

Minutes of the Finance Committee Meeting  
University of Kentucky Board of Trustees  
February 22, 2019

The Finance Committee of the University of Kentucky Board of Trustees met on Friday, February 22, 2019, in the Lee T. Todd Pharmacy Building, Room 234B.

A. Meeting Opened

E. Britt Brockman, Acting Chair called the meeting to order at 11:03am. Chair Brockman 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: Jennifer Barber, Lee Blonder, Kim McCann, Elizabeth McCoy, Dave Melanson, and Derrick Ramsey. Not in attendance: James Booth, Michael Christian, and Frank Shoop. Ms. Heeter announced that a quorum was present.

C. Approval of Minutes

Chair Brockman asked if there were any corrections to the minutes from the December 11, 2018 meeting which were distributed. Trustee McCoy made a motion to approve the minutes. Trustee Melanson seconded the motion. The motion carried without dissent.

D. FCR 1 Karen Congdon Pigman Gift.

The recommendation seeks acceptance of a gift of \$1,000,000 from Karen Congdon Pigman of Wilmington, North Carolina, to establish the non-endowed Power and Energy Institute of Kentucky Support Fund in the College of Engineering. Trustee Barber made a motion to accept FCR 1. Trustee Ramsey seconded the motion. The motion carried without dissent.

E. FCR 2 Facilities Renewal, Modernization, and Deferred Maintenance (Phase-II) Chemistry/Physics Phase II Capital Project.

The recommendation seeks approval to initiate the Chemistry/Physics Phase II Capital Project and declare official intent to reimburse the capital expenditures from a future debt obligation. Trustee Melanson made a motion to accept FCR 2. Trustee McCoy seconded the motion. The motion carried without dissent.

F. FCR 3 Renew/Modernize Facilities – Reynolds Building #1 (Design Only) Capital Project

The recommendation seeks approval to initiate the design phase of the Renew/Modernize Facilities – Reynolds Building #1 Capital Project as the new home for the College of Design

and declare official intent to reimburse the capital expenditures from a future debt obligation. The renewal of the Reynolds Building will provide an adaptive re-use of a historic structure continuing the concept of an arts and design district on campus. Trustee Barber made a motion to accept FCR 3. Trustee Ramsey seconded the motion. The motion carried without dissent.

G. FCR 4 Renew/Modernize Facilities – Cooper House Capital Project

The recommendation seeks approval to initiate the Renew/Modernize Facilities – Cooper House Capital Project and declare official intent to reimburse the capital expenditures from a future debt obligation. Trustee Barber made a motion to accept FCR 4. Trustee McCoy seconded the motion. The motion carried without dissent.

H. FCR 5 Agriculture Science Center North Façade and Concrete Repairs

The recommendation seeks approval to repair the façade of the Agriculture Science Center North Building. Trustee McCann made a motion to accept FCR 5. Trustee Barber seconded the motion. The motion carried without dissent.

I. FCR 6 Improve Civil/Site Infrastructure - Library Drive Extension Phase 1 Capital Project

The recommendation seeks approval to initiate the Improve Civil/Site Infrastructure – Library Drive Extension Phase 1 Capital Project and an internal loan to fund the project. The project will extend Library Drive to intersect with Washington Avenue. Trustee McCoy made a motion to accept FCR 6. Trustee Melanson seconded the motion. The motion carried without dissent.

J. FCR 7 Improve Good Samaritan Hospital Facilities (UK Healthcare Good Samaritan Interventional Radiology) Capital Project

The recommendation seeks approval to expand the clinical services available at the UK HealthCare Good Samaritan campus by renovating an area in the main facility to create patient preparation/recovery bays and install an Interventional Radiology suite. Trustee Melanson made a motion to accept FCR 7. Trustee Blonder seconded the motion. The motion carried without dissent.

K. FCR 8 Improve Memorial Coliseum (Design Only) Capital Project

The recommendation seeks approval to initiate the design phase of the Improve Memorial Coliseum Capital Project. This historic facility is home to competition for three women's athletics teams: basketball, gymnastics, and volleyball. Trustee Blonder made a motion to accept FCR 8. Trustee McCann seconded the motion. The motion carried without dissent.

L. FCR 9 Capital Construction Report

The floor was yielded to Dall Clark, Associate Vice President for Planning, Design and Construction, to present the Capital Construction Report. During the quarter ending December 31, 2018, there was one new contract, one contract completed, and six amendments. Trustee Blonder made a motion to accept FCR 9. Trustee McCann seconded the motion. The motion carried without dissent.

M. FCR 10 Approval of Premise Lease (Kappa Sigma Fraternity)

The recommendation seeks authorization for the Executive Vice President for Finance and Administration (EVPFA) to negotiate and execute a lease between the University, as lessor, and the Beta Nu chapter of Kappa Sigma House Corporation, as Lessee, for a house located at 441 Pennsylvania Avenue. The initial term of the lease will be five years. Trustee Melanson made a motion to accept FCR 10. Trustee Barber seconded the motion. The motion carried without dissent.

N. FCR 11 Approval of Premise Lease (Phi Gamma Delta Fraternity)

The recommendation seeks authorization for the EVPFA to negotiate and execute a lease between the University, as lessor, and Phi Gamma Delta House Corporation, as lessee, for a house located at 447 Pennsylvania Avenue. The initial term of the lease will be five years. Trustee Barber made a motion to accept FCR 11. Trustee Melanson seconded the motion. The motion carried without dissent.

O. FCR 12 Approval of Ground Lease (Phi Kappa Tau Fraternity)

The recommendation seeks authorization for the EVPFA to negotiate and execute a ground lease between the University, as lessor, and Phi Kappa Tau House Association of Lexington, Ky, as lessee, for land located at 407 Pennsylvania Court. Phi Kappa Tau proposes to construct a chapter house, at their expense, in the University's Greek Park. The term of the lease is expected to be 50 years with a ground rent of \$1 per year. Trustee Barber made a motion to accept FCR 12. Trustee McCoy seconded the motion. The motion carried without dissent.

P. FCR 13 Patent Assignment Report

The floor was yielded to Dr. Martha Peterson, Senior Vice President for Research, to present the Patent Assignment Report for the quarter ending December 31, 2018. During the period, patent activities included seven full patent applications, 16 provisional patent applications, six patents issued, and license income of \$75,162.99. Trustee McCoy made a motion to accept FCR 13. Trustee McCann seconded the motion. The motion carried without dissent.

Q. EVPFA Report

The next order of business was a report from the Executive Vice President for Finance and Administration, Dr. Eric Monday.

Dr. Monday updated the Committee on a recent bond sale. On January 23, 2019, the University refunded nearly \$14 million in bonds to take advantage of market conditions, refinancing the 2009 Series A bonds. The refinancing did not extend the maturity date on the bonds. There were 14 companies who responded to underwrite the debt, indicating strong demand. We were able to obtain an interest cost of 1.89 percent, which will save the university \$175,000 per year through 2024.

Dr. Monday also gave an update on the Winslow Street site re-development project. In December, the Board granted authority to the Executive Vice President for Finance and Administration to execute a contract related to a competitive process. The Request for Proposal (RFP) closed on Nov 27<sup>th</sup>, 2018. Five proposals were submitted and the Selection Committee chose two to provide presentations for the Public Private Partnership (P3) project. The Committee selected Signet for the project. The P3 project scope is estimated to range from \$25 million to \$30 million and will open in August 2020. There will be opportunities to create between 15,000 and 20,000 square feet on the lower level for multi-use space. The parking structure will have 900 new parking spots. In Fall of 2020, there will be a ribbon cutting on a parking structure through a Public Private Partnership, which is a first for the University of Kentucky.

R. Meeting Adjourned

Hearing no further business, the meeting was adjourned at 11:44 a.m.