

FCR 6

Office of the President
February 21, 2020

Members, Board of Trustees:

AUTHORIZATION OF NON-ROUTINE DISPOSITION OF PERSONAL PROPERTY

Recommendation: that the Board of Trustees authorize the non-routine disposition of a Wurlitzer Pipe Organ and all its components valued at \$42,720 to the Bluegrass Chapter of the American Theatre Organ Society, Inc., a Kentucky nonprofit corporation ("BG ATOS") as being in the best interest of the University, and authorize the Executive Vice President for Finance and Administration to execute all documents necessary to complete the disposition.

Background: Kentucky Revised Statute 164A.575 requires that the Board of Trustees approve disposition of any surplus property owned by the University of Kentucky. Administrative Regulation 8:1, approved by the Board of Trustees at its March 2007 meeting, establishes the policy for disposition of personal property. For non-routine dispositions, which include property items with a value greater than \$25,000, a recommendation is submitted to the Board of Trustees on an item-by-item basis setting forth the description of the personal property, reasons for disposition, and method of disposition.

In 1989, the University received title to a historic Wurlitzer as an *inter vivos* gift from Mr. Oscar Wilson. The Wurlitzer was originally located in the Kentucky Theater from 1922 to 1934. Since receiving the Wurlitzer, which was not in operable condition, the University has worked with a succession of nonprofit groups seeking to restore the Wurlitzer to operation and place it in a public location for the public benefit. Since 2016, the University has had a Memorandum of Agreement (MOA) with BG ATOS permitting the restoration of the organ at the Chapter's expense. BG ATOS is seeking various grants to fund the restoration of the Wurlitzer but cannot access such funding without legal title to the Organ.

Under the 2016 MOA, BG ATOS has maintained insurance on the Organ for a minimum value of \$42,750. Given the inoperability and restoration needs of the Organ, BG ATOS's prior expenditures to restore the instrument, and BG ATOS's agreement to allow University students to have reasonable access to the restored instrument for teaching purposes, the University recommends transferring title to the Wurlitzer to BG ATOS for \$1.00.

The Organ has been advertised for two weeks on the University's Surplus Property website to determine if it was needed by any other unit within the University. Having received no requests, this equipment is deemed to be surplus to the needs of the University. It is, therefore, recommended that the Organ be transferred to BG ATOS consistent with the public interest in accordance with Administrative Regulations 8:1, "Policy for Disposition of Personal Property."

Action taken: Approved Disapproved Other_____