

MINUTES OF THE FINANCE COMMITTEE
University of Kentucky Board of Trustees
September 15, 2017 – 11:00 AM
Votruba Student Union
Northern Kentucky University

Committee Members Present

Jennifer Barber, James Booth, Mike Christian, Kelly Holland, Dave Melanson, Frank Shoop, and Robert Vance

Approval of Minutes

The minutes of the June 16, 2017 Finance Committee meeting were approved as written.

Business Items Presented by: James Booth, Chairman

FCR 1 Charitable Grant from the James Graham Brown Foundation, Inc.

The Committee reviewed FCR 1, acceptance of a charitable grant for \$1,000,000 from the James Graham Brown Foundation, Inc., of Louisville, Kentucky to support the University of Kentucky's Leveraging Economic Affordability for Developing Success also known as the UK LEADS initiative as discussed by Provost Tim Tracy earlier in the Academic & Student Affairs Committee.

The James Graham Brown Foundation, Inc. was incorporated in 1954 and has awarded over \$520,000,000 in furtherance of its mission to "promote the well-being of the citizens of the City of Louisville and the State of Kentucky in matters of business, education, health and general welfare, and advancement."

A motion to accept was made by Trustee Melanson and seconded by Trustee Vance. The motion carried without dissent.

FCR 2 Approval of Amendment to Ground Lease (Lexington Suite Hotel, LLC)

The Committee reviewed FCR 2, an authorization for the Executive Vice President for Finance and Administration to negotiate and execute an amendment to the ground lease between the University of Kentucky, as Lessor, and Lexington Suite Hotel, LLC as Lessee, for Lot 11 on the Coldstream Research Campus.

At its April 1996 meeting, the Board authorized the administration to execute a ground lease between the University of Kentucky and Lexington Suite Hotel, LLC for Lot 11 of the Coldstream Research Campus for developing a full-service hotel. The Embassy Suites hotel opened in May 1999.

Lexington Suite Hotel, LLC has expressed an interested in constructing a second hotel consisting of approximately 130 guest rooms totaling 77,000 square feet adjacent to its Embassy Suites location. The lease amendment proposes a reconfiguration of Lot 11 by swapping a piece of land at the northern point of Lot 11 for land on the eastern side of the adjacent Lot 10.

A map of the proposed changes was attached to the recommendation for the Board's review.

A motion to accept was made by Trustee Shoop and seconded by Trustee Vance. The motion carried without dissent.

FCR 3 Capital Construction Report

The Committee reviewed FCR 3, acceptance of the Capital Construction Report. Mary Vosevich, Vice President for Facilities Management, reported nine new contracts, four contract amendments, and 60 change orders for the quarter ending June 30, 2017. Four contracts also were completed during this quarter.

A motion to approve was made by Trustee Christian and seconded by Trustee Shoop. The motion carried without dissent.

FCR 4 Patent Assignment Report

The Committee reviewed FCR 4, Acceptance of the Patent Assignment Report. Dr. Rodney Andrews, Director of the Center for Applied Energy Research, presented the report for the period of April 1, 2017 to June 30, 2017. For the fiscal year ended June 30, 2017, nine patent applications were submitted and seven patents were issued. Patent income totaled \$3,186,899.

A motion to approve was made by Trustee Barber and seconded by Trustee Melanson. The motion carried without dissent.

Executive Vice President for Finance and Administration Report

The Committee heard a report from Dr. Eric Monday, Executive Vice President for Finance and Administration. Dr. Monday gave an update on the status of capital projects with scopes over \$25,000,000 and currently under construction. He reported that the baseball stadium is underway and scheduled to be completed in the summer 2019. With regard to the Construct Research Building Capital Project, with a scope of over \$170,000,000 and 300,000 square feet, two floors are to be completed in July 2018. Dr. Monday also gave an update on the Expand/Renovate/Upgrade Law Building Capital Project. The University has received bids on this \$56,000,000 project and awarded the Bid Pack #1. Remaining packages are to be bid in early December 2017. The \$201,000,000 student center project is moving to final finishes. The first phase will open in January 2018 and the remaining phase is scheduled to be completed by April 2018.

Four UK HealthCare projects are underway. The neonatal intensive care unit project is scheduled for substantial completion in February 2018, and the 11th floor fit-up project is scheduled to be complete October 2017. Interventional services capital project is scheduled to complete February 2020 and the operating room capital project will be completed in March 2018.

Hearing no further business, Chair Booth adjourned the meeting.

Respectfully Submitted:

Leigh Bays Donald