

Minutes of the Meeting of the Board of Trustees
University of Kentucky
Saturday, October 18, 2014

The Board of Trustees of the University of Kentucky met on Saturday, October 18, 2014 in the Board Room on the 18th floor of Patterson Office Tower.

A. Meeting Opened

Dr. O. Keith Gannon, chair of the Board of Trustees, called the meeting to order at 10:39 a.m. Chair Gannon asked Trustee Sheila Brothers, 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: C.B. Akins, Sr., James H. Booth, E. Britt Brockman, Sheila Brothers, Mark P. Bryant, William S. Farish, Jr., O. Keith Gannon, Carol Martin (Bill) Gatton, Cammie Grant, Robert Grossman, David V. Hawpe, Kelly Sullivan Holland, Jake Ingram, James W. Stuckert, John Wilson, Robert Vance and Barbara Young. William C. Britton, Angela L. Edwards and Terry Mobley were absent from the meeting. Secretary Brothers announced that a quorum was present.

The University administration was represented by President Eli Capilouto, Provost Christine Riordan, Executive Vice President for Health Affairs Michael Karpf, Executive Vice President for Finance and Administration Eric Monday, and General Counsel William Thro.

The University faculty was represented by Chair of the University Senate Council Andrew Hippisley, and the University staff was represented by Chair of the Staff Senate Michael Adams.

Guests and members of the news media were also in attendance.

C. Approval of the Minutes

Chair Gannon called attention to the minutes from the meeting on September 5, 2014. Trustee Booth moved approval of the minutes and Trustee Stuckert seconded the motion. Chair Gannon called for the vote and it passed without dissent. (See Minutes on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

D. Chair's Report

Chair Gannon reported that there had been one petition to address the Board since the last Board of Trustees meeting. Dr. Faith Harders and Dr. Michael Kovash submitted a petition regarding the topic of historic preservation and the creation of a Preservation Committee at the University of Kentucky.

Per Governing Regulation II.G.1.b., the Board of Trustees has not received a recommendation or action item from the President regarding this issue. Chair Gannon stated that the two faculty members do raise a good point. He has asked Executive Vice President for Finance and Administration Eric Monday to meet with them to discuss their concerns.

E. Principles for the Research Enterprise (CR 1)

Chair Gannon stated that CR 1 is the recommendation regarding the Principles for the Research Enterprise. It states:

“Recognizing the essential nature and value of all scholarly and creative activity undertaken at a comprehensive, land-grant institution, the University’s mission and the current financial environment compel a focus on research areas where:

1. the needs of Kentuckians and the Commonwealth are most pressing; and
2. the University can continue to compete successfully for external research support.

The President is directed to take steps necessary to achieve these goals and grow the University’s research enterprise by:

1. Aligning resource commitments to optimize efficiency and facilitate faculty, student and staff success;
2. Recruiting and retaining world-class scholars and research teams;
3. Strengthening the commitment to interdisciplinary exploration; and
4. Confirming and detailing the critical need for additional research infrastructure.”

Trustee Bryant moved approval of CR 1. Trustee Farish seconded the motion. Hearing no discussion, Chair Gannon called for the vote and it passed without dissent. (See CR 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

F. Center for Applied Energy Research Slipstream Capital Project (CR 2)

Chair Gannon stated that CR 2 was related to the Center for Applied Energy Research Slipstream Capital Project. The recommendation asked the Board to approve an increase in scope from \$1,600,000 to \$2,700,000 for this project.

Chair Gannon stated that at the June 2014 meeting, the Board approved the initiation of the Center for Applied Energy Research (CAER) Slipstream capital project with a scope of \$1,600,000, to be funded with a grant from the United States Department of Energy National Energy Technology Laboratory. The CAER has partnered with Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU) to test a carbon dioxide (CO₂) capture system. The CAER CO₂ capture process has been designed and is being erected and operated at LG&E and KU’s E.W. Brown Generating Station in Harrodsburg, Kentucky.

Actual bids exceeded the engineer’s original estimate and unforeseen conditions have arisen requiring a scope increase to \$2,700,000. The \$1,100,000 increase will be funded with

federal and private funds. Pending Board approval, the scope increase will be submitted to the Capital Projects and Bond Oversight Committee.

Trustee Akins moved approval of CR 2. Trustee Stuckert seconded the motion. Hearing no discussion, Chair Gannon called for the vote and it passed without dissent. (See CR 2 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

G. Creation of Presidential Compensation Review Committee

Chair Gannon stated that the foremost responsibility of the Board of Trustees is the assurance that the University of Kentucky can attract and retain a chief executive that has the talent, vision and skill to lead the University to its highest potential. To guarantee that the University stays in the position to maintain such leadership, it is important that with some regularity the Board benchmark the compensation of the position of President against peer institutions whose chief executives bear similar responsibilities. Historically, the Board of Trustees of the University of Kentucky has performed such an assessment every four to six years. The last formal Presidential Compensation review was 2009.

Under the terms of GR II.E.3, the Chair of the Board of Trustees may create special committees, appoint membership of special committees and determine the scope of such committee's duties and responsibilities. Exercising that authority, Chair Gannon announced the creation of an ad-hoc Presidential Compensation Review Committee. The responsibility of the Committee is to appropriately benchmark the University of Kentucky Presidential Compensation against that of chief executives at institutions of similar size, scope and complexity. Chair Gannon asked that the Committee report their findings along with a list of "points to consider" to the full Board at the December 9, 2014 Board of Trustees meeting. The members of the Presidential Compensation Committee are Dr. Britt Brockman (chair), Angela Edwards, William Farish, Robert Grossman and Terry Mobley.

H. Honorary Degree Recipients (PR 1)

President Capilouto stated that PR 1 was the resolution recommending that the Board of Trustees approve awarding an Honorary Doctor of Science to Brady J. Deaton and a Honorary Doctor of Humanities to Don L. Jacobs, Sr., as approved and recommended by the University Faculty.

Trustee Gatton moved approval of PR 1 and gave a brief history of his association with Mr. Don Jacobs. Trustee Bryant seconded the motion. Hearing no further discussion, Chair Gannon called for the vote and it passed without dissent.

I. Other Business

Chair Gannon stated there had been preliminary discussions to consider alternate sites for future Board meetings. Chair Gannon would like to see a rotation through the four corners of the state and would like suggestions by the December meeting. He hoped that at least one meeting in the remaining 2014-15 Board meeting schedule could be accommodated in this manner.

Chair Gannon reminded the Board of the dinner at Maxwell Place on December 8. President and Dr. Mary Lynne Capilouto will host Trustees and their spouse/partner/guest that evening.

J. Meeting Adjourned

Hearing no further business, Chair Gannon asked for a motion to adjourn the meeting. Trustee Gatton moved the meeting to adjourn and it was seconded by Trustee Holland. The meeting adjourned at 10:59 a.m.

Respectfully submitted,



Sheila Brothers
Secretary, Board of Trustees

(CR 1, CR 2 and PR 1 are official parts of the Minutes of the meeting.)