

MINUTES OF THE FINANCE COMMITTEE
University of Kentucky Board of Trustees
May 3, 2011, 11:00 AM
18th Floor Patterson Office Tower, Board Room

Committee Members Present

Jim Stuckert, Chairperson, Keith Gannon, Terry Mobley, and Frank Shoop

Approval of Minutes

The minutes of the March 29, 2011, Finance Committee meeting were approved as presented.

FCR 1-3, Consent

Mr. Jim Stuckert, Chairperson, acknowledged gifts totaling \$1 million dollars. Mr. Stuckert added that on behalf of the University he wished to thank all the donors for their continued generous support.

FCR 4, Proposed 2011-12 Tuition and Mandatory Fees Schedule

Angie Martin, Vice President for Financial Operations and Treasurer, presented the proposed 2011-12 Tuition and Mandatory Fees Schedule which reflects a six percent increase for undergraduate, resident tuition and mandatory fees. The Schedule aligns with the tuition parameters established by the Council on Postsecondary Education and maintains the current floor for nonresident, undergraduate tuition and mandatory fees of two times the resident undergraduate rate; and market competitive tuition and mandatory fee rates for graduate and first-professional students. The University administration continues to work on the 2011-12 Operating and Capital Budget, and will present a recommendation to the Board at its June 14 meeting. Frank Shoop moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 5, Proposed 2011-12 Room and Board Rates

Angie Martin presented the proposed housing rates that reflect an average increase of nine percent for 2011-12. The proposed dining rates reflect a three percent increase for all plans and are necessary to generate sufficient revenue to cover fixed cost increases. The proposed housing rates will fund increases in operational expenses and fund the increase in debt service related to anticipated construction of new housing located in the North campus area. Frank Shoop moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 6, Revision of University of Kentucky Debt Policy

Frank Butler, Executive Vice President for Finance and Administration, requested the Board of Trustees approve revisions of the University's Debt Policy. The recommended revisions include adjusting the calculation for determining the institution's internal loan capacity and establishing a process for providing cash advances to self-supporting units under extenuating circumstances. Currently, internal loans are limited to \$100 million or 15 percent of the operating investment pool as

of the end of the prior fiscal year, whichever is less. The revisions include using a trailing 12-month average of the operating investment pool to smooth variances in the maximum internal loan amount. The revisions also provide for cash advances of limited duration (maximum 90 days) to self-supporting units under extenuating circumstances. The Debt Committee supports the recommendation. Frank Shoop moved for approval. Keith Gannon seconded, and the motion for approval unanimously carried.

FCR 7, 2010-2011 Budget Revisions

Angie Martin presented the 2010-11 Budget Revisions that will increase the University's total budget by \$49,811,000, from \$2,500,327,000 to \$2,550,138,000. Keith Gannon moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 8, Replace Video Boards at Commonwealth Stadium

Frank Butler requested the Committee approve the initiation of this project to be paid for with private funds from the University of Kentucky Athletic Association, including a withdrawal of up to \$4.6 million from the Athletic Quasi-Endowments. The scope of the project is \$6.25 million. Terry Mobley moved for approval. Frank Shoop seconded, and the motion for approval unanimously carried.

FCR 9, Renovate Shively Sports Center

Frank Butler requested that the Committee approve the initiation of the project to renovate the Shively Sports Center's locker, shower, restroom, and lounge facilities for men's and women's track and baseball teams. This project also will modernize the existing hallways and lighting systems and enhance the overall functionality of the facility. The scope of this project is \$950,000 and will be paid for with private funds from the University of Kentucky Athletic Association. Frank Shoop moved for approval. Keith Gannon seconded, and the motion for approval unanimously carried.

FCR 10, Capital Construction Report

Bob Wiseman, Vice President for Facilities Management, presented the Capital Construction Report for the three months ending March 31, 2011. There were four new contracts and 24 change orders. Terry Mobley moved for approval. Frank Shoop seconded, and the motion for approval unanimously carried.

Next Meeting

Tuesday, June 14, 2011, 11 AM, 18th Floor Patterson Office Tower Board Room

Respectfully submitted,

Barbara Royalty-Tatum

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