

MINUTES OF THE FINANCE COMMITTEE  
University of Kentucky Board of Trustees  
May 9, 2014 – 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, Bill Gatton, Kelly Holland, Terry Mobley and Frank Shoop

Approval of Minutes

The minutes of the April 1, 2014, Finance Committee meeting were approved as presented.

FCR 1 – Authorization of Lease Between the University of Kentucky College of Dentistry (UKCD) and Kentucky Medical Services Foundation, Inc.

Jim Stuckert recommended the authorization of the Executive Vice President for Finance and Administration to negotiate and execute a lease between the University of Kentucky College of Dentistry (UKCD) and Kentucky Medical Services Foundation, Inc. (KMSF) for space located at 2195 Harrodsburg Road, Lexington, KY. The lease space will include approximately 13,500 square feet of clinical space. UKCD is seeking to expand Oral & Maxillofacial Services, Orthodontic Services and the General Practice Dentistry faculty practice currently located at Kentucky Clinic South. James Booth moved for approval. Terry Mobley seconded and the motion for approval was unanimously carried.

FCR 2 – Establishment of Coldstream Research Campus Quasi-Endowment Fund

Jim Stuckert recommended approval of the establishment of the Coldstream Research Campus Quasi-Endowment to provide funds for future capital projects and infrastructure improvements. Through the collection of ground rent, Coldstream Research Campus (CRC) has accumulated a current fund balance of over \$1,275,000. .

The executive director of CRC has requested that \$800,000 of the current fund balance be used to establish a quasi-endowment fund. This initial principal will generate annual distributions that could be added to funds already generated from ground lease revenue that are used for CRC's future capital projects and infrastructure needs. C.B. Akins, Sr. moved for approval. Sheila Brothers seconded and the motion for approval was unanimously carried.

### FCR 3 – Expansion of Purpose of Central Kentucky Management Services, Inc.

Jim Stuckert recommended approval of the initiation of the expansion of the purpose of affiliated corporation Central Kentucky Management Services, Inc. (“CKMS”), to include the provision of management, staffing or other support services to health care facilities, entities or enterprises located beyond the University’s main campus, support the University’s missions of teaching, research and service, or any other lawful purpose permitted by Kentucky law. As the University’s health care programs become more diverse and widespread, there is a need to have a University affiliated corporation provide management, staffing and other support services to health care facilities, entities or enterprises (either University-owned or non-University owned) located beyond the boundaries of the University’s main campus. CKMS has the ability to provide these services but requires an expansion of the purpose set forth in its Articles of Incorporation in order to do so. Terry Mobley moved for approval. Jo Curriss seconded and the motion for approval was unanimously carried.

### FCR 4 – Proposed 2014-15 Tuition and Mandatory Fees Schedule

Jim Stuckert presented the proposed 2014-15 Tuition and Mandatory Fees Schedule which reflects a five percent increase for resident students and an eight percent increase for most non-resident students. Tuition and fees revenue and state appropriations are the primary funding sources for the University’s instructional and support functions. he recommended tuition and fee rates reflect efforts to balance student affordability and provide adequate funds for quality education and support services. Shoop moved for approval. Bill Gatton seconded, and the motion for approval unanimously carried.

### FCR 5 – Proposed 2014-15 Room and Board Rates

Jim Stuckert recommended approval of the 2014-15 room and board rates which reflect no increase for traditional double room residence halls, a decrease of 19 percent in the single rate for the traditional residence halls, and a three percent increase for graduate and family apartments. The proposed dining rates reflect an increase of 3.9 percent for the minimum seven-meal per week plan, no change for the 21-meal per week plan, and a three percent increase for all other dining plans. Negotiations with potential private dining partners are ongoing and may result in lower dining rates. The recommended room and board rates are necessary to generate sufficient revenue to cover anticipated operating costs. Kelly Holland moved for approval. Jim Booth seconded, and the motion for approval was unanimously carried.

### FCR 6 – 2013-14 Budget Revisions

Jim Stuckert recommended approval of the 2013-14 budget revisions. The budget revisions will increase the University’s total budget by \$44,616,600 or 1.6 percent from \$2,728,069,400 to \$2,772,686,000. Jo Curriss moved for approval. Sheila Brothers seconded, and the motion for approval carried with one abstention.

FCR 7 – Capital Construction Report

Bob Wiseman, Vice President for Facilities Management, reported that during the quarter ending March 31, 2014, there were five new contracts; nine change orders; one contract amendment; and one contract completed. Sheila Brothers moved for approval. Frank Shoop seconded, and the motion for approval unanimously carried.

FCR 8 – Patent Assignment Report

Jim Stuckert presented the patent assignment report for the period of October 1, 2013 through March 31, 2014. For the first nine months of the fiscal year, 21 applications were submitted, 20 patents were issued, and patent receipts totaled \$3,102,726.19. Kelly Holland moved for approval. Terry Mobley 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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