

MINUTES OF THE FINANCE COMMITTEE
University of Kentucky Board of Trustees
May 3, 2016 – 1:00 PM
Patterson Office Tower

Committee Members Present

William Britton, Chairman, Claude A. “Skip” Berry, III, James Booth, Sheila Brothers, Keith Gannon, Kelly Holland, Austin Mullen, Frank Shoop, and Robert Vance.

Approval of Minutes

The minutes of the February 19, 2016, Finance Committee meeting were approved as written.

Business Items Presented by: Bill Britton, Chair

FCR 1 – C. Michael Garver Pledge

The Committee reviewed FCR 1, a pledge of \$4,000,000 from Mr. C. Michael Garver of Houston, Texas to establish and endow the Garver Endowed Scholarship Fund in the College of Engineering. This commitment of \$4,000,000 will establish a need-based financial aid program for undergraduate students in the College of Engineering.

A motion to accept was made by Trustee Shoop and seconded by Trustee Vance. The motion carried without dissent.

FCR 2 – Halcomb Family Foundation Charitable Grant Commitment and Naming of a College Department

The Committee reviewed FCR 2, a commitment by the Halcomb Family Foundation, of Camarillo, CA, for \$5,800,000. The commitment will be distributed as follows:

- \$2,000,000 for the F. Joseph Halcomb III, MD Chair in Biomedical Engineering Fund.
- \$2,000,000 for the Halcomb Family Graduate Fellowships in Biomedical Engineering Fund.
- \$1,100,000 for the Halcomb Family Department of Biomedical Engineering Program Fund.
- \$200,000 for the F. Joseph Halcomb III, MD Chair in Biomedical Engineering Expenditure Fund.
- \$500,000 for the Halcomb Family Faculty Fellowships in Biomedical Engineering Fund.

The recommendation also included changing the name of the Department of Biomedical Engineering to the F. Joseph Halcomb III, MD Department of Biomedical Engineering. The Faculty Senate endorsed the naming request at its May 2016 meeting.

A motion to accept was made by Trustee Booth and seconded by Trustee Holland. The motion carried without dissent.

FCR 3 – Hardymon Foundation Charitable Grant Commitment and Renovate Third Floor F. Paul Anderson Tower Capital Project

The Committee reviewed FCR 3, acceptance of a charitable grant commitment of \$4,500,000 by the Hardymon Foundation of Lexington, KY and a recommendation to renovate the third floor of the F. Paul Anderson Tower. The commitment will be distributed as follows:

- \$3,500,000 for renovations to the third floor of the F. Paul Anderson Tower.
- \$1,000,000 for the James and Gay Hardymon Student Enrichment Fund in the College of Engineering. The student enrichment fund will primarily support study abroad and undergraduate research.

A motion to accept was made by Trustee Vance and seconded by Trustee Shoop. The motion carried without dissent.

FCR 4 – Gift from the Estate of Ewa J. Marciniak

The Committee reviewed FCR 4, acceptance of a \$1,294,379 gift from the Estate of Ewa. J. Marciniak to endow the Ewa Marciniak MD Chair in Medicine. Dr. Marciniak was a College of Medicine faculty member since 1969 and was known for teaching and inspiring physicians and scientists.

An additional distribution of \$1,300,000 from the estate is anticipated in late 2016. The holder of the Chair will be appointed by the Dean of the College of Medicine as well as the Director and Staff of the Hemophilia Treatment Center located in the Kentucky Clinic.

A motion to accept was made by Trustee Mullen and seconded by Trustee Booth. The motion carried without dissent.

FCR 5 – Robert N. Trunzo Pledge

The Committee reviewed FCR 5, acceptance of a pledge for \$400,000 from Mr. Robert N. Trunzo of Brookfield, Wisconsin. The pledge will establish and endow the Robert and Anne Trunzo Scholarship in Political Science and Pre-Law Endowment Fund in the University of Kentucky College of Arts and Sciences. The recipient(s) of the scholarship(s) will be selected by a scholarship committee appointed the Dean of the College of Arts and Sciences.

A motion to accept was made by Trustee Brothers and seconded by Trustee Holland. The motion carried without dissent.

FCR 6 – William T. Young Foundation, Inc. Pledge

The Committee reviewed FCR 6, acceptance of a \$1,500,000 pledge from the William T. Young Foundation, Inc. of Lexington, KY. The pledge will create the Dr. Michael Karpf Endowed Chair in Precision Medicine at the Markey Cancer Center in recognition of Dr. Michael Karpf's outstanding service as Executive Vice President for Health Affairs.

A motion to accept was made by Trustee Booth and seconded by Trustee Holland. The motion carried without dissent.

FCR 7 – Acceptance of Interim Financial Report for the Six Months Ended December 31, 2015

The Committee reviewed FCR 7, acceptance of the University of Kentucky consolidated financial statements for the six months ended December 31, 2015

A motion to accept was made by Trustee Shoop and seconded by Trustee Booth. The motion carried without dissent.

FCR 8 – Funding Revision to Construct Greek Park (Alpha Gamma Rho Fraternity) Capital Project

The Committee reviewed FCR 8 which recommended a funding revision to the Construct Greek Park (Alpha Gamma Rho Fraternity) Capital Project. At its June 2015 meeting, the Board approved the initiation of the \$6,000,000 project. The project must accelerate due to the opportunity to build the new Lewis Hall on the site of the existing Alpha Gamma Rho (AGR) facility. As a result AGR has not had sufficient time to complete their fundraising activities. The revised funding plan includes:

- \$1,093,888.88 of private funds raised by AGR to date
- \$1,000,000.00 of University agency funds
- \$3,906,111.12 internal loan assigned to Auxiliary Services
- Additional gifts may be received prior to the completion of the project and will reduce the internal loan amount.

The University will own the new facility and lease it to AGR. The facility will house 42 members in 2 four-bed suites and 17 two-bed units. The annual lease payment will be adjusted annually as AGR contributes additional private funds.

A motion to accept was made by Trustee Holland and seconded by Trustee Shoop. The motion carried without dissent.

FCR 9 – Expand/Renovate/Upgrade Law Building Capital Project

The Committee reviewed FCR 9, approval of the Expand/Renovate/Upgrade Law Building Capital Project. The Board approved the design phase of the Capital Project at its October 2015 meeting. The 2014 Kentucky General Assembly authorized a maximum scope of \$65,000,000 that includes \$35,000,000 in state bonds and up to \$30,000,000 in agency bonds.

A motion to accept was made by Trustee Vance and seconded by Trustee Brothers. The motion carried without dissent.

FCR 10 – Repair/Upgrade/Improve Civil Site Infrastructure Capital Project (Blue and Green Lots Expansion and Resurfacing)

The Committee reviewed FCR 10, approval to expand and resurface the Blue and Green parking lots at the Commonwealth Stadium. The \$1,200,000 Capital Project will be funded with agency funds and will create 175 new parking spaces. Ten parking spaces also will be repaired.

A motion to accept was made by Trustee Shoop and seconded by Trustee Berry. The motion carried without dissent.

FCR 11 – Approval of Lease

The Committee reviewed FCR 11, approval of a lease addendum to expand the amount of space leased by UK HealthCare from VIII FS Lexington, LLC. The facility houses four of UK HealthCare’s Integrated Business Units located at the 1648 McGrathiana Parkway building on the Coldstream Research Campus. Additional space is needed to provide adequate office space for over 90 employees. The addendum will provide an additional 2,995 square feet of space. The annual rent following the addendum will be \$209,673.75, an increase of \$51,663.75. The leased space will be funded with agency funds.

A motion to accept was made by Trustee Vance and seconded by Trustee Booth. The motion carried without dissent.

Executive Vice President for Finance and Administration Report

Eric Monday introduced George Ward, Executive Director of the Coldstream Research Campus to update the Board on the activities on the Coldstream Research Campus. The research campus mission is to develop new technologies, generate licensing revenue, create companies and products, expand existing business, and grow well-paying jobs. Mr. Ward discussed the technology based economic development community partners located at Coldstream. They include entrepreneurs, investors, mentors, as well as UK faculty and staff. He presented an aerial view of the current property and discussed the location of the current tenants and revenue streams.

Hearing no further business, Chair Britton adjourned the meeting.

Respectfully submitted,
Leigh Bays Donald