

Minutes of the Finance Committee Meeting
University of Kentucky Board of Trustees
September 14, 2018

The Finance Committee of the University of Kentucky Board of Trustees met on Friday, September 14, 2018, in the E. Britt Brockman, M.D. Senate Chamber.

Meeting Opened

James Booth, Chair of the Finance Committee, called the meeting to order at 10:52am. Chair Booth asked Ms. Heeter, secretary to the Finance Committee, to call the roll.

Roll Call

The following members of the Finance Committee answered the call of the roll: James Booth, Jennifer Barber, Lee Blonder, Michael Christian, Elizabeth McCoy, Dave Melanson, Derrick Ramsey, and Frank Shoop.

Ms. Heeter announced that a quorum was present.

Approval of Minutes

Chair Booth asked if there were any corrections to the minutes of the June 22, 2018 meeting which were distributed. Trustee McCoy made a motion to approve the minutes. Trustee Ramsey seconded the motion. The motion carried without dissent.

Business Items

Chair Booth stated the Committee would hear business items and yielded the floor to Dr. Mark Newman, Executive Vice President for Health Affairs for review of ECR 1.

ECR 1 Ratification of Executive Committee Approval of Creation and Funding of an Affiliated Entity and participation in Ambulatory Surgery Center

Dr. Newman stated that ECR 1 was discussed earlier in the Health Care Committee and was the action of the Executive Committee to allow UK HealthCare to purchase a controlling interest in an ambulatory surgery center, as well as authorize transfer of \$1,200,295 million to acquire that controlling interest.

Trustee Melanson made a motion to accept ECR 1. Trustee Barber seconded the motion. The motion carried without dissent.

FCR 1 Amendment to the Kaye Matthews Stone Fund for Research in Pancreatic Cancer

FCR 1 is seeking approval of an amendment to the Kaye Matthew Stone Fund for Research in Pancreatic Cancer in the College of Medicine's Lucille Parker Markey Cancer Center. The original purpose of this fund was to support pancreatic cancer research initiatives. This

amendment broadens its purpose, with the support of the donors, to support research initiatives related to gastrointestinal cancers, including pancreatic cancers.

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

FCR 2 Approval of Ground Lease – Kappa Alpha Theta Fraternity

FCR 2 seeks authorization for the Executive Vice President for Finance and Administration to negotiate and execute a ground lease between the University of Kentucky, as Lessor, and Gamma Iota House Corporation of Kappa Alpha Theta Fraternity Inc., as Lessee, for Site G in the University Greek Park. Kappa Alpha Theta proposes to construct a chapter house, at their expense, with a minimum 19,000 gross square feet and 50 beds on the site.

Trustee Shoop made a motion to accept FCR 2. Trustee Barber seconded the motion. The motion carried without dissent.

FCR 3 Approval to Acquire/Renovate Warehouse Space

FCR 3 requests authorization for the Executive Vice President for Finance and Administration to acquire and renovate warehouse facilities at 1247 Versailles Road/554-448 South Forbes Road in Lexington, Kentucky. At its June 2016 meeting, the Board approved a lease between the University and GF Vaughan Tobacco Company. This space is a combination of warehouse, storage and office space totaling 465,000 square feet located approximately two miles from the UK Main Campus. It is advantageous for the University to own rather than lease this facility. The acquisition is not expected to exceed \$4,650,000 and the first stage of the renovation is not expected to exceed \$2,000,000. Additional warehouse and storage space would free up space for critical use on the University's Main Campus, allowing for its continued transformation.

Trustee Christian made a motion to accept FCR 3. Trustee Barber seconded the motion. The motion carried without dissent.

FCR 4 Authorization of Negotiated Disposition of Personal Property

This FCR seeks authorization for the non-routine disposition of personal property from the University of Kentucky Center for Applied Energy Research. The commercial-scale battery manufacturing equipment, with a net book value of \$44,640, is deemed surplus as the equipment is antiquated based on the department's needs.

Trustee Shoop made a motion to accept FCR 4. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 5 Authorization of Negotiated Disposition of Personal Property

This FCR seeks authorization for the non-routine disposition of personal property by sale of accelerated solvent extractor valued at \$34,275.50 to the University of California at Merced. A

departing faculty member has requested the item pertaining to her research be transferred to the University of California Merced.

Trustee Blonder made a motion to accept FCR 5. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 6 Repair, Upgrade or Improve Building Systems – UK HealthCare Capital Project (Pavilion HA Air Handling Units 1, 2, and 3)

This FCR requests authorization for the initiation of the replacement of three air handling units. Units one and two are on the third floor of the Mother Baby Unit and Obstetrics. Unit three services the fourth floor Pediatric Unit. The units were installed in 1992 and 1995, respectively.

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

FCR 7 Capital Construction Report

The Committee yielded the floor to Mary Vosevich, Vice President for Facilities Management for the Capital Construction Report for the period April 1, 2018 to June 30, 2018. Ms. Vosevich reported that there were three new contracts, seven amendments, and 39 change orders during this quarter.

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

FCR 8 Patent Assignment Report

The floor was yielded to Lisa Cassis, Vice President for Research, for the Patent Assignment Report. Dr. Cassis presented the report for the period April 1, 2018 to June 30, 2018. During this period, four full patent applications were submitted, nine provisional patent applications were submitted, seven patents were issued, and licensing income totaled \$514,036.

Trustee Blonder made a motion to accept FCR 8. Trustee Melanson seconded the motion. The motion carried without dissent.

EVPFA Report

The next order of business was a report from the Executive Vice President for Finance and Administration, Dr. Eric Monday. Dr. Monday's report consisted of three items. On July 5th the Lexington Fayette Urban County Council approved the land swap and the Mayor signed the Memorandum of Understanding that night. Phase I involves 50 acres of shovel ready land at Coldstream in exchange for Rose Street, portions of Pennsylvania Avenue, Pennsylvania Court, Weidman Alley, Dixie Court and other unnamed alleys. Rose Street is closed and will remain closed with seating and planters having been installed. Phase II will continue over the next several years, by creating a pedestrian safe environment for UK's students, staff and faculty.

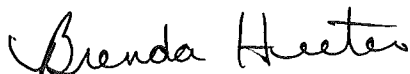
Dr. Monday continued with an update on the Spin program. He reported that Spin originally had 500 bicycles on campus and throughout Lexington. The program currently has 900 bicycles in their fleet which is resulting in a reduction of the number of cars on campus.

Lastly, Dr. Monday discussed employee financial wellness. The University is working to provide a platform for UK's 20,000 employees, and is looking for opportunities for the employees to have detailed conversations in small groups. Dr. Monday and Todd Macaulay, Certified Financial Planner within the Human Resources organization, will lead a pilot program during the fall 2018 semester for a small group of 10 employees over eight weeks. This program will be launched more fully in the spring 2019 semester.

Meeting Adjourned

Hearing no further business, the meeting was adjourned at 11:18am.

Respectfully submitted,

A handwritten signature in cursive script that reads "Brenda Heeter".

Brenda Heeter
Finance Committee Secretary