

Minutes of the Meeting of the Board of Trustees  
University of Kentucky  
Friday, June 16, 2017

The Board of Trustees of the University of Kentucky met on Friday, June 16, 2017, in the Board Room on the 18<sup>th</sup> floor of Patterson Office Tower.

A. Meeting Opened

E. Britt Brockman, chair of the Board of Trustees, called the meeting to order at 1:00 p.m. Chair Brockman asked Trustee Kelly Holland, secretary of the Board, to call the roll.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: C. B. Akins, Sr., Jennifer Y. Barber, Claude A. “Skip” Berry, III, Lee X. Blonder, James H. Booth, E. Britt Brockman, Mark P. Bryant, Michael A. Christian, Kelly Knight Craft, Angela L. Edwards, Cammie DeShields Grant, Robert Grossman, David V. Hawpe, Kelly Sullivan Holland, David Melanson, Rowan Reid, C. Frank Shoop, Robert Vance, and Barbara Young. Trustee William C. Britton and Carol Martin “Bill” Gatton was not in attendance.

Secretary Holland announced that a quorum was present.

The University administration was represented by President Eli Capilouto, Provost Tim Tracy, Executive Vice President for Health Affairs Michael Karpf, Executive Vice President for Finance and Administration Eric Monday, and General Counsel William Thro.

The University faculty was represented by Chair of the University Senate Council, Katherine McCormick, and the University staff was represented by Chair of the Staff Senate, Troy Martin.

Guests and members of the news media were also in attendance.

C. Chairs Report

Chair Brockman reported that there had been no petitions to address the Board since the last Board of Trustees meeting and called attention to the consent items on the agenda. The items were as follows:

Minutes	Board of Trustees Meeting, May 2, 2017
PR 2	Personnel Actions
ASACR 1	Candidate for Degree: May 2017
ASACR 2	Candidates for Degrees: May 2017
ASACR 3	Change in Name of Educational Unit: College of Agriculture, Food and Environment
ASACR 4	Deletion of Degree: College of Education

FCR 1	Pledge from the William E. Seale Family Foundation
FCR 2	Acceptance of Interim Financial Report for the Nine Months ended March 31, 2017
FCR 3	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 4	Fiscal Year 2017-18 Operating and Capital Budget
FCR 5	Disposal of Personal Property
FCR 6	Approval of Lease (GF Vaughan Tobacco Company Warehouse and Storage Space)
FCR 7	Authorization to Acquire Property (Scott Street and Adjacent Property)
FCR 8	Real Estate Exchange (Greek Park – Chesney)
FCR 9	Repair/Upgrade/Improve Building Systems – UK HealthCare Capital Project (Pavilion HA Air Handling Unit #8)
FCR 10	Renovate/Expand Clinical Services Capital Project – William R. Willard Medical Education Building (College of Medicine Support Space – Phase II)
FCR 11	Construct/Expand/Renovate Ambulatory Care – UK HealthCare Capital Project (Department of Medicine Clinics)
FCR 12	Capital Construction Report
FCR 13	Patent Assignment Report
FCR 14	Real Estate Exchange (Core Campus Investment Partners, LLC)

Hearing no requests to remove items from the consent agenda, Chair Brockman asked for a motion for approval. Vice Chair Akins moved approval of the consent agenda. Trustee Vance seconded the motion and the consent agenda passed without dissent. (See consent items on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

Chair Brockman reminded the Board that Trustee Grossman and President Childress would be sworn in at the conclusion of the Board meeting.

D. Executive Committee Report

Chair Brockman stated that the Executive Committee had met earlier in the day and discussed the Presidential Evaluation process for 2016-17.

E. Process for the 2016-17 Presidential Evaluation (ECR 1)

Chair Brockman stated that ECR 1 was the recommendation that the Board approve the process, timeline, and the preliminary list of survey questions as part of the 2016-17 Presidential Evaluation.

As background, pursuant to Section E. (Evaluation) of President Capilouto's Employment Agreement with the University of Kentucky Board of Trustees, an annual performance evaluation shall be performed in accordance with Governing Regulation II.E.2(a). The evaluation is similar to past years with the exception of a modified timeline. The modified timeline allows for the

inclusion of the Strategic Plan annual metrics and information (provided at the October Board Retreat) in the Board's evaluation process.

Recommended for approval by the Executive Committee, Chair Brockman asked for the vote and it passed without dissent. (See ECR 1 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

F. President's Report (PR 1)

Provost Tim Tracy presented the President's Report and began by acknowledging the many talented faculty, clinicians, and staff who have earned external research grants and participated in national healthcare conversations. Of note was the \$11.2 million Centers for Biomedical Research Excellence Award, which will further the research connections between metabolic disorders, obesity, and cancer, and the opening of the Sports Medicine Research Institute.

Another item of interest included the launch of a new survey by the Kentucky Geological Survey, which plays a key role in the Commonwealths resources utilization, preservation, energy, environment, water security, and planning efforts of numerous Kentucky entities, both private and public.

Provost Tracy concluded by recognizing Tony Dotson, a veteran and Director of UK's Veteran's Resource Center and G.T. Lineberry, Associate Provost for Faculty Advancement, and his wife Diana, for leading the effort as:

"the University of Kentucky became the first university to sponsor an honor flight, a national program that transports, free of charge, veterans of World War II, Vietnam, Korea, and other foreign military incursions to visit their memorials in our nation's capital. The participants included 70 veterans from nine states and 20 Kentucky counties. Six World War II, 22 Korean War, and 42 Vietnam War Veterans, which represented all four branches of the military; 38 from the Army, 12 from the Air Force, eight from the Navy and eight from the Marines. Two were 94 years old and four were in their nineties. On a Saturday May 20, they visited the Iwo Jima Memorial, Women in Military Service Memorial, World War II Memorial, Korean War Veterans Memorial, the Vietnam Veterans Memorial, the Air Force Memorial, and Arlington National Cemetery, where the four oldest veterans participating in the flight, laid a wreath at the Tomb of the Unknown Soldier. Their flight, in large part, made it possible for UK faculty, staff, and alumni veterans to travel to Washington D.C. to visit their memorials. This was a testament to their service and an opportunity to pay their respects to their fallen brothers and sisters. It also was an opportunity to say thank you to them for their service and sacrifice. When they returned home, delayed several hours, and landing in the middle of the night, our veterans received the proper homecoming that too many were denied decades ago."

The Board gave Mr. Dotson and Dr. Lineberry a round of applause.

G. Proposed Revision to Governing Regulation: Lecturer Series in Lewis Honors College (PR 3)

Provost Tracy stated that PR 3 was the second and final reading of a recommendation that the Board of Trustees approve the revision to Governing Regulation VII, University Organization. The revision will allow Lecturer Series faculty to hold primary appointments in the Lewis Honors College.

Trustee Grossman moved approval of PR 3. Trustee Melanson seconded the motion and it passed without dissent. (See PR 3 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

H. Honorary Degree Recipients (PR 4)

Provost Tracy stated that PR 4 was the recommendation that the Board of Trustees approve awarding an Honorary Doctor of Humane Letters to Jewell Dean Ellis and L. Stanley Pigman, as approved and recommended by the University Faculty.

Vice Chair Akins moved approval of PR 4. Trustee Grant seconded the motion, and it passed without dissent. (See PR 4 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

I. Proposed Exception on Conflict of UK Employee Having an Interest in a UK Contact (PR 5)

Provost Tracy stated that PR 5 was the recommendation that the Board of Trustees approve an exception to Kentucky Revised Statute (KRS) 164.390 through KRS 164.367, and Governing Regulation XIV and as outlined in the attached opinion and recommendation of the University Ethics Committee for National Science Foundation (NSF) Award IIA-1355438; and delegate to the President the authority to grant any future exceptions to National Science Foundation Award IIA-1355438.

Dr. Lisa Cassis, Vice President for Research, explained that Dr. Rodney Andrews, Director of the Center for Applied Energy Research, holds this particular grant from NSF and it is a part of the Established Program to Stimulate Competitive Research (EPSCoR) Program. Within this grant, Dr. Andrews issues requests for proposals, which are awarded through sub-awards to small Kentucky companies. The sub-awards for these grants primarily fund student internships and two of the companies chosen are owned by UK faculty. The recommended exception is that Dr. Andrews be permitted to make sub-awards to the two UK faculty-owned companies, which will use the awarded funds to hire student interns.

Trustee Melanson stated that he would abstain from the vote on the recommendation as Dr. Andrews is his direct supervisor. Trustee Shoop moved approval of PR 5. Trustee Grossman seconded the motion and it passed with 18 affirmative votes and one abstention from Trustee Melanson. (See PR 5 on the Board of Trustees website, [www.uky.edu/Trustees](http://www.uky.edu/Trustees), under agenda.)

J. University Athletics Committee Report

Vice Chair C.B. Akins, Sr., chair of the University Athletics Committee, stated that the University Athletics Committee had met earlier that morning. Athletics Director Mitch Barnhart gave a year-end report on the athletic and academic accomplishments of the Department. The Committee accepted the Interim Financial Report for the nine months ending March 31, 2017, and the Fiscal Year 2017-18 Operating and Capital Budget for the Department of Intercollegiate Athletics and recommended approval of both items to the Finance Committee.

K. Investment Committee Report

Trustee Mark Bryant, chair of the Investment Committee, reported that the Committee had met on Thursday, May 15, 2017, to review performance results and conduct other business. The Endowment Pool had a market value of \$1.3 billion as of April 30, 2017, gaining an estimated 7.9% or \$96 million dollars in the ten-month period since June 30, 2016, due to strong global equity market performance.

L. University Health Care Committee Report

Trustee Robert Vance, chair of the University Health Care Committee, stated that the Committee met at Keeneland on Thursday, June 15, 2017, for the annual retreat.

Reports at the retreat included Mark Birdwhistell, Vice President for Administration and External Affairs, who provided the Committee with an update on the federal and state legislative outlook and its impact on reimbursements to UK HealthCare. Rob Edwards, Chief of External Affairs, provided an update on UK HealthCare's outreach and efforts to strengthen partnership networks. Mr. Garren Colvin from St. Elizabeth Healthcare in Northern Kentucky gave remarks regarding the Kentucky Healthcare Collaborative and Dean Robert DiPaola updated the Committee on the plans to open three new regional campuses in Bowling Green, Northern Kentucky, and Morehead.

Bo Cofield, Vice President and Chief Clinical Operations Officer, and Dr. Phil Chang, Chief Medical Officer, reviewed the year's Enterprise Goals. The Committee approved the UK HealthCare's 2017-18 Operating and Capital Budget, 2017-18 Enterprise Goals, and the list of privileges and credentials.

M. Resolutions

Chair Brockman asked Trustee Young to read the first resolution honoring and commending

## **C.B. AKINS, SR.**

for his service to the UK Board of Trustees, his university, his community, and the Commonwealth.

**WHEREAS**, Dr. C.B. Akins, Sr., member of the Board of Trustees since 2011, has thoughtfully served the University of Kentucky with abiding sincerity; and

**WHEREAS**, during his appointment, he offered his expertise and skills as Vice Chair of the Board of Trustees (2015-17), inaugural Chair of the University Athletics Committee having served for a five year appointment (2012-2017), and served as a member of the Executive, Nominating, Finance, Academic and Student Affairs, and the former Academic Affairs, Human Resources, and Student Affairs committees; and

**WHEREAS**, the Bath Springs, Tennessee native served in the United States Air Force from 1969-1973, and then began teaching foreign languages in the Military Intelligence Division of the United States Army Reserves;

**WHEREAS**, pursuing extensive educational opportunities, Dr. Akins earned his Bachelor of Arts in social work with honors from the University of Kentucky in 1993, a Master of Divinity degree from the Lexington Theological Seminary in 1996, and a Doctorate of Ministry from the Lexington Theological Seminary in 2001, was awarded an Honorary Doctorate of Divinity from Simmons Bible College in 1998; and

**WHEREAS**, with his proven leadership in the community and throughout the state, Dr. Akins has since 1983 pastored the First Baptist Bracktown Church in Lexington, Kentucky, growing the church exponentially, and has served on numerous boards including the Commerce Lexington Board of Directors, Fayette Educational Foundation Board of Directors, One Community One Voice Board of Directors, African-American Education Coalition, University of Kentucky President's Commission on Diversity, Kentucky Board of Education, and the Board of Trustees for Simmons College of Kentucky.

**NOW, THEREFORE, BE IT RESOLVED**, that the University of Kentucky Board of Trustees does hereby adopt this resolution on June 16, 2017, and expresses, on behalf of the university community, our individual and collective gratitude to Dr. C.B. Akins, Sr., for his exemplary support and service, wishes him well in all of his future endeavors, and orders that this resolution be made part of the minutes of the meeting.

Trustee Akins received a warm round of applause. He thanked the Board of Trustees and stated "it has been my joy to serve with you."

Trustee Mark Bryant read the resolution honoring and commending

**WILLIAM C. BRITTON**

for his service to the UK Board of Trustees, the university, his community, and the Commonwealth.

**WHEREAS**, William C. Britton, member of the Board of Trustees since 2011, has diligently served the University of Kentucky with admirable acumen and insight; and

**WHEREAS**, during his appointment, he offered his expertise and skills as a member and Chair of the Finance Committee, member and Chair of the Audit and Compliance Committee, and as a member of the Academic and Student Affairs, Investment, Nominating, University Health Care, and the former Audit subcommittee and Academic Affairs committees; and

**WHEREAS**, beginning his educational journey in Lincoln County, the Eastern Kentucky University alumnus, who graduated Magna Cum Laude, began an impressive and esteemed career, working as a tax manager for Ernst and Whinney in Louisville, Kentucky, before becoming General Manager of Norwall Sales; and

**WHEREAS**, Mr. Britton served as President of DW Wallpaper, a \$15 million wallpaper manufacturing company from 1994-1997, and as President of 166 Research, a \$200 million company involved in supplying machines to convert coal to synthetic fuel from 1998-2008; and

**WHEREAS**, using his exceptional leadership and business aptitude, he created hundreds of jobs and strengthened economic opportunities for business partners and communities across the Commonwealth; and

**WHEREAS**, Mr. Britton has volunteered his time and service to the board of the Heuser Hearing Institute, the Cabbage Patch Settlement House, and as a little league baseball coach for East Louisville Sports.

**NOW, THEREFORE, BE IT RESOLVED**, that the University of Kentucky Board of Trustees does hereby adopt this resolution on June 16, 2017, and expresses, on behalf of the university community, our individual and collective gratitude to William C. Britton for his exemplary support and service, wishes him well in all of his future endeavors, and orders that this resolution be made part of the minutes of the meeting.

Trustee Britton (in absentia) received a round of applause.

Trustee Hawpe read the resolution honoring and commending

**ROWAN L. REID**

for her service to the UK Board of Trustees, her fellow students, and her university.

**WHEREAS**, Rowan L. Reid, Student Body President and member of the Board of Trustees, has admirably and tirelessly represented her fellow students, and served the University of Kentucky with care and determination; and

**WHEREAS**, the Louisville, Kentucky native was a member of the Board's Academic and Student Affairs Committee, the Human Resources and University Relations Committee, as well as the Finance Committee; and

**WHEREAS**, Ms. Reid, the daughter of Michael and Therese Reid, held several leadership positions on campus, including her service in the Student Government Association, Chi Omega Sorority, Global Scholars Honors Business Program, the Student Coalition for Diversity and Inclusion, the Residency Review Committee, the Libraries Committee, and the Parking Violation Appeals Committee; and

**WHEREAS**, the Economic and Management major helped open the Wildcat Wardrobe, a service providing free professional clothing to students to alleviate financial distress caused by having to purchase clothes before a job interview; and

**WHEREAS**, she constantly demonstrates a passion for making UK a better place, having helped facilitate important dialogue on diversity, inclusion, mental health and issues surrounding sexual assault on college campuses, and assisting in the development of campus policies impacting the college experience of every UK student; and

**WHEREAS**, she will continue her educational journey at the University of Kentucky in the UK College of Law, part of her plans to become a Commonwealth's Attorney, in which capacity she can continue to ably serve her community.

**NOW, THEREFORE, BE IT RESOLVED**, that the University of Kentucky Board of Trustees does hereby adopt this resolution on June 16, 2017, and expresses, on behalf of the university community, our individual and collective gratitude to Rowan Reid for her exemplary service, wishes her well in all of her future endeavors, and orders that this resolution be made part of the minutes of the meeting.

Trustee Reid received a round of applause.

N. Other Business

Trustee Melanson acknowledged out-going chair of the Staff Senate Troy Martin and thanked him for his hard work and leadership. He introduced Jon Gent as the new incoming chair of the Staff Senate.

O. Meeting Adjourned

Hearing no further business, the meeting was adjourned at 1:50 p.m.

Respectfully submitted,



Kelly Sullivan Holland  
Secretary, Board of Trustees

(ECR 1, PR 1, PR 2, PR 3, PR 4, PR5, ASACR 1, ASACR 2, ASACR 3, ASACR 4, 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, and FCR 14 are official parts of the Minutes of the meeting)