

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, June 14, 2011.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, June 14, 2011 in the Board Room on the 18<sup>th</sup> Floor of Patterson Office Tower.

A. Meeting Opened

Dr. E. Britt Brockman, chair of the Board of Trustees, called the meeting to order at 1:05 p.m. He asked Ms. Pam May, 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: E. Britt Brockman (chair), Sheila Brothers, Penelope A. Brown, Jo Hern Curris, Dermontti F. Dawson, Oliver Keith Gannon, Carol Martin “Bill” Gatton, Pamela T. May, Everett McCorvey, Terry Mobley, Sandy Bugie Patterson, Joe Peek, Erwin Roberts, Charles R. Sachatello, Ryan M. Smith, James W. Stuckert, and Barbara Young. Absent from the meeting were William S. Farish, Jr., Billy Joe Miles, and C. Frank Shoop. Ms. May 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 Jann Burks.

Members of the various news media were also in attendance.

C. Consent Items

Dr. Brockman called attention to the five consent items. They included the minutes for the regular meeting of the board on May 3, 2011; PR 2, which deal with personnel actions; and FCRs 1 through 3 which contain a gift from Kentucky Christian Foundation in fulfillment of a pledge to the Research Challenge Trust Fund; a renaming of the Orchestra Research Endowment to the Lee T. Todd, Jr. and Patricia B. Todd Music Outreach Endowment; and a new quasi-endowment in the Human Development Institute Scholarship Fund. Mr. Stuckert moved approval, and the motion was seconded by Dr. McCorvey. The motion carried without dissent. (See consent items listed below on the trustees website under agenda.)

Minutes	May 3, 2011
PR 2	Personnel Actions
FCR 1	Gift from Kentucky Christian Foundation to Replace Unfulfilled Pledge to Research Challenge Trust Fund

- FCR 2 Renaming of the Orchestra Research Endowment to the Lee T. Todd, Jr. and Patricia B. Todd Music Outreach Endowment
- FCR 3 Human Development Institute Scholarship Fund Quasi-Endowment

D. Chair's Report

Dr. Brockman first recognized Micah Fielden, newly elected Student Government Association (SGA) president and welcomed him to the meeting. Mr. Fielden, who received a round of applause from the Board, will be sworn in office after June 30. Dr. Brockman also praised the outgoing SGA president and Board member Ryan Smith for his outstanding two years of service to the Board and to the University. Mr. Smith was applauded enthusiastically by the Board members.

Dr. Brockman next announced a Board retreat for late August at which the topic will be Strategic Vision. Mr. Mobley's committee on Athletic Oversight and Governance will most likely present its report in September at the board meeting. The committee wishes to involve President Elect Eli Capilouto in their first meeting.

He concluded his report by saying the collaboration of UK HealthCare with Norton Healthcare of Louisville was a prominent topic during the health care retreat held on June 13. Exciting opportunities are coming to both institutions as the collaboration begins on cancer, obesity, transplants, and residency training.

Dr. Brockman passed the floor to President Todd for his report.

E. President's Report and Action Items

President Todd began his remarks by discussing the press conference held that morning to announce that UK was named by the National Institutes of Health as a winner of an NIH Institutional Clinical Translational Science Award (CTSA). The concept of translational research recognizes that academic basic science and the knowledge gained must somehow be extended to real life situations so that the country receives a direct benefit from research expenditures in the form of jobs and improved medical treatment at the bedside. The award brings a total of \$20 million – \$4 million a year for five years – to the University for doing precisely that type of translation.

As part of the CTSA project, UK is developing the Appalachian Translational Research Network in collaboration with both in-state and out-of-Kentucky partners Marshall University, The Ohio State University, and the University of Cincinnati. Gearing our facilities up for the CTSA designation required concentrated effort by Provost Subbaswamy and Dr. Karpf for multiple years and involved investment and hiring of faculty and staff. The president acknowledged the contribution of faculty member Dr. Philip A. Kern, hired two years ago to be director of the group and also a speaker at the press conference that morning.

President Todd emphasized that perhaps most important is that UK is now ranked by NIH as highly as the other institutions – Penn State, UCLA, Kansas, and the University of Minnesota

– that also received the CTSA this year. Happenings in the medical field at UK have exceeded President Todd’s expectations.

F. President’s Report (PR 1)

UK Gets \$6.9 Million Federal Grant to Study Biofuels

President Todd turned to PR 1’s first item – the receipt of a \$6.9 million federal grant to help reduce America's reliance on imported oil, which has a potential impact of creating jobs for farmers and spreading the results of the research that UK does in Lexington and throughout the state. It is one of eight awards issued by the U.S. Department of Agriculture and the U.S. Department of Energy. The purpose of this UK project is to improve the economics for biorefineries by using on-farm processing to convert biomass (locally grown switchgrass and miscanthus) to a mixture of butanol, ethanol, acetone, and organic acids. The product can then be easily transported to a biorefinery for further processing. The project will integrate input from experts in a variety of disciplines, including plant and soil scientists, horticulturists, chemical engineers, and economists. The principal investigator is Sue Nokes, a professor in the Department of Biosystems and Agricultural Engineering.

Tempur-Pedic to Build \$18 Million Headquarters at Coldstream Research Campus

Lexington-based Tempur-Pedic, an international company that manufactures and distributes mattresses and pillows made from its proprietary pressure-relieving material, will build an \$18 million world headquarters at UK’s Coldstream Research Campus. Construction of the 100,000 square foot building is expected to begin this fall and should be completed by December 2012. The company will add 65 new jobs over the next five years for a total of 300 jobs. Provost Subbaswamy and Vice President for Commercialization and Economic Development Len Heller were instrumental in working with Tempur-Pedic scientists and executives to make this agreement.

Kentucky Film Premieres on KET, Includes UK Faculty

“Kentucky—An American Story” premiered on May 24 on Kentucky Educational Television. The film was narrated by film star and UK alumna Ashley Judd, directed by Academy Award winning filmmaker Paul Wagner, and written and produced by former UK history professor Daniel Smith. It is a provocative and entertaining documentary about the revealing connections between Kentucky's and America's past. Started by then-department-head Daniel Smith as a proposed UK Collaborative, the film offers commentary from UK history professors Ron Eller and Tracy Campbell, along with prominent Kentucky authors Silas House, Erik Reece, and Al Smith.

Jazz Ensemble Invited to Perform in Switzerland, Netherlands

President Todd announced that the UK Jazz Ensemble has been invited to perform at two major international jazz festivals this summer. The ensemble will be among a select group performing at the Montreux Jazz Festival in Montreux, Switzerland, and the North Sea Jazz Festival in Rotterdam, the Netherlands. Less than 10 percent of applicants to these two prestigious jazz festivals are selected to perform at the events, which showcase professional and legendary jazz musicians. The UK Jazz Ensemble will tour Europe June 28 through July 12 on the largest tour

ever mounted by a UK School of Music ensemble. The ensemble performs under the direction of Miles Osland, director of jazz studies and professor of saxophone.

#### Women & Philanthropy Network Awards 43 Undergraduate Scholarships

The University of Kentucky Women & Philanthropy Network awarded \$186,810 in need-based scholarships to 43 UK undergraduate students this year, up from \$169,000 to 39 students in 2010. Scholarships are given to UK students involved not only in science, technology, engineering, and mathematics, but also in health, education, music, art, and study-abroad programming. The Women & Philanthropy Network was established at UK in September 2007 in order to increase these types of opportunities throughout campus.

#### Faculty and Staff Awards and Achievements

President Todd pointed out that he usually does not elaborate on the many faculty and staff achievements listed in PR 1; however, he wanted to mention a very special achievement in this report. D. Allan Butterfield, Director of the Center of Membrane Sciences, was ranked as the 21st most influential proteomics scientist in the world, according to the proteomics laboratory, based on publication citations. Dr. Butterfield also was appointed as chair of the Neural Oxidative Metabolism and Death Study Section (NOMD) of the Center for Scientific Review (CSR) of the National Institutes of Public Health. The CSR is the portal for all NIH grant applications and their review for scientific merit. President Todd characterized Dr. Butterfield as a first-generation student, a professor who loves the University and who has done a world of good for us.

President Todd added that many other items in PR 1 are of interest and that the document merits close examination by the Board members.

#### G. University of Kentucky 2011-15 Diversity Plan (PR 3)

President Todd introduced PR 3, the University of Kentucky 2011-15 Diversity Plan. Credited to Associate Vice President for Institutional Equity and Equal Opportunity Terry Allen, Provost Subbaswamy, and Vice President for Institutional Diversity JJ Jackson, the diversity plan satisfies a requirement of the Kentucky Council on Postsecondary Education (CPE) for each postsecondary education institution to develop a diversity plan that uses specified criteria. The plan is ready to be approved by the Board. It will later be submitted to CPE for their consideration and approval at their September 2011 meeting. The president recommended that the Board approve PR 3.

Dr. Brockman asked for a motion of approval of PR 3. Mr. Smith moved approval. The motion was seconded by Dr. McCorvey. After brief discussion, it was passed without dissent. (See PR 3 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

#### H. Appointment/Reappointment to Board of Directors University of Kentucky Gluck Equine Research Foundation, Inc. (PR 4)

President Todd explained that PR 4 requests that the Board of Trustees approve the appointment of Stuart Brown, Rolf Embertson, and G. Watts Humphrey, Jr., and the

reappointment of Tom Goncharoff, Robert Stout, and Naoya Yoshida to the Board of Directors of the University of Kentucky Gluck Equine Research Foundation, each for a four-year term ending December 31, 2015. The president felt that these are very strong appointments, and he recommended that the Board approve them.

Dr. Brockman asked for a motion of approval for PR 4. Mr. Mobley so moved. Ms. Curris seconded, and the motion passed without dissent. (See PR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

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

PR 5 involves the UKRF Board reappointment of Henry Jackson as a public member for a three-year term ending June 30, 2014. President Todd referred to Mr. Jackson's rich background as shown in his attached biographical sketch and encouraged the Board to approve his reappointment.

Dr. Brockman asked for a motion of approval for PR 5. Mr. Stuckert moved approval. Ms. Patterson seconded, and the motion passed without dissent. (See PR 5 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

J. Candidates for Degrees (AACR 1)

Ms. Brown, chair of the Academic Affairs Committee, gave her report. The first action item of the committee was AACR 1, which lists candidates for degrees in August 2011. Ms. Brown moved acceptance of AACR 1. Mr. Dawson seconded her motion, and it passed without dissent. (See AACR 1 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

K. Creation of the Department of Otolaryngology-Head and Neck Surgery (AACR 2)

Ms. Brown relayed the highlights of AACR 2's request, the creation of a Department of Otolaryngology – Head and Neck Surgery, and asked for its approval. Her motion was seconded by Dr. Sachatello and passed with no dissent. (See AACR 2 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

L. Change in Degree – Gatton College of Business and Economics (AACR 3)

AACR 3 recommended a change in the name of a degree in the Gatton College of Business and Economics from the Bachelor of Business Administration with a major in Decision Science and Information Systems to Bachelor of Business Administration with a major in Analytics. Ms. Brown moved acceptance of AACR 3. Mr. Gatton seconded her motion, and it passed without dissent. (See AACR 3 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

M. Deletion of Degree – College of Education (AACR 4)

Ms. Brown said that AACR 4 asks the Board to approve the deletion of the Master of Arts in Education degree with a major in Education – Distributive Education, effective fall 2011 semester. Ms. Brown moved acceptance of AACR 4. Mr. Dawson seconded her motion, and it passed without dissent. (See AACR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

N. Proposed Amendment to Governing Regulation, Part X, (Entrepreneurial Leave) and Administrative Regulation 3:1 (University of Kentucky Retirement Plan) (AACR 5)

Ms. Brown gave the second reading of AACR 5, a proposed amendment to Governing Regulation X which would establish for faculty employees an Entrepreneurial Leave. In order to implement the revision to GR X, after the initial reading it was further recommended that the Board of Trustees approve a revision to Administrative Regulation 3:1 (AR 3:1). The revision adds entrepreneurial leave as a type of leave for which a faculty employee may make up his/her retirement contributions following the leave. In addition, Section III.D of AR 3:1 is being amended to include the 457(f) plan as another plan option for Excess Limits or Contributions. Ms. Brown moved acceptance of AACR 5. Mr. Stuckert seconded her motion, and it passed without dissent. (See AACR 5 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

O. Finance Committee Report

Mr. Stuckert, chair of the Finance Committee, reported that the committee met that morning, and most of the Board members attended the meeting. At that meeting, details of the proposed FCRs were vetted. He briefly reiterated the consent items which were FCR's and moved on to FCR 4.

P. Fiscal Year 2011-2012 Operating and Capital Budget (FCR 4)

Mr. Stuckert explained that at the morning meeting Vice President Angie Martin had explained in detail the features of the Operating and Capital Budget. He moved approval of FCR 4. Dr. Gannon seconded the motion, which passed without dissent. (See FCR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Q. Acceptance of Interim Financial Report for the University of Kentucky for the Nine Months Ended March 31, 2011 (FCR 5)

Mr. Stuckert introduced FCR 5, which includes the financial activities of the University of Kentucky and its affiliated corporations, consisting of the University of Kentucky Research Foundation, The Fund for Advancement of Education and Research in the University of Kentucky Medical Center, University of Kentucky Athletic Association, University of Kentucky Mining Engineering Foundation, University of Kentucky Humanities Foundation, University of Kentucky Equine Research Foundation, University of Kentucky Center on Aging Foundation,

and Central Kentucky Management Services. He moved for adoption of FCR 5 and was seconded by Mr. Mobley. The resolution passed with no dissent. (See FCR 5 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

R. 2010-11 Budget Revisions (FCR 6)

Mr. Stuckert moved the approval of FCR 6, which asked the trustees to authorize an increase of \$4.6 million resulting from revised income and expense estimates from the UK Athletic Association. He was seconded by Ms. Brothers. There was no dissent, and the vote was unanimous for the adoption of FCR 6. (See FCR 6 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

S. Accept Lexmark International, Inc. Gift and Approve the Renovate Old Northside Library Building Project (FCR 7)

Mr. Stuckert asked the Board to accept the Lexmark gift of \$1 million to renovate the Old Northside Library into Biology and STEM facilities. He moved approval of FCR 7 and was seconded by Ms. Curris. The motion passed without dissent. (See FCR 7 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

T. Renovate Research Labs (FCR 8)

Mr. Stuckert said that FCR 8 requests approval of the initiation of research lab renovations in the Chemistry-Physics Building for a cost of \$832,000. Mr. Stuckert moved approval of the request. Dr. Gannon seconded, and the motion carried without dissent. (See FCR 8 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

U. Disposal of Personal Property (FCR 9)

Mr. Stuckert said that FCR 9 is a recommendation for the Board to approve a plan for Fiscal Year 2011-2012 with regard to routine disposition and disposal methods for personal property. Mr. Stuckert moved approval. Mr. Roberts seconded, and the motion carried without dissent. (See FCR 9 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

V. Patent Assignment Report (FCR 10)

Dr. James Tracy, Vice President for Research, gave a report on the content of the Patent Assignment Report in the morning meeting and detailed the 14 patents that have been filed, as well as the fiscal-year-to-date activity as of March 31, 2011. Mr. Stuckert moved to approve the report. Mr. Smith seconded, and the motion carried without dissent. (See FCR 10 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

W. Authorization to Negotiate to Acquire University Lofts (FCR 11)

FCR 11 grants the Executive Vice President for Finance and Administration approval to enter into negotiations to acquire University Lofts located at 236 Bolivar Street at a price not to

exceed \$6.7 million. The acquisition, if successful, would be used to house student instructional space for the College of Fine Arts. Mr. Stuckert moved approval. Dr. McCorvey seconded. After brief discussion, the motion carried without dissent. Its passage received an enthusiastic round of applause from a large contingent of College of Fine Arts faculty, staff, and students in attendance. (See FCR 11 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

X. Proposed Amendment to Governing Regulations: Technical Corrections (FCR 12)

Mr. Stuckert explained that FCR 12 is the first reading of an amendment to Governing Regulations, Part II (GR II). The proposed revision does not include substantive changes. The revision consists of technical corrections necessary to bring the GR into consistency with other University regulations and practices. Mr. Stuckert moved approval. Ms. Curris seconded, and the motion carried without dissent. (See FCR 12 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Y. Investment Committee Report

Dr. Brockman passed the floor to Mr. Gatton, chair of the Investment Committee, for his report. Mr. Gatton stated that the Investment Committee met that morning to review performance results and conduct other business. The Endowment had a net market value of \$909.5 million as of April 30, 2011. For the 10 months ended April 30<sup>th</sup>, the Endowment pool returned 20.7 percent, which is in line with the policy benchmark return of 20.9 percent.

The Committee approved the Endowment Investment Policy, which is formally reviewed and approved on an annual basis. Minor changes were made to the target asset allocation and manager structure, which is designed to produce an average annual return of 7.5 percent over the long term, defined as 10 years or more. If achieved, the 7.5 percent annual return should allow the University to support the 4.5 percent annual spending and management fee withdrawals and maintain the inflation-adjusted value of the Endowment.

The Committee met in a special session at Keeneland on Monday, June 13 and heard presentations from two of its investment managers, Grosvenor and PIMCO. Grosvenor manages an absolute return strategy for the University, and PIMCO manages a real return strategy and two fixed income strategies for the University. Grosvenor and PIMCO are the University's largest active managers with target allocations of 12 percent and 16 percent, respectively. The firms provided the Committee a market outlook and strategy update.

Investment staff and consultant R. V. Kuhns & Associates have issued Requests for Proposals to hire additional private equity and real estate managers. The University has been building the allocations to private equity and real estate slowly over the last several years in order to achieve vintage year diversification. Staff and R. V. Kuhns plan to make finalist recommendations at the September Investment Committee meeting.



Z. Student Affairs Committee Report

Ms. Patterson, chair of the Student Affairs Committee, reported on the morning's meeting, which featured interviews with successful UK students. The committee intends for such interviews and showcasing to become a regular feature at its meetings. Chosen for the first such meeting were Aleidra Allen and Joseph Quinn, both May 2011 graduates and Singletary Award recipients. Committee members talked with the students and asked what brought them to UK, what their memorable moment was at UK, what they enjoyed the most, what UK can do to entice pre-college students to come here, how students can be successful at college, and what their first involvement was as a student.

Mr. Smith spoke on this being a bittersweet time for him as he concludes his year as president of Student Government Association and as a member of the Board of Trustees. He gave an introduction of the incoming president of Student Government Association, Micah Fielden. A Lexington native, Mr. Fielden, majoring in Biotechnology and Agricultural Engineering, has been involved with Student Government for several years and will be a good advocate for the students.

AA. University Health Care Committee Report

Dr. Brockman reminded Board members that the Health Care retreat on June 13 comprised the meeting of the Health Care Committee. He asked Ms. Young to give the committee report. Ms. Young, chair of the committee, remarked that the retreat was attended by most of the board members and that it was a full day.

Dr. Karpf opened the meeting with a strategic plan update called "Moving Forward" and talked about how relationships with regional providers continue to mature and how the approach to subspecialty care continues to be refined. Then he discussed new initiatives and opportunities in beyond-Kentucky relationships with West Virginia, Ohio, and Tennessee and how a partnership with Norton Healthcare had strong opportunities for collaboration and growth.

Mr. Sergio Melgar presented the financial report. While the fiscal year has one month to go, UK should end the year positively. A good indicator is that volume increased in 2010, while the overall patient volume across the state actually has dropped 2.8 percent. Total operating revenue is expected to be just under \$890 million – an increase of nearly \$50 million over 2010. Operating income is expected to be approximately \$30 million, and strong investment income for the year will leave the net change in total assets for the year at approximately \$40 million. The balance sheet is expected to show cash and investments in excess of \$200 million.

Mr. Melgar also presented the budget for 2012. He noted that 2012 is likely to be a challenging year as operations have to adjust to the new outpatient care facility. The 2012 budget shows operating revenues anticipated to be \$967 million with an increase in volume to almost 34,000 discharges and a modest increase in outpatient activity. Operating income is budgeted at \$20 million. The results include an increase in depreciation of approximately \$18 million due to the new pavilion and additional increases in bad debt of \$8 million. The major risks for 2012 include adjusting operations to accommodate the new operating room facilities

and bed capacity for Pavilion A, increasing productivity of faculty and staff, meeting ambulatory EMR deadlines, Medicaid managed care, and bad debt and cash management in light of capital needs. The Health Care Committee moved and voted to accept the 2012 budget.

Dr. Richard Lofgren presented a clinical performance fund update. He noted that there has been a very significant improvement in the quality outcomes for the reduction in mortality – a huge accomplishment – and a significant improvement in patient safety indicators. Customer service scores have improved over the past six months and employee engagement continues to be enhanced. Efficiency metrics remain competitive compared to university health consortium benchmarks. This includes supply costs being lower this year compared to last year and the length of stay remaining competitive. There has been better than expected growth in surgical cases and new ambulatory business while the total number of discharges remains level.

Dr. Kevin Nelson presented privileges and credentials from UK HealthCare Chandler Hospital and Good Samaritan. The committee made a motion and all credentials and privileges were approved.

During the afternoon, the retreat featured several presentations. Dean Tim Tracy presented an update on the College of Pharmacy. Dr. Philip Kern offered an overview of the UK Center for Clinical and Translational Science. Dr. Linda Van Eldik discussed the Sanders Brown Center on Aging and a potential ongoing grant for that center. Dr. Mark Evers reported on an NCI designation update for the Markey Cancer Center. Dr. Emery Wilson, interim dean of the College of Medicine, gave an update on the College of Medicine.

Ms. Young concluded her remarks by saying that it was a full day.

BB. University Relations Committee Report

Ms. May, chair of the University Relations Committee, reported that the committee dealt with finishing its recent Presidential Search Committee business by suggesting that it would be appropriate to express its appreciation to the Extension offices around the state by preparing plaques to send to each. The Board agreed with their proposal. In addition, Ms May suggested that her group will also send a certificate of appreciation to all of the people who helped in planning the across-state trips that her group led.

In addition, Ms. May updated the committee on the busy schedule expected for UK Public Relations in the transition from the Todd presidency to the upcoming Capilouto presidency.

CC. Other Business

Dr. Brockman moved to other business and began the annual reports of the university's affiliated corporations by asking for a report from Trustee representatives on each corporation's board of directors.

DD. Athletic Association Board of Directors Report

Mr. Dawson reported on the Athletic Association Board of Directors meeting, which was held on May 26, 2011. At that meeting, Dr. Todd congratulated all of the student athletes for a remarkable season, especially the Softball team, for hosting the NCAA Super Regional, and the Rifle team for their national championship win. He also commended all student athletes for contributing over 200 hours of community service and noted their improvement in graduation rates and grade point average (GPA). President Todd thanked the Athletic Department for their contributions to campus, mainly through royalties and scholarships. He also expressed his pleasure with the culture created by Athletic Director Mitch Barnhart and his administration, and he thanked them for laying a great foundation.

The Athletic Association received a report from its Finance Committee meeting, at which Mr. Butler recommended the approval of two items: UK Athletics' fiscal year 2011 budget adjustments and the fiscal year 2012 budget presented by Ms. Lisa Peterson. Both recommendations were unanimously approved by the Board. Ms. Peterson also presented the 2012 budget of \$83.6M to the Athletic Board's full meeting

Mr. Mitch Barnhart gave the Athletic Director's report and congratulated the 66 May student-athlete graduates of the University of Kentucky. Over 14 teams posted a Spring GPA over 3.0, and Men's Basketball tied for the top academic progress rate (APR) in the SEC. In addition, UK is one of two schools in the SEC that has never had an APR penalty.

Mr. Barnhart congratulated several sports for their accomplishment this season: The Rifle Team and head coach Harry Mullins – national championship win; Men's Basketball – Final Four run; the Volleyball team for the sixth straight post-season run; Women's Basketball – NCAA 2<sup>nd</sup> round; Football for making their 5<sup>th</sup> consecutive bowl appearance; Men's Tennis and Eric Quigley set a record for number of victories in one year at 29; and Softball Team for hosting an NCAA Super Regionals.

EE. Gluck Equine Research Foundation Board Report

Dr. McCorvey gave the Equine Board report. The University of Kentucky Gluck Equine Research Foundation had a fall board meeting in November, a nominating committee meeting in March, and a spring board meeting in April.

The Gluck Foundation participated in organizing several outreach activities, including a Monthly UK Department of Veterinary Science Equine Diagnostic and Research Seminar Series; an International Symposium on Equine Reproduction in July 2010; Bi-monthly Kentucky Equine Networking Association dinner meetings in partnership with the Kentucky Horse Council, which began in September 2010; of course the Alltech FEI World Equestrian Games in September and October of 2010; the Kentucky Breeders' Short Course, January 21 and 22 of 2011; and the Rolex Three-Day Event, April 28 - May 1, 2011.

Gluck Foundation Promotions published “Research Report 2010” for the Gluck Center; the Bluegrass Equine Digest, a monthly e-newsletter with [TheHorse.com](http://TheHorse.com), which was launched in June 2009, and which has more than 34,000 subscribers as of April 2011; the Gluck Equine Research & Service Report, published in spring and fall and sent to 2,600 donors and friends of the Gluck Foundation; and Board Bits, an internal newsletter emailed in summer and winter to board members, and to faculty and staff in the Department of Veterinary Science. The unit also created Gluck Center history cards; Gluck Center “postcards;” Animal Genetics Testing & Research Laboratory 25<sup>th</sup> anniversary cards; and a geriatric horse brochure for the immunology group. The Gluck Center has a social media presence on Facebook and Twitter.

In terms of Development, the Center has initiated a study as to the feasibility of a major campaign for all equine programs. They have pledged for calendar year 2010 of \$556,650 and donations for calendar year 2010 of \$763,439. There is a new hire, Dr. Martin Nielsen, who accepted in 2010 with a start date of August 2011. Three new Gluck Foundation board members, which were approved by the Board in PR 4 earlier.

FF. The University of Kentucky Mining Engineering Foundation Report

Mr. Stuckert gave the report from the Mining Engineering Foundation Board of Directors. He began with some remarks about mining engineering education in general and informed his audience that in some circles, the academic area was almost declared obsolete ten years ago; there are only 13 mining schools in America now. But the report from UK’s Mining Engineering department is positive.

The UK Mining Engineering Foundation Board met on November 5, 2010 and April 29, 2011. The 2010-11 activities of the board can be summarized as follows: The board provided financial support for the recruiting efforts of the department which resulted in a 2010-11 freshman class of 91. The class was the largest mining engineering freshman class in the United States. The incoming 2011-12 freshman class is projected to number around 60. The quality of the 2010-11 and the incoming 2011-12 classes is exceptional with an average high school GPA of around 3.6 and an average composite ACT score of 28.

The board provided \$142,635 in annual giving to the department’s Development Fund to support two staff positions and other activities of the department. The funding is in addition to the endowment earnings of \$76,000, which were used to fund the recruiting efforts and the Distinguished Lecture.

The board provided an additional \$300,000 in direct scholarship support from member companies. The support allowed a total distribution of around \$650,000 in scholarships during the 2010-11 academic year to 156 mining engineering students.

The Mining Engineering Board supported the efforts to request and secure \$1.2 million in funding from Mr. Joe Craft and Alliance Coal to initiate the Alliance Coal Academic Chair position at the University of Kentucky. Dr. Thomas Novak was the first hire for this position in November 2010.

The foundation played a key role in attracting a \$150,000 donation from the Richard Gilliam Foundation to develop a state-of-the art, 24-workstation computerized mine design room.

The unit also hosted National Mining Association President Hal Quinn, who delivered the 2011 Distinguished Lecture at the UK Boone Center and organized two mining professional workshops on the UK campus dealing with mine ventilation and mine blasting practices.

The board considered a proposal made by UK administration to change the structure of the foundation to an advisory board.

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

Dr. Brockman 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 2011-12 unrestricted FUND budget, as approved by the FUND Board at its annual meeting on May 18, 2011, is \$17.9 million. Of this amount, \$15.1 million, or 84 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 2011-12 restricted FUND budget is \$5.7 million, and \$5.34 million, or 94 percent, is donated from KMSF to the College of Medicine for purposes of enhancement of programs in that college.

HH. University of Kentucky Research Foundation (UKRF) Report

Mr. Roberts reported that the University of Kentucky Research Foundation Board met on May 16. Dr. Todd opened the program by welcoming everyone and thanking the UKRF board members for their commitment to UK's research mission. He commented on how successful the weekend's open house and dedication of the new patient care pavilion had been. He recognized the University's efforts to provide opportunities for students to engage with our faculty and become involved in research and creative discovery.

Dr. Todd also focused on some of the growth that has taken place over the past 10 years, not only in our research enterprise and increase in our student body, but also in the area of

economic development. He noted that for the second consecutive year, UK ranks first in creating start-up companies per \$10 million in research expenditures among its benchmark institutions. He also updated the board on recent activities at Coldstream, including the recent contract signed with Tempur-Pedic to expand their global headquarters and the approval for a TIF district to expand the city center for Coldstream, which will breathe new life into our innovative research campus.

Dr. James Tracy highlighted some accomplishments that have taken place in the Office of the Vice President for Research and Research Administration during 2010-2011, including the phased roll-out of the Electronic Internal Approval Form (e-IAF), several compliance audits which were passed, the work that has been done to improve communication with PIs and units, and the launching of the Virtual Publications Division. He also updated the board on the American Recovery and Reinvestment Act (ARRA) awards. As of April 30, 2011, faculty had received 184 competitive ARRA awards totaling \$111,512,501. He noted some future challenges for research at UK, including the uncertainty about the FY2012 Federal Research and Development Budget, the Congressional ban on earmarks, increasing cost of supporting research, research space limitations, and aging shared research equipment.

Dr. Tracy continued by presenting the budget. He described the various categories of support funded by the UKRF budget, in particular the budget categories directly supporting the faculty and academic units. The Board unanimously approved the UKRF 2011-2012 budget of \$52,189,400. This is an increase of \$782,575 from the 2010-2011 budget.

Provost Subbaswamy noted that during the last few years, no reductions have been made in the amount of F&A funds returned to faculty and units even when general fund budgets have been cut.

Mr. Henry Jackson was nominated to be re-appointed to a three-year term as a Public Member.

Ms. Martin reported that the independent audit for the fiscal year that ended June 30, 2010 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.

After these formal reports from each of the affiliated corporations, Ms. Curris gave comments about the UK Veterans Resource Center. A play, "Bringing it Home," a production on the lives of UK student veterans produced by the UK Department of Theatre, has been invited to the New York International Fringe Festival. The production, created as part of an interdisciplinary project with the Veterans Resource Center and the Louie B. Nunn Center for Oral History, will be staged in New York City in August. Ms. Curris thanked our veterans for their generosity in helping to bridge the gap between those who have served and those who have not by speaking personally on subjects that are no doubt painful to them.

II. Resolutions

Dr. Brockman thanked Ms. Curris for her remarks and then introduced the very important resolutions that would be read next. Ms. Brothers read the first resolution.

**Ryan Smith**

WHEREAS, Ryan Smith, member of the University of Kentucky Board of Trustees, has served this university, his fellow students, the greater Lexington community, and the Commonwealth of Kentucky with caring and determination, and,

WHEREAS, he has served as a member of the Board's Student Affairs Committee, and, as a member of the University Relations Committee, and,

WHEREAS, this graduate student from Louisville was elected as UK's 47th Student Body President in April 2009 and is completing his second, one-year term, and,

WHEREAS, he has successfully spearheaded several campuswide initiatives, including a safe ride program for students, Cats Cruiser, and Tally Cats, a program which encourages and rewards students for active participation in campus events, and,

WHEREAS, he has been a part of UK's outstanding student-run philanthropy, Dance Blue, and,

WHEREAS, he has been a member of the University Leadership Summit, the Kentucky Leadership Academy, and, the SEEDS program, part of UK's Violence Intervention and Prevention Center, and,

WHEREAS, he has served as president of the Sigma Chi Fraternity, and,

WHEREAS, he helped mobilize the UK campus community and led his SEC brethren in reaching out to aid tornado victims in Alabama, and,

WHEREAS, he has worked together with city leaders to find solutions to problems while considering the interests of a broad spectrum of stakeholders, and,

WHEREAS, he truly demonstrates a passion for making the University of Kentucky a better place,

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

Mr. Smith left the meeting at 2:00 p.m. and was not in attendance at the reading.

Mr. Roberts read the following resolution for Mr. Dawson:

**Dermontti Dawson**

WHEREAS, Dermontti Dawson, member of the University of Kentucky Board of Trustees, has served his alma mater, his community, and the Commonwealth of Kentucky with distinction, and,

WHEREAS, his service on the Board includes being a member of the Academic Affairs Committee, the Audit Subcommittee, the Finance Committee, the Investment Committee, the Nominating Committee, and the Student Affairs Committee, and,

WHEREAS, he is a member of the UK College of Education Alumni Hall of Fame, and together with his wife, Regina, recipients of the college's Philanthropists of the Year award, and,

WHEREAS, he is a member of the UK Alumni Association's Hall of Distinguished Alumni, and,

WHEREAS, he was a football standout for the Wildcats and is a member of the Kentucky Athletic Hall of Fame, and,

WHEREAS, he was a seven-time NFL Pro Bowl selection during his legendary 13-year career with the Pittsburgh Steelers, playing in 171 consecutive games, and,

WHEREAS, his Steeler teammates voted him the recipient of the Ed Block Courage Award in 2000, and,

WHEREAS, he was a nationally-ranked track and field athlete, wrestler, and football player at Bryan Station High School, and,

WHEREAS, Dermontti Dawson's Pro Foundation has done important work in helping young people and others in the local community and elsewhere,

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

Mr. Dawson responded that he would like to thank President and Mrs. Todd for all they had done for the University, and also to congratulate and thank the administration and the faculty as well because of their important role in making the University what it is. Also expressing his appreciation to the Board of Trustees, he thanked them for their friendship. He concluded his remarks with "It's been an honor to serve, and my time is up. It's time for me to move on to other things, but it's been a pleasure." Mr. Dawson received a round of applause.



Ms. Patterson read this resolution for Ms. Brown.

**Penelope A. "Penny" Brown**

WHEREAS, Penelope A. "Penny" Brown, member of the University of Kentucky Board of Trustees, has served her alma mater with enthusiasm and devotion, and,

WHEREAS, she has served the Board as chair and member of the Academic Affairs Committee, member of the Nominating Committee, member of the Student Affairs Committee, and, member of the University Relations Committee, and,

WHEREAS, she is a member of the University of Kentucky Research Foundation Board of Directors, and,

WHEREAS, her multitude of volunteer service endeavors on behalf of her home community of Corbin and the Commonwealth of Kentucky include Habitat for Humanity, Pride Environmental Center, and The Girl Scouts - Wilderness Road Council, and,

WHEREAS, she is a current member of the Gifted and Talented Board of the Commonwealth, and,

WHEREAS, she has served as a public school teacher in both Colorado and Kentucky, and, as Parent-Teacher Organization president for the Corbin Independent School System, and,

WHEREAS, she continues to educate others as a certified yoga and fitness instructor, and as a contributing writer for Fitness Plus Magazine, and,

WHEREAS, she is a respected commercial real estate developer, and,

WHEREAS, she is an accomplished actor in community theatre and a singer in her church choir, and,

WHEREAS, her tireless dedication to educational, civic, and charitable projects inspires others to get involved,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Kentucky expresses its sincere appreciation to Penelope A. "Penny" Brown 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. Brown expressed her appreciation to the board saying that it is a great honor and privilege to work with all of Board members. She stated that "From every person in this room, I have learned something special. And I have learned how great UK is because of each one of you. It's been a pleasure." The Board thanked her with a round of applause.

Dr. Gannon read this resolution for Dr. McCorvey.

**Everett McCorvey**

WHEREAS, Everett McCorvey, member of the University of Kentucky Board of Trustees, has served this university, his community, and the Commonwealth of Kentucky with passion and dedication, and,

WHEREAS, he has served as a member of the Board's Academic Affairs Committee, the Human Resources Committee, and the University Relations Committee, and,

WHEREAS, he has previously served with distinction as a member of the UK Athletic Association Board of Directors, and,

WHEREAS, he has brought great honor to the University of Kentucky across the nation and around the world as director of its renowned UK Opera Theatre program, and,

WHEREAS, he is the Lexington Opera Society Endowed Chair in Vocal Studies, and,

WHEREAS, he is a recipient of the prestigious Acorn Award for teaching excellence from the Kentucky Advocates for Higher Education, and,

WHEREAS, he has performed at the Metropolitan Opera, Radio City Music Hall, the Kennedy Center, Queen Elizabeth Hall in London, England, and in countless other major venues across the globe, and,

WHEREAS, he is the founder and music director of the American Spiritual Ensemble, and,

WHEREAS, he produced the spectacular Opening Ceremonies for the 2010 Alltech FEI World Equestrian Games, and,

WHEREAS, he serves as University Orator at Commencement and other special occasions,

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

Dr. McCorvey responded that he was honored to have served and to have been a part of some of the most important decisions that have been made at this university over the past three years. A special honor for him was having been chosen to be on the search committee for the 12<sup>th</sup> president. He thanked the Board for their support of UK's exciting Arts programs. He noted that the thing that has impressed him the most about being on this board is that the Board members are people who really love their university. "You don't have personal agendas; your

agenda is one, for the betterment of the students and the betterment of the Commonwealth of Kentucky.”

He thanked his fellow faculty colleague Joe Peek for his continuing service on the board, hoped that he had been an influence to Dr. Peek’s service in some way, and urged him to persist in doing his due diligence and helping to guide the faculty so that UK can continue to move forward. His thanks continued to include Peggy Way, whose behind-the-scenes efforts “keep this engine rolling;” Chair Britt Brockman, for being open and willing to listen to the faculty and their needs; and Provost Subbaswamy for his leadership in the academic realm of the university. He stated his gratitude to President and Mrs. Todd, to whom he referred as wonderful ambassadors for the University. He referred to President Todd’s tremendous leadership at the University and Mrs. Todd’s support of the president and of the students.

He concluded by saying, “It’s been a great run. I’ve been honored to serve, and I’ll still be around, and I look forward to continued service to the University. I think that we are in a good condition to continue to move forward.” Dr. McCorvey received a round of applause.

Dr. Brockman asked Mr. Stuckert to read the final resolution.

**Lee T. Todd, Jr.**

Mr. Stuckert thanked Dr. Brockman for the honor and asked for permission to digress before he read the resolution. He mentioned the love for the University of Kentucky that is personified by Lee Todd. And then he told a story about an encounter with Lee Todd 30 years ago in an alley in Louisville near Mr. Stuckert’s place of business, at which Dr. Todd sold him on supporting his dream of starting a company in Lexington with UK engineers. Mr. Stuckert bought in to his program, and that was the start of a relationship, because Lee Todd believed in Kentucky and the University of Kentucky.

Ten years ago, when Mr. Stuckert was on the selection committee for the university’s 11<sup>th</sup> president, Candidate Lee Todd made a remark in his final interview that “just bowled everybody over” and probably sealed his selection: “I don’t want to be a president of a university; I want to be the president of this university.” In Mr. Stuckert’s words, “And that was the end of the story, ... and lo and behold, he did become that for the past 10 years.”

Mr. Stuckert read the resolution:

WHEREAS, Lee T. Todd, Jr., president of the University of Kentucky for the past ten years, has served the University faithfully and admirably, and,

WHEREAS, under his leadership, the progress which UK has made as an institution is directly benefiting the Commonwealth of Kentucky in many profound ways fulfilling its land-grant mission, and,

WHEREAS, his vision and drive, which led to the design of the Top 20 Business Plan, have helped to change the culture and the outlook of the University, and,

WHEREAS, UK is enrolling record numbers of students, and retaining and graduating more of them, and,

WHEREAS, the quality of the students coming to the University continues to improve year after year, and,

WHEREAS, the research growth of UK has been tremendous during his tenure, reaching a record \$367 million in 2010-11, and,

WHEREAS, the enhancements to campus facilities under his leadership have been dynamic and transformative, including, but not limited to, a new research building, a new pharmacy building, and a marvelous new hospital, and,

WHEREAS, he has tirelessly traveled across the state to advocate for the Commonwealth's flagship university, and,

WHEREAS, his efforts to diversify the University have made the campus an even more welcoming and robust place for all to learn and share ideas, and,

WHEREAS, he has championed and helped execute a heightened level of entrepreneurial spirit and practice for UK and the Commonwealth, and,

WHEREAS, he has brought great honor and distinction to the University of Kentucky through his service in several national leadership positions in higher education, and,

WHEREAS, he has leveraged the university's widely known athletics program to effectively promote and highlight the academic success of the institution and its people, and,

WHEREAS, he has presided over a period of increased competitiveness for a multitude of UK's sports teams while simultaneously helping to foster a culture of compliance, and,

WHEREAS, he and his wife, Patsy, both graduates of this institution, have demonstrated their care and concern for students and all who love UK,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the University of Kentucky expresses its sincere appreciation to Lee T. Todd, Jr., and wishes him and Patsy well in all of their future endeavors, and orders that this resolution be made a part of the Minutes of the meeting.

Extended applause and congratulations followed the reading of the resolution. Dr. Brockman opened the floor to the President:

“Well, I have to think back 10 years ago when we walked in that door and the Board of Trustees were sitting here. I had been told that if I were chosen to be the next president, that they would have a press conference about two weeks after that. So I was sitting at home in a pair of

jeans, kind of listening to the news to see what was decided. And Ned Breathitt called and said “Can you come down?” So Patsy and I had to get dressed and come down. And I walked into the room and Governor Breathitt handed me a microphone and said “Here’s the next president of the University of Kentucky.” It just seems like it wasn’t that long ago.

“But when I listen to all the WHEREASes – and I can’t ask for anybody better than Jim Stuckert to read that. He didn’t tell you that in that alley shortly thereafter, he committed to help me raise \$1 million, and then after we ran out of that, he and Diane put some more in. So he personally has helped me with the dream that I had, and very few people understood.

“I listened to the budget presentation that Angie did so well today, as she has always done. And I look around, familiar with the people who had countless hours, are sitting back in the back as part of her staff. But I look down this row of people over here, and this group over here, that attend this meeting all the time as the unsung heroes and really do what gets done around here. I do hope, and I said to the group last night when they recognized us, that I do want to let you know how I feel about you in a better way than I have done in the past.

“Many of you made strong commitments to this place. You have turned down opportunities where you could have had more remuneration, I know, but I don’t think you could have had more fulfillment than what you have had having joined this group of people who made a difference. The people down this center aisle here have – we’ve been through a lot. A lot of tuition raises, a lot of hopes and dreams that we couldn’t quite fulfill, people who came here thinking we were going to be fully funded with our Top 20 plan, and then we basically went down the other side of that curve. But nobody gave up, and nobody whined, and nobody complained.

“It’s been such an honor for Patsy and me to serve in this. I have thanked her numerous times, not only for her support of me, but her value added for things like the Women & Philanthropy, like the Boone Center, like the look that you see around this campus that is a little more appealing than what it ever has been, inside and outside, and the love of the students. It’s so genuine. She’ll probably be hawking cookies on the corner down here somewhere.

“But we have thoroughly enjoyed – we’ve met so many people that we wouldn’t have met had we not done this. And we have watched you grow and we’ve watched you take on a task that is monumental. And when I think about the future of this place, it’s right here in this room. Now Eli will come and add his strength to it, but it’s those other levels that are there to make things happen. You need a spokesman, you need a head, but you’ve got to do the work. And you’ve done it.

“You’ve done it – so many things that you see in my expectations – I will make a list someday of the things I am “proud of” because of this. I even listened to the \$300,000 of coal severance money to go under mining scholarships, because we were going to shut it down. And it was an accomplishment that changed 200 kids’ lives. Every one of the juniors has a job at the end of their junior year. Things like that – that’s why it’s hard to say what you appreciate the most.

“It’s been a labor of love. It’s been an honor that I never thought would come my way. I don’t think she did either. We have known each other a long time, and we never even thought about this as a possibility. But to have been one of the presidents of this institution is far beyond anything that I can explain right now. It’s going to take a while to sink in. I will be back with many of you, to let you know what I think about you. I appreciate your coming and joining us and staying with us through this period of time, and that we could make a difference, and I think we have.

“One email I just got – I did sneak a look just a few minutes ago – Diane Snow sent me a message that we have been selected to be the site in 2014 for the National Conference for Undergraduate Research. This past year, we sent 23 young Kentuckians who had to submit their papers to be accepted, in competition with everybody in the country, we had 23 of them at that convention. North Carolina – Chapel Hill had one or two, and now we host the whole thing. So all the kids will be coming to this university.

“And those are the kinds of things that make a difference.

“I think we are respected more nationally sometimes than we are within the state. I am heading out tonight to go to a meeting of all the presidents of the Land Grant universities. One of the speakers tonight will be Dr. [Francis S.] Collins, [Director] of NIH, and I will have the pleasure of being able to bust a few buttons and say we got our CTSA today. But he will already know!

“People are watching what’s going on here. We can’t let up. This state deserves to have – I think Dr. Singletary – I’m going to get it right – Mike Richey over there knows better than I do – but he said his job was something like a conspiracy to give Kentucky a better education than it deserved, or something to that effect. And I think we have continued that conspiracy. We’ve got people who want to help. I think the legislature would have funded this plan if they had the funding to do it. And I hope to suggest to them right away — to suggest to them to find money to do it because we are not that far away from really making a difference.

“And when I hear – Eli was over in Pikeville the other night, and on his way home, he sent me a text – I was in Oregon – that he had met the Fine Arts agent in Pikeville, KY. And he said to me that you ought to be proud of the changes that have taken place in this state. We also were just recently notified that we had won two engagement awards. One for the antismoking campaign that Ellen Hahn has and the other for the forestry program where we are growing trees to reclaim mining property. These are not things that you read about making the *Boston Globe* or the *New York Times*, but they are things that do change this state. And they will make a difference.

“I appreciate all of you. I am not going to call names because we wouldn’t get out of here and I have got to catch a plane later. It’s been tremendous. I thank everybody for everything, and I appreciate your willingness to serve this institution, and I hope you continue to do that, which I know you will. And we will be around to lend a hand whenever we are asked. Thank you very much.”

President Todd's remarks were met with extended applause from the Board and from the audience in the Board Room.

Dr. Brockman called for a motion to approve all of the resolutions. It was so moved by Ms. Curris and seconded by Ms. May. The motion passed without dissent.

JJ. Closed Session

Dr. Brockman announced that at this point, the Board needed to go into closed session in order to discuss the final terms of President Elect Capilouto's contract. He moved that the Board go into closed session pursuant to KRS 61.810(1)(f). This statutory citation is the exception in the open meetings law that permits the Board to go into closed session to discuss the final terms of the contract for an individual employee who has been appointed to be president of the University of Kentucky. Nothing else may be discussed in the closed session but what has been announced. No final decision can be made; no final action can be taken.

Dr. Brockman asked for a second of his motion and received it from Mr. Stuckert. The motion passed without dissent and the Board went into closed session at 2:43 p.m.

KK. Open Session

The Board reconvened at 3:05 p.m. Dr. Brockman said that the review of the terms of the proposed contract had concluded. No other business was conducted or discussed by the Board, and no action had been taken by the Board.

Dr. Brockman asked for a motion, and Mr. Stuckert moved to approve the employment agreement of President Elect Eli Capilouto commencing July 1, 2011, as discussed in closed session. Mr. Mobley seconded. There was no discussion, and the motion passed without dissent.

The contract was approved. For the record, it is noted that Mr. Smith and Ms. Brown left before the vote was taken and did not vote.

LL. Adjournment

Hearing no suggestions for additional matters, Dr. Brockman asked for a motion to adjourn. Ms. Patterson made the motion, and it was seconded by Dr. Sachatello. The meeting ended at 3:06 p.m.

Respectfully submitted,

Pamela T. May  
Secretary, Board of Trustees

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