

MINUTES OF THE FINANCE COMMITTEE
University of Kentucky Board of Trustees
March 16 – 11:30 AM
18th Floor Patterson Office Tower, Board Room

Committee Members Present

James Stuckert, Chairperson, C.B. Akins, Sr., Jim Booth, Sheila Brothers, Bill Gatton, Cammie Grant, Kelly Holland, Terry Mobley, and Robert Vance

Approval of Minutes

The minutes of the December 9, 2014 Finance Committee meeting were approved as presented.

FCR 1 – Wendell and Vickie Bell Gift (Consent)

Jim Stuckert recommended acceptance of a gift of \$500,000 from Wendell and Vickie Bell of Lexington, Kentucky to support the Construct Football Training Facilities and Practice Fields capital project. Wendell and Vickie Bell are long-time supporters of many Department of Intercollegiate Athletics programs.

FCR 2 – Michael L. Marberry Pledge (Consent)

Jim Stuckert recommended acceptance of a \$500,000 pledge from the Michael L. Marberry of Atlanta, Georgia to support the Chemical and Materials Engineering Facilities Fund in the College of Engineering. This commitment was made in honor of his former professor, the late Dr. Asit K. Ray. The funds will be used for the renovation of the F. Paul Anderson Chemical and Material Engineering first-floor student commons, and will be named the Asit K. Ray Student Commons. The funds also will be used for undergraduate student labs, which will be named the Michael L. Marberry Undergraduate Teaching Laboratory.

FCR 3 – S. J. Whalen Charitable Remainder Unitrust Gift (Consent)

Jim Stuckert recommended acceptance of a gift of \$531,731.73 from the S.J. Whalen Charitable Remainder Unitrust, established by Mr. S J. Whalen to support the Chemical and Materials Engineering Facilities Gift Fund in the College of Engineering. Mr. Whalen designated the University of Kentucky as a 50 percent beneficiary of his S. J. Whalen Charitable Remainder Unitrust. This gift of \$531,731.73 represents a partial distribution of the Trust, with the final disbursement to be received later in 2015.

FCR 4 – Dr. James F. Roark, Jr. Gift and Pledge (Consent)

Jim Stuckert recommended acceptance of a gift of \$495,127 and a pledge of \$4,873 for a total commitment of \$500,000 from Dr. James F. Roark, Jr. to support the existing Samuel C. Matheny Global Health Enhancement Gift Fund, and to create the Global Health Fund, both in the University of Kentucky International Center. Of the total \$500,000 commitment, \$100,000 will support the Samuel C. Matheny Global Health Enhancement Gift Fund and \$400,000 will create the Global Health Fund.

FCR 5 – Request to Rename the Fifth and Pacific Foundation Endowment to the Kate Spade and Company Foundation Endowment

Jim Stuckert recommended approval of a request to rename the Fifth and Pacific Foundation Endowment to the Kate Spade and Company foundation Endowment in the Center for Research on Violence Against Women.

Effective October 2014, the name of the Fifth and Pacific Foundation was changed to the Kate Spade and Company Foundation. Accordingly, the Foundation has requested that the name of the endowment be changed accordingly and that the University use the new name in all references to the endowment. The market value of the endowment fund as of June 30, 2014 was \$325,021. C.B. Akins, Sr. moved for approval. Sheila Brothers seconded, and the motion for approval unanimously carried.

FCR 6 – Proposed 2015-16 Tuition and Mandatory Fees Schedule

Angie Martin, Vice President for Financial Planning and Chief Budget Officer, presented the proposed 2015-16 tuition and mandatory fees schedule which reflects a three percent increase for resident students and a six percent increase for most non-resident students. Tuition and fees revenue and state appropriations are the primary funding sources for the University's instructional and support functions. The recommended tuition and fee rates reflect efforts to balance student affordability and provide adequate funds for quality education and support services. Bill Gatton moved for approval. William Vance seconded, and the motion for approval unanimously carried.

FCR 7 – Proposed 2015-16 Room Rates for University-Owned Housing

Jim Stuckert recommended approval of the 2015-16 room rates for University-Owned Housing. The proposed 2015-16 housing rates primarily reflect a three percent increase for traditional double and single room residence halls, premium residence halls, graduate and family apartments, and Greek housing. The rates for residence hall units constructed and managed by the University's private partner are in compliance with the lease agreements.

The 2015-16 dining rates reflect a 3.5 percent increase for the minimum seven meals per week plan, a 2.4 percent increase for the comfort seven-day unlimited plan, no change in the rate for the 10 meals per week plan, and a 3.5 to 3.6 percent increase for all other dining plans. All students living in residence halls are required to purchase a dining plan. Sheila Brothers asked what is our percentage rate increase over the past few years and Mrs. Martin responded 0 – 4 percent and this

should provide a more stable price going forward. Jim Booth moved for approval. Terry Mobley, seconded, and the motion for approval unanimously carried.

FCR 8 – 2014-15 Budget Revisions

Jim Stuckert recommended approval of the 2014-15 budget revisions. The budget revisions will increase the University's total budget by \$3,833,200 or 1.0 percent from \$3,012,831.900 to \$3,016,665,100. Cammie Grant moved for approval. Kelly Holland seconded, and the motion for approval carried with one abstention.

FCR 9 – Approval to Submit an Application to Acquire the Quicksand Plant Materials Center in Quicksand, Kentucky

Jim Stuckert recommended the initiation, by the Executive Vice President for Finance and Administration, for application to the United States General Services Administration to acquire approximately four acres of improved property referred to as the Quicksand Plant Materials Center in Quicksand, Kentucky, owned by the US Department of Agriculture – Natural Resources Conversation Service. Terry Mobley moved for approval. Jim Booth seconded, and the motion for approval unanimously carried.

FCR 10 – Design/Renovate/Upgrade Hospital Facilities – Good Samaritan Capital Project

Jim Stuckert recommended the initiation of the construction phase of the Design/Renovate/Upgrade Hospital Facilities – Good Samaritan Capital Project.

The construction phase of this project will renovate approximately 12,090 square feet of the Good Samaritan Emergency Department including space dedicated to patient care such as private patient rooms, expanded service capabilities and improved staff support space. The project will also expand the patient and family waiting area by approximately 1,250 square feet. Bob Vance moved for approval. Cammie Grant seconded, and the motion for approval unanimously carried.

FCR 11 – Renovate/Upgrade UK HealthCare Facilities (Phase I-G) Capital Project

Jim Stuckert recommended approval of the initiation of the Renovate/Upgrade UK HealthCare Facilities (Phase I-G) Capital Project. Since the opening of the first two patient care floors in Pavilion A of the new Patient Care Facility in May 2011, UK HealthCare (UKHC) has continued to experience strong patient demand for the delivery of its hospital system services. This volume increase has placed substantial capacity and throughput constraints on hospital system operations, requiring continued fit-out of Pavilion A to ensure the availability of adequate facilities for patient care. The 8th floor of Pavilion A opened in December 2014 and the fit-out of the 9th and 10th floor will commence soon with completion expected in the summer of 2016.

The construction of additional operating rooms and support areas is needed to improve patient throughput and staff efficiency. Terry Mobley moved for approved. Cammie Grant seconded, and the motion for approval unanimously carried.

FCR 12 – Renovate Old Softball/Soccer Locker Room Capital Project

Jim Stuckert recommended approval of the initiation to increase the scope from \$1.5 million to \$2.2 million for the Renovate Old Softball/Soccer Locker Room Capital Project. The project will renovate space in the old soccer/softball building to create new office and administrative space for the coaches and staff of the men's and women's soccer and the women's softball teams. As a result, the student-athletes will have access to their coaches and coaching staff in adjacent facilities. The \$700,000 increase will be funded with private funds in the Department of Intercollegiate Athletics. James Booth moved for approval. Sheila Brothers seconded, and the motion for approval carried.

FCR 13 – Repair/Upgrade/Improve Civil/Site Infrastructure Capital Project (South Campus Parking Lot Expansion)

Jim Stuckert recommended the initiation of the Repair/Upgrade/Improve Civil/Site Infrastructure Capital Project (South Campus Parking Lot Expansion). This expansion to the recently constructed parking lot south of the E.S. Good Barn will create approximately 430 additional parking spaces. These additional spaces are needed to offset parking losses associated with the Commonwealth Stadium expansion and allow for parking along the University Drive transit corridor. The \$1,800,000 project was authorized by the 2014 Session of the Kentucky General Assembly and will be financed with agency funds. Sheila Brothers moved for approval. C. B. Akins, Sr. seconded, and the motion for approval unanimously carried.

FCR 14 – Construct Research Building Capital Project

Jim Stuckert recommended the initiation of the Construct Research Building Capital Project. This project will construct an approximately 300,000 gross square foot multi-disciplinary research building to meet the current and future needs of world-class researchers. This state-of-the-art facility will attract and retain researchers who successfully compete for externally funded research. The building design will be flexible and open to provide modern space for multi-disciplinary research involving programs such as medicine, nursing, health sciences, pharmacy, psychology, agriculture, biology, chemistry and engineering. Bill Gatton moved for approval. C.B Akins, Sr. seconded, and the motion for approval unanimously carried.

FCR 15 – Capital Construction Report

Mary Vosevich, Vice President for Facilities Management, reported that during the quarter ending December 31, 2014, there were nine new contracts, thirty-five change orders and five contracts were completed. Jim Booth moved for approval. Kelly Holland seconded, and the motion for approval unanimously carried.

FCR 16 – Patent Assignment Report

Dr. Lisa Cassis, Interim Vice President for Research, presented the patent assignment report for the period of October 1 through December 31, 2014. During this period, three applications were submitted, sixteen patents were issued, and patent receipts totaled \$761,669.43. Terry Mobley moved for approval. Cammie Grant seconded, and the motion for approval unanimously carried.

Hearing no further business, Chair Stuckert adjourned the meeting.

Respectfully submitted,

Barbara Royalty-Tatum

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