

MINUTES OF THE FINANCE COMMITTEE  
University of Kentucky Board of Trustees  
September 11, 2015 – 11:00 AM  
Convocation Hall, First Federal Center  
Hazard Community and Technical College  
Hazard, Kentucky

Committee Members Present

Jim Booth, Interim Chairperson, C.B. Akins, Sr., Britt Brockman, Sheila Brothers, Bill Gatton, Cammie Grant, Kelly Holland, Terry Mobley and Robert Vance.

Approval of Minutes

The minutes of the June 19, 2015, Finance Committee meeting were approved as presented.

Eric Monday, Executive Vice President for Finance and Administration, provided an update on the initiatives within the Finance and Administration area.

A handout was provided to show the transformation of the campus with \$1.8 billion of capital projects over the last four years that were approved by the Board of Trustees. Transformations, as the President describes, “Not for the beauty of the structures from the outside but what we can do in the community and the experiences that are formed on the inside of these great buildings”.

Mr. Monday covered some of the projects included in the \$1.8 billion transformation:

- 1) The Art and Visual Studies Building, a \$15,000,000 project is now open and is a beautiful space.
- 2) The \$65,000,000 Phase I of the Gatton Building is open and operational. Phase II will be completed by fall 2016.
- 3) Six different dining projects totaling \$41,000,000. . The cornerstone of these projects is The 90, a \$35,000,000, 82,000 square foot facility that is serving thousands of students daily, not only with dining but also the classrooms that are located on the second floor.
- 4) Woodland Glen 3, Woodland Glen 4 and Woodland Glen 5 housing projects are open and provide 1,610 beds that are filled to capacity.
- 5) Commonwealth Stadium, a \$126,500,000 project, is open and we enjoyed our first win there a few days ago. We are continuing to finish some spaces in the next few weeks. .
- 6) Alumni Drive – this project was completed over the summer months.

Dr. C.B. Akins, Sr. asked about the loss of parking spaces and the transportation initiatives.

Mr. Monday responded that the University is in the midst of a transportation master plan which will be completed this fall. Several projects were implemented to bring additional parking spaces on-line. Our partnership with the local transportation company, Lextran, allows students, faculty and staff to use their Wildcard ID to ride any Lextran bus route for free. Additionally, we have transitioned our bus service to a new route system that Lextran is operating. We are encouraging

more bicyclists and offering vouchers to target groups. Stadium parking has been at capacity but there have not been any challenges that we have not handled. More progress is needed in the coming years to reduce the number of single occupant cars.

Mary Vosevich, Vice President for Facilities Management, presented a report of the University's presence in the Hazard/Perry County area. There are over 240 University employees that live or work in Perry and surrounding counties with total annual payroll of \$15,600,000. Over 170 of these employees work in Perry County and earn more than \$8,000,000 in compensation.

#### FCR 1 – Kentucky Eagle, Inc. Gift of Real Estate Pledge (Consent)

Jim Booth recommended acceptance of a gift of real estate and improvements with an appraised value of \$1,300,000 from Kentucky Eagle, Inc. of Lexington Kentucky, to be used as the new home of WUKY Radio Station, and to provide support for the College of Fine Arts Opera Theatre Program and other units which may require audio/visual recording services. The University had been seeking suitable space in which to relocate WUKY from its current location in McVey Hall. This unique gift presents the opportunity to relocate WUKY to a first class facility specifically constructed as a recording studio with high quality acoustical consideration.

#### FCR 2 – Nelson Brothers, LLC Gift and Pledge (Consent)

Jim Booth recommended acceptance of a gift of \$100,000 and pledge of \$400,000 from Nelson Brothers, LLC of Birmingham, Alabama, to establish the Nelson Brothers Graduate Fellowship Fund in the Department of Mining Engineering in the College of Engineering.

The Nelson Brothers Graduate Fellowship Fund will provide two annual fellowships to students in the College of Engineering under the supervision of a UK Department of Mining Engineering faculty member.

#### FCR 3 – Thomas W. Shaver Pledge (Consent)

Jim Booth recommended acceptance of a pledge of \$500,000 from Thomas W. Shaver, of Thousand Oaks, California, toward the campaign for the Renovate/Expand Gatton College Capital Project, approved by the Board of Trustees at its March 2013 meeting.

#### FCR 4 – Establishment of the Martha M. Keffer Department of English Advance Quasi-Endowment Fund

Jim Booth recommended approval of the establishment of the Martha M. Keffer Department of English Advancement Quasi-Endowment Fund. The University received a total of \$749,945.84 from the estate beginning in January 2014 with final distribution in May 2015. The Board accepted the initial distribution of \$500,000 at its April 2014 meeting

Dean Mark Kornbluh, College of Arts and Sciences, has requested that \$550,000 of the bequeathal be used to create the Martha M. Keffer Department of English Advancement Quasi-Endowment Fund to further the long-term intellectual advancement of the Department of English in the College of Arts and Sciences. The remaining \$199,945.84 will be used to fund current Department of

English initiatives. C.B. Akins, Sr. moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried

FCR 5 – Renovate/Upgrade Academic Space – Patterson Hall Capital Project (Commonwealth of Kentucky High Performance Building Standards Exemption)

Jim Booth recommended that the Board of Trustees grant an exemption from the Commonwealth of Kentucky’s High Performance Building Standards pursuant to Kentucky Administrative Regulation, 200 KAR 6:070 Section 3, for the Renovate/Upgrade Academic Space – Patterson Hall Capital Project. At its September 2014 meeting, the Board of Trustees approved the initiation of the Renovate/Upgrade Academic Space - Patterson Hall Capital Project. Patterson Hall was opened in 1904 as the University’s first dormitory for women. This \$15,000,000 project will renovate and upgrade the building for use as classrooms, study areas and gathering spaces for Living Learning Programs and also include student support offices. Additionally, this project includes major mechanical systems upgrades and exterior repairs. By saving and rehabilitating this building, the University will preserve a significant contribution to the architectural history of the campus.

As Patterson Hall is a historic building connected to a district heating and cooling system with existing air handling units, the scope of intervention in terms of energy efficiency is limited. While the project will be designed to be energy efficient and achieve the LEED Certified level, an exemption from the 20 percent energy cost savings requirement is necessary as it would compromise the historic nature of the building and is neither practical nor feasible and would create an extraordinarily undue burden. Kelly Holland moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried.

FCR 6 – Renovate/Upgrade UK HealthCare Facilities (Phase I-F/I-G) Capital Project

Jim Booth recommended approval of a \$37,000,000 increase in scope of the Renovate/Upgrade UK HealthCare Facilities (Phase I-F/I-G) Capital Project. The increased scope is necessary to fully fund the Kentucky Children’s Hospital (KCH) component of the project, to fund additional project components of the Albert B. Chandler Hospital Facilities Development Plan (Development Plan), and to fund planning activities for future project phases of the Development Plan.

The KCH component of the capital project comprises the majority of the requested scope increase and will replace the outdated and undersized Neonatal Intensive Care Unit (NICU) currently housed in two locations with space consistent with today’s standard of care for delivery of pediatric health care. Robert Vance moved for approval. Terry Mobley seconded, and the motion for approval carried.

FCR 7 – Capital Construction Report

Mary Vosevich reported that during the quarter ending March 31, 2015, there were 18 new contracts, fifty change orders and five contracts were completed. Britt Brockman moved for approval. Cammie Grant, seconded, and the motion for approval unanimously carried.

FCR 8 – Patent Assignment Report

Dr. Lisa Cassis, Vice President for Research, presented the patent assignment report for the period of April 1 through June 30, 2015. During this period, nine applications were submitted, thirty one patents were issued, and patent receipts totaled \$1,047,630. C. B. Akins, Sr. moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried.

Hearing no further business, Interim Chair Booth adjourned the meeting.

Respectfully submitted,

*Barbara Royalty-Tatum*

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