

Minutes of the Meeting of the Board of Trustees
University of Kentucky
Tuesday, December 14, 2021

The Board of Trustees of the University of Kentucky met on Tuesday, December 14, 2021, in the Gatton Student Center, Harris Ballroom.

I. Call to Order

Bob Vance, chair of the Board of Trustees, called the meeting to order at 1:49 p.m. Chair Vance asked Secretary Webb to call the roll.

II. Roll Call

The following members of the Board of Trustees were in attendance: Claude A. "Skip" Berry, Joe R. Bowen, E. Britt Brockman, Michael A. Christian, Ray Daniels, Ron Geoghegan, Michael Hawse, Kimberly McCann, Elizabeth McCoy, David Melanson, Paula Leach Pope, Derrick K. Ramsey, C. Frank Shoop, Sandra R. Shuffett, Bryan Sunderland, Hollie Swanson, Robert Vance and Rachel Watts Webb. Cathy A. Black and Lee X. Blonder attended the meeting via Zoom and Carol Martin "Bill" Gatton was not in attendance.

Secretary Webb announced a quorum was present.

Chair Vance thanked Secretary Webb and asked the Board to pause for a moment of reflection before beginning the business portion of the meeting. "We all know, over the past year, people in our community, on campus, in our families and throughout the state we serve, who have experienced loss in some way. People on our campus and who work in our hospitals have lost loved ones or seen it firsthand while attempting to provide care to those who have contracted a virus. We have lost students and families have lost children. Our hearts and thoughts are with them and all those impacted. We know of employees who lost homes and students returning to communities now devastated because of the storms that cut their path through our state last weekend. At the end of the year, we are in a season of reflection. I hope it is appropriate in that spirit to ask all of us to silently reflect on behalf of our community, on this campus and throughout our Commonwealth."

Chair Vance thanked the members and continued with the business items on the agenda.

III. Approval of Minutes

Chair Vance reported that there had been no petitions to address the Board since their last meeting. He stated that the minutes of the Friday, October 15, 2021, meeting had been distributed and asked for a motion to approve. Trustee Melanson moved approval and Trustee Shoop seconded the motion. The motion carried without dissent.

(See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

Chair Vance then called attention to the 26 consent items on the agenda.

ECR 1	Presidential Evaluation and Compensation
PR 2	Personnel Actions
ASACR 1	Candidates for Degrees December 2021
ASACR 2	Candidates for In Memoriam Degrees: December 2021
ASACR 3	Deletion of Degree: College of Education
ASACR 4	Deletion of Degree: College of Education
ASACR 5	Deletion of Degree: College of Education
ASACR 6	Deletion of Degree: College of Education
ASACR 7	Change to Center for Interprofessional Health Education
FCR 1	Pledge from James F. Hardyman
FCR 2	Gift from The Dr. Paul E. Potter Irrevocable Trust
FCR 3	Pledge from Edward L. Doheny, II and Kimberly Calvert Doheny
FCR 4	Reallocation of Contributions in Research Challenge Trust Fund
FCR 5	Acceptance of Interim Financial Report
FCR 6	Acceptance of FY 2020-21 Audited Financial Statement
FCR 7	FY 2021-22 Budget Revisions
FCR 8	Approval of the 2020-21 Endowment Match Program Annual Report
FCR 9	Proposed 2022-23 Room Rates for University-Constructed Housing
FCR 10	Authorization of Negotiated Disposition of Personal Property
FCR 11	Approval of Lease UK Chemistry Analytical Laboratory
FCR 12	Approval to Acquire Chesney Properties
FCR 13	Improve Campus Parking and Transportation System
FCR 14	Improve Peterson Service Building Shell Systems
FCR 15	Improve Building Shell Systems - William T. Young Roof
FCR 16	Capital Construction Report
FCR 17	Patent Assignment Report

Chair Vance asked if there were any requests to remove items from the consent agenda. Trustee Blonder asked to remove ECR 1 for further discussion. No further requests were made to remove consent agenda items, and Chair Vance asked for a motion to approve. Trustee McCann moved approval, Trustee Hawse seconded the motion and the consent agenda passed without dissent. (See consent items on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

IV. Chair’s Report

Presidential Evaluation

Chair Vance reported that the Executive Committee reviewed the compiled results of the Board of Trustees survey which was very favorable. (See Presidential Evaluation

on the Board of Trustees website, www.uky.edu/Trustees, under “Executive Committee Agenda”)

Mr. Vance then addressed ECR 1, Presidential Evaluation and Compensation. He reminded the Board that this was a recommendation from the Executive Committee and that it did not require a second. He opened the floor for discussion. Trustee Swanson asked to speak and stated, “I mean no disrespect to our president, but the ever-increasing widening gap in compensation between our executives, the faculty and staff send a negative message of relative worth to those who work in the front lines. Thank you.” Chair Vance next called on Trustee Blonder.

“I wanted to reraise some of the concerns I voiced this morning in the Executive Committee meeting. I believe that this compensation package sends the wrong message to the university community and the state during a time of extreme hardship. Further, I am concerned that it may offend and anger our supporters and employees, and erode faculty morale and staff morale, and trust in the Board and in the president. Whatever the rationale, this compensation package is likely to be perceived by many as exorbitant, in a state with 17 percent of its people living in poverty and many right now with no roof over their heads, and faculty and staff struggling and feeling underpaid. So, for these reasons, I do not support ECR 1. Thank you.” Chair Vance next recognized Trustee Brockman for remarks.

“Thank you, Mr. Chairman. With great respect, it is easy to forget 11 years ago, sitting in this board room where fears existed regarding debt capacities and Moody ratings. We were told we had \$2.1 billion in deferred maintenance issues at this university. Every dorm on this campus with one exception was 40 years old or older. Foodservice plans were having difficulty filling, and the health of the food served here was in question. Teaching facilities needed upgrades, and we had a wonderful hospital that had just been built but was shelled out to some extent at that point.”

Trustee Brockman continued, “Graduation and retention rates were not something to be proud of on a national level, and we took solace when comparing ourselves to other in-state universities, as we were the best of that group. Research was respectful at \$250 million, philanthropy likewise, respectful. We had an honors college with 800 students, and student life existed in this aging student center, which at that point the best that we thought we could do was a \$30 million Heating, Ventilation, and Air Conditioning (HVAC) system to the old student center. That is where we were 11 years ago.”

“Ten years ago, through wisdom, luck - which is random to some extent - or both, which I suspect is the truth, we hired President Eli Capilouto. One of the first things he did, and I recall it well, was put us on a bus and ride us around this campus. He showed us everything I just described to you, but I will circle back to that bus ride in just a minute because it is pertinent.”

“Now over the last three years, I see our progress in three areas. First is what we physically can see with our eyes. Over \$2.9 billion worth of infrastructure improvement on

this campus most of which represents replacement. Of that, around eight percent only represents state funding. We have done this on our own.”

Trustee Brockman continued, “The largest public-private (P3) project in higher education history on our campus, building over 5,000 sorely needed dorm rooms. Food services are amazing, it is popular, the different plans are filling. And in fact, when food services in this new Gatton Student Center opened, it was so popular that we had to expand the building, and all of this through creative work with the Aramark Corporation.”

“Let us talk about the actual educational buildings. Jacobs Science Building through philanthropy, and the first-ever use of money from athletics to pay for an educational building. Lewis Honors College, which 10 years ago had around 800 students, is now three times larger at over 2200 students with a fantastic facility in which they are educated. All through philanthropy.”

“The Rosenberg College of Law, Gatton College of Business and Economics, Kroger Field, a medical school that is being built, and the Markey Cancer Center, all of which are currently completed or under construction. So as well, we are finishing out that magnificent hospital shell that existed 10 years ago.”

“Research has grown from \$250 million to what you heard earlier, \$465 million almost doubling in that 10-year period. The Healthy Kentucky Research Building \$265 million was put into it, over half of which was given to us by the state legislature, and I will give many thanks to Senate Leader Robert Stivers, who we worked with and who was an advocate force in that battle.”

“Philanthropy on this campus has raised \$1.85 billion since this president took over, now at \$2.2 billion, more than doubling since 2011. Student life in this building – I do not have to describe what you are sitting in right now.”

“The second tranche that I see are things that we can only see on a piece of paper that has occurred over the last 10 years. Increased retention and graduation rates, enrollment has increased by 25 percent in our freshmen class, there has been a paradigm shift in scholarships, we have switched from a merit-based system to a needs-based system. We have all witnessed the incredible response the president has had with the COVID situation, with the vaccination rates, and there is an extreme sensitivity on his part to inclusiveness and diversity, during a time of incredible tension.”

“Third is the thing that we cannot see on paper or when we drive through the campus, and that is what we feel. And that is, in my heart, a sense of pride, accomplishment and believing in what can happen.”

“So, to put it in a different perspective for our numbers-based folks, we have many different peer groups that we compare ourselves to. Let us look at the Southeastern Conference (SEC). This president has the second-longest longevity of any president in the SEC, I believe behind Mississippi State. Of the 14 presidents, nine in the SEC have

been appointed since 2019. Three universities are currently looking for a president and the average tenure of a president is less than four years. This contract revision puts him not above these presidents, but on par with the top level of these presidents.”

“Now I told you about that bus ride, earlier, 10 years ago. Well, we had another bus ride six weeks ago when many trustees from another university visited our campus, wanting to hear about healthcare. They wanted to understand about National Cancer Institute Designation and all these wonderful things that we have in healthcare on our campus. They of course have outsourced their entire health care system because of economic woes. They as well took a bus ride with us on this campus in a jaw-dropping manner at what we have accomplished. And yes, that university has gone through in the same 10-year period, four presidents.”

“So, ladies and gentlemen, this contract aligns with that of university presidents of Dr. Capilouto's caliber, skills and profound experience. It incentivizes retention for a proven leader with unprecedented accomplishments at the University of Kentucky. And I know that Dr. Capilouto believes he has much more to accomplish here at the university, and I know that when he feels that he has accomplished these goals, or if he feels he cannot accomplish these goals, he will step down and help his successor be able to do so. But I sincerely hope and pray that we do not see that day for many, many years. Thank you, Mr. Chairman.”

Chair Vance thanked Trustee Brockman and recognized Trustee Shoop for comments.

Trustee Shoop stated, “Mr. Chairman, I made a few comments this morning during the Executive Committee meeting, and I would like, with your indulgence, to make those comments again. Some of the Board members were not present this morning, and my words are not as elegant as Trustee Brockman's, but soon after President Capilouto became president, the Board had its first retreat. During that retreat, the Trustees were taken on a tour of the campus that Trustee Brockman referred to in his presentation. We saw those residence halls. Needless to say, I was amazed to see the poor condition of our dorm rooms, and so was Trustee Brockman. The Board charged the president to do something about the situation. Well, 11 years later, we now have 6,800 new beds, 14 state-of-the-art resident halls with an investment of some \$450 million.”

Trustee Shoop continued, “We have raised more than \$1.6 billion as part of that Kentucky Can campaign and currently have an endowment for the first time ever exceeding \$2 billion. We have invested nearly \$3 billion in facilities; those are the classrooms, research labs, healthcare facilities and athletic venues that Trustee Brockman so well-referred to. At this university, we have an outstanding student body, a world-class facility, faculty and staff, and at the top, we have the person that has been responsible for putting this all together – President Eli Capilouto.”

“In closing, I do not want to leave out what an asset Dr. Mary Lynne Capilouto is to the University of Kentucky. Also, I would like to mention that in the past 11 years, and

my experience started over 50 years in the automobile business, I have learned how to recognize leadership. That is what I see in the president we have now. I encourage my fellow Trustees to vote yes to this contract today. Thank you.”

Chair Vance thanked Trustee Shoop and recognized Trustee McCoy for comments.

Trustee McCoy agreed, “Trustee Shoop and Trustee Brockman have brought all the facts to the table, none of which can be argued with, and are nothing but a fantastic record. I would take a little bit different tack on it. All leadership is not created equal. There are A-level leaders, B-level leaders, C-level leaders, et cetera. We know we have an A-level leader – a proven record, demonstrated leadership ability, fantastic movement moving our university forward. If we start over, we might think we are getting A level, but we might not know for a long time. Today, we know. I wholeheartedly support ECR 1.”

Chair Vance thanked Trustee McCoy for her comments and asked for any additional discussion. Hearing none, he called for the vote and reported 18 affirmative votes and two votes against.

CR 1 UK Research Foundation Appointment

Chair Vance continued, by introducing CR 1, the recommendation that the Board of Trustees approve the appointment of Dr. Sandy Shuffett as a Trustee member to the University Research Foundation Board for a three-year term ending September 30, 2024. Mr. Vance explained in accordance with the Bylaws of the University of Kentucky Research Foundation, Trustee appointments to affiliated boards must be approved by the Board of Trustees.

Chair Vance asked for a motion to approve CR 1. Trustee McCann moved approval and Trustee Shoop seconded the motion. The motion carried without dissent.

Chair Vance then recognized President Capilouto for his report.

V. President’s Report

The president thanked Chair Vance and shared his appreciation of the words of support. “I would be totally remiss if I did not say that anything that we do at the University of Kentucky is a collective effort. And while I have the honor of serving as your president, I take no solace in thinking that I alone do any of this. I also know that anything we are able to do, we do so because of those who came before us. I believe my responsibility is to honor their service and to continue that tradition of excellence. I also respect those who may disagree on occasions with things we do. I hold you with respect and affection, it makes me work even harder, to make certain that any confidence expressed in me, is going to be well earned. You have my commitment and my pledge.”

The president continued his report by describing the images displayed on the screen. “You can see from the footage on the screen now that it was a Kentucky fall day in 2019. I stood with Dean Nancy Cox, Agriculture Commissioner Ryan Quarles and other university and local officials. We proudly cut the ribbon on the new Grain and Forage Center for Excellence at our Princeton Station Farm in Western Kentucky.”

“The Grain and Forage Center of Excellence reflects our land-grant mission in the 21st century,” I said that day. “Agriculture is a fundamental component of the Kentucky economy, and the innovation underway at this center advances that work. It is another way we serve our role as the University for Kentucky and expand the boundaries of what is possible for our state and beyond.”

The president continued, “A little more than two years later, we have learned – along with so many others across our state – that there is so little that we control.” The images on the screen transitioned to recent storm damage. “Buildings are gone. But our people are safe, and the mission and our promise to fulfill it is as strong as ever.”

“Indeed, beyond the harrowing images of devastation, I am amazed at the voices – the kindness and compassion of our people, the outpouring of support for a community that embraces our mission, the commitment of our people, what they have made to serve others, regardless of the circumstance, that is their sense of determination.”

The president highlighted a quote from Carrie Knott, the director of the Center. *“We are not closing our doors now. We might just look a little different and be a little more fragmented ... But we do have a path forward. We do not know what it looks like, but we are here to support, and we will be there.”*

The president exclaimed, “This is your community. This is who our people are. This is what they do. It is what you do, and we are grateful”

President Capilouto continued his report by describing an interview he was asked to do about his first 10 years in office. “I have the privilege, so often, of being our community storyteller – a voice about the purpose of this place and our commitment to the people we serve. In preparation for the interview, I ventured back to the beginning, in 2011, when I stood before the entire community for the first time to talk about what we dreamed of doing, where we aspired to be and what we could make wildly possible.”

“They were possibilities that Mary Lynne and I heard, first on a sneak visit here, and then through countless meetings on and off our campus throughout the state, in those first hectic months with you. What we heard, and the dreams we had, were not our dreams. They were the dreams of the people of Kentucky. So much was invested in this place by so many people.”

“It is hard to put into words the trust people have in us, but also the expectations they have of us. You hear it, you live it, I know you embrace it every day. The best way

to describe it, then, and what I believe is the best way to describe it, now, is as a promise. The University of Kentucky is a promise.”

The president continued, “Our people in that video, working to rebuild, understand that deeply with a sense of resolve and resilience that knows no bounds. When you make a promise, you need to keep a promise. And the people of Kentucky know our promise. It is a covenant – a steadfast and sturdy pact with the state we serve to advance Kentucky in everything we do. It is why we were created 156 years ago, and it is why we exist today. We are promised that somehow through the education we provide, the research we conduct and the service and care we render, Kentucky, tomorrow, will be a much better place than it is today. We can only do this together.”

President Capilouto continued, “Over the last century-and-a-half, that promise has grown, and has taken shape in the form of different programs and initiatives. It has taken shape in new facilities that provide care and in new approaches to solving problems. Those that have vexed us for ages, and those that, a few years ago, were not even on our radar.”

The president continued by describing the bold vision and course charted a little more than 10 years ago, for what was necessary to meet the promise made to Kentucky including a strengthened commitment to undergraduate education, more scholarships to serve more students and an honors college that would retain even more of the state’s brightest. He explained it meant new living and learning spaces, research labs, health care facilities and athletic venues, self-financed, that would better serve the potential and abilities of the state. It meant a more diverse and inclusive campus to honor and keep pace with the more diverse and inclusive world UK’s students would enter and in which they would compete.

The president continued by discussing the continued and strengthened partnerships with the state for critical funding, and reliance on the university and its donors to fund the aspirations. “Not to build for ourselves, not for bricks and mortar, but for our future,” the president explained. “So once again, I would submit this generation - we - with the privilege to uphold this covenant, have kept faith with that promise and I thank you all. We only made it possible together.”

The president reported record numbers of students, historic graduation and retention rates, a more diverse community, research and interventions that are reducing cancer rates, meaningful work in and with communities across the state to end deaths from opioids and nearly \$3 billion of investment infrastructure that honors the talent of UK’s people and empowers their work. “Together with the people on this campus, tireless and tenacious, gritty and gracious, committed and caring, accomplished so much for this state to advance it and to meet a promise we have made to them.”

The president continued by discussing three attributes the university must master to extend and enhance the promise of the University of Kentucky.

Constant collaboration – between and among disciplines and with people from different perspectives and divergent points of view, on and off the campus. Collaboration with others who share UK’s commitment to social mobility, upskilling and re-skilling, and with those who want to work with the university to provide answers to Kentucky’s greatest challenges, from its health care to its workforce needs.

The president discussed the timeline used to put together the draft strategic plan and the final version, which had been passed out to the Board, with additional tactics and key areas of measurement that were a direct outgrowth of the Board’s planning retreat in October.

“What was critical to this process was the sense of collaboration that supported it throughout. Five teams, comprised of different people, from different positions and perspectives, met multiple times over several weeks to take an initial set of guiding principles and add key objectives. The campus provided input over the summer and early fall to the document. As a board, you spent a day with team leaders, taking a deep dive into each principle, challenging assumptions based on your perspectives and experiences, and forcing us to examine and re-examine what we had done. The result, I think, is a stronger plan, one that will require constant collaboration to make it successful. The necessity of collaboration is embedded throughout the strategic plan.”

The president offered examples such as student success that was measured largely by enrollment and graduation but is now based on experience, in terms of the entire student experience and their holistic needs; from academic success to mental health, from basic needs to internships and co-curricular experiences that prepare them for their first job and the jobs they will create.

The president pointed out that this holistic scaffolding and support will require collaboration across areas on campus, working together in real-time to address student needs and foster student success. He illustrated this point with UK Health Corps, which was established during the pandemic, and is an example of infrastructure the university had to build to support students and became a one-stop-shop for them and others who had health concerns or other needs during the pandemic.

“This triage approach to support became part of our everyday capacity of ensuring student success at a difficult time. We must continue supporting our students to this degree if we are to fulfill our promise to Kentucky and help create the workforce it needs for the future.”

The president described a new implementation team, comprised, again, from diverse points of view and areas of campus, that will be appointed in January 2022. That group will further refine the specific targets for the strategic plan metrics and the Board will be regularly updated on the status and progress.

The president introduced the second attribute – the ability and willingness to be nimble. He offered the example of the previous weekend when so much of the

Commonwealth was waking up to the aftermath of horrific storms, and the university's Student Success team and others were preparing communication to some 3,000 students from counties impacted by this tragedy. This meant quickly determining which students were from those counties; crafting the communication to the students; ensuring people were in place to answer calls and directing concerns to the appropriate sources of support. Letters to students were distributed by mid-morning, funds were publicized to help UK's people in need, students from UKHC medical campuses to the university's athletic teams began drives to assist others in affected areas. Faculty leadership worked with the provost's office to think through and communicate options during finals week for students, who may need to take tests from home or find other alternative options for finishing the semester.

"All of that happened in less than 24 hours. I was amazed, but not surprised because we have been there before. We did it when we had to pivot and shift all our classes to go remote during COVID. We did it when our police, athletic department, medical officials, volunteers from all our colleges, created a vaccine clinic at Kroger Field, I think the most successful one in the country, and administered 250,000 shots of hope."

The president observed, "It is, perhaps, a cliché, but only because it is true: change is a constant. We went through it, and we can do it again. If we are to be successful in honoring the promise in this century, we will have to grow even more comfortable with the necessity of change and the need to adapt, quickly, as the needs and concerns of our state change."

"As a community, we are at our best, when we are a collection of people and ideas. We are not always going to agree. There will be deliberation and debate, and that is healthy – it helps us reach better decisions. We need to combine those deliberative processes with quicker action once we make up our minds. Tension is going to be okay; it is going to lead us to even more success."

The president discussed the third attribute – willingness to be inspired by the capacity for creativity and commitment to ingenuity. "You heard some of it this morning in our research report, you can hear it through our arts, our performers, our poets – it is all over campus. It holds us together."

"When our campus, like so many communities across the country, confronted a racial reckoning this past year, we not only involved hundreds of people across our campus in workgroups around potential projects, but we also thought and acted creatively." The president described how Dr. Cassis, turning on a dime, created a new Research Priority Area focused specifically on issues of inequity and access for traditionally underrepresented people, across questions of justice, health, education and economics.

"Our difficult conversations about this are far from over. We need, on an individual and collective level, to understand our stories, our views of history, our experiences, our perspectives. As Dr. Albert said this morning, this world is about relationships and only

through these conversations will we develop those relationships, which I think galvanize us and accelerate us in a period of challenge.”

The president discussed the \$90 million Healing Communities grant to turn around opioid deaths in the Commonwealth and described how 20 researchers from 10 different colleges, in a matter of months, engaged the communities where they were working to compete successfully for the largest grant ever awarded to the University of Kentucky. “These are all examples of ingenuity, collaboration and nimbleness that we demonstrate every day.”

The president discussed the Molecular Tumor Board, which includes teams of doctors and specialists who come together regularly on UK’s campus to examine the most complex of cancer cases. These boards represent a strategy to increase precision medicine use in cancer care by using tumor genomic analysis to help oncologists choose cancer therapies tailored to each patient’s individual needs.

The president questioned how the university can extend access to such innovation and ingenuity to every student, from the time they join the community to the moment they leave and enter the workforce. He offered, “They can work with scientists, conducting clinical trials to defend against the mutations of virus variants, or engineers and designers building better homes, or work together with so many others on the policy and design decisions, to solve our energy needs. It is all here at the University of Kentucky. Tomorrow’s problems and challenges will be even more complex. These obstacles will not care about discrete disciplines or the isolation of classrooms with traditional three-hour credits in semester blocks. Learning will take place, more and more, in multiple modalities and forms, in traditional classrooms and virtual settings, in internships around the globe and in labs and clinical settings that will look nothing tomorrow like they do today.”

The president discussed the importance of a strategic plan but pointed out that fundamentally, it is a roadmap. A statement of principles with initial thoughts on how to achieve it. “Together, we set a course. We determine a vision. A strategic plan outlines key principles, objectives, tactics, and ways to measure whether we are staying on course, in lockstep, with the vision and values that are important. If it is working, it must be embedded in collaboration, and encourage nimbleness and inspire thoughtful, quick action. It must also incentivize ingenuity and creativity. That means it will change, too, because the world in which we live and the work we do is continuously changing. The last two years have inarguably shown us that and shown us we can do it. But the last two years have also demonstrated that we always honor the promise we have made to advance our state. Because of all of you, we are a promise. A promise made, a promise that will be kept. I look forward to the work we must do to embolden and enliven that promise in years ahead.”

Chair Vance thanked the president for his report and recognized Trustee Christian for comments.

Trustee Christian stated, “Mr. Chairman, before we continue, I would like to say that we just witnessed a lot of energy and vision into the future. One of the reasons why we just invested in our future, with Dr. Eli Capilouto, and I am very thankful. I too would like to recognize him for what he has done and what he will do for us in the future.” Dr. Christian then led a standing ovation in honor of the president.”

PR 3 Staff Emeritus

The president introduced PR 3, a recommendation that the Board of Trustees confer upon Joy V. Long, the title of University Staff Emeritus in recognition of her many years of service, dedication and loyalty to the University of Kentucky.

Chair Vance asked for a motion to approve PR 3. Trustee Melanson moved approval, Trustee Shoop seconded the motion, and PR 3 passed without dissent. (See PR 3 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

Chair Vance then asked Ms. Long to stand, and the Board recognized her with a round of applause.

PR 4 Appointment to the UK Mining Engineering Board of Directors

The president introduced PR 4, a recommendation that the Board of Trustees approve the appointments of Mr. Francis Boaten, Mr. Gaither Frazier and Mr. Timothy K. Slone to the University of Kentucky Mining Engineering Foundation Board of Directors for a two-year term ending June 30, 2023.

Chair Vance asked for a motion to approve PR 4. Trustee Shuffett moved approval, Trustee Daniels seconded the motion, and PR 4 passed without dissent. (See PR 4 on the Board of Trustees website, www.uky.edu/Trustees, under “Agenda”)

VI. Investment Committee Report

Investment Committee Chair Elizabeth McCoy reported that the Investment Committee met the day prior to review the performance results and to conduct other business.

She announced that the endowment pool had an estimated market value of \$2.1 billion as of October 31st, 2021 and gained an estimated 1.1 percent or \$26 million in the four-month fiscal year-to-date period. She stated that US equity exposure was the primary contributor to performance for this period.

Trustee McCoy reported that the Investment Committee approved a revised endowment investment policy, but the main update was the adoption of modified asset allocation targets that are intended to enhance the portfolio's expected return while maintaining prudent diversification.

Trustee McCoy concluded by reporting that the Committee approved a two-year extension of UK's contract with Northern Trust to provide custodial services for the endowment.

VII. University Health Care Committee Report

University Health Care Committee Chair Britt Brockman reported that the Committee received a compliance update from Chief Compliance Officer Brett Short and a high-level report on UK College of Medicine's Graduate Medical Education Institutional Review from College of Medicine Senior Associate Dean Katie McKinney. Trustee Brockman pointed out that these reports are required by UK Healthcare's regulatory bodies to come before the Committee on an annual basis.

Trustee Brockman reported that Senior Vice President and Chief Operations Officer Pete Gilbert provided a list of clinical contracts that are required to be annually disclosed and the Committee recommended approval of FCR 12 to acquire residential parcels across from UK Chandler Hospital on South Limestone for the construction of a new advanced ambulatory and cancer complex.

The Committee welcomed two new community advisory members, Jennifer Barber and Josh Proffitt. Dr. Brockman stated, "I look forward to serving for many years to come with these two talented and respected alumni members and friends." Lastly, the list of privileges and appointments submitted by the UK active medical staff was approved.

VIII. Other Business

Chair Vance shared that the press release on the extension of President Capilouto's employment agreement will be sent at the conclusion of the meeting and asked if there was any further business to come before the Board.

IX. Adjournment

Hearing no further business, the meeting adjourned at 2:48 p.m.

Respectfully submitted,



Rachel Watts Webb
Secretary

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