

Minutes of the Meeting of the Board of Trustees  
University of Kentucky  
Tuesday, December 15, 2015

The Board of Trustees of the University of Kentucky met at 1:00 p.m. on Friday, December 15, 2015, 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 1:07 p.m. Chair Brockman asked Trustee Kelly Holland, 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., Claude A. “Skip” Berry, III, James H. Booth, E. Britt Brockman, Sheila Brothers, Mark P. Bryant, Angela L. Edwards, William S. Farish, Jr., Cammie D. Grant, Robert Grossman, David V. Hawpe, Kelly Sullivan Holland, Terry Mobley, C. Frank Shoop, John Wilson, Robert Vance and Barbara Young. Trustees William C. Britton, O. Keith Gannon, Austin Mullen, and Honorary Trustee Carol Martin “Bill” Gatton were not in attendance. Secretary Holland announced that a quorum was present.

The University administration was represented by President Eli Capilouto, Provost Tim Tracy, 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 Jann Burks.

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

C. Consent Items

Chair Brockman reviewed the new meeting format involving the Consent Agenda. All business items or recommendations had been placed on the Consent Agenda. Items can be removed for further discussion in the full Board meeting in one of three ways: the President may remove any item from the Consent Agenda before the actual vote on Consent Agenda; the Chair of the Committee, after consultation with the appropriate President’s Direct Report, may remove an item from the Consent Agenda by notifying Amy Hisel before the Committee Meeting that will consider the action; or any Board member may request the removal of an item from the Consent Agenda when consent items are being considered during the Chair’s Report. Chair Brockman stated that it was his hope that the new format would facilitate more extensive and thoughtful discussion of the important issues confronting the University during the Board’s regular meeting.

Chair Brockman called attention to the consent items on the agenda. The items were as follows:

- Minutes of the Board of Trustees Retreat on October 22-23, 2015
- Minutes of the Board of Trustees meeting on October 24, 2015
- PR 2 Personnel Actions
- ASACR 1 Candidates for Degrees: December 2015
- ASACR 2 Candidate for Degree: August 2009
- ASACR 3 Candidate for Degrees: May 2014
- ASACR 4 Candidate for Degree: May 2015
- ASACR 5 Candidate for Degree: August 2015
- FCR 1 Barnstable Brown Foundation Gift
- FCR 2 Gift from the Estate of James C. Blair
- FCR 3 William S. Cooper Pledge
- FCR 4 EdR Pledges
- FCR 5 Gifts from the Estate of Deborah Eggum
- FCR 6 T.W. Lewis Foundation Pledge
- FCR 7 Brett and Billie Jo Setzer Pledge
- FCR 8 Charles Koch Foundation Charitable Grant Committee
- FCR 9 John H. Schnatter Family Foundation Charitable Grant Commitment
- FCR 10 Hanban/Confucius Institute Headquarters Investment and Renovate Lucille Little Library Capital Project
- FCR 11 Acceptance of 2014-15 Audited Financial Statements and the Independent Auditor's Report on Financial Statements and Supplemental Information
- FCR 12 Acceptance of Interim Financial Report for the Three Months Ended September 30, 2015
- FCR 13 Fiscal Year 2015-16 Budget Revisions
- FCR 14 Approval to Dispose of University Property, Harry L. Crisp Higher Education Center, and Establishment of a Scholarship Endowment with the Proceeds
- FCR 15 Authorization to Acquire Seven Properties on the Corner of Limestone Street and Virginia Avenue
- FCR 16 Renovate Erikson Hall Capital Project
- FCR 17 Renovate Academic/Administrative Space: Nutter Football Training Facility Capital Project
- FCR 18 Repair/Upgrade/Improve Building Shell Systems Capital Project (2016 Parking Garage Maintenance and Restoration)
- FCR 19 Repair/Upgrade/Improve Building Systems: UK HealthCare Capital Project (Roach Air Handling Unit: Roach S-1)
- FCR 20 Capital Construction Report
- FCR 21 Patent Assignment Report

Chair Brockman asked for consent item removal. Hearing none, Chair Brockman asked for a motion for approval of consent items. Trustee Farish moved approval, with a second by Trustee Shoop. The motion passed without dissent. (See consent items on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

D. Chair's Report

Chair Brockman reported that there had been one petition to address the Board since the last Board of Trustees meeting. The petition was declined as it was not pertinent to any current or future agenda item.

Chair Brockman reported that future board dates are being considered for Unconscious Bias training for Board members.

E. President's Report (PR 1)

President Capilouto began by sharing that on Friday, December 18, 2015, the campus would gather to celebrate and honor the accomplishments of undergraduate, graduate and professional students who will have completed their degrees. He stated that these celebrations remind us of UK's responsibility to prepare the next generation of scholars, but also that our faculty are essential to this mission.

President Capilouto stated that one of the faculty members, who served as a model of mentorship, scholarship and service, is Robert Lawson. Professor Lawson will retire this year. Professor Lawson received his J.D. degree from the University of Kentucky, and served as a faculty member in the College of Law since 1966. There, he received a multitude of awards for excellence in teaching, and twice, he served as dean of the college. During his tenure, he was extensively involved in law reform efforts in Kentucky and was the principal drafter of both the Kentucky Penal Code and the Kentucky Rules of Evidence, which have served as models for the nation.

President Capilouto thanked Professor Lawson for his dedication and years of service and invited him to say a few words.

Professor Lawson thanked President Capilouto for his kind words and stated his tenure had been a wonderful experience. He shared his experience of the last time he was in the Patterson Office Tower Board Room; it was during the riots in the early 1970s. He was appointed by President Singletary to be the hearing officer for the 43 students charged with student code violations.

Trustee Bryant, a UK law school graduate, thanked Professor Lawson for his years of teaching and service, both on a personal and professional level.

President Capilouto continued that this past October, UK honored 57 staff members at the Outstanding Staff Awards. Winners were referred by their respective units as their most deserving employees of 2014-15. He continued that these individuals are just some of the "heroes on the frontlines, supporting and contributing to the important work that happens across our campus each day. They inspire fellow colleagues and proudly represent their unit, college and our university."

President Capilouto stated that during the fall semester, the University welcomed two new deans to the UK family.

President Capilouto stated that Dr. Stephanos Kyrkanides joined UK from Stony Brook University School of Dental Medicine, where he served as associate dean for research and faculty development, and chair of the Department of Orthodontics and Pediatric Dentistry. Dean Kyrkanides is a clinician, researcher, and administrator of extraordinary caliber. His experience in innovative care delivery, cutting-edge research, and intellectual property generation, as well as quality education delivery makes him the ideal person to lead the College of Dentistry.

Dean Kyrkanides thanked President Capilouto, Provost Tracy, and Executive Vice President Karpf for the opportunity to join the UK family. He was impressed with the talent of people and faculty University-wide, and was excited to work with the community of entrepreneurs to advance the College of Dentistry, the University campus and agenda of the Commonwealth of Kentucky.

President Capilouto stated that Dr. Mitzi Vernon comes to the University of Kentucky from Virginia Polytechnic Institute and State University (Virginia Tech), where she was a professor of industrial design. Dr. Vernon is a celebrated designer and has works of architecture, furniture, interiors and product design in Phoenix, Los Angeles and Chicago. Dean Vernon has a unique background and diverse set of scholarly interests that made her an outstanding fit for the College of Design. Her expertise aligns with UK's program that blends different disciplines and is renowned for its quality and service across the Commonwealth.

Dean Vernon thanked the Trustees and President Capilouto. She was excited for the opportunities of new growth in not only expansion (both bricks and mortar and number of faculty) in the College of Design, but in relationships and collaboration with other Colleges on campus. Her time visiting with and learning about the College's faculty and staff over the past several months has reinforced her early impressions of their amazing credentials and the strong future of the College.

President Capilouto updated the Board on his trip to Washington, DC, to visit with members of Congress. Joined by Vice President for Research Dr. Lisa Cassis, the conversations focused on the strength of UK in general, research priorities, and the opportunities for future investments.

President Capilouto also had the opportunity to visit with a Pulitzer-Prize winning journalist who writes for the Washington Post, and covers higher education across the United States. The interview covered UK's deliberate efforts to build a more diverse and inclusive community.

President Capilouto also shared his thoughts on his meeting with students regarding the mural in Memorial Hall. He stated:

“these students and others note that the mural is not in a museum or gallery where art, however provocative, has a place and should be exhibited at the

University of Kentucky. It stands alone, they said, as the only representation of their ancestors in a place where we welcome students, sometimes for the first time, and where we require students to go to class. Sparked by events here and across the country, we are seeking to engage in constructive and intense dialogue about how we build an environment that is safe, welcoming, and makes people feel as if they belong.

And as you know, I made the decision to temporarily shroud the mural in Memorial Hall out of respect of long-term expressions of concern that could go no longer unanswered and because I believed heightened awareness of broad dialogue can create and sustain an educational environment that better reflects our collective values. It's our sacred duty to ensure that every member of our community feels a sense of belonging. We are called to consider, to converse, and to act. Now, many people can describe relationships and spaces in the context of power, and those are true because some of the things that we face inherently in them, regardless of the group or walk of life, can relate to power. But the power of community, what we can find within ourselves that connects us to one another, can overcome all of those power differentials.

So I have been inspired by the conversations across every platform about the future of the mural in Memorial Hall. It will continue to stand, but we must do more to contextualize its message and share the broader story of our history, not just in that place but across this entire campus. We are continuing to collect feedback. We will get a group together to consider all this as we determine the best path forward. It's been an important fulcrum of conversation for us, but it certainly was not- and it is not- the most important issue raised by our students, staff, and faculty. But it is a visible and tangible reminder that we must hold ourselves accountable for the work there is still to do and the progress we must make to build a better, more inclusive community.”

F. University of Kentucky Gluck Equine Research Foundation, Inc. Amendments to Bylaws (PR 3)

President Capilouto stated that PR 3 was the recommendation that the Board of Trustees approve amendments to the Bylaws of the University of Kentucky Gluck Equine Research Foundation, Inc. The corporation is a not-for-profit support organization for the University, established to support research by establishing partnerships between the University and the equine industry.

Trustee Brothers moved approval of PR 3. It was seconded by Trustee Vance and it passed without dissent. (See PR 3 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

#### G. Academic and Student Affairs Report

Trustee Angela Edwards, chair of the Academic and Student Affairs Committee, stated that the committee met that morning.

The Committee heard a report from the Provost regarding academic alerts and the Early Alert Referral System. This system is an early intervention tool, allowing faculty and designated University personnel to submit information regarding student academic issues. The Committee also heard a report about our award-winning Confucius Institute, UK's China Initiatives within that institute, the K-12 support that the institute provides, and the community outreach.

#### H. University Athletics Committee

Trustee C.B. Akins, Sr., chair of the University Athletics Committee, reported the University Athletics Committee met on Monday afternoon, December 14, 2015.

Trustee Akins stated that Athletics Director Barnhart provided a department report. Items of note include the news that UK Athletics tied school records for graduation rates. The graduation success rate was 81%, tying last year's school record. There will be 17 student-athletes participating in the December Commencement ceremonies. Eighty-three student-athletes were named to the SEC First Year Academic Honor roll this past July, which was the second-highest total in the conference.

AD Barnhart continued that UK Athletics is in the early stages of its goals of 1-3-5 Elite; defined as each team on campus winning a championship, a 3.0 department-wide GPA, and a top-five Directors' Cup finish by the year 2022. The men's soccer team was the first to fulfill part of that goal, winning the Conference USA regular-season championship this past fall.

In fall sports, the football team finished 5-7, one win shy of bowl eligibility. The focus shifts now to improvement and skills development for the current roster. Volleyball finished its season with a 12-10 record. Women's soccer finished the season 9-7-4. Men's and women's cross country finished 9th and 11th, respectively, in the NCAA Southeast Regional. Men's basketball is currently 9-1, ranked #4 in the country. Women's basketball is 9-0, ranked #8. The rifle team finished its season unbeaten and reached a #1 ranking in early November.

The new football training facility is approximately 45% complete and on track to open July '16. Kendra Harrison, a member of the women's track team and NCAA hurdles champion, is a top contender for the Bowerman Award. The award, the Heisman Trophy equivalent in track and field, will be announced on December 17.

There were a number of Wildcats inducted into various Halls of Fame since the June meeting, including Coach Calipari and Louie Dampier for the Naismith Basketball Hall of Fame, and Art Still for the College Football Hall of Fame. 2015 UK Athletics Hall of Fame class was also inducted in September.

Trustee Akins stated that Executive Associate Athletics Director for Student Services Sandy Bell and Senior Associate Athletics Director for Compliance Rachel Baker provided an overview of official/unofficial visit rules and regulations, as well as permissible activities during those visits.

In business items, the Committee was advised of FCR 7, Brett and Billie Jo Setzer Pledge in the amount of \$1,000,000 to support the Construct Football Training Facilities and Practice Fields capital project. Treasurer Susan Krauss reviewed with the Committee the 2014-15 Audited Financial Statements and the Independent Auditor's Report on Financial Statements and Supplemental Information for the Department of Intercollegiate Athletics. Melissa Gleason, Senior Associate Athletics Director - Finance, reviewed the Interim Financial Report of the Department of Intercollegiate Athletics, for the three months ended September 30, 2015. The information included the statement of net position, the statement on revenue and expenses, and the change in net position. The Committee accepted the 2014-15 audited financial statements and quarterly financial reports as presented.

The final business item was FCR 17, Renovate Academic/Administrative Space: Nutter Football Training Facility Capital Project. The project will renovate approximately 29,150 square feet of the Nutter Football Training facility for the new Sports Science Research Institute, an academic center, coaches' offices, and other athletic programs. The Committee recommended approval to the Finance Committee.

#### I. Audit and Compliance Committee Report

Trustee Mark P. Bryant, chair of the Audit and Compliance Committee, stated that the Committee had met that morning. Mary McKinley of BKD, Inc. updated the Committee on consolidated financial statements. There has been an increase in net worth over last year. BKD has completed the terms of their contract and will be bidding to renew their contract for next year.

Internal Audit Senior Director Joe Reed provided an FY16 project update and a FY15 final report on Comply Line calls and discussed additional methods of detecting fraud.

#### J. Investment Committee Report

Trustee William S. Farish, Jr., chair of the Investment Committee, stated that the Committee had met on Monday, December 14, 2015, to review performance results and conduct other business. The Endowment pool had a market value of \$1.21 billion as of October 31, 2015. For the four-month period ending October 31, the Endowment pool decreased by 2.37%, compared to a loss of 0.29% for the policy benchmark return. Domestic and International Equity strategies were key detractors from the endowment pool performance in the first three months of the period. However, the performance of these strategies improved substantially in the month of October, helping to offset the prior declines.

K. Finance Committee Report

Trustee Jim Booth, member of the Finance Committee, reported that the Committee reviewed and considered 21 FCRs and all were unanimously approved.

L. University Health Care Committee Report

Trustee Robert Vance, chair of the University Health Care Committee Report, reported that the Committee met on Thursday, December 14, 2015.

Trustee Vance stated that Murray Clark, UK HealthCare's Chief Financial Officer presented to the Committee the hospital systems financials through the month ended October 31, 2015. Mr. Clark reported that the first four months of the fiscal year had been very positive. Volumes for inpatient care are slightly above budget and revenue has been higher due to the case mix of patients and outlier cases. Outpatient volume has exceeded budget and there has been an increase in net revenue per case. Activity has produced revenue in excess of budget and expenses have been maintained within budget, as adjusted for activity, producing a positive result for the fiscal year through October.

The Committee reviewed and recommended for approval FCR 17, Renovate Academic/Administrative Space: Nutter Football Training Facility Capital Project. Of the \$4 million authorized for this project by the 2014 Session of the Kentucky General, \$1.8 million will be provided by clinical revenues. The Committee also reviewed and recommended for approval FCR 19, Repair/Upgrade/Improve Building Systems – UK HealthCare Capital Project (Roach Air Handling Unit: Roach S-1). This project will replace the air handling unit in the Ben F. Roach Cancer Care Facility. The unit is 32 years old, in poor mechanical condition and supports the second floor of the building which is a clinical area. The scope of project is \$1.2 million and will be funded with agency funds.

Trustee Vance continued that Bo Cofield, DrPH, UK HealthCare's Chief Clinical Operations Officer, provided the Committee with an update on the continued demand for capacity. Key take away points included UK HealthCare inpatient capacity continues to be at maximum levels nearly every day. There continues to be demand for UK HealthCare's high quality specialized services and more than 78% of the 128 new beds in Pavilion A will be consumed upon opening in 2016. Dr. Cofield presented the Committee with UK HealthCare's Hospital Based Contracts, as of October 2015. As part of UK HealthCare's reaccreditation process with The Joint Commission, the Board was informed of such contracts and no action was necessary. Dr. Cofield reported that The Joint Commission has completed UK HealthCare's triannual survey and that the team is working through the various Requests for Improvements as identified by the Commission. It is anticipated that the Joint Commission will return prior to January 4, 2016 to follow-up on the identified findings and to review work plans to ensure that findings are resolved.

The Committee reviewed and approved UHCCR 1, UK HealthCare FY2016 Quality, Safety and Patient Experience Plan. The strategies outlined in the Plan are intended to facilitate the best service to UK HealthCare's patients and the best clinical outcomes, in accordance with

evidence-based research. The Plan also affirms the commitment to quality, safety and patient experience and will assist in the promotion, coordination and leadership of safety and quality priorities throughout the organization.

Trustee Vance reported that Drs. Michael Sekela and Navin Rajagopalan provided the Committee an update on UK HealthCare's Heart Failure and Heart Transplant Program. Heart transplant volume has increased dramatically over the last year due to better referrals, strengthening of surgical coverage, expanded donor selection, transfer of patients from other transplant centers and UK HealthCare's ability to tackle higher risk candidates. The number of Left Ventricular Assist Device (LVAD) implants has also increased significantly since 2010, when only three implementations were completed; it is anticipated that 31 implementations will take place in 2015, all with positive patient survival rates.

Trustee Vance reported that Brett Short, UK HealthCare's Chief Compliance Officer reviewed the objectives of UK HealthCare's compliance program, the regulatory framework and elements of an effective compliance program.

Trustee Vance noted that UHCCR 2, Approval to Amend UK HealthCare Medical Staff Bylaws, was not considered at this meeting. Executive leadership determined that some additional modifications needed to be made and that they will seek approval at the February 2016 meeting. The Committee also approved a presented list of privileges and credentials.

Trustee Vance reminded the Committee of the retreat on January 27, 2015 from 1:00 to 5:00 p.m. Additional information, including logistics will be forthcoming.

M. Campus Safety Update

Police Chief Joe Monroe stated that his presentation was to update the Board of Trustees on campus safety in general, and the campus security project in particular.

Chief Monroe stated the University of Kentucky Police Department (UKPD) is the 11th largest police department in the State of Kentucky, which includes sheriffs, city police, and state agencies. The UKPD has primary jurisdiction and police authority on all property in the Commonwealth of Kentucky that the University owns, which includes property in all 120 counties in the state. UKPD also has responsibility for the three hospitals and clinics in Lexington associated with Good Samaritan, Eastern State Hospital, and Chandler Hospital. Security camera and access control management, campus ID card operations and crisis management and preparedness training are also responsibilities of UKPD. UKPD also works closely with public safety partners (local, state, and federal) on a wide range of issues.

UKPD is made up of 61 sworn authorized police officers, 95 security (unsworn) officers, 12 certified telecommunications officers (dispatch) and 13 staff. All police officers are equipped with a body camera, which helps hold the officers accountable and protects both the officers and the public.

Chief Monroe continued that in June 2012, the Board authorized the \$4.8 million Phase I of the Campus Security System. With a project completion timeline of 36 months, the project included: the implementation of a video management system (VMS) and installation of cameras; the incorporation of the access control system into building security; consolidation of ID badge operations; and the implementation of an early warning system.

By retrofitting existing emergency phone posts with the additional cameras, loud speakers, and digital voice-over internet protocol (VOIP), a majority of campus is now covered by a broadcast system. There are 1418 security cameras on campus, 5600 doors on access control and 28 emergency blue phone towers. The additional cameras have not only helped solve crimes on campus, but have begun to deter it as well.

Another campus safety program is the Live Safe App, a partnership with the Student Government Association and a Washington, D.C. area private corporation. This App, available to faculty, staff, and students, can help report tips to campus police. It also allows the user to call or text campus 911 (while providing GPS location), look up campus safety and emergency procedures resources, and allows students a peer-to-peer SafeWalk capability (virtually walk together) anywhere in the world. Students can also request a ride home from any of three campus ride services.

Chief Monroe continued that the UK Alert Notification system is an emergency broadcast system and is subscriber based. It is designed to deliver emergency messages via phone (voice/text, VoIP, cellular, landline), email, social media, Blue Emergency Phones, and the fire alarm integration speakers. All University students, staff, and faculty are automatically registered in UK Alert with their official University email address. The UK Alert is designed for emergency situations that require immediate action by the recipient. Parents, media and visitors to campus may register for this service as well.

To date, 98% of the original campus security project has been completed. Benefits of the systems include: quick resolution to recent crimes; increased awareness to enhance safety; broader coverage for emergency notifications and facilities management; development of campus security standard for all new buildings; and adoption/implementation of the one card concept.

Chief Monroe concluded that future projects/upgrades may include: virtual patrol of campus by using camera images; desktop notification software that applies to any computer device that is logged into the University network; the expansion of the video management platform and additional cameras; upgrading University radio systems; enhanced and continued training for campus Emergency Operations Center teams; and the addition of a redundant 911 location.

Trustee Bryant asked about the authority of the University Police. Chief Monroe stated that the UKPD is a full-fledged law enforcement agency and all 61 sworn officers are graduates of the Police Academy at Eastern Kentucky University. As a full-fledged law enforcement agency, UKPD has all jurisdiction and police powers on university property. When UKPD arrests someone, they work with the local County Attorney or Commonwealth Attorney.

Chair Brockman asked if UKPD is allowed to pursue suspects off campus, the presence of a “SWAT” detail and the use of drones as part of security. Chief Monroe stated for any crime that occurs on the University property, UKPD is allowed to go anywhere in the Commonwealth to apprehend that individual. Currently UKPD does not have a “special weapons and tactical” detail and does not use drones.

Trustee Akins asked what is being done about blind spot camera areas at high profile locations like a hospital emergency room entrance. Chief Monroe stated that this is one of the areas of concern. Additional areas have been identified for camera coverage when funding becomes available.

Trustee Hawpe inquired if UKPD had any military style equipment. Chief Monroe stated that the only two pieces of military style equipment are two Humvees. These heavy four-wheel drive vehicles were used extensively in the winter of 2015 to transport people and employees to the hospital.

Trustee Grossman asked if there was any consideration to linking the UK Alert with the user geographic location. Chief Monroe stated that the current system does not allow that configuration.

N. Other Business

Chair Brockman reminded Trustees of the Annual Stakes Event reception with representatives from the University and Staff Senates immediately following the conclusion of the meeting.

O. Meeting Adjourned

Hearing no further business, Chair Brockman asked for a motion to adjourn the meeting. The meeting was adjourned at 2:15 p.m.

Respectfully submitted,



Kelly Sullivan Holland  
Secretary, Board of Trustees

(PR 1, 2, and 3, ASACR 1, 2, 3, 4, and 5, FCR 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 20, and 21 are official parts of the Minutes of the meeting)