

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, June 8, 2010.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, June 8, 2010 in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Ms. Mira Ball, chair, called the meeting to order at 1:15 p.m. and asked Ms. Barbara Jones, assistant secretary of the Board, to call the roll.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mira Ball (chair), Stephen Branscum, E. Britt Brockman, Penelope Brown, Jo Hern Curris, Dermontti Dawson, Carol Martin "Bill" Gatton, Ann Haney, Everett McCorvey, Billy Joe Miles, Sandy Bugie Patterson, Robynn Pease, Charles R. Sachatello, Frank Shoop, Ryan Smith, James W. Stuckert, Ernest Yanarella, and Barbara Young. Absent from the meeting were Pamela T. May and Erwin Roberts. Ms. Jones announced that a quorum was present.

The university administration was represented by President Lee T. Todd, Jr., Provost Kumble Subbaswamy, Executive Vice President for Finance and Administration Frank Butler, Executive Vice President for Health Affairs Michael Karpf, and General Counsel Barbara W. Jones.

The university faculty was represented by Chair of the University Senate Council Hollie Swanson, and the university staff was represented by Chair of the Staff Senate Bryan Back.

Members of the various news media were also in attendance.

C. Consent Items

Ms. Ball called attention to the consent items which included the minutes, PR 2 Personnel Actions, and acceptance of a pledge and gifts. Mr. Stuckert moved approval of the consent items. Ms. Haney seconded the motion, and it carried without dissent. (See consent items listed below at the end of the Minutes.)

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PR 2 Personnel Actions

FCR 1 Alliance Resource Partners and Alliance Holdings Pledge

FCR 2 Gift from the Estate of Joanne I. Bell

FCR 3 Don Jacobs Charitable Foundation, Inc. Gift

D. President's Report (PR 1)

President Todd called attention to the following items in PR 1:

UK Confers Nearly 7,000 Degrees at 143rd Commencement

Nearly, 7,000 candidates for undergraduate, graduate, and professional degrees were honored at the University of Kentucky's 143rd Commencement in Rupp Arena on May 8, 2010. David C. Novak, Chairman, CEO, and President of Yum! Brands Inc., was the Commencement speaker.

President Todd announced that UK will have its first December graduation ceremony this year.

New UK Institute Will Train Next Generation of Power and Energy Engineers

The UK College of Engineering has received nearly \$2.5 million from the U.S. Department of Energy to establish a new institute to train the next generation of power engineers. This fits into the strategy that energy has got to be one of the real components of the Top 20 push going forward. Energy is an important area for the state. Electrical and Computer Engineering Professor L. E. Holloway is to be congratulated on receiving this amount of money for the university.

Toyota USA Foundation Gives \$500,000 to Program to Improve Math, Science, Teaching

Toyota USA Foundation has awarded a \$500,000 grant to a UK program designed to help K-12 teachers develop more effective methods of teaching math and science in 13 central and northern Kentucky urban school districts. John Yopp and Mary John O'Hair receive a lot of credit for the university getting this gift. This is the largest gift that Toyota's Foundation awards.

National Science Foundation Chooses Five UK Students for Graduate Research Grants

Five UK students will receive \$100,000 government-funded National Science Foundation (NSF) Graduate Research Fellowships to support research-based master's or doctoral degrees.

Coalition Report Regales Three UK Spinoff Firms for Using Grants for Economy Gains

UK spinoff companies Allylix Inc., Mersive Technologies, and AllTranz Inc. are featured in a report released by The Science Coalition. The report suggests that one of the best ways the United States can foster long-term economic growth is through investment in the basic research that leads to innovation and job creation. These three companies have been in formation at UK. They come out of the College of Agriculture, College of Engineering, and College of Pharmacy.

Three UK Students are Recognized by Prestigious Two-year Goldwater Scholarships

Three UK students were recognized by the Barry M. Goldwater Scholarship and Excellence in Education Program. One was named a Goldwater Scholar, and two other students received honorable mention.

Student is Named 2010 Beckman Scholar, Gets \$19,300 to Support Research

Agriculture biotechnology junior Philip Houtz has been named the 2010 Beckman Scholar at UK and will be given \$19,300 over 14 months to support his own scientific research project. Professor Bruce Webb, Department of Entomology, has been the mentor for Mr. Houtz.

President Todd noted that Dr. Yanarella was presented the 2010 William E. Lyons Award for Outstanding Service by the UK Martin School for Public Policy. There is only one person selected each year to receive this award. Dr. Yanarella received a round of applause from the Board.

E. Appointment of Dean of the College of Fine Arts (PR 3)

President Todd recommended that Dr. Michael S. Tick be appointed as Dean of the College of Fine Arts, effective July 1, 2010.

Dr. Tick is currently the Chair of the Department of Theatre at Louisiana State University and the producing artistic director of Swine Palace, which is a non-profit professional company serving greater Baton Rouge and supporting the educational mission of the department. Dr. Tick has a history of fundraising.

Ms. Haney moved approval of PR 3. Ms. Patterson seconded her motion, and it carried without dissent. (See PR 3 at the end of the Minutes.)

F. Appointment of Vice President for Student Affairs (PR 4)

President Todd recommended that Dr. Robert C. Mock, Jr. be appointed as Vice President for Student Affairs, effective July 1, 2010. He informed the Board that there were approximately 70 candidates for this extremely important position.

Dr. Mock was very impressive throughout the entire interview. He is currently the Associate Vice Provost for Student Affairs at the University of Arkansas where he has spent a lot of his career.

Mr. Smith moved approval of PR 4. Mr. Stuckert seconded the motion, and it carried without dissent. (See PR 4 at the end of the Minutes.)

G. Reappointment to Board of Directors University of Kentucky Research Foundation (PR 5)

President Todd said that PR 5 is the recommendation that the Board of Trustees approve the reappointment of Hollie Swanson to the Board of Directors of the University of Kentucky Research Foundation (UKRF) for a three-year term ending June 30, 2013. Dr. Swanson has been serving on the UKRF Board and has done a fine job. She is also the newly elected chair of the University Senate Council.

Mr. Shoop moved approval of PR 5. Mr. Branscum seconded the motion, and it carried without dissent. (See PR 5 at the end of the Minutes.)

President Todd congratulated Dr. Swanson and said he looked forward to working with her.

H. Naming of University Property (PR 6)

President Todd said that the recommendation is that the Board of Trustees approve changing the name of the Livestock Disease Diagnostic Center building on Newtown Pike to the University of Kentucky Veterinary Diagnostic Laboratory. This name change was requested by the College of Agriculture Dean Scott Smith. With some funding from the state government, the Center will be expanded before the World Equestrian Events. The Center is vital to the equine industry.

Mr. Gatton moved approval of PR 6. Mr. Dawson seconded the motion, and it carried without dissent. (See PR 6 at the end of the Minutes.)

I. Approval of Patent License Agreement (PR 7)

President Todd said that PR 7 is a unique situation. Dr. Brockman had an idea that he shared with professors in engineering, and they came up with an idea that was patentable. This recommendation is to follow University policy for Board members doing business with the institution and make sure that there is full transparency. The Ethics Committee has reviewed it, and it is an admirable thing to take place. President Todd encouraged more Board members with ideas to do the same.

He recommended that the Board of Trustees approve the draft license agreement between the University of Kentucky Research Foundation and Brockman-Hasting, LLC, a limited liability company which is owned in part by Board of Trustees member Dr. Brockman. The license agreement grants patent rights for an implantable intraocular pressure sensor invented through the collaborative efforts of Dr. Brockman and UK employees.

Mr. Stuckert moved approval. His motion, seconded by Ms. Curris, passed without dissent. Dr. Brockman abstained from voting. (See PR 7 at the end of the Minutes.)

J. Candidates for Degrees (AACR 1)

Penny Brown, chair of the Academic Affairs Committee, said that AACR 1 is a recommendation that the president be authorized to confer upon each individual whose name appears on the list the degree to which he or she is entitled, upon certification by the university registrar that the individual has satisfactorily completed all requirements for the degree for which the application has been made and as approved by the elected faculty of the University Senate and the Academic Affairs Committee of the Board of Trustees.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval of AACR 1. Dr. Sachatello seconded her motion, and it carried without dissent. (See AACR 1 at the end of the Minutes.)

K. Candidates for Degrees – Western Kentucky University/University of Kentucky Joint Engineering Programs (AACR 2)

Ms. Brown said that AACR 2 is the recommendation that the president be authorized to confer upon each individual whose name appears on the list the degree to which he or she is entitled upon certification by the university registrar that the individual has satisfactorily completed all requirements for the degree for which application has been made and as approved by the elected faculty of the University Senate and the Academic Affairs Committee of the Board of Trustees.

This is a joint program with Western Kentucky University (WKU) and the University of Kentucky. This program was developed to encourage the efficient resources to meet the statewide demand for engineering professionals. The diplomas will be awarded at WKU.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval of AACR 2. Her motion, seconded by Mr. Dawson, carried without dissent. (See AACR 2 at the end of the Minutes.)

L. Candidates for Degrees – Bluegrass Community and Technical College (AACR 3)

Ms. Brown said that AACR 3 is a recommendation for the candidates for degrees at the Bluegrass Community and Technical College. There are four students graduating. The recommendation is that the president be authorized to confer upon each individual whose name appears on the list the degree to which he or she is entitled, upon certification by the Kentucky Community and Technical College System (KCTCS) Board and the University Registrar that the individual has satisfactorily completed all requirements for the degree for which application has been made and as approved by the elected faculty of the University Senate and the Academic Affairs Committee of the Board of Trustees.

On behalf of the Academic Affairs Committee, she moved approval of AACR 3. Dr. Pease seconded her motion, and it carried without dissent. (See AACR 3 at the end of the Minutes.)

M. Academic Degree Recommendation (AACR 4)

Ms. Brown said that AACR 4 is the recommendation that the Board of Trustees approve the establishment of a Bachelor of Arts/Bachelor of Science with a major in Japanese Language and Literature in the College of Arts and Sciences, effective Fall 2010 semester. Interest in Japan throughout the state and among University of Kentucky students has been very strong for some time. The massive economic and cultural impact of the Japanese corporate presence in Kentucky over the last 20 or so years is one major source for this interest.

This program has the approval of the appropriate councils and the University Senate and has completed the 45-day review by the Council on Postsecondary Education. The provost of the University supports this recommendation.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval. Dr. Yanarella seconded the motion, and it carried without dissent. (See AACR 4 at the end of the Minutes.)

N. Change in Degree – College of Agriculture (AACR 5)

Ms. Brown said that AACR 5 recommends that the Board of Trustees approve the following actions, effective in the Fall 2010 semester:

- Change the name of the Master of Science degree in Animal Sciences with a major in Animal Sciences to Master of Science degree with a major in Animal and Food Sciences.
- Change the name of the Doctor of Philosophy degree with a major in Animal Sciences to Doctor of Philosophy degree with a major in Animal and Food Sciences.

This proposal has the approval of the Graduate Council, Senate Council, and University Senate, and the provost supports the recommendation.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval of AACR 5. Mr. Shoop seconded the motion, and it carried without dissent. (See AACR 5 at the end of the Minutes.)

O. Change in Degree – College of Education (AACR 6)

Ms. Brown said that AACR 6 is a recommendation that the Board of Trustees approve a change in the name of the Master of Science in Education degree with a major in Education – Secondary Education to Master of Science in Education degree with a major in Science, Technology, Engineering, and Mathematics Education.

This proposal has the approval of the Graduate Council, Senate Council, and University Senate. The provost also supports this recommendation.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval. Ms. Haney seconded the motion, and it carried without dissent. (See AACR 6 at the end of the Minutes.)

P. Change in Degree – College of Fine Arts (AACR 7)

Ms. Brown said that AACR 7 is a recommendation that the Board of Trustees approve a change in the name of the Doctor of Philosophy degree with a major in Musicology to Doctor of Philosophy degree with a major in Musicology and Ethnomusicology, effective in the Fall 2010 semester.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval. Ms. Patterson seconded the motion, and it passed without dissent. (See AACR 7 at the end of the Minutes.)

Q. Establishment of the Center for Interprofessional Healthcare Education, Research, and Practice (AACR 8)

Ms. Brown said that AACR 8 is a recommendation that the Board of Trustees approve the establishment of the Center for Interprofessional Healthcare Education, Research, and Practice in the Office of the Provost. The primary work of the Center will be to design, facilitate, coordinate, promote and evaluate Interprofessional Healthcare Education, Research, and Practice.

The proposal has been reviewed and recommended by the Senate Committee on Academic Organization and Structure and the Senate Council. The University Senate approved the proposal based upon its academic merits. The Senate did not endorse the establishment of the Center based upon its non-academic merits. The provost of the University supports the establishment of the Center.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval of AACR 8. Ms. Young seconded the motion, and it carried without dissent. (See AACR 8 at the end of the Minutes.)

R. Change of Organizational Structure of the Graduate Center for Biomedical Engineering (AACR 9)

Ms. Brown said that AACR 9 is a recommendation that the Board of Trustees approve the transfer of administrative oversight for the Graduate Center for Biomedical Engineering from the Graduate School to the College of Engineering, effective July 1, 2010.

The proposal has been reviewed and recommended by the Senate Committee on Academic Organization and Structure and the Senate Council and recommended for approval by the University Senate. The provost supports this recommendation.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval of AACR 9. Mr. Stuckert seconded the motion, and it carried without dissent. (See AACR 9 at the end of the Minutes.)

S. Change in Name of an Educational Unit (AACR 10)

Ms. Brown said that AACR 10 is a recommendation that the Board of Trustees approve the change in the name of the Cardiovascular Research Center to the Dr. Siby and Becky Saha Cardiovascular Research Center. Dr. and Mrs. Saha have committed gifts and pledges totaling \$1 million to establish an endowment.

The proposal has been approved by the faculty in the unit, the leadership of the College and UK HealthCare, and reviewed and endorsed by the Senate Council on behalf of the University Senate. The provost of the University supports this recommendation.

On behalf of the Academic Affairs Committee, Ms. Brown moved acceptance of AACR 10. Dr. McCorvey seconded her motion, and it carried without dissent. (See AACR 10 at the end of the Minutes.)

T. Proposed Revision to Administrative Regulation: Lecturer Series Faculty (AACR 11)

Ms. Brown said that AACR 11 is a recommendation that the Board of Trustees approve the revision of Administrative Regulation (AR) 2:9, Lecture Series Faculty. The proposed revision consists of clarifying the procedure, criteria, and conditions for the Lecturer Series. The revision will help ensure that the University attracts and retains outstanding Lecturer Series faculty and bring to this series the appropriate professional recognition within the University.

The proposed revision is intended to:

- Clarify that educational units that employ faculty in the Lecturer Series shall establish by majority vote the maximum number or percentage of Lecturer Series faculty that may be employed by the unit;
- Require faculty in the Lecturer Series to hold a terminal degree or professional experience appropriate to the field of assignment;
- Require regular faculty performance reviews (annually for faculty at the rank of Lecturer and biannually for Senior Lecturers);
- Permit rolling contracts of up to two (2) years for faculty employees at the rank of Lecturers and up to three (3) years for Senior Lecturers after an initial four-year period of satisfactory performance, and identify a process of intervention when a faculty employee on a rolling contract receives an unsatisfactory performance review.

On behalf of the Academic Affairs Committee, Ms. Brown moved approval of AACR 11. Ms. Haney seconded the motion, and it carried without dissent. (See AACR 11 at the end of the Minutes.)

Dr. Yanarella stated that this particular recommendation and proposal went through a very careful process of review by faculty, and there was a considerable amount of give and take and negotiations over the final revision. In his opinion, it meets with overall approval of the faculty.

U. Finance Committee Report

Mr. Branscum, chair of the Finance Committee, reported that the Committee met that morning with all members present. There were three consent items of gifts and pledges that total \$1.45 million of which \$240,000 is eligible to be matched through the Endowment Match Program. On behalf of the University, he thanked the donors for their generous support. He continued his report with FCR 4.

V. Approval of Lease for Department of Social Work (FCR 4)

Mr. Branscum said FCR 4 recommends that the Board authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease between the University's Department of Social Work and Blazer Parkway Venture for space located at 3470 Blazer Parkway in Lexington. The Department of Social Work has occupied the space since 2002. The total annual cost of the lease is \$181,200 for 10,910 square feet of clinical and administrative space. The University advertised this lease renewal and received no other bids.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 4. The motion was seconded by Mr. Stuckert and carried without dissent. (See FCR 4 at the end of the Minutes.)

W. Approval of Lease for Department of Psychiatry (FCR 5)

Mr. Branscum said that FCR 5 recommends that the Board authorize the Executive Vice President for Finance and Administration to negotiate and execute another lease between the University and Blazer Parkway Venture for space located at 3470 Blazer Parkway in Lexington.

The Department of Psychiatry has occupied this space since 1999. The rental rate is \$18.25 per square foot for 25,474 square feet of clinical and administrative space and \$17.75 per square foot for 546 square feet of support space. The University advertised this lease and received no other bids. The total annual rate will be \$474,592, and this will be funded from clinical revenues.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 5. Mr. Dawson seconded the motion, and it carried without dissent. (See FCR 5 at the end of the Minutes.)

X. Lease-Purchase of High Performance Research Computer (FCR 6)

Mr. Branscum said that FCR 6 is a recommendation for approval to acquire a High Performance Research Computer which will cost \$2.6 million. The supercomputer will be acquired by lease-purchase, and UK will pay \$1.3 million annually for two years.

The current supercomputer lease expires July 31, 2010. A request for proposals for a new supercomputer was issued, and a committee of faculty assessed the technical and financial responses to ensure that the selected equipment will meet the needs of research faculty. The Debt Management Committee has reviewed the acquisition and determined that it is consistent with the University's Debt Policy.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 6. Ms. Patterson seconded the motion, and it carried without dissent. (See FCR 6 at the end of the Minutes.)

Y. Acceptance of Interim Financial Report for the University of Kentucky for the Nine Months Ended March 31, 2010 (FCR 7)

Mr. Branscum said that FCR 7 recommends that the financial statements which include the University and affiliated entities with comparative totals for the nine months ended March 31, 2010 be accepted. A summary of the financial statements was provided separately.

The balance sheet remains sound with assets of \$3.6 billion, liabilities of \$1.1 billion, and fund balances of \$2.3 billion. Since March 2009, fund balances have increased \$350 million, or 18 percent, primarily due to an increase of \$223 million or 38 percent in endowment funds. Plant funds have increased \$73 million.

During the first nine months ended March 31, 2010, the University has realized 77 percent of the revenue estimate and expended 68 percent of the approved \$2.4 billion budget. Financial operations are consistent with the budget plan, and the university's financial condition remains excellent.

On behalf of the Finance Committee, Mr. Branscum recommended acceptance of FCR 7. His motion, seconded by Mr. Shoop, carried without dissent. (See FCR 7 at the end of the Minutes.)

Z. Patient Care Facility Project (FCR 8)

Mr. Branscum said FCR 8 requests approval to initiate the first phase of construction of the operating room suite and related support space in the new Patient Care Facility and approval to increase the total scope of the Patient Care Facility project from \$532.3 million to \$570 million.

The Operating Room project was initially deferred due to the addition of the two patient care floors. The Operating Room project is now recommended to be initiated to provide capacity for planned growth and to provide a new consolidated family waiting area for surgical services.

The scope of the Operating Room project is not expected to exceed \$35 million. The \$37.7 million increase in the total scope of the Patient Care Facility project is requested in the event of any unforeseen complications.

The Operating Room project will be funded by an internal loan of up to \$35 million to UK HealthCare which is expected to be repaid within 10 years. Any additional funds, if needed, will be provided by UK HealthCare's fund balances. Pursuant to the University's Debt Policy, the Debt Management Committee has reviewed and supports the proposed loan.

Any increase in the \$570 million scope will be presented to the Board for approval prior to implementation.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 8. Mr. Stuckert seconded the motion, and it carried without dissent. (See FCR 8 at the end of the Minutes.)

AA. Easement Authorization for Kentucky American Water Company Water Line (Eden Shale Farm) (FCR 9)

Mr. Branscum said that FCR 9 recommends that the Board authorize the Executive Vice President for Finance and Administration to convey approximately 3.75 acres for a permanent utility easement to the Kentucky American Water Company. The easement will be for the construction of a water line along the western boundary of the university's Eden Shale Farm in Owen County, Kentucky.

On behalf of the Finance Committee, he recommended approval of FCR 9. Mr. Dawson seconded the motion, and it passed without dissent. (See FCR 9 at the end of the Minutes.)

BB. Resolution Establishing Authority for Banking and Investment Transactions (FCR 10)

Mr. Branscum said that as a result of National City Bank's acquisition, PNC Bank's attorneys have requested a clarification of prior resolutions approved by the Board. While the prior resolutions authorized the Treasurer to establish accounts, the resolutions did not explicitly state that the Treasurer had authority to sign agreements for treasury management services. This resolution makes this authority explicit rather than implied.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 10. Mr. Shoop seconded the motion, and it carried without dissent. (See FCR 10 at the end of the Minutes.)

CC. Disposal of Personal Property (FCR 11)

Mr. Branscum said that FCR 11 recommends that the Board approve an annual plan for the routine disposal of personal property, including the method of disposition. "Personal property" means moveable or fixed equipment and supplies. The various methods of disposal were listed in an attachment to the FCR.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 11. Mr. Gatton seconded the motion, and it carried without dissent. (See FCR 11 at the end of the Minutes.)

DD. Capital Construction Report (FCR 12)

During the quarter ending March 31, 2010, there were four new contracts for design; two new contracts for construction; one contract was completed; and 45 change orders greater than \$25,000.

The six new contracts were:

- A \$1.4 million construction contract with Denham Blythe to renovate the research labs in the Chemistry-Physics Building;
- A \$44,200 design contract with Pearson & Peters Architects for the renovation of the third floor of the Little Library;

- A \$150,000 design contract with Stengel-Hill for the renovation of the Nursing Building;
- A \$554,253 design contract with JRA Architects and a \$398,000 construction contract with Codell Construction for the Wildcat Coal Lodge student housing project; and
- A \$42,000 design contract with Brown & Kubican to renovate Parking Structure # 3 for UK HealthCare.

In addition, the \$888,439 contract with Churchill McGee for the Schmidt Vocal Art Center was completed.

While the number of change orders appears large, over 30 of the 45 change orders are associated with the patient care facility and total approximately \$2.5 million. When the project was initiated, the Board was advised that there would be many such change orders as the project progressed.

On behalf of the Finance Committee, Mr. Branscum recommended acceptance of the quarterly Capital Construction Report. Ms. Haney seconded the motion, and it carried without dissent. (See FCR 12 at the end of the Minutes.)

EE. Patent Assignment Report (FCR 13)

Mr. Branscum said that Vice President for Research James Tracy presented the quarterly Patent Assignment Report. The report included nine patents. During the quarter that ended March 31, 2010, the University filed 25 patent applications, 16 patents were issued, and patent receipts total \$1.2 million.

On behalf of the Finance Committee, Mr. Branscum recommended acceptance of the quarterly Patent Assignment Report. Ms. Curris seconded the motion, and it carried without dissent. (See FCR 13 at the end of the Minutes.)

FF. Approval of Investment in Coldstream Laboratories, Inc. (FCR 14)

Mr. Branscum said that FCR 14 is requesting that the Board authorize the president to transfer up to \$6 million to the University of Kentucky Research Foundation to be used for investment in Coldstream Laboratories, (CLI) Inc. CLI was formed to expand and commercialize pharmaceutical manufacturing, research, and development. It is building a client base but has not yet become self-sufficient. Although CLI had hoped to have a positive cash flow by March 2010, the economic recession has slowed CLI's progress. The requested investment will be funded by UK HealthCare.

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 14. Mr. Stuckert seconded the motion, and it passed without dissent. (See FCR 14 at the end of the Minutes.)

GG. Fiscal Year 2010-2011 Operating and Capital Budget (FCR 15)

Mr. Branscum said that Vice President and Treasurer Angie Martin gave a presentation on the recommended 2010-11 operating and capital budget.

The operating budget totals \$2.5 billion, an increase of \$38.5 million or 1.6 percent compared to the current fiscal year. This is the university's smallest percentage increase on record. The small increase is primarily caused by limited opportunities for expansion due to lack of additional research and clinical space.

The change in undesignated general fund revenues totals \$8.9 million including a reduction in state support, increased tuition revenue, and a decline in investment income. The biennial budget recently passed by the General Assembly reflects a 1.4 percent reduction in state support or \$4.4 million.

The undesignated general fund fixed expenses and critical investments total \$15.9 million. One of the bright spots in the budget is General Education Reform. The fiscal year 2010-11 budget includes \$2.7 million to partially fund the new General Education curriculum. This new curriculum is estimated to cost \$5 million when fully implemented, mostly to add small-group sessions to large lecture classes and to improve the teaching of communication skills.

With \$8.9 million of net revenues and \$15.9 million of increased expenses, the University is once again facing a shortfall. This \$7 million shortfall will be covered by reallocating base budgets.

Fiscal year 2010-11 will be the third consecutive year that colleges and departments have had to reallocate funds. The cumulative amount reallocated now totals over \$30 million.

In addition, over \$17 million of the university's state support will be funded with one-time federal stimulus funds.

Given the uncertainties that exist, in order to be good financial stewards of the university's resources, increases in recurring expenses are being held to a minimum. Thus, the budget does not include base salary increases for the majority of the faculty and staff. However, a one-time payment of up to \$1,000 for eligible faculty and staff making less than \$75,000 is included in the budget.

The uncertainties that continue to exist include additional cuts in state support, when the national and state economies will recover, and future increases in tuition and fees. The pattern of no base salary increases for the majority of faculty and staff cannot continue. Unfortunately, the administration does not foresee any significant increases in additional revenues in the short-term, but that will not erode our resolve.

Mr. Branscum read the statement by President Todd that was so eloquently stated in the Budget Message, "We remain faithful to the cause of building a better University as a means to a better Kentucky. In that spirit, this budget does not accomplish all that we should, but it does accomplish all that we can. Let us be mindful, that every student that sits in our classrooms and works in our laboratories and sleeps in our residence halls is the culmination of the love and faith of

many. We must reciprocate that trust in us with an unyielding determination to give our all, unencumbered by the distractions of economic circumstance.”

On behalf of the Finance Committee, Mr. Branscum recommended approval of FCR 15. Mr. Shoop seconded the motion, and it carried without dissent. (See FCR 15 at the end of the Minutes.)

At the conclusion of Mr. Branscum’s Finance Committee report, Dr. Yanarella made special note of the gift from the Estate of Joanne I. Bell in FCR 2. Ms. Bell was a leader for women, not only on campus, not only in the community, but also in the state. She was instrumental in starting up the women’s network. Her efforts to begin a Commonwealth Institute for Public Policy issues were cut short by her untimely death. He wanted to make note of her second request that her estate acknowledge her tremendous role on campus and the wider community.

HH. Proposed Revision to Administrative Regulation: University of Kentucky Retirement Plan (HRCR 1)

Dr. McCorvey, who chaired the Human Resources Committee in Mr. Roberts’ absence for military duty, said that the Committee met that morning, and all members of the Committee were present. HRCR 1 recommends that the Board approve changes to the University of Kentucky Administrative Regulation (AR) 3:1, University of Kentucky Retirement Plan. Changes to this AR include elimination of the old “Group I, II, and III” personnel language, which is no longer relevant to any current employees, and further clarification of procedures for contributions for employees on leave. These changes will also reduce the AR to the “basic” tenets for the retirement plan by removing items that are now included in the official “plan documents” for each retirement plan and that are governed by the plan carriers and federal law.

The University retirement plan has been defined in AR 3:1 and has been updated at least annually to reflect changes in Internal Revenue Code (IRC) regulations and other minor plan modifications (e.g., retirement plan loans) that are normally documented in “plan documents.” Now that the law has changed, each retirement plan has a separate plan document; thus, the AR can be edited to reflect the higher-level tenets of the plans, which will not require continuous AR approval. The only substantive change in this revision is the inclusion of language which permits employees on scholarly leave to make up retirement contributions and receive the university match when they return from leave. All other changes are in structure or form to reflect the current practice and administration of the retirement benefits.

Dr. McCorvey moved approval of HRCR 1. His motion was seconded by Dr. Pease and carried without dissent. (See HRCR 1 at the end of the Minutes.)

II. Investment Committee Report

Dr. Brockman, chair of the Investment Committee, said that the Investment Committee met that morning to review performance results and conduct other business. He reported that the Endowment had a net market value of \$812.1 million as of April 30, 2010. The Endowment has participated in the market rebound during the current fiscal year, returning 20.5 percent for the 10 months ended April 30th.

The Committee approved an extension of investment manager contracts for the upcoming fiscal year and termination of one investment manager contract due to the departure of the lead portfolio manager and other organizational issues. The Committee authorized the investment staff and our consultant to issue a Request for Proposals for a new manager and also to coordinate the immediate withdrawal and temporary investment of the funds, if necessary.

The Investment Committee went into closed session to hear presentations from finalists in the real estate manager search. Subsequently, the Committee authorized the Executive Vice President for Finance and Administration, or his designee, to enter into contract negotiations with two new real estate managers that deploy debt strategies appropriate for the current market environment. The new managers will be hired as a result of a Request for Proposals process under the supervision of the university's Purchasing Division.

JJ. Code of Student Conduct Revision (SACR 1)

Ms. Haney, chair of the Student Affairs Committee, said that SACR 1 recommends that the Board of Trustees approve the attached revision to the *Code of Student Conduct*, effective July 1, 2010. The Student Affairs Committee of the Board reviewed the revision at its April 27, 2010 meeting, and based on the recommendation of the Student Code Committee, recommends approval of the revisions to the Board of Trustees.

The *Code of Student Conduct* ("Code") is the document in which the Board states the rules, procedures, rights, and responsibilities governing non-academic relationships between the University and students. The *Code* defines prohibited behavior and specifies the procedural due process to which students and organizations are entitled in the disciplinary process. The *Code* also specifies the sanctions that may be imposed when a student or an organization is found responsible for a violation.

The last complete review of the *Code* occurred in 2003-2004, culminating in a new *Code* effective July 1, 2005. In order to maintain a Code that remains current with national best practices and in compliance with Federal and State laws and University regulations, the *Code* must undergo regular and thorough review. The Student Code Committee has been meeting for the past year to review the *Code* in its entirety and has completed a multifaceted assignment designed to:

- Align the current *Code* with national best practices;
- Ensure that the Code is in compliance with recent changes to Federal and State law (e.g., the Clery Act, Title IX, policies issued by the Office of Civil Rights);
- Incorporate recent University policy changes (e.g., AR 6:2 [Policy of Sexual Assault, Stalking and Relationship Violence] and the Interim Guidelines for Handling Allegations of Student-on-Student Sexual Assault, Stalking and Relationship Violence, and AR 6:5 [Tobacco Policy]); and
- Clarify the judicial procedures associated with alleged violations of the Code.

The current Student Code Committee, consisting of UK students, faculty, and staff, supports the revised *Code of Student Conduct*, as well as the Student Government Association, University Senate, and Division of Student Affairs.

Ms. Haney moved approval of SACR 1. Mr. Smith seconded the motion, and it carried without dissent. (See SACR 1 at the end of the Minutes.)

Ms. Haney reported that the Committee received an update on the activities of University Health Services (UHS). She noted that UHS previously was under the umbrella of the Student Affairs Committee. It is now under University Health Affairs, but the Committee maintains a strong interest because a healthy student is a good student.

There were approximately 41,000 student visits to UHS this school year. There was a huge spike in visits during the month of November due to the H1N1 virus. During the time of the outbreak of the H1N1 virus, UHS saw every student who came to be diagnosed. She noted that almost 99 percent of the students will be seen for treatment the day that they call for an appointment.

Ms. Haney reported that there have been various realignments within this system, and UHS has been able to realize year-to-date budget savings of approximately \$125,000. She pointed out that some of this money will finance the UHS operation until UHS begins receiving the next set of student fees. She noted that this is not extra funds floating around. She said that there has been a drop in the cost of per student visit; therefore, the student health fee has been decreased from \$180 to \$175.

UHS has a new health educator for campus outreach. UHS also has a new website which should be up and operational by the end of June.

UHS continues to collaborate with the Johnson Center, the Counseling Center, and other areas within Student Affairs. It is going to increase its presence on campus, and the Kentucky Kernel will begin publishing bi-weekly articles during the academic year.

UHS has been active in pursuing a new health insurance plan for students, resulting in an increase of 12 percent with the new carrier as opposed to a 60 percent increase that the previous carrier quoted. Questions were brought up about services for graduate students, and there is coverage available for graduate students and their families. UHS is participating in summer advising conferences.

UHS is working on pharmacy issues on campus regarding students sharing prescription medications with other people. It is developing new programming involving all types of minority health care, veteran care, QPR training, etc. This is certainly a valuable service for the students and their families.

Student Government President (SGA) Ryan Smith gave an update on summer activities. This is their time to get organized and push current initiatives that they have been working on to see what worked last year and what will be presented this year. Mr. Smith and other SGA officers have recently returned from a student leadership retreat. They will be meeting with incoming freshmen to promote a safe driving program.

Ms. Haney concluded her remarks by thanking Dean Victor Hazard, interim vice president for student affairs, and his staff. They have been very professional and a delight to work with the last three years. UK is fortunate to have such a hardworking staff.

KK. University Health Care Committee Report

Ms. Young, chair of the University Health Care Committee, reported that the University Health Care Committee met at Keeneland on Monday, June 7th for an all day retreat. Since most of the Board members were present, she said that she would just touch on the highlights of the day.

The retreat began with a presentation by James Field of the Health Care Advisory Board, a national health care organization, based in Washington, D.C. In short, Mr. Field reported that health care reform will naturally lead to significant changes in health care as it is known today. No one knows specifically what those changes will be. Mr. Field was confident that these changes will be directed by two things: Hospitals will be held accountable for costs and their effectiveness at controlling these costs, and hospitals will be judged by the quality of their care and reimbursed accordingly. Mr. Field confirmed that the medical centers that are proactive in preparing for this change will fair the best in the coming years.

Following his report, Dr. Karpf reported on the success of UK HealthCare and the UK HealthCare Strategic Plan over the past six years. He reviewed the original vision for health care and discussed the progress made during this time. He then presented the refined vision for the future of UK HealthCare. This updated plan basically moves the market boundaries beyond the traditional of Bluegrass and Eastern Kentucky regions into Western Kentucky and bordering states.

The Committee next heard reports from the chairs of a number of specialties at the UK Chandler Medical Center, including the Neuroscience Institute, the Gill Heart Institute, the Markey Cancer Center, the Kentucky Children's Hospital, Maternal Field Medicine, and Neonatology, Solid Organ Transplant, and Trauma.

Dr. Richard Lofgren, vice president for healthcare operations, presented a report on UK HealthCare's critical success factors. He reviewed signature metrics, quality, and safety performance, service excellence, and operational efficiencies.

Associate Vice President for Facilities Murray Clark reported on the new patient care facility. He reported that the new hospital is on schedule and approximately \$2 million under budget. The Emergency Department is scheduled to open on schedule in July 2010.

Chief Information Officer for UKHC Tim Tarnowski brought the Committee up-to-date on information technology and implementation of electronic medical records at the University Hospital and the Good Samaritan Hospital. This process is scheduled to be complete in 2011 although it is ongoing.

Strategic Marketing Director Bill Gombeski reported on the success of strategic marketing efforts for UK HealthCare since 2005, and Dr. Emery Wilson presented an overview of the state of UK College of Medicine.

Senior Vice President for Finance and Administration Sergio Melgar presented the April 2010 financials in which he reported that the hospital continues to do very well and is in line to have a record year with earnings well beyond the budgeted \$32.7 million. In fact, the hospital system has reached \$40 million in earnings in April, two months before the year end. Much of this increase in revenue has been driven by UK HealthCare success at renegotiating reimbursement from commercial payers.

Mr. Melgar also reported that discharges were up in April. The census was high, and FTE's is flat. UK HealthCare posted \$5.2 million in income from operations for the month. Current month investment income is \$2.3 million, and year-to-date investment income is \$33.3 million. Net assets for the month increased by \$6.2 million, and for the year, net assets have increased by \$59 million for a margin of 8.5 percent.

Mr. Melgar then presented the UK HealthCare 2011 budget. Fiscal year 2011 budget operating revenue is expected to be \$873 million or 5 percent over the fiscal year 2010 forecast. This budget reflects a 9 percent increase in personnel costs versus 2010 due to several factors, including a 3 percent merit pool assumption, increased health insurance contributions and rate increase, increased campus benefit fee due to a change in retirement reporting requirements, and increased FTEs to support the patient care facility. The budget also reflects increased costs associated with the opening of the patient care facility. The budget reflects a total margin of \$11 million or 1.2 margin. This \$11 million total margin includes the impact of the interest expense from the \$27 million debt service payment for the patient care facility pavilion A and increased appreciation expense of \$12 million, which includes \$7.6 million for the building.

Mr. Melgar also pointed out several system risks that the hospital could face, including federal health care reform, state health care reform, state budget, state economic health, investment performance, and increased competitiveness of other providers.

The Committee voted to approve the inclusion of 8 ORs and 1 hybrid OR in phase 1 of the patient care facility. The Committee also voted to accept new medical staff appointments as presented by Dr. Nelson.

Finally, a representative of the University HealthCare Consortium presented a performance snapshot of UK HealthCare in which he reported that UK HealthCare has been on track in recognizing the strategic importance of becoming a regional center for complex, quaternary care, developing strategic relationships with community hospitals, and focusing on core of business. He pointed out that UK has an opportunity to increase revenue by paying attention to coding and documentation of cases and needs to continue to pay attention to readmissions, mortality, and claims data. After a long but information rich day, the meeting adjourned at 4:15 p.m.

Mr. Stuckert complimented Dr. Karpf on his vision for UK HealthCare and its execution thereof. UK is quite fortunate in having Dr. Karpf heading up the UK HealthCare complex.

Dr. Karpf thanked Mr. Stuckert but said he really needed to thank his team and not him.

Ms. Ball thanked the Board members who were able to attend the retreat.

LL. Athletic Association Board of Directors Report

Mr. Dawson, trustee representative on the UK Athletic Association Board of Directors, reported that the Board of Directors met May 13, 2010.

At that meeting, Athletics Director Mitch Barnhart discussed the various sports that were still in progress. He read a press release regarding the reorganization of the Men's Basketball operations with Deputy Director of Athletics Rob Mullens overseeing the day-to-day operations, and Rod Strickland transitioning from assistant coach to an operational position.

Mr. Mullens presented the 2010 budget adjustments and financial projections as well as the 2011 budget for Athletics, and they were approved.

Mr. Butler distributed an amendment and resolution to the Articles of Incorporation of the Athletic Association. The Articles stated that all assets would go to UKRF if dissolution occurred. The amendment and resolution called for the assets to go to UK instead of UKRF. The Board unanimously approved the amendment and resolution.

Head Women's Basketball Coach Matthew Mitchell addressed the Athletic Board and provided a brief recap of the past season. He thanked President Todd and the Athletic Board for providing the necessary resources for student-athletes to prosper.

MM. The Fund for Advancement of Education and Research in the University of Kentucky Medical Center

Ms. Ball said that the chair of the Board is mandated to serve on the FUND. She reported that the Fund for Advancement of Education and Research in the University of Kentucky Medical Center (The FUND) was established in 1959 as a nonprofit corporation to promote, advance, and support the educational, research, charitable, and other purposes of the University of Kentucky Medical Center.

The FUND is the corporate entity that accepts and ensures accountability for the unrestricted revenues associated with the professional services provided by faculty who are members of the practice plans in the Colleges of Dentistry, Health Sciences, Nursing, and Pharmacy and by the physicians in the University Health Service. These professional faculty practice plan earnings are utilized for programmatic purposes within the Health Service and in the colleges where the faculty members hold their primary appointments.

The 2010-11 unrestricted FUND budget, as approved by the FUND Board at its annual meeting on May 18, 2010, is \$17.4 million. Of this amount, \$14.3 million, or 82 percent, is generated by clinical programs in the College of Dentistry with the remaining amounts generated by the University Health Service, the Colleges of Pharmacy, Nursing, and Health Sciences, and interest

earnings. The 2010-11 restricted FUND budget is \$4.4 million, and \$4.16 million, or 94 percent, is donated from KMSF to the College of Medicine for purposes of enhancement of programs in that college.

NN. The University of Kentucky Research Foundation Report

Ms. Brown, trustee representative on The University of Kentucky Research Foundation (UKRF) Board reported that the Board met on May 4. Dr. Todd began his remarks by welcoming everyone and also recognizing the work of Vice President for Research Jim Tracy and his team within UK Research Administration. He noted that research expenditures were \$337 million in 2008, which is up from \$160 million when he became president in 2001. By comparison, UK's appropriation from the state is \$310 million this year, and the 2010-11 budget is expected to be \$306 million. It was \$303 million when he became president. This comparison shows that in areas where UK is able to drive its own revenue it does a great job. Dr. Todd emphasized the importance of working with the legislators to convince them that investing in UK is so fundamental to changing the state.

Dr. Tracy highlighted some of the American Recovery and Reinvestment Act (ARRA) awards. As of April 30, 2010, faculty had received 125 competitive ARRA awards totaling \$71,432,472. He discussed Research Administration activities, including the "Research Enrichment Program", designed to return more F&A dollars to academic units for collaborative projects. He described the categories of support funded by the UKRF budget and indicated that 67 percent (\$29.72M) of the fiscal year 2009 budget went directly to faculty and academic unit support.

Dr. Tracy presented the 2010-11 UKRF budget, reporting F&A recovery projected at \$44 million. This is a decrease from fiscal year 2010, projected at over \$46 million as a result of the ARRA awards.

Hollie Swanson, Department of Pharmacology, was reelected to a three-year term as Faculty Member and Angie Martin, Vice President for Financial Operations and Treasurer, was elected Treasurer (a no-voting officer of the UKRF Board).

Ms. Martin reported that the independent audit for the fiscal year that ended June 30, 2009 performed by BKD was rendered an unqualified or "clean" opinion on the UKRF Consolidated Financial Statements. The Research Foundation is in good financial shape and on solid ground. Ms. Martin also explained the IRS Form 990 for fiscal year 2008-09. It is now a requirement that this form be presented to the UKRF board directors.

Details on License Agreements, including information on the current top five revenue producing licenses, were reviewed.

OO. Resolutions

Ms. Ball said there were resolutions for the five individuals retiring from the Board. She said there would be one vote taken at the end of the resolutions and called upon various Board members to read the resolutions.

Resolution for Dr. Robynn Pease

Ms. Curris said it was a great honor to read the resolution of the University of Kentucky Board of Trustees for Dr. Robynn Pease.

WHEREAS, Robynn M. Pease, member of the University of Kentucky Board of Trustees, has served this university, the greater Lexington community, and the Commonwealth of Kentucky with grace and determination, and

WHEREAS, she is only the second person ever elected to the position of staff representative on the Board of Trustees, and

WHEREAS, she has served on the Board of Trustees' Human Resources Committee and University Relations Committee, and

WHEREAS, she serves as director of work life at UK, bringing two decades of experience and dedication in the field to her position, and

WHEREAS, she also continues to teach part-time in the UK College of Social Work, and in the Department of Sociology, College of Arts and Sciences, and

WHEREAS, she is a member of the executive committee of the board of directors of the Nursing Home Ombudsman Agency of the Bluegrass, and

WHEREAS, she is a member of the College and University Family/Work Association, the American Society of Aging Association and is an honorary member of the National Gerontology Academic Honor and Professional Society,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Kentucky expresses its sincere appreciation to Robynn M. Pease and wishes her well in all of her future endeavors and orders that this resolution be made part of the Minutes of the meeting.

Ms. Curris reiterated that it was such a great delight to have been asked to read this particular resolution. Dr. Pease has made a wonderful contribution, and the Board members are glad that she has been with them.

Ms. Pease informed the Board that the second full census work-life survey will be taking place in October, and she hoped to give an update to the Board next year. The work-life survey is one of the metrics on goal three. She referred to the introduction of the budget information and said that work-life satisfaction, commitment of faculty and staff, as well as their satisfaction of their work environment, is part of what is measured as UK's success. She said it had been a pleasure to serve on the Board, and she looked forward to seeing everyone soon. Dr. Pease received a round of applause.

Dr. Ernest J. Yanarella

Dr. McCorvey said it was a great pleasure to read the resolution honoring Ernest J. "Ernie" Yanarella.

WHEREAS, Ernest J. "Ernie" Yanarella, member of the University of Kentucky Board of Trustees, has served the board with distinction and dedication, and

WHEREAS, he has served the board as chair and member of the Academic Affairs Committee, and as a member of the Human Resources Committee, and

WHEREAS, he has been a valued member of the University of Kentucky faculty for 40 years, teaching countless undergraduate and graduate students in political science and earning the Provost's Outstanding Teaching Award, and

WHEREAS, he was selected as the 2009-10 College of Arts and Sciences Distinguished Professor, and as recipient of the 2010 William E. Lyons Award for Outstanding Service by the Martin School of Public Policy and Administration, and

WHEREAS, in his research specialties of political theory and public policy, he is the author of nine books and dozens of journal articles, and

WHEREAS, he is a tireless advocate for environmental quality and sustainability efforts for the university, the Commonwealth, and beyond, and

WHEREAS, he has contributed insight, wisdom, and hard work to the task of reforming the University Studies Program, and

WHEREAS, he has brought further honor and distinction to UK via his service and counsel to the Kentucky Cabinet for Economic Development, the United States Military Academy, and the Canadian Embassy, to name just a few,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Kentucky expresses its sincere appreciation to Ernest J. Yanarella and wishes him well in all of his future endeavors and orders that this resolution be made part of the Minutes of the meeting.

Dr. McCorvey thanked Dr. Yanarella for his service on the Board.

Dr. Yanarella said that it was a bittersweet moment for him. He is reminded of Groucho Marx's favorite expression, "Hello, I must be going." He does not feel, however, that he is leaving. During his 40 years at the University, he has had the opportunity to do a great many things in terms of faculty leadership, and that has certainly been an important part of what he hopes will be his legacy. The other aspect will be general education. He reminded President Todd of his persistence in the Business Plan Committee until President Todd finally told him that he would make between

\$50,000 and \$100,000 available to help jump start the general education reform effort. Being a political scientist, Dr. Yanarella knew he had to come up with a scheme that was right in the middle (\$75,000). This money really did play a very important role in luring this effort forward. He thanked Provost Subbaswamy for his continuing efforts to make this real.

Dr. Yanarella said that one thing he has learned about the Board is the importance of the committee structure and the leadership that is shown by the chairs who have taken on that responsibility. He has served on a number of committees and attended almost all of them. In each committee, he has been just utterly dazzled by the quality of leadership.

Dr. Yanarella addressed each member of the Board and made a brief comment about them. He said that one of the highlights of his four years on the Board has been to be part of an effort that was contributed enormously by Mr. Branscum and this board helping to break the glass ceiling in terms of a woman chair. He said that Ms. Ball has served as chair with great sensitivity, and he is very grateful for the various conversations with her over the last couple of years. He will be sorry to realize that she will be departing as well.

Having been a consensus builder all of his life, he said that it sometimes means that you have to be a staunch advocate of faculty issues. He assured President Todd that where he had to vote in the negative, it was as Abe Vigoda once said in the Godfather "Please tell the Godfather it was business. It was not personal."

Dr. Yanarella thanked First Lady Patsy Todd for her hospitality and even more for her commitment to the betterment of the University in so many ways. He appreciates it, and it is widely acknowledged and understood by the folks at the University. He concluded his remarks by saying, "Let me just say hello. I must be going." Dr. Yanarella received a round of applause.

Resolution for Ann Brand Haney

Mr. Smith said that it was an honor to be able to read the resolution on behalf of Ann Haney. He had the privilege of serving with Ms. Haney on the Student Affairs Committee this past year, and her passion and love for this university is really unparalleled. It has been a privilege to serve alongside her.

WHEREAS, Ann Brand Haney, member of the University of Kentucky Board of Trustees, has served this university, her community, and the Commonwealth of Kentucky with passion and dedication, and

WHEREAS, she has served as chair of the Board of Trustees' Student Affairs Committee, and as a member of the University Health Care Committee, and

WHEREAS, she is a devoted member of the UK Alumni Association, serving as president of the organization in 2004-05, and as treasurer, and

WHEREAS, she is a recipient of the alumni association's Distinguished Service Award, and

WHEREAS, she is a founding member of the Lake Cumberland UK Alumni Club, and

WHEREAS, as co-owner of Haney's Appledale Farm with her husband Don, she has been an active member of her community, devoting countless hours to educational and charitable efforts, and

WHEREAS, this record of service includes being founding director of the Pulaski County Literacy Council, president of the Pulaski County Interagency Council, president of Lake Cumberland Performing Arts, Inc., and community relations director and executive director of the Pulaski County Public Library Foundation,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Kentucky expresses its sincere appreciation to Ann Brand Haney and wishes her well in all of her future endeavors and orders that this resolution be made part of the Minutes of the meeting.

Ms. Haney thanked the Alumni Association. She said that she never would have had the opportunity to serve on the Board if it had not been for that organization. She recalled a comment made by Pam May a few years ago when some people were leaving the Board. Ms. May spoke about the unique experience, bond, and friendship developed when one serves on the board, and indeed, that was very true. Ms. Haney said that she treasured every minute and every second of serving on the Board and getting to know so many Board members in the six years that she had served. It has been a humbling thrill and experience of a lifetime, and she thanked everyone. Ms. Haney received a round of applause.

Resolution for Stephen P. Branscum

Mr. Shoop said it was a distinct honor for him to read the resolution for his very good friend Steve Branscum.

WHEREAS, Stephen P. "Steve" Branscum, member of the University of Kentucky Board of Trustees, has served the board faithfully and admirably as vice chair, and

WHEREAS, he has further served the board with great dedication as chair of the Finance Committee, as chair of the Audit Subcommittee, and as a member of the University Health Care Committee, and

WHEREAS, as president and CEO of Branscum Construction, he is involved not only in economic development across the Commonwealth of Kentucky and in other states, he lends his knowledge and expertise to many charitable and community organizations, and

WHEREAS, he is a current or past board member of numerous organizations and causes, including Habitat for Humanity, the Ephraim McDowell Hospital and hospital foundation, Campbellsville University, the Russell County Chamber of Commerce, and the Kentucky Council on Agriculture, and

WHEREAS, his further service to his community and state includes the Governor's Council for the Associated General Contractors of Kentucky, the Russell County Forward in the Fifth for Education Executive Committee, the Russell County Industrial Development Authority, First BanCorp of Russell Springs, and First National Bank, and

WHEREAS, he is active on the national level with the Associated General Contractors of America,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Kentucky expresses its sincere appreciation to Stephen P. Branscum and wishes him well in all of his future endeavors and orders that this resolution be made part of the Minutes of the meeting.

Mr. Branscum said that the good Lord takes our lives down many paths, and he is so blessed that he had the opportunity to travel this path. It is all about people, and it has been an honor and a pleasure to build relations with those that he would have never had an opportunity to meet. He hopes that he has been able to be just a little part of the growth and the history of the University during the six years he has served on the Board. He also hopes that he can continue to be a little part of that as the University moves forward. He expressed appreciation for the opportunity to get to know each member, and hopefully, be able to continue those relations. Mr. Branscum received a round of applause.

Resolution for Mira S. Ball

Ms. Patterson said it was a huge honor to get to read a resolution of the University of Kentucky for Chair Mira Ball.

WHEREAS, Mira S. Ball, member of the University of Kentucky Board of Trustees, has served her alma mater, her community, and the Commonwealth of Kentucky with honor and distinction, and

WHEREAS, she is the first woman ever elected as chair of the UK Board of Trustees, and

WHEREAS, she has been an exemplary chair of the board, presiding over proceedings with a calm, even-handed approach and sense of fairness, and

WHEREAS, she further has served the board as chair of the Executive Committee, member of the Finance Committee, member of the Audit Subcommittee, and as a member of the University Health Care Committee, and

WHEREAS, she is chief financial officer of Ball Homes, and together with her husband, Don, continues to be a leading philanthropist, supporting a great number of worthy organizations and institutions with her generosity, including the University of Kentucky, and

WHEREAS, Mira and Don Ball recently were honored with the "Hometown Heroes" award from the Fayette County UK Alumni Club, and Mira was inducted into the UK Alumni Association's Hall of Distinguished Alumni, and

WHEREAS, she has served, and continues to serve on numerous boards of directors on behalf of charitable causes, including United Way, the Kentucky Baptist Home for Children, the Children's Advocacy Center, the YWCA, the Fayette County Unit of the American Cancer Society, the Bluegrass Community Foundation and many others, and

WHEREAS, she has been a trailblazer for women in business, becoming the first female president of the Lexington Chamber of Commerce, now Commerce Lexington, and

WHEREAS, she has served on the Governor's Commission on Tax Policy and the State Economic Development Task Force, and

WHEREAS, she is a role model of outstanding citizenship for all Kentuckians,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Kentucky expresses its sincere appreciation to Mira S. Ball and wishes her well in all of her future endeavors, and orders that this resolution be made a part of the Minutes of the meeting.

Ms. Ball thanked the Board members. She said that everyone had done everything that she had asked them to do while serving as chair. She appreciates the cooperation and the help that they have given her. It has been a real honor, and she is very humbled by what the Board asked of her. She said that she appreciates President Todd and his wife Patsy and all the people that work for President Todd. She did not call his executive staff very much until she became chair, but she never called anybody that she did not get the utmost cooperation. President Todd's executive staff is fantastic. She said that it had been marvelous to be at the University, to see what is happening with that hospital, to see what is happening with the freshman class this year, and to see what is happening with less money. She said that she could not forget Peggy Way. You do not realize how much help Peggy is until you are in the chair's position. She said she appreciated Peggy and all of the Board members so much.

Ms. Ball then called for a vote on the resolutions. Dr. Sachatello moved that the resolutions be accepted, and several Board members seconded the motion. The motion passed without dissent.

President Todd said that he and Patsy appreciate having known the members going off the Board. They will be off the Board but not out of their minds. He appreciates the dedication that they have shown to the institution, not just the time spent but the way in which they spent it. He appreciates them helping move the University forward with great integrity and nothing but the purest goals in mind of making the institution a better place for everybody. He appreciates Mira Ball and the service that she has given to the University. All of them have done a tremendous job.

PP. Nominating Committee Report

Mr. Shoop, chair of the Nominating Committee, reported that the Committee met Monday, June 7 at 4:30 p.m. to consider nominations for a chair pro tem. With the expiration of the chair and vice chair's terms on June 30, 2010, the committee puts forth the nomination of former chair Billy Joe Miles to serve as chair pro tem effective July 1 until the election of officers at the September

Board meeting. At that time, the Committee will present a slate of 2010-11 officers to the Board for consideration.

Mr. Shoop moved that the nomination of Billy Joe Miles as chair pro tem be approved. Mr. Gattton seconded the motion. Ms. Ball asked for any nominations from the floor. A motion was made and seconded that the nominations cease. Ms. Ball then called for a vote for Billy Joe Miles to serve as chair pro tem, and it passed without dissent.

QQ. Meeting Adjourned

With no further business, Ms. Ball adjourned the meeting at 2:58 p.m.

Respectfully submitted,

Barbara W. Jones
Assistant Secretary, Board of Trustees

(PR 2, 3, 4, 5, 6, and 7; AACR 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; FCR 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15; HR CR 1, and SACR 1 which follow are official parts of the Minutes of the meeting.)