

MINUTES OF THE FINANCE COMMITTEE  
University of Kentucky Board of Trustees  
October 25, 2011, 11:15 AM  
18<sup>th</sup> Floor Patterson Office Tower, Board Room

Committee Members Present

Jim Stuckert, Chairperson , Keith Gannon, Bill Gatton, Terry Mobley, Erwin Roberts, Joe Peek and Frank Shoop

Approval of Minutes

The minutes of the September 13, 2011, Finance Committee meeting were approved as presented.

Mr. Jim Stuckert, Chairperson, acknowledged student Patrick Johnson, who had asked to speak to the Board of Trustees on behalf of concerned students, parents, faculty and alumni. Mr. Johnson addressed the group to formally request that the University of Kentucky consider renewable energy production techniques and to improve campus facilities. The group has requested that a feasibility study be done on campus. Mr. Stuckert thanked the group for bringing this to the attention of the Board of Trustees.

FCR 1, Consent

Jim Stuckert acknowledged a pledge of \$1 million from Mr. Larry H. Spears of Crittenden, Kentucky to the Larry H. Spears Endowed Chair in Pharmacogenetics in the College of Pharmacy. Mr. Stuckert stated that on behalf of the University he wished to thank Mr. Spears for his continued generous support.

FCR 2, Request to Merge the Child Psychiatry Professorship with the Dr. Laurie L. Humphries Endowed Chair in Child Psychiatry

Jim Stuckert stated that the Kentucky Medical Services Foundation administrators in the Division of Psychiatry request the merger of these funds to create a larger endowment, providing greater resources for research in the area of child psychiatry. The merged endowment will retain the name of Dr. Laurie L. Humphries Endowed Chair in Child Psychiatry. The Kentucky Medical Services Foundation gift was accepted by the Board of Trustees on March 4, 2004 and approved for a Research Challenge Trust Fund Match. The Dr. Laurie L. Humphries Endowed Chair in Child Psychiatry was accepted by the Board of Trustees on September 14, 2010, and approved for a Research Challenge Trust Fund Match. The combined endowment would have a current market value of \$1,614,423.80. Terry Mobley moved for approval. Frank Shoop seconded, and the motion for approval unanimously carried.

FCR 3, Renaming of Professorship in Otolaryngology to the Richard C. Haydon III, MD Chair in Otolaryngology

Jim Stuckert recommended that the Board approve a request from the Kentucky Medical Services Foundation to rename the Professorship in Otolaryngology to the Richard C. Haydon II, MD Chair in Otolaryngology in the College of Medicine. Erwin Roberts moved for approval. Keith Gannon seconded, and the motion for approval unanimously carried.

FCR 4, Renaming of the Spinal Cord and Brain Injury Chair No. 4 to the William R. Markesbery, MD Chair in Neurotrauma Research

Jim Stuckert recommended that the Board approve a request from the Spinal Cord & Brain Injury Research Center in the College of Medicine to rename the Spinal Cord and Brain Injury Chair No. 4 to the William R. Markesbery, MD Chair in Neurotrauma Research. Frank Shoop moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 5, Acceptance of Audit Report and the Report on Internal Control for the University of Kentucky for 2010-11

Angie Martin, Vice President for Financial Operations and Treasurer, presented the University's Audited Financial Statements for the fiscal year ended June 30, 2011, and the Independent Auditor's report on the University's internal controls. BKD LLP, the University's external auditor, has completed the audit and issued their report. The report expresses an unqualified (or "clean") opinion on the University's financial statements. BKD also has issued its Report on Internal Controls, which, as part of their audit, noted no material weaknesses in the University's system. The University ended the year in a strong financial position. As of June 30, 2011, the University had assets of \$242 million. Frank Shoop moved for approval. Erwin Roberts seconded, and the motion for approval unanimously carried.

FCR 6, Renovate Parking Structure #3 – Hospital

Jim Stuckert recommended that the Board of Trustees approve initiation of "Renovate Parking Structure #3 – Hospital" capital project. This project was authorized by the 2010 Kentucky General Assembly to address repairs to the concrete and EIPS wall panels of Parking Structure #3 façade. This project is expected to cost \$1.24 million, well within the \$3.5 million authorization, and will be funded by UK HealthCare. Terry Mobley moved for approval. Keith Gannon seconded, and the motion for approval unanimously carried.

FCR 7, 2011-12 Budget Revisions

Jim Stuckert recommended that the the 2011-12 Budget Revisions be approved by the Board of Trustees. The budget revisions will increase the University of Kentucky's total budget by \$28.6 million, a .10 percent increase from \$2,674,768,400 to \$2,677,574,100. Erwin Roberts moved for approval. Bill Gatton seconded, and the motion for approval unanimously carried.

FCR 8, Approval of Leases

Jim Stuckert requested that the Executive Vice President for Finance and Administration be authorized to negotiate and execute a lease renewal between the University of Kentucky (College of Arts and Sciences, Department of Anthropology) and FCPII, 307 West 7<sup>th</sup> Street, Suite 1705, Fort Worth, Texas 76102 for spaced located at 1020 Export Street. Lexington, Kentucky. The lease is effective December 1, 2011 to June 30, 2015, for the use of 25,009 square feet at a cost of \$4.90 per square foot. The space is used for the department's extensive collection of artifacts as well as for office space. Frank Shoop moved for approved. Bill Gatton seconded, and the motion for approval unanimously carried.

Update on previous board requests:

Frank A. Butler, Executive Vice President for Finance and Administration, updated the Board of Trustees on the Alpha Phi Lease stating that the University was currently renovating a house on

Maxwelton which will be the site of the new math house by the end of this semester. Alpha Phi is in the process of designing a new facility which will be coordinated through Bob Wiseman's area. The University will execute a lease agreement with Alpha Phi for \$1/year.

Frank A. Butler also stated that the University Lofts property purchase has been executed. At the time of transfer it was only about 70 percent leased. Currently it is up to about 95 percent leased and with current projections at about a \$500,000 net bottom line by June 30, 2012. That money will be put towards the renovation of the University Lofts for a Fine Arts facility.

**Next Meeting**

Tuesday, December 13, 2011, 18<sup>th</sup> Floor Patterson Office Tower Board Room

Respectfully submitted,

*Barbara Royalty-Tatum*

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