

Minutes of
The University of Kentucky Research Foundation
Board of Directors Meeting
May 27, 2008

The Board of Directors of the University of Kentucky Research Foundation met in Room 103 of the Main Building at 3:00 p.m. on May 27, 2008. Dr. Lee T. Todd, Jr., President of the University of Kentucky Research Foundation, called the meeting to order. The following members of the Board of Directors were in attendance: Mr. F. Richard Kurzynske, Mr. Phillip Patton, Dr. Lee T. Todd, Mr. Frank Butler, Dr. Kumble Subbaswamy, Dr. James W. Tracy and Dr. Hollie Swanson. Absent from the meeting were Mr. Henry Jackson, Ms. Pamela May, Dr. Michael Karpf, and Dr. Anne-Francis Miller. Others in attendance: Dr. Martha Peterson, Mr. Sergio Melgar, Dr. Len Heller, Mr. Jack Supplee, Ms. Katherine Adams, Mr. Marc Mathews, Ms. Judy Duncan, Mr. Dan Wentz and Ms. Kathy Stanwix-Hay.

Dr. Todd reported that copies of the minutes of the April 30, 2007 meeting had been emailed to all board members in May 2007 and a copy was also in their notebooks. He asked for any corrections or additions. There being none, the motion was unanimously approved.

Report of the Nominating Committee

Mr. Frank Butler, Chair of the Nominating Committee, presented the following recommendations:

BOARD OF DIRECTORS

Recommend appointment of Hollie Swanson, Faculty Member, for a three-year term ending June 30, 2010.

Recommend reappointment of Pamela May, Trustee Member, for a three-year term ending June 30, 2011.

Recommend reappointment of Henry Jackson, Public Member, for a three year term ending June 30, 2011.

OFFICERS OF THE FOUNDATION

President	Lee T. Todd, Jr., President, ex officio
Vice President	James W. Tracy, Vice President for Research
Executive Director	Kumble R. Subbaswamy, Provost, ex officio
Secretary	Jack Supplee, Associate Director of U. K. Research Foundation
Treasurer	Marc Mathews, Treasurer

EXECUTIVE COMMITTEE OF THE FOUNDATION

Lee T. Todd, Jr., President, ex officio
James, W. Tracy, Vice President for Research, ex officio
Michael Karpf, Executive Vice President for Health Affairs, ex officio
Kumble R. Subbaswamy, Executive Director, ex officio
Anne-Frances Miller, Department of Chemistry, Faculty Member

Pamela May, U. K. Board of Trustee Member
The motion was unanimously approved to be effective May 27, 2008

RESOLUTION #1:

That Frank Butler, Kumble Subbaswamy and James W. Tracy be appointed to serve on the 2008-09 Nominating Committee, with Frank Butler serving as Chair and the James W. Tracy as Secretary.

BACKGROUND:

This is in accord with Article VI of the UKRF By-Laws.

VOTE: X Approved Disapproved

Report of the President

Dr. Todd began his presentation by welcoming Dr. Tracy to UK and complementing Len Heller on the progress being made in the area of economic development. He commented on the fact that although grant and contract activity through UKRF is down, our faculty continue to focus on research growth. He cited the Center for Applied Energy Research as having received \$2 million from the Ky General Assembly special legislative session in August 2007 to renovate and expand the existing CAER facility and the \$5 million the Kentucky Geological Survey received for the CO2 Storage project as examples of progress being made.

Dr. Todd highlighted the progress being made to update the master development plan at Coldstream Research Campus, including the following points:

Requesting \$6.5 million from the Economic Development Cabinet for a redundant main power feed that will enhance the opportunity to recruit high-tech companies

Currently negotiating with five new companies to move to Coldstream

Exstream Software, now a subsidiary of the Hewlett-Packard Company, opened its new international headquarters and moved 144 Lexington-based employees to Coldstream.

Coldstream Laboratories Inc. began contract manufacturing of GMP small-batch sterile drug products. The \$17 million state-of-the-art facility is one of a few in the country using isolator technology. There are 52 employees at both the corporate offices and manufacturing center.

Construction began on the first building of the \$50 million Lexhold International Center for Technological Innovation. The five-floor, 166,000 s.f., multi-tenant spec building is 60% pre-leased and expected to open at the end of the year.

UK will move both the McVey Hall and the UK Health Care enterprise data centers to the second building of the Lexhold International Center for Technological Innovation project. By leasing space off campus, UK will be able to use the existing 33,000 s.f. for

labs, classrooms, and offices. The UK Data Center will lease approximately 42.5% of the new building and anticipates occupying the space in the summer of 2009.

The Lexington-Fayette Urban County Government (LFUCG) will begin construction of the LFUCG Regional Emergency Operations Center in the summer of 2008.

Helped forge agreement with state and city to move Eastern State Hospital to Coldstream. Bluegrass Community and Technical College will ultimately take over the existing Eastern State site, creating a new gateway into the community and revitalizing an area of downtown.

Presently there are 49 companies at Coldstream including 6 new companies.

Dr. Todd ended his presentation with a discussion on the strengths in the undergraduate research experience at UK, highlighting the following:

Bucks for Brains Summer Program with a total of 119 undergraduate participants in 6 years—99 (83%) are African American, 35 are still undergraduates and 80 have graduated (67% graduation rate), of the 80 who have graduated 31 have gone to graduate school

A UK student has won a Beckman Award for the third time.

UK Students compete annually in the National Conference on Undergraduate Research (NCUR) as evidenced by the fact that 20 research papers were accepted from UK at this year's conference.

Report of the Vice President for Research

Dr. Tracy began his report by presenting 2007-08 Research administration highlights and then discussed 2008-09 initiatives and explained some of the challenges to Research. He presented information on FY 06 NSF Rankings, Grant and Contract Awards for the period FY 00 to FY 07, FY 07 grant and contract expenditure information and direct appropriation totals for FY 02- FY 08. He provided information on categories of support funded by the UKRF budget indicating that 54% (\$23.51M) of the FY 07 budget went directly to faculty and academic unit support. He noted the marked increase need in funds to support new faculty startup packages.

Dr. Tracy discussed the outlook for federal funding and the need for UK to improve its effective F&A cost recovery rate. He also noted that UK has recently submitted proposed new F&A cost rates with the Department of Health and Human Services (DHHS). He is hopeful the upcoming negotiations with DHHS will result in a rate increase.

Please press CTRL and then click on [Report of the Vice President for Research](#) to view:

Budget Presentation

Dr. Tracy presented the proposed FY 2008-09 budget. He summarized the various revenue sources, indicating that the major source, F&A recovery, is expected to be \$39 million, down from \$42 million this year (FY 2007-08). Additionally, he described the various categories of faculty support funded through the UKRF budget. Following general discussion, Mr. Kurzynske moved the Board accept the 2008-09 proposed budget. The motion was unanimously approved. Please press CTRL and then click to view: [UKRF 2008-09 approved budget](#).

Report of the Treasurer

Mr. Marc Mathews presented an overview of UKRF financial activities. Please press CTRL and then click on [Report of the Treasurer](#) to view.

New Business

RESOLUTION #2:

Dr. Tracy read the following resolution which was unanimously approved:

Whereas, Henry Clay Owen began his service to the University of Kentucky on July 1, 1964 as a staff accountant in sponsored projects, was appointed controller in 1969 and given the added title of treasurer in 1982 and

Whereas, Mr. Owen has served for many years as the Treasurer of the University of Kentucky Research Foundation and

Whereas, his experience, integrity, dedication and knowledge of financial and budgetary matters have served UKRF all these years.

Be it therefore resolved by the University of Kentucky Research Foundation Board of Directors that we express our sincere appreciation to Mr. Owen for his exemplary service.

Dr. Len Heller, Vice President for Commercialization and Economic Development gave a presentation on recent KTI and Coldstream activities.

Dr. Tracy thanked everyone for attending and the meeting adjourned at approximately 4:30 p.m.

Jack Supplee
Secretary