

MINUTES OF THE FINANCE COMMITTEE  
University of Kentucky Board of Trustees  
December 17, 11:00 AM  
18<sup>th</sup> Floor Patterson Office Tower, Board Room

Committee Members Present

James Stuckert, Chairperson, C. B. Akins, Sr., James Booth, Sheila Brothers, Jo Curris, Kelly Holland, Terry Mobley, and Frank Shoop

Approval of Minutes

The minutes of the September 10, 2013, Finance Committee meeting were approved as presented.

FCR 1 – Davis and Beverly Marksbury Foundation Pledge (Consent)

Jim Stuckert, Chair, recommended acceptance of a pledge of \$535,000 from the Davis and Beverly Marksbury Foundation of Nicholasville, Kentucky to fund capital projects for the Department of Intercollegiate Athletics. This pledge is in addition to a previously donated gift of \$400,000.

FCR 2 – Terry Woodward Pledge (Consent)

Jim Stuckert recommended acceptance of a pledge of \$2 million from Terry Woodward of Owensboro, Kentucky to support the Gatton College of Business and Economics Capital Campaign. The pledge will be used for the \$65 million redesign and expansion of the Gatton College of Business and Economics Building.

FCR 3 – The Estate of Dr. Judith M. Janssen Gift (Consent)

Jim Stuckert recommended acceptance of a gift of \$1.7 million from the estate of Dr. Judith M. Janssen to add to the existing Guy M. Davenport Endowed Professorship in English. Dr. Janssen left 40% of her residuary estate to support the Guy M. Davenport Endowed Professorship in English which she established in December 2005 in memory of Dr. Guy M. Davenport, Jr., a professor in the Department of English, College of Arts and Sciences from 1963 to 1991.

FCR 4 – The Estate of Maywin S. Lauderdale Gift (Consent)

Jim Stuckert recommended acceptance of a gift of \$735,228.12 from the Estate of Maywin S. Lauderdale to create and endow the Robert A. and Maywin S. Lauderdale Graduate Fellowship in the College of Engineering. This bequest is a partial distribution of her estate, with final distribution expected in 2014.

FCR 5 – Roger E. Mick Gift (Consent)

Jim Stuckert recommended acceptance of a gift of \$1 million from Roger E. Mink of Brentwood, Tennessee to support the Gatton College of Business and Economics Capital Campaign. The gift will be used towards the \$65 million redesign and expansion of the Gatton College of Business and Economics Building.

FCR 6 – The Estate of Joy R. Wills Gift (Consent)

Jim Stuckert recommended acceptance of a gift of \$491,517.65 from the Estate of Joy R. Wills, formerly of Richmond, Kentucky, to create and endow the Joy R. Wills DanceBlue Endowment Fund, which will provide additional support for social workers and programs dedicated to pediatric oncology, as well as support for laboratory research in pediatric oncology at Kentucky Children’s Hospital. Mr. Stuckert noted that this is the first endowment for DanceBlue.

FCR 7 – Multiple Gifts to the Earth and Environmental Sciences Endowed Alumni Professorship to Replace Unfulfilled Pledge to Research Challenge Trust Fund

Jim Stuckert recommended acceptance of a gift of \$12,400 from multiple donors given to the existing Earth and Environmental Sciences Endowed Alumni Professorship in the College of Arts & Sciences to replace an unfulfilled Research Challenge Trust Fund pledge. Sheila Brothers moved for approval. James Booth seconded, and the motion for approval unanimously carried.

FCR 8 – Dissolution of the Lawson Endowment Fund – Center for Research on Violence Against Women and the Transfer to Other UK Center for Research on Violence Against Women Endowments

Jim Stuckert recommended approval of the dissolution of the Lawson Endowment Fund – Center for Research on Violence Against Women (CRVAW) and the transfer of the market value of the endowment to the following CRVAW endowments: Georgia Davis Powers Endowment, transfer \$86,840 of contributed value and proportionate share of net investment income; and CRVAW General Endowment, transfer \$113,160 of contributed value and proportionate share of net investment income.

The funds will be transferred to the endowments listed above to provide support of CRVAW’s research mission, and allow creation of a larger program such as an endowed chair. James Booth moved for approval. Joe Curris seconded, and the motion for approval unanimously carried.

FCR 9 – Acceptance of 2012-13 Audited Financial Statements and the Independent Auditor’s Report on Financial Statements and Supplementary Information

Jim Stuckert recommended acceptance of the University’s Audited Financial Statements for the Fiscal Year ended June 30, 2013. BKD LLP, Certified Public Accountants, the University’s external auditor, has completed and issued their report. The report expresses an unmodified (or “clean”) opinion on the University’s financial statements. Frank Shoop moved for approval. C. B. Akins, Sr., seconded, and the motion for approval unanimously carried.

FCR 10 - Acceptance of Interim Financial Report for the Three Months Ended September 30, 2013

Jim Stuckert recommended acceptance of the University of Kentucky's consolidated financial report for the three months ended September 30, 2013. As of September 30, 2013, the University has recognized \$749,155,198 of current funds revenue representing 28 percent of the 2013-14 approved budget of \$2,709,205,300. Expenses and transfers total \$655,281,172 or 24 percent of the approved budget. Sheila Brothers moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 11 – 2013-14 Budget Revisions

Jim Stuckert recommended authorization and approval of the budget revisions to the 2013-14 budget. The revisions will increase the University of Kentucky's total budget by \$18,864,100, or .7 percent, from \$2,709,205,300 to \$2,728,069,400. James Booth moved for approval. Kelly Holland seconded, and the motion for approval unanimously carried.

FCR 12 – A Resolution Providing for the Authorization, Issuance and Sale of Approximately \$265,000,000 General Receipts Obligations (Renovate/Expand Gatton Building, Academic Science Building and Commonwealth Stadium Project) of the University of Kentucky, Pursuant to the Trust Agreement Dated as of November 1, 2005

Jim Stuckert recommended the approval of a Resolution authorizing the issuance, in one or more installments, of approximately \$265 million of University of Kentucky General Receipts Obligations to be designated General Receipts Bonds, 2014 Series A (or such series designation that is appropriate to the order of issuance thereof, the "2014 Series A Bonds)" and to be dated as a date determined by the Treasurer. Frank Shoop moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried.

FCR 13 – Approval of Lease

Jim Stuckert recommended the authorization of the Executive Vice President for Finance and Administration to negotiate and execute a lease between the University and Stockyard LLC/Michael and Christine Huskisson for space located at 845 Angliana Avenue, Lexington, Kentucky. The leased space will include approximately 15,000 square feet of office space and 15,700 square of warehouse space. Due to the construction of the new Woodland Glen Housing Complex located off Woodland Avenue, the Strauss Behavioral Research Building on Oldham Court will be demolished, and its occupants, the Center for Drug and Alcohol Research, will be relocated. The Center plans to take advantage of this opportunity by consolidating this office and their Waller Avenue offices to the new leased location.

With the planned demolition of the Reynolds warehouses, Auxiliary Services will also be relocating the Stores operation to the same property on Angliana Avenue. The University's Stores operation provides materials management to all aspects of the University community and will be occupying approximately 15,700 square feet of warehouse space. James Booth moved for approval. Jo Curriss seconded, and the motion for approval unanimously carried.

FCR 14 – Construct/Replace/Upgrade Student Housing (Fit-Up the Study/Coffee Space in Champions Court I)

Jim Stuckert recommended approval of the initiation of the fit-up of the second location of The Study with an addition of a Coffee Shop in Champions Court I residence hall capital project which is part of the University's overall Housing Transformation project. Terry Mobley moved for approval. Kelly Holland seconded, and the motion for approval unanimously carried.

FCR 15 – Repair/Upgrade/Expand Central Plants (Cup Boiler Feed Water System)

Jim Stuckert recommended the approval of the initiation of the Repair/Upgrade/Expand Central Plants (CUP Boiler Feed Water System) capital project. The Central Utility Plant (CUP) on Press Avenue, Lexington KY, houses three gas boilers that furnish steam to the campus system. The current feed water system was installed when the plant was initially opened and does not have the capacity to support the plant feed water requirements when all three boilers are on-line. This project will replace the existing feed water system with an enhanced higher capacity feed water system. Frank Shoop moved for approval. Terry Mobley seconded, and the motion for approval unanimously carried.

FCR 16 – Lease/Purchase Telephone System Replacement

Jim Stuckert recommended approval of the Lease/Purchase of the Telephone System Replacement. The Telephone System Replacement will improve the campus voice infrastructure, provide enhanced licenses to accommodate healthcare requirements to deliver increased call center stability and improve communications across the University enterprise. It will also provide enhanced 911 services and mobile application features. The anticipated lease payment represents an annual reduction of \$30,000 per year over the five-year term.

The University's debt committee has reviewed the proposed lease/purchase to assess the impact on the University's debt capacity. The debt committee has determined that the proposed lease/purchase is consistent with the University's debt policy. C. B. Akins, Sr. moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried.

FCR 17 – Construct/Expand/Renovate Ambulatory Care Facility – UK HealthCare

Jim Stuckert requested approval of the initiation of the Construct/Expand/Renovate Ambulatory Care Facility – UK HealthCare capital project. This project will renovate the Department of Medicine Clinic located in the original section of the Kentucky Clinic Building. While there have been some minor renovations and refurbishments, there have been no major renovations to this part of the facility since its construction in 1983. This renovation will create more usable

exam room space, enhance patient and staff circulation, improve waiting areas and upgrade the HVAC systems to current standards. These improvements will allow for the consolidation of clinical services resulting in more efficient operations to manage the increasing volume of patients. James Booth moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried.

#### FCR 18 – Design/Renovate/Upgrade Hospital Facilities – Good Samaritan

Jim Stuckert recommended approval of the initiation of the design phase for the Design/Renovate/Upgrade Hospital Facilities – Good Samaritan capital project. This project will develop a design for the renovation of the Good Samaritan Emergency Department. Specific elements will likely include expanded service capabilities, private patient rooms, improved staff support space and enhanced patient and family waiting space. Terry Mobley moved for approval. Kelly Holland seconded, and the motion for approval unanimously carried.

#### FCR 19 - Repair/Upgrade/Improve Civil/Site Infrastructure (South Campus Parking Lot)

Jim Stuckert recommended approval of the initiation of the Repair/Upgrade/Improve Civil/Site Infrastructure (South Campus Parking Lot) capital project. This project will expand the E.S. Good Barn parking lot and connect it to the parking lot currently under construction as part of the FEMA South Campus Storm Water capital project at the northwest corner of University and Alumni Drives. The expanded parking lot will provide parking along the University Drive transit corridor, and will create approximately 400 parking spaces. Jo Curris moved for approval. Frank Shoop seconded, and the motion for approval unanimously carried.

#### FCR 20 – Repair/Upgrade/Improve Building Shell Systems (2014 Annual Parking Garage Maintenance and Restoration)

Jim Stuckert recommended approval of the initiation of the Repair/Upgrade/Improve Building Shell Systems (2014 Annual Parking Garage Maintenance and Restoration) capital project. This project will include the recommended maintenance and repairs on eight University parking structures during 2014. James Booth moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried.

#### FCR 21 – Capital Construction Report

Bob Wiseman, Vice President for Facilities Management, reported that during the quarter ended September 30, 2013, there were nine new contracts; two change orders; three contract amendments; and one contract completed. Terry Mobley moved for approval. Frank Shoop seconded, and the motion for approval unanimously carried.

FCR 22 – Approval of the 2012-13 Endowment Match Program Annual Report

Jim Stuckert recommended acceptance of the 2012-13 Endowment Match Program Annual Report. The report is a separately bound document and available online at: <http://www.research.uky.edu/faculty/retf/index.html>. Jo Curris moved for approval. James Booth seconded, and the motion for approval unanimously carried.

FCR 23 – Patient Assignment Report

Jim Tracy, Vice President for Research, presented the quarterly patent report for the period of July 1 through September 30, 2013. Three applications were submitted, three patents were issued, and patent receipts totaled \$1,048,683. Jo Curris moved for approval. C. B. Akins, Sr. seconded, and the motion for approval unanimously carried.

Hearing no further business, Chair Stuckert adjourned the meeting.

Respectfully submitted,

*Barbara Royalty-Tatum*

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