

MINUTES OF THE FINANCE COMMITTEE  
University of Kentucky Board of Trustees  
December 13, 2016 – 11:00 AM  
Patterson Office Tower

Committee Members Present

William Britton, Chairman, Jennifer Barber, James Booth, Mike Christian, Kelly Holland, Dave Melanson, Rowan Reid, Frank Shoop, & Robert Vance

Approval of Minutes

The minutes of the September 9, 2016 Finance Committee meeting were approved as written.

Executive Vice President for Finance and Administration Report

Dr. Eric Monday, Executive Vice President for Finance and Administration updated the Finance Committee on the Jersey Street Request for Proposal (RFP) responses. The proposed project includes ground floor retail space with four or more levels of structured parking. The proposals are still under review to ensure that the University arrives at the best way to make progress on their transportation goals and continues the transformation of the campus. The University recently issued an RFP to bring a car share service to campus. Availability of a car share service will provide an important transportation choice to our students and staff who choose not to have a car on campus. Dr. Monday will keep the Committee informed on the progress of both projects.

Business Items Presented by: Bill Britton, Chair

FCR 1 Gift in Kind from William R. Frazer

The Committee reviewed FCR 1, acceptance of a gift in kind consisting of mineral core samples valued at \$1,925,000 from William R. Frazier of Marion, Kentucky to the Kentucky Geological Survey. The approximately 55,000 square feet of core samples will be preserved by the Kentucky Geological Survey for scientific study.

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

FCR 2 Establishment of the Abby Marlatt Dietetics and Human Nutrition Community Outreach Fund (Quasi-Endowment)

The Committee reviewed FCR 2, approval to establish the Abby Marlatt Dietetics and Human Nutrition Community Outreach Fund, a quasi-endowment fund in the School of Human Environmental Sciences (HES) of the College of Agriculture, Food and Environment.

In 2014, the University received a gift from the Estate of Dr. Marlatt in the amount of \$104,237.80 designated for the Human Environmental Sciences (HES) Development Fund. Dean Nancy Cox,

of the College of Agriculture, Food and Environment, requests that \$80,000 of this gift be used to establish a quasi-endowment fund to support community outreach activities for the HES Department of Dietetics and Human Nutrition. The balance of the gift (\$24,257.80) will be placed in a spending account for the same purpose as the quasi-endowment.

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

#### FCR 3 Acceptance of 2015-16 Audited Financial Statements and The Independent Auditor's Report on Financial Statements and Supplementary Information

The Committee reviewed FCR 3, acceptance of the University of Kentucky Audited Financial Statement for the fiscal year ended June 30, 2016. Susan Krauss, Treasurer, gave a brief presentation on the audited financial statements.

A copy of the 2015 Financial Statement was provided for the Board's review as an attachment to FCR 3.

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

#### FCR 4 Acceptance of Interim Financial Report for the Three Months Ended September 30, 2016

The Committee reviewed FCR 4, acceptance of the Interim Financial Report for the three months ended September 30, 2016. Susan Krauss, Treasurer, reviewed the report and provided a copy of the consolidated financial statements.

A motion to approve was made by Trustee Melanson and seconded by Trustee Shoop. The motion carried without dissent.

#### FCR 5 Academic Year 2016-17 Mandatory Fees Reallocation

The Committee reviewed FCR 5, Academic Year 2016-17 mandatory fees reallocation. At its June 2016 meeting, the Board approved the Academic Year 2016-17 Tuition and Mandatory Fees Schedule. Student Government Association (SGA) President Rowan Reid explained to the Finance Committee that tuition and fee rates had not been set at the time of deliberation by the Student Government Association (SGA) Student Fee Allocation Committee. An additional \$12.50 in fees needed to be allocated after tuition and fees were set at five percent instead of the originally estimated three percent. A complete schedule of the approved mandatory fees and the recommended changes were attached for the Board's review.

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

### FCR 6 Proposed 2017-18 Room Rates for University-Constructed Housing

The Committee reviewed FCR 6, proposed 2017-18 room rates for University-constructed housing. Dr. Eric Monday reviewed the proposed room rates for University-constructed housing for the Committee's approval and provided the 2017-18 housing and dining rates established by the University's private housing and dining partners for informational purposes.

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

### FCR 7 Fiscal Year 2016-17 Budget Revisions

The Committee reviewed FCR 7, a request to authorize and approve revisions to the Fiscal Year 2016-17 budget. The proposed revisions increased the University's total budget by \$48,888,500 from \$3,524,640,400 to \$3,573,528,900.

A motion to approve was made by Trustee Christian and seconded by Trustee Holland. The motion carried without dissent.

### FCR 8 Approval to Revise Method of Disposal (Harry L. Crisp Education Center)

The Committee reviewed FCR 8, approval to revise the method of disposal for the Harry L. Crisp Education Center. At its December 2015 meeting, the Board authorized the sale of the Harry L. Crisp Higher Education Center (formerly known as the Marion Pepsi-Cola Bottling Company) by absolute auction with the proceeds being allocated to establish a scholarship endowment. Sealed bids were received and later canceled because they did not meet the appraised value of \$1,000,000.

FCR 8 requested approval to revise the method of disposal and authorize alternative methods to sell the property to achieve the highest price possible.

A motion to approve was made by Trustee Vance and seconded by Trustee Barber. The motion carried without dissent.

### FCR 9 Transfer of Real Property Received by Bequest from the Estate of Maquies Bentley

The Committee reviewed FCR 9, authorization for the transfer of real property received by bequest from the estate of Maquies Bentley. In 2015, Ms. Bentley passed and left her entire estate to the University to benefit the Kentucky Children's Hospital with assets totaling approximately \$290,000. Assets received by the University included a 10-acre parcel appraised at \$17,000 in a rural area of Knott County, Kentucky. The property is steep timberland with no operable timber, except low-grade pulpwood.

FCR 9 recommends that the property to be transferred to the administrator of the estate, Mr. Kirby Bentley, in lieu of an administrator's commission for his service to the estate.

A motion to approve was made by Trustee Christian and seconded by Trustee Shoop. The motion carried without dissent.

FCR 10 Repair/Upgrade/Improve Civil Site Infrastructure Capital Project (University Court)

The Committee reviewed FCR 10, approval for a \$1,600,000 capital project to improve safety for pedestrians and bicyclists along University Court and improve traffic operations on Alumni Drive and Nicholasville Road. The capital project will create a new connection point to the Baptist Health Lexington campus and widen travel lanes, create new bicycle lanes in each direction, and enhance sidewalks.

The capital project will be funded with private funds and is well within the total legislative authorization of \$25,000,000.

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

FCR 11 Approval to Acquire/Renovate the University Inn

The Committee reviewed FCR 11, approval to acquire and renovate The University Inn located at 1229 South Limestone Street, Lexington, KY. The property will provide clinical, administrative, and support space for UK HealthCare.

Both the acquisition (\$9,000,000) and the renovation (\$7,500,000) will be funded with agency funds and have been authorized by the 2016 Session of the Kentucky General Assembly as part of the Implement Land Use Plan-UKHC and Improve UK HealthCare Facilities-Chandler Hospital pool projects.

FCR 11 was reviewed and recommended for approval at the University Health Care Committee meeting held on December 12, 2016.

A motion to approve was made by Trustee Christian and seconded by Trustee Vance. The motion carried without dissent.

FCR 12 Renovate/Improve UK HealthCare Facilities Capital Project (Simulation Center)

The Committee reviewed FCR 12, approval to renovate vacant space on the second floor of Pavilion H to create an expanded inter-professional state-of-the-art simulation center for training medical students, medical residents, faculty, and staff.

The \$5,500,000 capital project will be funded with agency funds and has been authorized by the 2016 Session of the Kentucky General Assembly as part of the Improve UK HealthCare Facilities-Chandler Hospital pool projects.

FCR 12 was reviewed and recommended for approval at the University Health Care Committee meeting held on December 12, 2016.

A motion to approve was made by Trustee Vance and seconded by Trustee Melanson. The motion carried without dissent.

#### FCR 13 Capital Construction Report

The Committee reviewed FCR 13, acceptance of the Capital Construction Report. Mary Vosevich, Vice President for Facilities Management, reported five new contracts, five contract amendments, and 38 change orders for the quarter ending September 30, 2016. Nine contracts also were completed during this quarter.

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

#### FCR 14 Patent Assignment Report

The Committee reviewed FCR 14, acceptance of the Patent Assignment Report. Dr. Lisa Cassis presented the report for the period of July 1, 2016 to September 30, 2016. During this period, 15 patents were issued and patent gross revenues totaled \$445,141.46.

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

Hearing no further business, Chair Britton adjourned the meeting.

Respectfully submitted,  
Leigh Bays Donald