University of Houston System Board of Regents' medallion and Regents' pin. On behalf of his fellow regents, Regent Wilson, Jr. stated he was very appreciative that Regent Madison had accepted Governor Perry's invitation to serve on the Board and that they were looking forward to working with her.

Regent Wilson, Jr. asked Regent Madison to say a few words and below is a brief summary of her remarks.

Regent Madison stated she was very excited about this experience and honored to join the ranks of the UH System Board of Regents. She stated the Board had earned the reputation, respect and gratitude of the UH alumni and this city for the work they have been doing for this university; and thanked the Board for their commitment. She stated the Board was famous for their relentless campaign to achieve Tier One status, and after all, the only real measure we have of the value of the work we are doing here is the success of our graduates and taking that diploma and having it recognized for the academic excellence that they deserve will earn them the opportunity for the best jobs. From the day the Chancellor/President arrived in Houston, Regent Madison has admired the outreach she has had to the community and her drive to remind them that businesses and economies do not prosper when the community doesn't thrive. It takes an educated workforce in all areas, including the arts, stated Regent Madison. She was thrilled to join the University of Houston System Board of Regents; and she promised all of her talent and energy to help continue the good work that has been done.

Following Regent Madison's swearing-in, Regent Wilson, Jr. stated that in accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, due to the delay in Chairman Hollingsworth's arrival at the meeting, Regent Wilson, Jr. would call the meeting to order.

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AGENDA ITEMS

1. Resolution in support of the City of Houston's renovation of Cullen Boulevard scheduled for the Spring/Summer of 2014 – University of Houston., Item B.

Regent Wilson, Jr. introduced several individuals from the City of Houston who had attended the meeting. They are as follows:

(a) Dwight Boykins, Councilman, City of Houston;
(b) Daniel Krueger, City's Public Works and Engineering Director;
(c) Daniel Mendendez, Deputy Director, Engineering and Construction;
(d) Diane Lowery-Binnie, Assistant Director, Street and Bridge Maintenance; and
(e) Patrick Walsh, Director, Planning and Development.

Regent Wilson, Jr. requested Dr. Carl Carlucci, Executive Vice Chancellor for Administration and Finance introduce this item.

Dr. Carlucci acknowledged that Chairman Jarvis Hollingsworth had been very involved in this initiative and that Darrin Hall, Executive Director of Governmental and Community Relations had been with him every step of the way. They had also attended numerous meetings. Dr. Carlucci requested Mr. Hall say a few words regarding the work that they have been doing with the city.

Mr. Hall stated that Chairman Hollingsworth had met with Mayor Annise Parker to discuss Cullen Boulevard and some of the boulevards surrounding the UH campus which is what had precipitated some of these meetings; and he thanked Mayor Parker for her outreach to the University of Houston. He recognized Councilman Dwight Boykins, who had been on the job but four (4) months and that Councilman Boykins had immediately met with Mr. Hall to discuss this project. Councilman Boykins stated that one of his goals was to see Cullen Boulevard reconstructed. Mr. Hall thanked him for his leadership and stated he would be an asset to the University of Houston over the next six (6) years that he serves on City Council.

Dr. Carlucci presented an aerial map of Cullen Boulevard outside of the stadium from Elgin to Wheeler; and it showed an overlay of the work the City of Houston was planning to do. Dr. Carlucci asked Mr. Daniel Krueger, the City's Public Works and Engineering Director, to describe the work and the street repair that was currently underway.

Mr. Krueger stated it was a pleasure to be at the meeting and to have a few minutes to clearly communicate with the Board what the city's current intentions were regarding Cullen Boulevard and to understand the university's intentions as well. There were six (6) topics of interest addressed by Mr. Krueger and below is a brief summary of his remarks.

1. <u>Current Status and Condition of Cullen Boulevard</u>
   Cullen Boulevard is a four-lane road and carries approximately 13,000 vehicles per day. They assess the conditions of all streets through the city of Houston which encompass over 5500-lane miles of street. The areal map presented was an exhibit that showed the current pavement condition ratings for Cullen Boulevard as of 2012. They color code all of the conditions of their streets, but the map presented only showed the thoroughfare sections of the system all the way from very low to very high. The lowest score that Cullen Boulevard had been assessed was 62.49; the highest score was 76.53; and the average between Wheeler Street and Elgin was 70.39.

Mr. Krueger outlined the current condition of Cullen Boulevard and how it fits in with streets across the city, city-wide. With an average score of 70.39, Cullen Boulevard was essentially on the cut line of about the 10% worst streets across the city. Mr. Krueger stated it was important to note that these assessments were done every two to three years as they move forward.

Mr. Krueger also pointed out that Cullen Boulevard was important to the city because it has public utilities and water distribution lines under the street. He addressed this in further detail.

2. On-going Maintenance
The first thing the city does with all of their streets is to repair them in order to keep them safe for use on a day-to-day basis for the users of their streets. These repairs are generally things that they can do of a very immediate nature to make sure that there are not conditions that would be hazardous or may become hazardous - actions such as filling pot holes, doing minor asphalt-type repairs, etc. The city will continue to maintain on this immediately, responsive basis whenever these situations arise and are raised to their attention for repairs.

3. Reconstruction
Since 2011 and the inception of the Rebuild Houston Initiative, Houston has been moving forward to have better streets and better drainage through a worst-first methodology for using available funds to rebuild our streets and drainage on a pay-as-you-go basis, said Mr. Krueger. The city is financially moving off debt to a totally pay-as-you-go basis. The city will have the capacity to rebuild much more of their system more quickly once they get out of the debt horizon which should occur, basically, in the early 20's. Until then, they are really replacing less than 1% of their infrastructure annually.

Mr. Krueger addressed the FY20-24 Major Road Need Areas to the Board. The FY20-24 period is important because the city calls it their 5+5 year period because it is a five-year period beyond the time period of their current Capital Improvement Plan. They annually update in their five-year Capital Improvement Plan a specific schedule for the design and reconstruction of streets and storm drains throughout the city. Cullen Boulevard is not within the five-year schedule; but rather the 8-10 year period.

4. Rehabilitation
Rehabilitation is efforts the city is basically trying to make to bridge or expand the cap from just repairing streets each and every day, on an as needed basis; and reconstructing streets as they can when they can afford it in the future, which is never soon enough, said Mr. Krueger. In the department, they have a specific extent of capacity that they manage each year with regards to rehabilitation. It is this extent of capacity for rehabilitation that the department committed at a meeting that Chairman Hollingsworth, Mr. Hall, Councilman Boykins, and others at the city had attended last fall, that the city stated that they would specifically consider what they could do with

rehabilitative effort. Following on that commitment, earlier this year the city had a consultant on contract to the city, on an ongoing basis, evaluate Cullen Boulevard, between Elgin and Wheeler, and come back with a proposal. Mr. Krueger described the proposal and scope of work for rehabilitation efforts in full detail. The city is prepared to move ahead with this effort under a contract the city has open, (a work order nature contract) and the contractor would begin work as soon as the city authorizes the work order. The city has shared the scope of the work with the contractor and the contractor has stated to the city that they believe they can complete the work between mid-May and mid-August. This work should begin as early as May 12, 2014 and the work completed by mid-August.

5. Summary of City actions

   Mr. Krueger gave a brief recap of what the city was clearly willing to do.

   (a) The city will continue to repair, on an as-needed-basis, any pot hole that comes up on Cullen Boulevard as long as Cullen Boulevard is, in fact, the city street, the city would maintain it as it does the entire system.

   (b) The city will continue to consider Cullen Boulevard for reconstruction, but this is overall a city-wide management question of how does the city uses the very limited funds that the city has available; and the extent of investment capacity that the city has will increase as they move through this debt situation. As Mr. Krueger mentioned earlier, the city is on a pay-as-you-go basis; the city is no longer using debt for street and drainage improvements. This is fiscally sound, he stated.

6. Future Status

   Mr. Krueger said that the city was willing, and because of the nature and the current condition of Cullen Boulevard to, in fact, come with this concerted extent of rehabilitative effort. Again, reconstruction and the rehabilitative effort, Mr. Krueger stated that he would clearly look for some extent of understanding that the university would not have intention though, of changing Cullen Boulevard with its status as a city of Houston collective street. The city is clearly aware of the authority the university has under Section 51 of the State Education Code – 51904. This is a very interesting piece of law and he wasn't aware of anyone being exactly in the same situation across the country and/or for that matter in the state of Texas. It is clearly specific to counties having a population in excess of 3.3 million and what universities situated in Texas with counties over 3.3 million can do.

   Mr. Krueger reiterated that his point was to be clear about what the city was willing to do and they looked to have a clearer extent of intention from the university with regard to what we intended to do.

Mr. Krueger asked Mr. Walsh, Director of Planning and Development for the City of Houston, to speak specifically on the functionality of the street and the city. Below is a brief summary of Mr. Walsh's remarks.

Mr. Walsh thanked the Board for the opportunity to speak at the meeting today and to address Cullen Boulevard. Mr. Walsh stated that since he had started in his position

approximately 6 months ago, it was very clear to him that the city considers the University of Houston a great partner to the city and the discussion taking place at the meeting today was another example of how the city and the university could work together for their own mutual benefit.

From a transportation planning standpoint, Mr. Walsh outlined some considerations as they related to Cullen Boulevard. But he also noted that Cullen Boulevard was very important from a transportation planning standpoint which was why he was at the meeting. It is his understanding from meetings that he had attended regarding Cullen Boulevard that the university was interested in making Cullen Boulevard more pedestrian- and bicycle-friendly. He fully understands and accepts that goal; and discussed further how this goal could be accomplished.

- Cullen Boulevard provides connectivity and allows for traffic dispersion, relieving congestion on other streets and intersections. If this connectivity were reduced, it would force circuitous routes; it will force people to go around which will then add traffic to alternate streets as well as other intersections.
- Keeping streets open were not only a mobility issue but they were also an environmental issue. By sending individuals around a more circuitous route, the trip lengths would be increased, idling times would increase, and there would be an air quality impact to that consideration as well as a mobility consideration.
- Cullen Boulevard is used by UH students, faculty and staff to access UH facilities within the University of Houston. Average daily traffic counts along Cullen Boulevard were addressed for this area moving northbound (19,536 traffic volumes) to southbound (5,960 traffic volumes) which showed that traffic volumes steadily decreased moving from north to south. It showed that UH faculty, staff and students do utilize Cullen Boulevard to access UH facilities and without Cullen Boulevard, the university would need an alternate route to do so – it was not just thru traffic.
- Cullen Boulevard was critical for access to major events and stadiums.
- Cullen Boulevard improves emergency access. Cullen Boulevard provides a direct shot to MacGregor and MacGregor provides a direct shot to the Texas Medical Center.
- Cullen Boulevard is consistent with streets in urban campus settings across the country. Mr. Walsh remarked that there were ways for us to accomplish our goals of having a pedestrian- and bicycle-friendly environment while still preserving street connectivity nearby the stadium and through the UH campus.
- City's "Complete Streets" approach allows for creative ideas that accommodate vehicular movement while promoting UH's interest in a pedestrian- and bicycle-friendliness. The city, as directed by an Executive Order by Mayor Parker last November, has adopted a "Complete Streets" approach to the development of planning and ultimately implementation of capital projects for their street network. What does this mean? "Complete Streets" is a philosophy that states that a street should be safe for all users, not just for the vehicular traffic, but also for our alternative modes, such as walking, biking, and transit. Therefore, in response to this philosophy that the city has adopted, the city is looking for ways to ensure that they are being safe for their alternative mode travelers every time they develop a project. So when the city is planning improvements to a corridor, like Cullen, they would be considering the needs for

walkers, bikers, and transit users. The city is also open to input; they listen to the folks who are impacted by the city's decisions; they are ensuring that they are sensitive to the context of all of their streets. Cullen Boulevard is a university context and this would influence their decision(s). There are also a number of specific design considerations that they would be amenable to looking into as part of the implementation of any kind of improvements to Cullen Boulevard. Mr. Walsh shared a couple of high-level concepts of potential cross-sections and improvements on Cullen Boulevard. The city is being broad in their prospective and they are open to making sure that their street improvements meet the needs of the community, including their alternative modes.

Chairman Hollingsworth thanked Councilman Dwight Boykins and the staff of the city who attended the meeting; and the Chairman asked Councilman Boykins to say a few words to the Board.

Councilman Boykins thanked the Board and Chancellor Khator for their support. He stated that Mr. Krueger was very detailed about the potential future and options for Cullen Boulevard; and Mr. Walsh spoke about the impact. Councilman Boykins stated that he wanted to make it clear that his number one priority was to make certain that this work gets done; and he would do whatever he could to work with the Director and meet with the Mayor to remind her of the importance of this project. He wanted the Board to know that he was there for them; and when he had become a Councilman and met with Chancellor Khator and Mr. Hall, he had told them that they did not work for him, but that he worked for them. It was his job to see what he could do to make our transition and our life better as a university.

Following the various presentations made by the city members, the Chairman opened up the meeting to a question and answer period. A lengthy discussion followed.

The Chairman also asked numerous individuals to give brief remarks regarding this issue:
1. Renu Khator – Chancellor for the UH System/President of the University of Houston
2. Carl Carlucci – Executive Vice Chancellor for Finance and Administration
3. Charles Haston – President of the UH Student Government Association;
4. Cedric Bandoh – Past President of the UH Student Government Association;
5. Steve Wallace – Past President of the Faculty Senate at the University of Houston; and
6. Maria Elena Soliño – Current President of the Faculty Senate at the University of Houston.

Following these remarks, the Chairman asked the Board if there were any further comments or questions before calling for the vote.

Regent Benjamin Wells requested that an amendment to the Resolution in Support of the City of Houston's Renovation of Cullen Boulevard be considered. Under No. 2 in the Resolution, Regent Wells noted that it stated: ***"Requests for closure to the City of Houston of the roadway will be related only to game day activities."*** Regent Wells requested that this language be amended because other student organizations or for graduations or other events may want to request that the roadway be closed. After hearing Regent Wells' request, Chairman Hollingsworth stated that this could be considered a proposal for an amendment to the Resolution and he concurred. Regent Wilson, Jr. agreed and suggested the following language as noted in bold "*related* ***to game day activities and other special events.***"

Chairman Hollingsworth made the motion to approve the amendment to the Resolution as noted below.

"Requests for closure to the City of Houston of the roadway will be related to game day activities and other special events."

On motion of Regent Wilson, Jr., seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the amendment to the Resolution in Support of the City of Houston's Renovation of Cullen Boulevard as noted above was approved.

Chairman Hollingsworth then made a motion to approve the amended Resolution.

On motion of Regent Mendoza, seconded by Regent Agrawal, and by a unanimous vote of the regents in attendance, the amended Resolution in Support of the City of Houston's Renovation of Cullen Boulevard was approved.

At 10:50 a.m., the Chairman called for a 15 minute recess.

Chairman Hollingsworth reconvened the Board meeting at 11:05 a.m. and moved to the next action item listed on the Board's agenda, Item C, Approval is requested for appointment of the Chancellor to the Board of Directors of Sage Publications, Inc. – University of Houston System, and requested Ms. Dona Cornell, Vice Chancellor and General Counsel, present this item to the board.

Ms. Cornell stated on March 18, 2014, the Chancellor was invited to join the Board of Directors for Sage Publications, Inc. This is a privately held company and it has been in business since 1965. It has offices around the globe; and it is well known in the publishing world. They do a lot of higher education publishing, including journals and the like. The General Counsel stated that she had done the background of the different directors and management in the company and there was nothing extraordinary about them other than they appeared to be well rounded, accomplished people who were very well-known for their philanthropy and their work in the higher education realm.

This is a paid board. The payment is $90,000 a year; and typically there are three (3) board meetings a year and they range from two-three days, three times a year which would be an out-of-office commitment. Since this is a paid position, the Chancellor would take vacation leave during the time she attends these meetings. There is nothing negative in the research that has been done on this company. The only thing of note was that a couple of our System campuses have system agreements/contracts with Sage Publications. They are not of the level that would ever go to even the Vice President, and nonetheless, certainly not the President's level. They are lower level contracts. Ms. Cornell has reviewed contracts back to 2008 and those contracts would always be lower level commitments, mostly from the libraries from the different campuses. She stated that her only recommendation with regard to that piece on the contracts would be that you make certain that the Board direct her (Ms. Cornell because she is responsible for the contracts) to be sure that they did not go to that level. In the abundance of caution, this would be her one recommendation.

Also in the Board's packet was a listing of the Chancellor's current board appointments as of April 16, 2014. These appointments for the most part are a result of the position that she holds as Chancellor for the UH System.

Chairman Hollingsworth congratulated the Chancellor on her board appointment and stated it was a huge honor to be invited and to serve on the board of a corporation. The Chairman said it was a very positive thing and as Board members we have a responsibility to ensure that the Chancellor does spend the majority of her time fulfilling her duties as Chancellor of the University of Houston System. The additional visibility is very helpful to the university and the Chairman asked Chancellor Khator to comment on how she believes her service on this board would benefit her as Chancellor and the university as a whole.

Chancellor Khator stated that Sage Publications was a very well-known name in the higher education field. At this point, they are a global company and have one office headquartered here; but they have offices in the UK and a major operation in India as well. They are also moving offices to Latin America. On their board they have one university president and that they have considered the University of Houston was an honor. The Chancellor stated she believes that their board was trying to see what the educational trends might be; so from that point of view, she believes it is a good fit. Her contract has service to two corporate boards and this is the first one that she has accepted. One of the recommendations that the AGB or ACE always mention was for university presidents to serve on corporate boards for learning purposes because the private sector works at a very different speed, different rhythm, different accountability, different ROI and the way of looking at it. She said even though she has been learning those things by simply being in the company of individuals like the Board, just listening and watching, she believes that an inside look into that type of enterprise was always a good learning experience; and that was generally, typically what university presidents always say was how useful it had been and how it had changed the way they viewed university operations and accountability. The Chancellor was looking forward to the opportunity of serving on this board.

The Chancellor also addressed her membership on the other boards where she is a member and stated that she was on several of these boards due to her position as a university president, such as the American Athletic Conference and CPUPC. The Chancellor mentioned that even though she was on the board of several of those listed, they were a delegated position where they have allowed her to send a delegate in her place to attend their meetings. The Chancellor believes that it is a good time for her to take this position on the Board.

The Chancellor informed the Board that she was currently Deputy Chair of the Federal Reserve Bank of Dallas; and she was currently the Chair-Elect of the American Council on Education, so in 2015 she will be chairing this Board which is the largest education board. Dr. Khator made one final point that in the last several months she had given three (3) speeches at national-level panels, including one for the Association of Governing Boards about being an innovative campus. The University of Houston is really making a name for itself doing innovative things and moving the needle very quickly, said Dr. Khator. A brief discussion followed.

Chairman Hollingsworth called for a motion to approve the request for the appointment of the Chancellor to the Board of Directors of Sage Publications, Inc.

On motion of Regent Agrawal, seconded by Regent Welder, and by a unanimous vote of the regents in attendance, the request for the appointment of Chancellor Renu Khator to the Board of Directors of Sage Publications, Inc. was approved.

The Board congratulated Chancellor Khator on her appointment.

No Executive Session was called.

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There being no further action to come before the Board the meeting adjourned at 11:22 a.m.

All documentation submitted to the Board in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Board, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

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Others Present:

Renu Khator
Carl Carlucci
Dona Cornell
Eloise Dunn Stuhr
Richard Walker
Richie Hunter
Maria Elena Soliño
Jon Aldrich
Branda Lumpkin
Brenda Robles
Steve Wallace
Dwight Boykins
Daniel Krueger
Diane Lowery-Binnie
Mike Emery
Cedric Bandoh
Rani Ramchandani
Troy Golden
Alfonso Cervantes
Gerry Mathisen
Emily Messa
Patrick Walsh
Daniel Mendendez
Amar Mobile
Carl Scott
Charles Haston
Richard Bonnin
Brian Thomas
Marquette Hobbs