

Minutes of the Finance Committee Meeting
University of Kentucky Board of Trustees
June 13, 2025

The Finance Committee of the University of Kentucky Board of Trustees met on Friday, June 13, 2025, in the Gatton Student Center, Harris Ballroom.

A. Meeting Opened

Chair Todd Case called the meeting to order at 10:15 a.m. Chair Case asked Ms. Brenda Heeter, secretary to the Finance Committee, to call the roll.

B. Roll Call

The following members of the Finance Committee were present: Alex Boone, Todd Case, Maddie Duff, David Figg, Janie Greer, Elizabeth McCoy, Dave Melanson, Frank Shoop and Robert Vance. Ms. Heeter announced that a quorum was present.

C. Approval of Minutes

Chair Case asked if there were any corrections to the minutes from the April 25, 2025, meeting which were distributed. Trustee McCoy made a motion to approve the minutes. Trustee Vance seconded the motion. The motion carried without dissent.

D. Business Items

Dr. Eric N. Monday, executive vice president for finance and administration and co-executive vice president for health affairs, began with an update on the University's letter of credit related to Eastern State Hospital. In 2014, when the University of Kentucky assumed management of the hospital, the University was required to issue letters of credit since hospital employees could not be brought into the University's workers' compensation program. While legislative changes have since eliminated the need for new letters of credit, three remain in place to satisfy tail coverage requirements for prior periods. No action was required on this matter, but the update was provided for committee awareness.

Dr. Monday then reviewed the 22 FCRs, which included gifts to enhance student experiences in the College of Engineering and a significant gift from Delta Dental to support advancing cancer research and care. Several capital projects were also mentioned, ranging from essential infrastructure improvements related to the central utility plant to improvements for Kroger Field, and creating a fan experience district. Notably, an internal loan of up to \$110 million was also proposed to position the athletics department for the future.

Dr. Monday introduced Angie Martin, vice president for financial planning and chief budget officer, to present the University's Fiscal Year (FY) 2025-26 budget. The proposed FY26 budget totals \$8.6 billion and supports the University's 28,000 employees, a marked increase from 20,000 employees just over a decade ago. Leadership

emphasized that budget allocations reflect the University's principles and values. For the twelfth time in thirteen years, compensation increases for employees are being proposed. This year, a uniform 1.5% salary increase will apply across the entire University enterprise, including healthcare, higher education, King's Daughters and St. Clair. Recognition was given to Vice President Martin, the University Budget Office and numerous business officers across the institution for balancing the budget to within \$.55.

Vice President Martin then provided a detailed budget presentation. She emphasized that development of the FY26 budget was challenging due to uncertainties similar to those experienced during the first year of COVID. The budget adheres to long-standing principles aligned with the University's strategic plan. The \$8.6 billion budget includes three primary organizational components: higher education, UK Healthcare and athletics. Notably, growth in the higher education component is a key driver this year.

Ms. Martin explained the budget from both an organizational and a fund source perspective. Fund sources include undesignated and designated general funds, auxiliary funds, fund balances and restricted funds. General funds—primarily state appropriations and tuition—support instruction, research and public service. A moderate increase of \$6.5 million in state appropriations is expected due to strong performance under the state's funding model, where UK continues to score highest among Kentucky institutions. Tuition revenue is also projected to grow, driven by enrollment increases, including a more than 5% increase in the first-time freshman cohort.

Leadership has acknowledged concerns about the sustainability of continuous improvement for the competitive state performance funding pool. Still, in Fiscal Year 2025–26, the total pool for state universities rose by \$7.8 million, of which UK captured the majority share. The second major revenue source is tuition, which is driven by enrollment and rate changes. The University is budgeting for overall enrollment growth to 36,700 students, a 2.1% increase. Tuition and mandatory fees are recommended to increase by 3% for 2025–26, in compliance with the Kentucky Council on Postsecondary Education's parameters. The mandatory fee increase includes a \$21 increase to fund the debt service on the Johnson Center renovation and expansion, a recommendation supported by the Student Fee Allocation Committee.

On the expense side, two categories were emphasized. Institutional student financial aid is budgeted to increase by \$11 million, or 6.5%, funded with undesignated general funds. This reflects the University's commitment to affordability, as institutional aid grows alongside tuition and enrollment. The second expense category is related to the University's internal financial allocation models, which distribute undesignated general funds to colleges based on performance. In addition, the budget includes a 1.5% salary increase for all eligible employees, with a minimum adjustment of \$750 to help offset increasing employee healthcare costs. Rising healthcare expenses have created a deficit in benefit reserves, but corrective actions are expected to restore the reserves in coming years. For the first time, the budget includes a \$1.6 million allocation of undesignated general funds to athletics due to recent changes as a result of the House vs. National Collegiate Athletic Association (NCAA) settlement.

Ms. Martin highlighted continued growth in UK HealthCare, which now represents 60% of the University's budget, compared to 41% a decade ago. Despite new debt issuances, the University's debt service remains relatively low at 1.9% of the University's adjusted operating budget, well below the state's 6% benchmark.

In summary, FCR 5 (tuition and mandatory fees) and FCR 6 (the operating and capital budget) were presented for committee approval. Vice President Martin concluded by standing for questions from the committee.

Trustee Swanson raised a question about proposed federal policy changes related to student earnings, asking whether graduates who pursue lower-paying graduate stipends instead of higher-paying industry jobs would negatively affect the University. The response indicated that while details of the Senate proposal remain unclear, any policy would likely evaluate earnings several years after graduation and be based on averages, rather than individual cases.

Trustee Boone then asked what percentage of students pay full tuition, and it was noted that more than 90% of in-state students receive some form of aid—federal, state, or institutional—excluding loans, though data for out-of-state students was less certain.

Trustee Melanson inquired how the University's debt service percentage compared nationally or within Kentucky public institutions. The response was that such data is not readily available for other institutions, but the University closely monitors its fiscal health using Moody's scorecard, tracking factors like cash on hand and outstanding debt, with oversight led by the Treasurer's office.

FCR 1 Acceptance of Charitable Gift Commitment from Eric J. and Laura S. Cremers to Benefit the Stanley and Karen Pigman College of Engineering

FCR 1 seeks acceptance of a charitable gift and commitment of \$1,555,662 from Eric J. and Laura S. Cremers to establish an endowed department chair fund named the "Clifford Cremers and Eric Cremers Chair of Mechanical and Aerospace Engineering Department" (the "Fund") in the Stanley and Karen Pigman College of Engineering, Department of Mechanical and Aerospace Engineering. A portion of the gift will be used to purchase a fully guaranteed life insurance policy on the donors' lives that will produce an additional future benefit of \$1,250,000. These insurance policy proceeds, when received, will be added to the Fund.

Trustee Duff made a motion to accept FCR 1. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 2 Acceptance of Charitable Grant Commitment from the Delta Dental of Kentucky Foundation, Inc. to Benefit the College of Medicine, Markey Cancer Center

FCR 2 seeks acceptance of a charitable grant commitment of \$1,000,000 from the Delta Dental of Kentucky Foundation, Inc., to establish and support a new endowed

distinguished professorship fund named the “Delta Dental Distinguished Professorship in Oral Cancer Research Fund” in the College of Medicine, Markey Cancer Center.

Delta Dental of Kentucky created the Delta Dental of Kentucky Foundation to support its mission of ensuring every Kentuckian has a healthy and happy smile. Delta Dental of Kentucky is committed to bright smiles and healthy lifestyles for its 800,000 enrollees and the communities they serve. Delta Dental of Kentucky is part of a family of companies that collectively are among the largest, most experienced dental plan administrators in the nation.

Trustee Vance made a motion to accept FCR 2. Trustee Boone seconded the motion. The motion carried without dissent.

FCR 3 Request to Amend the Center for Financial Services Research Endowment in the Gatton College of Business and Economics

FCR 3 seeks acceptance of the First Amended Internal Endowment Agreement allowing the Gatton College of Business and Economics to expand the purpose and revise the administration of the “Center for Financial Services Research Endowment.” The fund’s purpose shall be to support student learning and research and faculty research within the John Maze Stewart Department of Finance and Quantitative Methods. The Department Chair, in consultation with the Dean of the College, shall determine the use of the fund.

On or about August 28, 2000, the Dean of the Gatton College of Business and Economics and the University entered into an Internal Endowment Agreement to establish and support an endowed fund named the “Center for Financial Services Research Endowment” with the purpose of supporting the “Center for Financial Services Research” in the School of Management in the College. The fund was established with the transfer of \$50,000 from charitable gift proceeds held by the College. At the time the endowment was created, the School was a division of the College comprised of the academic departments of Finance, Management and Marketing. The School no longer exists; rather the three individual academic departments exist as separate departments of the College. Additionally, the Center was never established. The parties now wish to amend the purpose and administration of the fund as described above.

This fund was previously approved by the Board of Trustees for participation in the Commonwealth of Kentucky’s Research Challenge Trust Fund (RCTF) match program, designed to advance the economic success of Kentucky and its citizens through education and research. The Council on Postsecondary Education guidelines require the Board of Trustees to acknowledge its responsibility for the University’s participation in the program and for all RCTF-matched endowment funds.

Trustee McCoy made a motion to accept FCR 3. Trustee Greer seconded the motion. The motion carried without dissent.

FCR 4 Acceptance of Interim Financial Report for the Nine Months Ended March 31, 2025

FCR 4 seeks acceptance of the University of Kentucky consolidated financial report for the nine months ended March 31, 2025.

Trustee Shoop made a motion to accept FCR 4. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 5 Academic Year 2025-26 Tuition and Mandatory Fees Schedule

FCR 5 seeks approval of the Academic Year (AY) 2025-26 Tuition and Mandatory Fees Schedule. The recommended tuition and mandatory fees reflect a 3.0 percent increase for most resident and nonresident students compared to AY 2024-25.

Pursuant to KRS 164.020(8), the Council on Postsecondary Education has the statutory authority to determine tuition for Kentucky's public colleges and universities. On April 17, 2025, the Council adopted resident undergraduate tuition and mandatory fee ceilings for AY 2025-26 and AY 2026-27 with a maximum rate increase of no more than \$675.00, or 5.0 percent, over the two years and a maximum increase of no more than \$450.00, or 3.3 percent, in any one year for UK.

The attached recommended AY 2025-26 schedules reflect tuition and mandatory fee rate increases of 3.0 percent for most resident and nonresident students. The recommended rates comply with the Council's tuition and mandatory fees ceilings and policy. Each year, the Student Government Association's Student Fee Allocation Committee (SFAC) solicits and reviews proposals for changes in mandatory fees. The Committee received a request to increase the Campus Recreation Fee by the maximum amount possible to support the Johnson Center expansion project which will improve the student experience, enhance campus facilities, and help the University remain competitive with peer institutions. The SFAC endorsed the requested mandatory fee increase.

Pursuant to the SFAC's recommendation, the attached AY 2025-26 rates reflect a \$21.00 increase to the Campus Recreation Fee from \$74.00 to \$95.00 per semester. Additionally, the schedules include a recommendation to assess the Campus Recreation and Student Wellness Fees to UK Online students and graduate and professional students enrolled exclusively in distance learning courses due to significant growth in the number of online/virtual services that are supported by the fees. The online services include programs such as telehealth counseling, on-demand group fitness classes, and personal training.

The recommended AY 2025-26 tuition and mandatory fee rates are presented in Attachment I. The recommended mandatory fees are also shown separately in Attachment II. The University has submitted the attached rates to the Council on Postsecondary Education for consideration, pending the Board of Trustees' approval.

Trustee Shoop made a motion to accept FCR 5. Trustee Greer seconded the motion. Trustee Duff opposed. The motion carried.

FCR 6 Fiscal Year 2025-26 Operating and Capital Budget

FCR 6 seeks:

1. Approval of the Fiscal Year 2025-26 Operating and Capital Budget.
2. Approval of the appropriation and allocation of all fund balances as of June 30, 2025, for future operations. The actual balances may be different than the estimates incorporated in the proposed budget. Since the books of account for the University of Kentucky are maintained on a full accrual basis, this action will provide the authorization to expend accumulated fund balances as necessary to maintain a sound financial position during the fiscal year ending June 30, 2026.
3. That the Board order that the Fiscal Year 2025-26 Operating and Capital Budget be recorded as an integral part of the University's financial system with the necessary fiscal control being exercised for the recognition and collection of income and the expenditure of funds, including the allocation of expenditure authority to departments, in accordance with established fiscal policies and procedures.
4. Acceptance of the Fiscal Year 2025-26 Operating and Capital Budget as the basis of the maximum expenditure of current funds, subject to item number two above and subsequent Board approved budget revisions.

Pursuant to Governing Regulation Part II G.3, the Finance Committee oversees the budgets of the University by reviewing and recommending the annual operating budget to the Board of Trustees. The University's recommended Fiscal Year 2025-26 Operating and Capital Budget totals \$8,621,830,300, an increase of \$254,694,100, or 3.0 percent, compared to the Fiscal Year 2024-25 revised budget. A summary of the recommended Fiscal Year 2025-26 Operating and Capital Budget was provided and is available online at <http://www.uky.edu/ubo>. Pending approval by the Board, a comprehensive budget will be available prior to the September 12, 2025, meeting.

Trustee Shoop made a motion to accept FCR 6. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 7 A Resolution Providing for the Authorization, Issuance and Sale of General Receipts Refunding Obligations of the University of Kentucky, Pursuant to the Trust Agreement Dated as of November 1, 2005

FCR 7 seeks approval of a resolution authorizing the issuance, in one or more installments, of General Receipts Refunding Bonds ("Bonds") or entering into a General Receipts Lease or Leases ("Lease"), or any combination thereof (the "Refunding

Obligations”) in the principal amounts or respective principal amounts required to accomplish the refunding of certain outstanding General Receipts Obligations under the Trust Agreement (collectively, the “Prior Bonds”) or certain obligations issued by the City of Ashland Kentucky, for the benefit of the Ashland Hospital Corporation (collectively, the “Ashland Prior Obligations”), to be designated as “University of Kentucky General Receipts Refunding Bonds” or “General Receipts Lease,” and shall bear such further series designations that is appropriate to the order of issuance thereof, and to be dated as of a date determined by the treasurer.

The resolution approves the issuance of Refunding Obligations that are sold between July 1, 2025 and June 30, 2026 for the purpose of refunding the Prior Bonds or Ashland Prior Obligations when favorable financial results may be realized through redeeming and refunding the Prior Bonds or Ashland Prior Obligations.

The resolution also approves the offering for sale of the Refunding Obligations in one or more installments, on a date or dates to be determined by the treasurer of the University, upon the advice of the financial advisor to the University. The resolution further authorizes the acceptance of the bid or bids for the sale of the Refunding Obligations by the treasurer. The exact principal amount of Refunding Obligations to be sold will be determined on the date or dates of sale as the amount required to (i) refund the Prior Bonds or Ashland Prior Obligations, and (ii) pay the costs of issuing the Refunding Obligations.

There may be opportunities where favorable financial results can be achieved through redeeming and refunding the Prior Bonds or Ashland Prior Obligations. The Refunding Obligations issued to refund the Prior Bonds or Ashland Prior Obligations may be sold as separate series and may be sold at different times, depending on market conditions.

Trustee McCoy made a motion to accept FCR 7. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 8 Internal Loan for Athletics

FCR 8 seeks approval of an internal loan to invest in capital projects throughout the Athletics’ enterprise as part of a multi-year plan and new governance and operating model, aimed at ensuring a strong financial trajectory for the program.

Pending approval by the Board of Trustees, five Athletic-related capital projects, with a total scope of \$110,000,000, will be initiated in phases. While the primary fund source for the projects is expected to be gifts and pledges, the receipt of funds may not match the cash outflow for the projects, which is anticipated over a three-year period.

It is, therefore, recommended that the Board of Trustees approve an internal loan of up to \$110,000,000 to invest in Athletics’ multi-year capital project initiative, much of which is designed to maximize revenue growth through the new operating and governance model – Champions Blue LLC – approved by the Board of Trustees at its April 2025 meeting. The University also anticipates an operating loan to Athletics for two fiscal years, FY 2024-25 and FY 2025-26, for an aggregate total of up to \$31,000,000.

Any funds drawn on these loans will accrue interest pursuant to the Internal Loan Program Policy. The interest rate charged is approved annually by the Debt Management Committee pursuant to the Internal Loan Program Policy. Athletics will begin the repayment of the loans in FY 2027-28. In accordance with the University's Internal Loan Program Policy, the Debt Management Committee has reviewed and approved both loans.

Trustee Shoop made a motion to accept FCR 8. Trustee Greer seconded the motion. The motion carried without dissent.

FCR 9 Disposal of Personal Property

FCR 9 seeks approval of a plan for Fiscal Year 2025-26 authorizing: (1) routine disposition of personal property having a value less than \$25,000 to include equipment and machinery; miscellaneous supplies and furnishings; vehicles; library books and materials; livestock and other agricultural commodities and products; recyclable materials; items with no possible future use; and equipment acquired as part of the Smart Campus Initiative; and (2) the methods of disposal as listed on the attachment.

Trustee Boone made a motion to accept FCR 9. Trustee Vance seconded the motion. The motion carried without dissent.

FCR 10 Approval of Disposal of Real Property (Real Estate, Easement, and Uneconomic Remnant – University of Kentucky, Robinson Forest, KY)

FCR 10 seeks approval to dispose of real property in Robinson Forest including a portion of land needed for rockfall mitigation on KY 15 from 0.593 mile north of Beverly Road (MP 13.750) to KY 1098/KY 1813 (MP 14.644), a temporary easement and an uneconomic remnant be declared surplus to the needs of the University. It is further recommended that the Executive Vice President for Finance and Administration be authorized to transfer these real property interests through one or more agreements to the Kentucky Transportation Cabinet for an amount determined under the appraisal method set forth in KRS 416.660.

The subject property interests are part of the University of Kentucky, Robinson Forest in Breathitt County, Kentucky. The land (33.016 acres) and temporary easement (12,565 square feet) are needed by the Kentucky Transportation Cabinet for rockfall mitigation on KY 15 from 0.593 mile north of Beverly Road (MP 13.750) to KY 1098/KY 1813 (MP 14.644). As a result of this partial taking, UK elects to convey a small landlocked uneconomic remnant as part of the transaction. It is recommended that the property interests be declared surplus to the University's needs and then sold to the Kentucky Transportation Cabinet. In accordance with the appraisal method set forth in KRS 416.660, the property interests will be transferred to the Kentucky Transportation Cabinet for the fair market value of \$110,550.00.

Trustee Duff made a motion to accept FCR 10. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 11 Approval to Declare as Surplus University Property C. W. Mathews Building

FCR 11 seeks approval to declare the C. W. Mathews Building, located at 606 S. Limestone Street, Lexington, Kentucky, surplus to the needs of the University and that the Executive Vice President for Finance and Administration be authorized to demolish this property.

The C. W. Mathews Building was initially constructed in 1908 as the Agricultural Building for what was then Kentucky State College. The site occupied by the Mathews Building is being considered for a much-needed expansion to the Carol Martin Gatton Business and Economics Building, for which the Board approved the design in its April 2025 meeting. The Mathews Building is in poor condition and has surpassed its useful life. The building has been vacant since April 2024, is now surplus to the needs of the University, and its proposed demolition is in the best interests of the Commonwealth.

Trustee McCoy made a motion to accept FCR 11. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 12 Approval to Declare as Surplus University Property – Safety and Security Building

FCR 12 seeks approval to declare the Safety and Security Building, located at 305 Euclid Avenue, Lexington, Kentucky, surplus to the needs of the University and that the Executive Vice President for Finance and Administration be authorized to demolish this property.

The Safety and Security Building is located on the corner of Euclid and Rose Street and has been home to elements of UK Police for several years. Due to the construction of their new facility as part of the Parking Structure 8 Expansion project, which is to be completed in July of this year, this building is no longer useful to the University because of its poor condition. As the Safety and Security Building has surpassed its useful life, it is now surplus to the needs of the University, and its proposed demolition is in the best interests of the Commonwealth.

Trustee Greer made a motion to accept FCR 12. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 13 Improvements to Leased Property

FCR 13 seeks approval of improvements to leased property initiated during Fiscal Year 2025-26 which cost less than \$1,000,000, are not funded by state General Funds or debt, and have been deemed necessary by the Executive Vice President for Finance and Administration.

Kentucky Revised Statute (KRS) 164A.575(7)(d) permits a public university to pay for improvements to leased property costing more than \$10,000 but less than

\$1,000,000 in a lump sum using fund sources other than State General Funds and debt upon approval by its board. This recommendation to approve leased property improvements for Fiscal Year 2025-26 will satisfy the approval requirements of KRS 164A.575(7)(d) while also providing an efficient and timely process for such improvements.

The Finance Committee will continue to review and recommend to the Board of Trustees all capital projects exceeding \$1,000,000 annually pursuant to Governing Regulation II.G.3.

Trustee Duff made a motion to accept FCR 13. Trustee Boone seconded the motion. The motion carried without dissent.

FCR 14 Improve Building Shell Systems (William T. Young Library Roof Replacement) Capital Project

FCR 14 seeks approval to initiate the Improve Building Shell Systems (William T. Young Library Roof Replacement) capital project.

This project will complete the final phase of the roof repairs for the William T. Young Library (Young Library). Young Library officially opened to the public in April 1998. The original roof, constructed in 1994, is well past its useful life and needs replacement. In December 2021, the Board approved the first phase of this project.

This \$1,750,000 project, authorized by the 2024 Kentucky General Assembly, is well within the total legislative authorization of \$40,000,000 and will be funded with agency funds.

Trustee Vance made a motion to accept FCR 14. Trustee Boone seconded the motion. The motion carried without dissent.

FCR 15 Improve Mechanical Infrastructure (Cooling Plant 1 Controls) Capital Project

FCR 15 seeks approval to initiate the Improve Mechanical Infrastructure (Cooling Plant 1 Controls) capital project.

Cooling Plant 1 is one of five utility plants connected to the campus district energy. This project will replace the outdated Cooling Plant 1 building automation system infrastructure, which has exceeded its useful life. The upgrade will include control devices, panels, instrumentation, communication infrastructure, and other related equipment necessary to modernize plant operations for both reliability and efficiency. Project implementation will be structured to ensure the plant remains available to provide necessary chilled water without negatively impacting the campus system.

Trustee Melanson made a motion to accept FCR 15. Trustee Duff seconded the motion. The motion carried without dissent.

FCR 16 Improve Parking/Transportation Systems – UK HealthCare (Chandler Expansion Parking Structure) Capital Project

FCR 16 seeks approval to initiate the Improve Parking /Transportation Systems – UK HealthCare (Chandler Expansion Parking Structure) capital project and authorize the Executive Vice President for Finance and Administration to negotiate and execute all documents necessary to create a viable Public-Private-Partnership (P3).

With the Chandler Expansion there is a significant need to increase parking capacity to accommodate increased patient and visitor demands. This parking structure is planned to accommodate approximately 2,400 vehicles with direct access to the new Chandler Expansion Patient Care Facility for patients and visitors. Entrance to the new facility will be off Cooper Drive, with secondary access planned for University Drive. The new structure will be designed to complement the design of the Chandler Expansion facility and provide ample graphics and ticketing automation for ease of use by our patients and visitors.

Trustee Greer made a motion to accept FCR 16. Trustee Duff seconded the motion. The motion carried without dissent.

FCR 17 Improve Athletics Facility 1 (Kroger Field Stadium Maintenance) Capital Project

FCR 17 seeks approval to initiate the Improve Athletic Facilities 1 (Kroger Field Stadium Maintenance) capital project.

This project will initiate a comprehensive maintenance and repair program for Kroger Field on campus. A 2023 condition assessment study resulted in a master maintenance plan for Kroger Field. The maintenance plan includes a detailed, proposed preventative maintenance and repair program to ensure long-term durability and extend the football stadium's useful life.

This project includes concrete and masonry repairs, surface coatings installation, painting, roof maintenance and other miscellaneous work. The project is part of the multi-year plan for capital projects designed to enable the athletics enterprise to produce necessary revenue to ensure a strong financial trajectory. As part of this multi-year plan, internal loan funds authorized in FCR 8 may be utilized for this project and will be repaid with private funds.

Trustee Melanson made a motion to accept FCR 17. Trustee Shoop seconded the motion. The motion carried without dissent.

FCR 18 Improve Kroger Field 1 (Renovate Corner Suites and Elevators) Capital Project

FCR 18 seeks approval to initiate the Improve Kroger Field 1 (Renovate Corner Suites and Elevators) capital project.

This project will renovate the 40 corner suites located in the east and west end zone seating bowl of Kroger Field and replace the six existing elevators used by fans to access the corner suites and upper concourse. Improvements to the suites will include updates to finishes, lighting, countertops, cabinets, fixtures, flooring and seating.

The project is part of the multi-year plan for capital projects designed to enable the athletics enterprise to produce necessary revenue to ensure a strong financial trajectory. As part of this multi-year plan, internal loan funds authorized in FCR 8 may be utilized for this project and will be repaid with private funds.

Trustee Shoop made a motion to accept FCR 18. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 19 Improve Soccer/Softball Facility Capital Project

FCR 19 seeks approval to initiate the Improve Soccer/Softball Facility capital project.

This project will upgrade the existing sports lighting systems for both the soccer and softball fields to state-of-the-art LED systems. Additionally, this project will include updating the netting system in the indoor hitting pavilion, installing a Trackman radar system used by the team to analyze performance data, installing a new sidewalk entry area to greatly improve pedestrian safety outside the facility, and replacing existing field fencing and gates that have exceeded their useful life. As the University is hosting the 2026 Southeastern Conference Softball Tournament, these improvements will enhance the fan experience.

The project is part of the multi-year plan for capital projects designed to enable the athletics enterprise to produce necessary revenue to ensure a strong financial trajectory. As part of this multi-year plan, internal loan funds authorized in FCR 8 may be utilized for this project and will be repaid with private funds.

Trustee Melanson made a motion to accept FCR 19. Trustee Boone seconded the motion. The motion carried without dissent.

FCR 20 Construct West End Zone Club Space Capital Project – Design and Construction Phases

FCR 20 seeks approval to initiate the design and construction phases of the Construct West End Zone Club Space capital project using the most cost-effective financing methods. It is further recommended that the Board support and approve the pursuit of legislative authority from the Commonwealth of Kentucky to enter into a Public-Private-Partnership (P3) for the construction phase of the project and authorize the President, or his designee, to negotiate and execute all documents necessary to create a viable P3.

This project will design and construct a new club area at field level in the west end

zone seating bowl of Kroger Field. Additionally, the project will include installation of Wi-Fi devices to ensure connectivity throughout Kroger Field.

The project is part of the multi-year plan for capital projects designed to enable the athletics enterprise to produce the necessary revenue to ensure a strong financial trajectory. The design phase, with an estimated scope of \$8,000,000, will be funded with an internal loan to be repaid with private funds. The President will select the most cost-effective method for the construction phase, either a P3 strategy or an internal loan to be repaid with private funds.

The total project is not expected to exceed \$50,000,000 and has been authorized, with the use of private funds, by the 2024 Session of the Kentucky General Assembly. The University will seek legislative authorization to use a P3 strategy for the construction phase from the 2026 Session of the Kentucky General Assembly. If a P3 strategy is deemed the most cost-effective financing method for the construction phase, an agreement that is in the best interest of the University will be negotiated and executed between the University and its selected P3 partner upon receipt of the necessary legislative authorization.

Trustee Shoop made a motion to accept FCR 20. Trustee McCoy seconded the motion. The motion carried without dissent.

FCR 21 CONSTRUCT KROGER FIELD FAN EXPERIENCE DISTRICT CAPITAL PROJECT

FCR 21 seeks support and approval for the pursuit of legislative authority from the Commonwealth of Kentucky for the Construct Kroger Field Fan Experience District capital project and authorize the President, or his designee, to negotiate and execute all documents necessary to create a viable Public-Private Partnership (P3).

The University plans to seek market guidance as a preliminary step in developing a fan experience district near Kroger Field, which would serve the University community and the Commonwealth year-round. This project will create a mixed-use entertainment district on the campus, akin to similar projects in other college athletics venues as well as professional sports. The project is part of the multi-year plan designed to enable the athletics enterprise to produce the necessary revenue to ensure a strong financial trajectory.

Trustee Duff made a motion to accept FCR 21. Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 22 PATENT ASSIGNMENT REPORT

FCR 22 seeks acceptance of the patent assignment report for the period January 1, 2025 to March 31, 2025.

Trustee Duff made a motion to accept FCR 22. Trustee Shoop seconded the

motion. The motion carried without dissent.

E. Other business

Chair Case asked if there was any other business to come before the Finance Committee.

F. Adjourn

Hearing no further business, the meeting was adjourned at 11:14 a.m.

Respectfully submitted,

Brenda Heeter
Finance Committee Secretary