

MINUTES OF THE FINANCE COMMITTEE
University of Kentucky Board of Trustees
June 14, 2011, 11:00 AM
18th Floor Patterson Office Tower, Board Room

Committee Members Present

Jim Stuckert, Chairperson, Keith Gannon, and Terry Mobley

Approval of Minutes

The minutes of the May 3, 2011, Finance Committee meeting were approved as presented.

FCR 1-3, Consent

Mr. Jim Stuckert, Chairperson, acknowledged gifts totaling \$845,790 in gifts and pledges. Mr. Stuckert stated that on behalf of the University he wished to thank all the donors for their continued generous support.

FCR 4, Proposed 2011-12 Operating and Capital Budget

Angie Martin, Vice President for Financial Operations and Treasurer, presented the 2011-2012 Operating and Capital Budget. Angie acknowledged her staff for an incredible job of completing the budget in a short time. The operating budget totals \$2.7 billion, an increase of \$175 million (7 percent) over the 2010-11 fiscal year. Terry Mobley moved for approval. Bill Gatton seconded, and the motion for approval unanimously carried.

FCR 5, Acceptance of Interim Financial Report for the University of Kentucky for the Nine Months Ended March 31, 2011

Jim Stuckert recommended that the Board accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2011. The consolidated financial report includes the financial activities of the University and its affiliated corporations, consisting of the University of Kentucky Research Foundation, The Fund for Advancement of Education and Research in the University of Kentucky Medical Center, University of Kentucky athletic Association, University of Kentucky Mining Engineering Foundation, University of Kentucky Humanities Foundation, University of Kentucky Equine research Foundation, University of Kentucky Center on Aging Foundation, and Center Kentucky Management Services. As of March 31, 2011, the University has recognized \$1,815,703,339 of current funds revenue representing 73 percent of the 2010-11 approved budget of \$2,500,327,000. Expenses and transfers total \$1,774,926,556 or 71 percent of the approved budget. Jo Curris moved for approval. Keith Gannon seconded, and the motion for approval unanimously carried.

FCR 6, 2010-11 Budget Revisions

Jim Stuckert recommended that the Board of Trustees authorize and approve the budget revisions to the 2010-11 budget. The budget revisions will increase the University's total budget by \$4.6 million

from \$2,550,138,000 to \$2,554,738,000. Terry Mobley moved for approval. Jo Curris seconded, and the motion for approval unanimously carried.

FCR 7, Accept Lexmark International, Inc. Gift and Approve the Renovate Old Northside Library Building Project

Jim Stuckert recommended that the Board accept a gift of \$1 million from Lexmark International, Inc., and approve the initiation of the “Renovate Old Northside Library” capital project. The proposed project will renovate the space into an undergraduate class lab facility for the Department of Biology. The estimated scope of this project is \$2,373,000 and will be funded with a \$1 million gift from Lexmark International, Inc. and \$1,373,000 of available fund balances. Mr. Stuckert acknowledged Lexmark as a generous supporter of STEM initiatives throughout Kentucky. Jo Curris moved for approval. Keith Gannon seconded, and the motion for approval unanimously carried.

FCR 8, Renovate Research Labs

Jim Stuckert recommended that the Board approve the initiation of the “Renovate Research Labs” capital project. This capital project will renovate approximately 2,100 square feet of Physics wet bench research space in the Chemistry-Physics Building. The scope of the project is \$832,000. Bill Gatton moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 9, Disposal of Personal Property

Jim Stuckert recommended that the Board of Trustees approve a plan for Fiscal Year 2011-2012. The Kentucky Revised Statutes require the Board to approve disposals of equipment and other surplus personal property. The Board is requested to approve an annual plan for the routine disposal of obsolete or surplus property. The various methods of disposal are listed in the attachment to FCR 9. Keith Gannon moved for approval. Jo Curris seconded, and the motion for approval unanimously carried.

FCR 10, Patient Assignment Report

Jim Tracy, Vice President for Research, presented the Patent Assignment Report for the period January 1 through March 31, 2011. Jo Curris moved for approval. Bill Gatton seconded, and the motion for approval unanimously carried.

FCR 11, Authorization to Negotiate to Acquire University Lofts

Bob Wiseman, Vice President for Facilities Management, asked the Board to authorize the Executive Vice President for Finance and Administration to enter into negotiations to acquire University Lofts located at 236 Bolivar Street at a price not to exceed \$6.7 million. The acquisition of the University Lofts will be used to house student instructional space for the College of Fine Arts. The scope of the necessary renovation is estimated to cost \$17 million. Terry Mobley moved for approval. Jo Curris seconded, and the motion for approval unanimously carried.

FCR 12, Proposed Amendment to Government Regulations: Technical Corrections

Jim Stuckert recommended that the Board approve the revision of Governing Regulation, Part II, (GR II) consisting of technical corrections, for preliminary consideration. The revisions consist of technical

corrections necessary to bring the GR into consistency with other University regulations and practices. Jo Curris moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

Next Meeting

Tuesday, September 13, 2011, 11:30 AM, 18th Floor Patterson Office Tower Board Room

Respectfully submitted,

Barbara Royalty-Tatum
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