

Minutes of the Finance Committee Meeting
University of Kentucky Board of Trustees
Friday, February 23, 2018

The Finance Committee of the University of Kentucky Board of Trustees met on Friday, February 23, 2018, in the Board Room on the 18th Floor of the Patterson Office Tower.

A. Meeting Opened

James Booth, Chair of the Finance Committee, called the meeting to order at 1:00 p.m. Chair Booth asked Ms. Heeter, secretary to the Finance Committee, to call the roll.

B. Roll Call

The following members of the Finance Committee answered the call of the roll: James Booth, Jennifer Barber, Lee Blonder, Elizabeth McCoy, Dave Melanson, Derrick Ramsey, and Frank Shoop. Trustee Mike Christian was not in attendance.

Ms. Heeter announced that a quorum was present.

C. Approval of Minutes

Chair Booth asked if there were any corrections to the minutes of the December 12, 2017 meeting which were distributed. Trustee McCoy made a motion to approve the minutes. A motion to second was made by Trustee Barber. The motion carried without dissent.

D. Business Items

Chair Booth stated the Committee would hear business items.

FCR 1 Approval of the 2016-17 Endowment Match Program Annual Report

Executive Vice President for Finance and Administration Eric Monday spoke about the 2016-2017 Endowment Match Program Annual Report. As required by the Council on Postsecondary Education (CPE), the report must be reviewed and approved by the Board of Trustees. He noted the report cover memo signed by the President, and the amazing impact of the “Bucks for Brains” partnership between UK and the Commonwealth of Kentucky. “We have used these funds to build an endowment of \$421 million in fiscal year 2001, to more than \$1.4 billion in fiscal year 2017, and create more than 300 endowed chairs and 260 endowed fellowships. The endowment is a key component in increasing our external grants and contracts from \$174 million to more than \$330 million.”

Trustee Barber made a motion to accept FCR 1. Trustee Shoop seconded the motion. The motion carried without dissent.

FCR 2 Dissolution of Affiliated Corporation

Dr. Monday reviewed the recommendation for the dissolution the Center on Aging Foundation, Inc. “Over the last few years we have evaluated a number of affiliated corporations to determine whether or not we need to continue these affiliated corporations or make them more of a component part of the University. The Board has previously approved dissolution of several of these corporations. The functions will continue under a new Sanders-Brown Center on Aging philanthropy council.”

Trustee McCoy made a motion to approve FCR 2. Trustee Barber seconded the motion. The motion carried without dissent.

FCR 3 Capital Construction Report

The Report was given by Vice President for Facilities, Mary Vosevich. The Report is for the Second Quarter of the Fiscal Year, October through December 2017. There were eight new contracts; four contracts completed, two amended contracts, and 54 change orders greater than \$25,000 of which 34 were for the Student Center and Research Building II.

Ms. Vosevich gave an update on a few of the projects.

1. The Baseball Stadium, which is a \$49 million project will be complete in August 2018. It will have 4,500 seats, locker rooms, scoreboards and everything that goes along with a baseball stadium.
2. Research Building II is a \$170 million project which will be complete in August 2018. This multi-disciplinary research building will have 165,000 square feet.
3. The Law Building renovation and expansion is a \$56 million project which will be complete in August 2019.
4. The Student Center is a \$201 million project and will be completed in May 2018. This facility will encompass 378,000 square feet and will house the bookstore, dining, Visitor Center, student government offices, and theatres.

Motion made by Trustee Melanson to approve the Capital Construction Report, FCR 3. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 4 Patent Assignment Report

The report was presented by Vice President for Research, Lisa Cassis, for the period of October through December 2017. There were three patents issued, five full patent applications, and 14 provisional patent applications. Total license income of \$1,117,855 has been received as of December 31, 2017.

Trustee Shoop made a motion to accept FCR 4. The motion was seconded by Trustee Barber. The motion carried without dissent.

E. Executive Vice President for Finance and Administration Report

Executive Vice President for Finance and Administration Eric Monday gave the EVPFA report.

1. UK – Lexington Fayette Urban County Government (LFUCG) land swap - 249 acres at Coldstream for 21 acres of campus streets. UK Board of Trustees and Commonwealth of Kentucky approval has been received. LFUCG approval process is expected to be presented at the April Board Meeting and the timing of the land swap is being determined.
2. UK – Core Spaces Investment Partners, LLC exchange was finalized on February 2, 2018. UK received Kennedy's/Fazoli's block in exchange for two surface parking lots. Core Spaces plans construction of two high-end student housing projects with ground floor retail. Future use of Kennedy's/Fazoli's block is still being determined.
3. Bond Sale Update – UK sold \$222.53 million bonds for three projects: \$150 million for UK HealthCare; \$21 million for the Law Building; and \$60 million for facilities renewal.

F. Meeting Adjourned

Hearing no further business, the meeting was adjourned at 1:18pm

Respectfully Submitted,

Brenda Heeter
Secretary, Finance Committee