

Minutes of the Finance Committee Meeting
University of Kentucky Board of Trustees
December 5, 2023

The Finance Committee of the University of Kentucky Board of Trustees met on Tuesday, December 5, 2023, in the Gatton Student Center Harris Ballroom.

A. Meeting Opened

Chair Kimberly McCann called the meeting to order at 11:00 a.m. Chair McCann asked Ms. Brenda Heeter, secretary to the Finance Committee, to call the roll.

B. Roll Call

The following members of the Finance Committee were present: Alex Boone, Todd Case, Janie Greer, Lizzy Hornung, Lance Lucas, Kimberly McCann (via Zoom), Elizabeth McCoy, Dave Melanson, Frank Shoop and Robert Vance. Ms. Heeter announced that a quorum was present.

C. Approval of Minutes

Chair McCann asked if there were any corrections to the minutes from September 15, 2023, which were distributed. Trustee Melanson made a motion to approve the minutes. Trustee Case seconded the motion. The motion carried without dissent.

D. EVPFA Report:

The floor was yielded to Dr. Eric Monday, executive vice president for finance and administration (EVPFA), for the EVPFA Report. Dr. Monday previewed the Finance Committee Recommendations (FCRs) that were before the Finance Committee. More than \$7 million dollars in gifts were recommended for acceptance including three estate gifts. Other recommendations included: audited financial statements with a clean opinion; housing rates; and approval for a new residence hall. This will be the 15th residence hall built to improve the student experience.

Dr. Monday introduced co-facilitators Nancy Cox and Rob Edwards to provide an update on Project Accelerate Work Group 3: More Partnerships. Dr. Cox shared that their charge is to expand the university's impact through partnerships, acquisitions and new initiatives with schools, governments, nonprofits industry and corporations that enhance UK's ability to meet the state's needs through its mission of education, research, service and care.

This work group hopes to:

- Outline status of current UK HealthCare acquisitions and partnerships and enumerate strategic imperatives for future such acquisitions and partnerships.
- Assess the potential for partnerships with Kentucky universities and community colleges to create a larger pipeline that will allow for the expansion

of the student population in key areas to help meet health care workforce needs.

- Work with public/private sector partners to assess how the university can collaborate in addressing local challenges to growth (e.g., employment, housing, childcare).
- Identify potential partnership opportunities in Louisville and regional areas across the state that will leverage relationships with public and private sectors to advance Kentucky's workforce needs.

Dr. Cox shared that there are currently 80 affiliations with clinical partners across the Commonwealth. Mr. Edwards shared that the work group will also assess the potential for partnerships with other Kentucky universities and community colleges to create a larger pipeline for students to pursue key areas to help meet health care workforce needs.

Mr. Edwards described the efforts to work with public/private sector partners to assess how the university can collaborate with them to address local challenges to growth. Specifically, the work group will identify potential partnership opportunities in Louisville and regional areas across the state to leverage relationships with public and private sectors to address Kentucky's workforce needs.

At the February meeting, the work group expects to provide an initial analysis of benchmark institutions with large academic medical centers and report on potential collaborations with the Kentucky Community and Technical College System to expand extension services across the state.

Co-facilitators Katrice Albert and Melissa Frederick, Project Accelerate Work Group 4: More Employee Recruitment and Retention, shared that their work group is reviewing how UK takes care of all its people to maximize recruitment and retention of the best and most inclusive employee base while continuing to be responsive to the evolving needs of employees.

This work group hopes to:

- Complete implementation of the Recruit, Retain and Hire Initiative.
- Build a process for review of employee benefits design.
- Assist with efforts to expand UK Invests to all UK employees.

At the February meeting, the work group expects to provide a progress report on the Recruit, Retain, Hire Initiative and a report on the evaluation of benefits design.

Trustee Swanson asked how graduate students and postdocs will be brought into the benefits conversation. Vice President Frederick shared that there is already another group looking at these populations and steps have been taken to standardized stipends. That group is also looking at benefits design for these employees.

Trustee Shoop asked how many beds the university currently has and Dr. Monday responded that there are 6,850 beds.

Business Items:

FCR 1 Acceptance of Gifts from the Estate of Davis Marshall Gritton

FCR 1 seeks acceptance of gifts totaling \$2,000,000 from the estate of Davis Marshall Gritton to support the “Davis Marshall Gritton Endowment Fund” in the Stanley and Karen Pigman College of Engineering (the “College”), Department of Electrical and Computer Engineering.

Mr. Davis Marshall Gritton (1926-2022), formerly of Salvisa, Kentucky, earned a Bachelor of Science in Electrical Engineering from the University of Kentucky, College of Engineering in 1951. He was a veteran of the U.S. Army and worked as an electrical engineer for General Electric Manufacturing.

The “Davis Marshall Gritton Endowment Fund” will support electrical engineering students in the College, with a preference for graduate students.

Trustee McCoy made a motion to accept FCR 1. Trustee Boone seconded the motion. The motion carried without dissent.

FCR 2 Acceptance of Gifts from the Estate of Carl J. McHargue

FCR 2 seeks acceptance of initial gifts totaling \$1,834,983.85 from the estate of Carl J. McHargue to support the “Carl and Betty McHargue Material Science Scholarship Endowment Fund” in the Stanley and Karen Pigman College of Engineering.

Dr. Carl J. McHargue (1926-2022) was born in Corbin, Kentucky, and served in the U.S. Army during World War II. Following his honorable discharge, he entered the University of Kentucky, receiving a Bachelor of Science in Metallurgical Engineering (with honors) in 1949, a Master of Science in Metallurgical Engineering in 1951, and the first doctorate awarded by the College of Engineering in 1953. In honor of this notable achievement, and his many significant contributions, Dr. McHargue was inducted into the UK College of Engineering’s Hall of Distinction in 1995.

Trustee Boone made a motion to accept FCR 2. Trustee Vance seconded the motion. The motion carried without dissent.

FCR 3 Acceptance of Gift from the William Stamler Estate Settlement Trust

FCR 3 seeks acceptance of a gift of \$1,500,000 from the William Stamler Estate Settlement Trust to establish and support the endowed “Raymond Stamler Chair in Engineering” in the Stanley and Karen Pigman College of Engineering (the “College”), Department of Mechanical and Aerospace Engineering (the “Department”).

This gift is made in memory of Mr. Stamler’s father, the late W. Raymond Stamler, who graduated from the University of Kentucky in 1927 with a Bachelor of Science in Mechanical Engineering. The “Raymond Stamler Chair in Engineering” will support an endowed chair position in the Department, with preference for an individual with an

academic emphasis in machinery design relevant to the field of mining engineering.

Trustee Melanson made a motion to accept FCR 3. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 4 Acceptance of the Philip Wyatt Gift Commitment and Submission of the Gift Commitment to the Commonwealth of Kentucky Research Challenge Trust Fund (RCTF) Endowment Match Program

FCR 4 seeks acceptance of a gift commitment of \$1,000,000 from Dr. Philip R. Wyatt (the “Donor”) of Santa Fe, New Mexico, to endow two funds at the university and submit this gift commitment for matching funds from the Commonwealth of Kentucky Research Challenge Trust Fund (“RCTF”) Endowment Match Program. Further, pursuant to guidelines approved by the Council on Postsecondary Education, that the Board of Trustees acknowledge its responsibility for UK’s participation in and implementation of the RCTF Endowment Match Program and for providing oversight of all university endowment funds.

The Donor has generously made a charitable gift commitment of \$1,000,000 to support two endowed funds in the College of Medicine and the Office of the Vice President for Research. The gift commitment includes \$650,000 to create and endow the “John P. Wyatt Family Genetic Pathology Fund” in the College of Medicine, Department of Pediatrics. In addition, the “John P. Wyatt, M.D., Traveling Fellowship” in the Office of the Vice President for Research will receive \$350,000 of the gift commitment and be renamed the “John P. Wyatt Family Environmental Health Fund”. The total \$1,000,000 charitable gift commitment is eligible to be matched by the RCTF Endowment Match Program.

In recognition of the significance of this gift commitment, and with the consent of the Office of the Vice President for Research, it is recommended that the gift commitment be submitted for state matching funds at a ratio of 2:1. As a result, the endowed “John P. Wyatt Family Genetic Pathology Fund” will be established with \$975,000 including \$650,000 from the charitable gift and \$325,000 from the RCTF Endowment Match Program. In addition, the endowed “John P. Wyatt Family Environmental Health Fund” will receive \$525,000 including \$350,000 from the charitable gift and \$175,000 from the RCTF Endowment Match Program.

Trustee Melanson made a motion to accept FCR 4. Trustee Lucas seconded the motion. The motion carried without dissent.

FCR 5 Acceptance of Grant Commitment from the Lighthouse Beacon Foundation, Amendment to an Existing Endowment and Submission of the Grant Commitment to the Commonwealth of Kentucky Research Challenge Trust Fund (RCTF) Endowment Match Program

FCR 5 seeks acceptance of a charitable grant commitment of \$100,000 from the Lighthouse Beacon Foundation of Wilmington, Delaware (the “Donor”), approve an amendment to the name and purpose of the “Stanley and Karen Pigman Heritage Science Professorship” in the Stanley and Karen Pigman College of Engineering, and submit this

grant commitment for matching funds from the Commonwealth of Kentucky Research Challenge Trust Fund (“RCTF”) Endowment Match Program. Further, pursuant to guidelines approved by the Council on Postsecondary Education, that the Board of Trustees acknowledge its responsibility for UK’s participation in and implementation of the RCTF Endowment Match Program and for providing oversight of all university endowment funds.

On April 28, 2023, the UK Board of Trustees accepted a charitable grant commitment from the Donor to endow the “Stanley and Karen Pigman Heritage Science Professorship” in the Stanley and Karen Pigman College of Engineering and approved submitting the commitment for matching funds from the Commonwealth of Kentucky Research Challenge Trust Fund (“RCTF”) Endowment Match Program at a gift to state matching funds ratio of up to 2:1. The current contributions to the endowment total \$1,250,166.50, including the state matching funds.

The Donor now wishes to honor the groundbreaking research, scholarship and innovation of *EduceLab: A Digital Restoration Initiative* through an additional contribution of \$100,000. With the consent of the Office of the Vice President for Research, it is recommended that this additional grant commitment be submitted for state matching funds at a ratio of 2:1.

As a result, the total new contributions to the endowed fund will be \$150,000 including \$100,000 from the charitable grant and \$50,000 from the RCTF Endowment Match Program. With these additional funds, the endowment will be elevated and renamed the “Stanley and Karen Pigman Heritage Science Chair.” This amendment will be reported to the Council on Postsecondary Education per the RCTF Endowment Match Program Guidelines.

Trustee Boone made a motion to accept FCR 5. Trustee Vance seconded the motion. The motion carried without dissent.

FCR 6 Acceptance of Gift from the University of Kentucky Real Estate Foundation, Inc. in Support of the College of Arts and Sciences and the Gatton College of Business and Economics

FCR 6 seeks acceptance of a gift in the amount of \$1,124,805 from the University of Kentucky Real Estate Foundation, Inc. (“UKREF”). One-half of the gift shall be used to establish and support an endowed fund named the “Donald C. and Penney P. Rogers Scholars Endowment in the College of Arts and Sciences,” and the remaining half to establish and support an endowed fund named the “Donald C. and Penney P. Rogers Scholars Endowment in the Gatton College of Business and Economics.”

These funds shall be endowed to support annual scholarships for students in the College of Arts and Sciences and the Gatton College of Business and Economics who have a minimum 3.0 grade point average and demonstrated unmet financial need or are participating in the Honors Pathway program for (i) global scholars; (ii) social enterprise; or (iii) scholars in engineering and management.

Trustee McCoy made a motion to accept FCR 6. Trustee Lucas seconded the motion. The motion carried without dissent.

FCR 7 Acceptance of FY 2022-23 Audited Financial Statements and the Independent Auditor's Report on Financial Statements and Required Supplementary Information

FCR 7 seeks the acceptance of (1) the University of Kentucky Audited Financial Statements for the Fiscal Year ended June 30, 2023, consisting of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Statements of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Notes to Financial Statements, Required Supplementary Information and Management's Discussion and Analysis; and (2) the Independent Auditor's Report on Financial Statements and Required Supplementary Information.

The Audit and Compliance Committee and the Finance Committee of the University of Kentucky Board of Trustees have reviewed the university's financial statements for the Fiscal Year ended June 30, 2023, audited by FORVIS LLP, Certified Public Accountants.

Trustee Shoop made a motion to accept FCR 7. Trustee Boone seconded the motion. The motion carried without dissent.

FCR 8 Acceptance of Interim Financial Report for the Three Months Ended September 30, 2023

FCR 8 seeks acceptance of the University of Kentucky consolidated financial report for the three months ended September 30, 2023. As of September 30, 2023, the university has recognized \$1,862,730,084 of current funds revenue representing 27 percent of the FY 2023-24 approved budget of \$6,803,373,000. Expenses and transfers total \$1,657,314,335 or 24 percent of the approved budget.

Trustee McCoy made a motion to accept FCR 8. Trustee Case seconded the motion. The motion carried without dissent.

FCR 9 FY 2023-24 Budget Revisions

FCR 9 seeks the authorization and approval of budget revisions to increase the university's current funds FY 2023-24 budget by \$86,837,400 from \$6,803,372,900 to \$6,890,210,300.

Trustee Melanson made a motion to accept FCR 9. Trustee Hornung seconded the motion. The motion carried without dissent.

FCR 10 Initiation of the Facilities Renewal and Modernization 2 and Asset Preservation Pool 2022-2024 Capital Projects and a Resolution Providing for the Authorization, Issuance and Sale of Approximately \$125,000,000 General Receipts Obligations of the University of Kentucky, Pursuant to the Trust Agreement Dated as of November 1, 2005

FCR 10 seeks Board approval to initiate two capital projects, the Facilities Renewal and Modernization 2 capital project and the Asset Preservation Pool 2022-2024 capital project, and approval of a resolution authorizing the issuance and sale of approximately \$125,000,000 of general receipts obligations.

Trustee Boone made a motion to accept FCR 10. Trustee Lucas seconded the motion. The motion carried without dissent.

FCR 11 Proposed 2024-25 Room Rates for University-Constructed Housing

FCR 11 seeks the adoption of the proposed 2024-25 room rates for university-constructed housing. The recommended rates for university-constructed housing are necessary to generate revenue to fund anticipated operating costs.

The 2024-25 rates for all undergraduate residence halls and the University Flats graduate wing generally reflect a 3.75 percent increase for 2024-25. Break housing rates will increase \$4, or 4.3 percent, and early move-in rates will increase 3.5 percent. The 2024-25 proposed rates for university-constructed graduate and apartment housing generally reflect a 2.0 percent increase excluding Greg Page and Shawneetown which reflect no change from the prior year.

Trustee Shoop made a motion to accept FCR 11. Trustee Vance seconded the motion. The motion carried without dissent.

FCR 12 Approval of Disposal (1357 Shun Pike - Structures)

FCR 12 recommends that the Board declare deteriorated structures (three barns and a house, together the "Structures"), located at 1357 Shun Pike, Nicholasville, Jessamine County, Kentucky, surplus to the needs of the university and authorize the Executive Vice President for Finance and Administration to dispose of the Structures using the method that produces the highest price.

The Structures were part of William Walter Halfhill's 89.72-acre farm/estate. After his passing, the land and Structures were gifted to UK Athletics on December 20, 2017. While the land may not be sold or developed until February 25, 2042, it is highly valued due to its proximity to US Highway 27.

Trustee Greer made a motion to accept FCR 12. Trustee Case seconded the motion. The motion carried without dissent.

FCR 13 Approval to Acquire 817, 819 and 823 Press Avenue

FCR 13 seeks authorization for the Executive Vice President for Finance and Administration to enter into a purchase agreement to acquire three residential parcels located at 817, 819 and 823 Press Avenue in Lexington, Fayette County, Kentucky. The parcels, owned by CCW Investments, LLC (817 and 819 Press Avenue) and Press Avenue Apartments, LLC (823 Press Avenue), are adjacent to a UK central utility plant (CUP). CCW Investments, LLC and Press Avenue Apartments, LLC are owned by the same party. The planned development for UK HealthCare requires acquisition of these parcels to expand the CUP.

Trustee Case made a motion to accept FCR 13. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 14 Approval of Lease

FCR 14 seeks authorization for the Executive Vice President for Finance and Administration to negotiate and execute a building lease from Cygnus, LLC at 2353 Alexandria Drive, Suite 100, Lexington, Fayette County, Kentucky.

The recommended leased space includes 12,841 rentable square feet with an annual rent of \$256,820. KRS § 48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The lease has been authorized by the Kentucky General Assembly in the enacted 2022-24 Executive Budget of the Commonwealth.

Trustee Melanson made a motion to accept FCR 14. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 15 Improve Civil/Site Infrastructure (Kirwan Blanding Site Remediation) Capital Project

FCR 15 seeks approval to initiate the Improve Civil/ Site Infrastructure (Kirwan Blanding Site Remediation) capital project and an internal loan to fund the project. At its December 2017 meeting, the Board approved demolishing the Kirwan Blanding Residence Hall complex. Additional work is required to remove backfill material onsite that is unsuitable for planned future uses.

Trustee Shoop made a motion to accept FCR 15. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 16 Approval to Declare Surplus University Property (Kelley Hall and Medical Center Annex #5)

FCR 16 recommends the Board declare Kelley Hall and Medical Center Annex #5 located, respectively, at 360 Huguelet Drive and 1096 Veterans Drive, Lexington, Fayette County, Kentucky surplus to the needs of the university and authorize the Executive Vice President for Finance and Administration to demolish these properties.

The site for the new Health Education Building, at the corner of University Drive and Huguelet Drive, was selected for its prominence and proximity to core facilities such as dining, housing and the Albert B. Chandler Hospital. Kelley Hall, constructed in 1930, and Medical Center Annex #5, constructed in 1937, currently occupy this site. As these buildings are in poor condition and have surpassed their useful lives, it is recommended that the Board of Trustees declare these facilities surplus to the needs of the university and authorize their demolition for construction of the new Health Education Building.

Trustee McCoy made a motion to accept FCR 16. Trustee Case seconded the motion. The motion carried without dissent.

FCR 17 Improve University Storage Facility (Vaughan Warehouse #1 Roof)
Capital Project

FCR 17 seeks ratification of the President's approval to initiate the Improve University Storage Facility (Vaughan Warehouse #1 Roof) capital project. While conducting minor roof repairs to Vaughan Warehouse #1, it was discovered that the existing insulation underneath the roofing system was wet and degraded. Consequently, a large area of the roof system must be replaced, increasing the project scope above the \$1,000,000 threshold to require Board approval.

Trustee Vance made a motion to accept FCR 17. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 18 Emergency Replacement (Robinson Center for Appalachian
Resource Sustainability Multi-Purpose and Pavilion Buildings) Capital Project

FCR 18 seeks ratification of the President's approval to initiate the Emergency Replacement (Robinson Center for Appalachian Resource Sustainability Multi-Purpose and Pavilion Buildings) capital project. The Robinson Center for Appalachian Resource Sustainability ("Robinson Center") is headquartered at the facility formerly known as the Robinson Station in Quicksand, Breathitt County, Kentucky. Four permanent structures sustained extensive damage from the July 27, 2022, flooding in Eastern Kentucky.

The operations and services that were formerly housed in the four structures will be consolidated into two new facilities, a multi-purpose building and a pavilion. The multi-purpose building will include farm research offices, educational meeting areas, storage space and temporary lodging for visiting researchers and university personnel. The 8,400 square foot pavilion will provide space for on-site educational programming and facilitate partnerships with local county extension offices for various programs including 4-H Youth Development, Family Consumer Sciences, Agricultural and Natural Resources, Forestry, Horticulture, Plant and Social Science, Community Arts and others.

Pursuant to KRS §45.750(1)(g), this project qualifies as an Emergency Repair, Maintenance or Replacement Project as it is necessitated by damage resulting from a disaster. Contingent upon approval by the Board, the capital project will be reported to the Capital Projects and Bond Oversight Committee.

Trustee McCoy made a motion to accept FCR 18. Trustee Greer seconded the motion. The motion carried without dissent.

FCR 19 Improve Campus Infrastructure Upgrade (Hospital Drive Water Line) Capital Project

FCR 19 seeks approval to initiate the Improve Campus Infrastructure Upgrade (Hospital Drive Water Line) capital project. This project will replace the water pipe under Hospital Drive. The existing underground water line runs the length of Hospital Drive and is in a deteriorated condition due to its age. This line provides water service to the Albert B. Chandler Hospital, Cooling Plant #1, Health Science Research Building and other facilities. The pipe has experienced recent failures at two locations, which have interrupted water service to the facilities served by the water line. The project will ensure the line's integrity and water service reliability.

Trustee Melanson made a motion to accept FCR 19. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 20 Patient Care Facility (Fit-Up Pavilion A Basement and Other Improvements – Phase I-J) Capital Project

FCR 20 seeks approval of a scope increase for the Patient Care Facility (Fit-up Pavilion A Basement and Other Improvements – Phase I-J) capital project. At its December 14, 2020, meeting, the Board approved this \$26,000,000 capital project which included the fit-up of approximately 13,000 square feet of available shell space, expansion of the kitchen/food service operations, construction of a maintenance shop for physical plant personnel, relocation and expansion of the supply and distribution space, rework of the central sterile decontamination and clean work areas, and expansion of space for central sterile stores and operating room materials management.

On November 10, 2022, pursuant to Administrative Regulation 8:2, the President approved a \$3,900,000 project scope increase due to market conditions impacting construction and medical and kitchen equipment.

Unfortunately, market conditions remain unstable, and the project has encountered numerous unforeseen conditions requiring another increase in the scope of work to address Joint Commission requirements. Thus, the project scope must be increased by an additional \$1,500,000 to \$31,400,000.

Trustee Boone made a motion to accept FCR 20. Trustee Vance seconded the motion. The motion carried without dissent.

FCR 21 Construct Agriculture Research Facility 2 (Meats and Food Development Center - Design Phase) Capital Project

FCR 21 seeks approval to initiate the Construct Agriculture Research Facility 2 (Meats and Food Development Center - Design Phase) capital project and approval to pursue legislative authority from the Commonwealth of Kentucky for the construction

phase of this project.

This project will initiate the design phase of an approximately 64,000 square foot Meats and Food Development Center (“Center”) for the Martin-Gatton College of Agriculture, Food and Environment. The current animal handling and abattoir facilities and laboratories in the W.P. Garrigus Building require modernization, and the value-added food science processing and evaluation facilities are limited, hindering externally funded research and industry training. Additionally, the existing operations must be relocated to accommodate the expansion of the UK HealthCare patient care facility on the north side of Cooper Drive.

The new Center will be constructed at the Oran C. Little Research Center, a 1,484-acre farm in Versailles, Kentucky, to create synergies advancing animal and plant agriculture.

Trustee McCoy made a motion to accept FCR 21. Trustee Shoop seconded the motion. The motion carried without dissent.

FCR 22 Construct/Improve Student Housing Capital Project

FCR 22 seeks approval to pursue legislative authority from the Commonwealth of Kentucky for the Construct/Improve Student Housing capital project and approval to authorize the President, or his designee, to negotiate and enter into a pre-development agreement and a long-term lease with Greystar Real Estate Partners, LLC (formerly Education Realty Trust, Inc. (EdR)) or one of its affiliates for purposes of development and management of Phase IV of the student housing project.

In 2011, the average age of the university’s residence halls was 44 years. In October 2011, the Board of Trustees identified the need to expand and improve student housing facilities as a strategic priority based on data that showed increasing student dissatisfaction with both housing and dining. A Request for Proposal was subsequently issued seeking developers with the capacity and interest in partnering with the university to complete a long-term housing plan. On December 13, 2011, the university announced that it would negotiate with EdR (now Greystar), a third-party developer, to improve, expand and potentially manage student housing.

The public-private partnership (P3) strategy continues to be appropriate given the university’s desire to continue to expand its housing stock quickly while reserving debt capacity for other capital projects. With a preliminary development scope of \$81,000,000, Phase IV includes one facility on the south side of campus with a currently preferred location at the former site of the Kirwan/Blanding Complex. Greystar is expected to provide a 100 percent equity investment in this UK student housing project. The university will continue to provide the Residence Life programs. The Phase IV lease will have provisions similar to the existing leases including term, maintenance standards, rental rates parameters, ground lease and revenue sharing.

Trustee Hornung made a motion to accept FCR 22. Trustee Shoop seconded the motion. The motion carried without dissent.

FCR 23 Capital Construction Report

Dr. Monday yielded the floor to Ms. Mary Vosevich, vice president for facilities management, to present FCR 23 which seeks Board acceptance of the capital construction report for the three months ending September 30, 2023. This report refers only to projects that had activity within this quarter. During this period, there were 11 new contracts, 2 contracts were completed, 8 amendments and 19 change orders on 14 different projects.

Trustee McCoy made a motion to accept FCR 23. Trustee Boone seconded the motion. The motion carried without dissent.

FCR 24 Patent Assignment Report

FCR 24 seeks acceptance of the patent assignment report for the three months ending September 30, 2023. Taunya Phillips, Director of the Office Technology Commercialization, shared that during this period there were 24 invention disclosures, 21 full patent applications, 18 provisional patent applications, 10 patents were issued, 9 new licenses and options were executed, one startup company was formed and \$446,360.22 of licensing income was recognized.

Trustee Melanson made a motion to accept FCR 24. Trustee Case seconded the motion. The motion carried without dissent.

E. Research Report

Vice President for Research Lisa Cassis provided the research report. Dr. Cassis shared research's approach to industry partnerships consistent with the university's goal of being more responsive to the needs of the Commonwealth. In 2021, because of the immense growth in commercialization and entrepreneurship experienced by the Office of Technology Commercialization, UK Innovate was created. The goals of UK Innovate are to drive research that impacts the Commonwealth. UK Innovate has several platforms to make it simpler for industry to partner with researchers. Innovation Connect builds and supports corporate partnerships for collaborative research funding opportunities.

Dr. Cassis also spoke about the grants administration transformation project currently underway to make the research function more responsive to grant opportunities. Project Gateway will transform the university's grants administration structure to make it more nimble and flexible all the while assuring compliance with external research sponsors. Project Gateway will provide benefits to investigators and staff through expanded services and by reducing the administrative burden on researchers.

F. Other Business

Chair McCann asked if there was any other business to come before the Finance Committee.

G. Adjourn

Hearing no further business, the meeting was adjourned at 12:12 p.m.

Respectfully submitted,

Brenda Heeter
Finance Committee Secretary