

MINUTES OF THE FINANCE COMMITTEE
University of Kentucky Board of Trustees
March 29, 2011, 11:15 AM
18th Floor Patterson Office Tower, Board Room

Committee Members Present

Jim Stuckert, Chairperson, Jo Hern Curriss, Keith Gannon, Terry Mobley, and Frank Shoop

Approval of Minutes

The minutes of the February 22, 2011 Finance Committee meeting were approved as presented.

FCR 1 – Acceptance of Interim Financial Report for the University of Kentucky for the Six Months ended December 31, 2010

Angie Martin, Vice President for Financial Operations and Treasurer, reported on the financial activities of the University and its affiliated corporations, for the six months ended December 31, 2010. A summary of the financial statements highlights was provided separately. As of December 31, 2010, the University has recognized \$1,151,502,862 of current funds revenue representing 46 percent of the 2010-11 approved budget of \$2,500,327,000. Expenses and transfers total \$1,166,356,651 or 47 percent of the approved budget. Frank Shoop moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 2 – A Resolution Providing for the Authorization, Issuance and Sale of Approximately \$19,000,000 General Receipts Obligations (Upgrade Student Center Infrastructure) of the University of Kentucky, Pursuant to the Trust Agreement Dated as of November 1, 2005

Jim Stuckert asked that the Committee approve a Resolution authorizing the issuance of \$19 million dollars to be designated General Receipts Bonds, 2011 Series B (or such series designation that is appropriate to the order of issuance thereof, the "2011 Series B Bonds") and to be dated as of a date determined by the Treasurer.

The Resolution approves the issuance of approximately \$19,000,000 of 2011 Series B Bonds for the purpose of financing the project identified in H.B. 1 of the General Assembly of the Commonwealth of Kentucky, 2010 Extraordinary Session, as enacted and vetoed, as Upgrade Student Center Infrastructure (the "Upgrade Student Center Infrastructure Project"). The amount authorized for Project costs is \$17,805,000 (the additional authorization relates to issuance costs and an allowance for original issue discount in the sale price for the 2011 Series B Bonds).

The Resolution also approves the offering for sale of the 2011 Series B Bonds on a date to be determined by the Treasurer of the University, upon the advice of the Financial Advisor to the University. The Resolution further authorizes the acceptance of the bid for the sale of the 2011 Series B Bonds by the Treasurer. The exact principal amount of 2011 Series B Bonds to be sold will be determined on the date of sale as the amount required to (i) pay the budgeted costs of the Upgrade Student Center Infrastructure Project and (ii) pay the costs of issuing the 2011 Series B Bonds.

The Upgrade Student Center Infrastructure Project will not result in an increase in tuition. Frank Shoop moved for approval. Jo Curris seconded, and the motion for approval unanimously carried.

FCR 3 – Data Center Information Technology Equipment - Hospital

Jim Stuckert asked the Committee to approve the purchase of \$10.1 million dollars of information technology equipment necessary for the new Patient Care Facility's Data Center approved by the Board on February 22, 2011. Information systems in the healthcare industry are critical to providing high quality patient care and running efficient clinical operations. UK HealthCare's information systems needs have exceeded the capacity of the current Data Center. The Data Center equipment will be funded via the cash balances of the HealthCare Enterprise. Terry Mobley moved for approval. Frank Shoop seconded, and the motion for approval unanimously carried.

Next Meeting

Tuesday, May 3, 2011, 11:00 AM, 18th Floor Patterson Office Tower Board Room

Respectfully submitted,

Barbara Royalty-Tatum

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