

**Minutes**  
**University of Kentucky Athletic Association**  
**Board of Directors Meeting**  
**18<sup>th</sup> Floor Patterson Office Tower**  
**March 1, 2004**  
**3:30 p.m.**

**Meeting Opened and Roll Call**

President Lee Todd called the meeting to order at 3:38 p.m. and asked for a roll call.

Dr. John Piccoro called the roll: Luther Deaton, James Hardymon, Antoine Huffman, Elizabeth McCaslin, Linda McDaniel, Tim Morris, Raynor Mullins, Mike Nietzel, John J. Piccoro, Jr., S. T. Roach, Dick Siemer, Gerald Smith, Alice Sparks, Patricia Terrell, and President Lee Todd. The following members were absent: Claudia Heath and William Sturgill.

**Approval of Minutes**

President Todd said that the Minutes of the October 17, 2003 meeting had been circulated. He asked for a motion of approval, and Ms. Sparks moved that the Minutes be approved. Mr. Roach seconded the motion, and it carried without dissent.

**President's Report**

President Todd distributed a list of committees of the Board of Directors. He noted that some members were automatically chairs of committees because of the Bylaws. He said that the Finance Committee is a replacement of what at one time had been talked about being a Tickets' Committee from the Lawson Report. The Student-Athlete Welfare Committee is a committee that Mr. Barnhart wanted put in place. The Long-range Planning Committee is a committee to look at facilities and other long-range issues. He noted that terms were not put on the memberships; however, there are terms for their membership on the Board of Directors.

He informed the Board that there is an Academic Committee in the Southeastern Conference (SEC), and he chairs that Committee. Gordon Gee, University of Vanderbilt, and Andrew Sorensen, University of South Carolina, are also members of the Committee. He reported that the provosts met with the presidents last year to begin their meetings and explained that they are trying to model this Committee after the Committee on Institutional Cooperation (CIC) that the Big Ten has had for sometime. The person responsible for running that meeting met with the provosts and the presidents, and the meeting went well. He said that the Committee would be meeting again in Destin, Florida this summer.

With respect to the CIC, they have entered into a joint consortium for purchasing and report that they save an average of a \$250,000 per institution. They have exchange programs that they developed for the students to make easy movement throughout the institutions. They have formed travel programs, and the University of Kentucky will be coordinating the library consortium. Mike Slive has had experience with this before and has been extremely helpful in getting this set up. He is very enthusiastic about it, and it is a good move.

President Todd mentioned Tubby's Clubhouse project and provided information about the project. He noted that Coach Tubby Smith had committed \$50,000 a year for the next seven years of his contract to the project. He explained that it is a 40-hour curriculum that teaches young at risk children to take a computer apart and put it back together, load software and run software. The child has to be committed to not missing an hour of the curriculum and has to maintain a "C" average or better in school during that period of time. Dell Computer System provides the children with a computer to take home with them. The program will be run out of the five community centers that are in Lexington, and they will be known as Tubby's Clubhouses. This project will help the University's affiliation between athletics and academics.

### **Athletics Director Report**

Mr. Barnhart reviewed and highlighted the agenda for his report. He said that the financial projections would be presented by Rob Mullens. The marketing staff, one of the most visible groups in the Athletics Department, would be talking about the various things they are doing to make Kentucky athletics better. They have a great success story and will be reviewing their activities for the 2003-04 year.

Mr. Barnhart reported that the Athletics Department has enjoyed an incredibly active and successful weekend. He mentioned various events that had taken place on campus.

He reported that The National Collegiate Athletic Association (NCAA) certification process had begun, and Athletics is in the second cycle of this certification. The staff coordinator for that process is Ms. Lisa Peterson who is coordinating the process with Dr. Connie Ray and Ms. Connie Vaughn. These three individuals are spearheading the charge of some committees mandated by the NCAA, and the committees are working diligently. It is a year-long process, and the committees have begun their work gathering information. The report writing phase will take approximately three to four months after the information has been gathered. The report will be distributed to a NCAA peer review team that will visit campus early next year. That review team will review the report and let President Todd know if the University is in compliance with NCAA principles.

Mr. Barnhart gave an update on the winter sports, noting the achievements of various student-athletes. He stated that the student-athletes continue to represent the University well.

Mr. Barnhart reported that Coach John Cohen was in his first year as coach of the UK baseball team. The team had recently traveled to Memphis to play in a tournament which they won. The team is off to a decent start. The first time they got outdoors was basically the first game they played this year.

He reported that Coach Beth Prewitt and her softball team won their invitational. Their record is 11-3-1, and that is a big improvement. Coach Prewitt is playing a very young team. They have seven freshmen in the lineup and are doing well.

Mr. Barnhart mentioned the Women's Tennis team and the Women's Basketball team. He said that he is most proud of the excitement the Women's Basketball team has brought back to Memorial Coliseum. There were over 73,000 fans that came into Memorial Coliseum's gates this season, and that is pretty spectacular. Coach Mickie DeMoss has got a great recruiting class coming. She has done a wonderful job. When coupled with Coach DeMoss, the Marketing Department really helped in giving the Women's Basketball program a new look. That was exciting for everyone.

Mr. Barnhart talked about the Men's Basketball program which has a record of 21 and 4. Coach Tubby Smith continues to do his usual remarkable job. Coach Smith gets overlooked nationally because it has just become almost repetitious. Mr. Barnhart said that he is proud of Coach Smith's efforts and what he and his staff are getting done for the basketball program. He said that he is looking forward to a great March run.

Mr. Barnhart continued with his report stating that the Men's Golf program is ranked in the top 25 in the country, and the cheerleaders won another national championship. He said that he is proud of the cheerleaders and glad to support them.

Mr. Barnhart gave a report on academics. He reported that 53 UK student-athletes were named to the Southeastern Conference (SEC) All Academic Honor Roll by the SEC Commissioner. That is the most of any school in the SEC. He said that he is proud that UK is ranked first in that category and proud of the student-athletes for their efforts. It shows that they are committed to the classroom as well as doing well in the field of competition. He gave praise to Bob Bradley and his staff in the CATS program for the great job that they do.

Mr. Barnhart asked Rob Mullens, Executive Associate Athletic Director, to make the financial presentation.

### **Financial Projections**

Mr. Mullens gave a PowerPoint presentation on Athletics' finances. He reported that Athletics is about 3% of the overall University revenue according to the Office of the Controller's most recent audited financial statements. He provided an overview of the budget, elaborating on the individual slides, and talked about the goals for the coming year. He entertained questions from the Board. (See the PowerPoint presentation at the end of the Minutes.)

President Todd said that he is really pleased with the Athletics Department's contribution of money back into the University system. He indicated that is not very common in college athletics. Athletics pays the full scholarship on student-athletes whether in-state or out-of-state, and a large number of their student-athletes are out-of-state. He said that the Athletics Department does a very good job of physical management, and he appreciates Rob's work in going through the details of his presentation.

### **Budget Authority**

Mr. Barnhart said that the first recommendation is for the Athletic Association Board of Directors to approve the use of the FY04 additional revenues to be used to increase the FY04 Athletics Department expenditure authority by 1.7% or \$835,000 to fund the important unbudgeted items.

He said that those figures are reflected in Mr. Mullen's PowerPoint presentation and explained that it would come out of monies that Athletics currently have, not out of the quasi endowment. The additional revenues are there.

On motion made by Ms. Sparks and seconded by Mr. Roach, the Budget Authority recommendation was approved without dissent.

### **Prevailing Wage Audit Payments**

Mr. Barnhart said that the second recommendation is the Prevailing Wage Audit Payments from the construction of the baseball facility. The recommendation is that the Board approve the \$330,000 in prevailing wage payments as mandated by the Kentucky Department of Labor. The internal transfer is to replenish the Athletics quasi-endowment. The payments have already been made to the employees identified by the audit.

On motion made by Mr. Morris and seconded by Mr. Deaton, the Prevailing Wage Audit Payments recommendation was approved without dissent.

### **Internal Transfer to Replenish Athletics Quasi-Endowment**

Mr. Barnhart said that this is a recommendation that the Board approve the internal transfer of \$1.8 million from the Athletics restricted fund balance to replenish the Athletics quasi-endowment for the Baseball Stadium Project.

On motion made by Mr. Morris and seconded by Dr. McDaniel, the internal transfer recommendation was approved without dissent.

Mr. Morris asked Mr. Mullens for the total dollars that Athletics Department pays back in the University for maintenance, scholarships, etc.

Mr. Mullens said that it was 25 percent (\$12 million) at budget time, but they have not run those figures since then. The University still remains Athletics number one vendor. He noted that the Board would probably have to meet again in April or May about the budget.

He said that Athletics is facing some challenges. Legislation has allowed 12 football games the last two years, and seven of those have been home games. This year there will be 11 games with six home games. That will result in a loss of \$1.5 million of revenue. Since Athletics pays 100% of the scholarships for student-athletes, with an increase in tuition that means an additional increase to the budget. These are major challenges.

Mr. Barnhart said that there would be a lot of athletics directors lobbying their presidents very soon to get the 12<sup>th</sup> game back permanently when they begin to realize that loss of revenue. It will be a huge loss to replace. The seven home games do not occur back on the schedule until 2008. He provided an explanation of the schedule and the calendar. This is for the Board's information so they will understand the situation.

Mr. Barnhart made some comments about some items in Mr. Mullens presentation. He mentioned the University Club and the loss of revenue. With the efforts of a lot of people, primarily Mr. Deaton, the University was able to keep the University Club as its home course for its two golf teams. That is huge for the University.

The Women's Basketball team had two games played in Rupp Arena. It will probably be extended to three games next year. The average attendance was between 5,500 and 6,000 for those games. It was a very unique atmosphere and exciting time for Coach DeMoss and the women to get to play in Rupp Arena. This also helped a lot in recruiting.

Mr. Barnhart said that Mr. Mullens eluded to the Physical Plant Division costs which were an unknown. Those costs continue to go up on campus, and they continue to go up for Athletics as well.

Mr. Barnhart said that he wanted to talk about security. He said the security of the staff and athletes, particularly female athletes, in the facilities late at night concern him. He wants to make sure they are covered properly in terms of security. They have placed cameras throughout the building and increased the security inside the building

Dr. Picoro reported that he had participated in another committee meeting that day for the Matthews, Singletary and Wethington fellowships for graduate students. Several years ago, Athletics gave \$500,000 to the Graduate School for the Wethington fellowships, and that money was matched by the state. He also mentioned that the Athletics Department had previously funded the Matthews fellowship program in honor of Dean William L. Matthews, the long-time faculty athletics representative. Additionally, Athletics made the initial contribution to set up the Singletary fellowship program.

Mr. Barnhart introduced Rick Thompson, Associate Athletics Director for Marketing, who has been spearheading the marketing efforts. He said that the marketing efforts have been very well received, and he had asked Mr. Thompson and his staff to inform the Board of the good things they have done in their marketing.

Mr. Thompson gave a broad overview of the different pieces of marketing and promotions as it relates not only to individual sports but the Department itself. He passed out a newsletter called *Blueprint* which is a quarterly publication that has been mailed the past year. He explained the process in putting the newsletter together, stating that they cover different items that are not covered in the radio, television and newspaper media. He reported that they had some help from a local agency, Cornett Advertising, in identifying their strengths and challenges. Athletics gets plenty of attention in the media, but it is not always the things that they like to have. This newsletter is the result of that. It is kind of an evergreen type of newsletter that is good forever.

Mr. Thompson reported that the CATSPY event would be held on April 19<sup>th</sup>. It will be held at Rupp Arena. He encouraged everyone to attend this exciting event.

The Big Blue Caravan begins in May. The coaches and athletic administrators travel around the state for a month. They will be visiting seven areas this year.

Athletics launched a new website on November 1<sup>st</sup>. There was a new technology that allowed easy access to video screening. It allows people to view Coach Tubby Smith's live Friday press conferences. Over 250 people have signed up for this service. It is a paid subscription base which funds the actual management of the website. Sixty percent of the people who signed up for this service are out-of-state. People have signed up for the service from about eight different countries. A lot of people in Iraq with computers have signed up so they can watch games. The television contracts only allow certain things to be live or even delayed on the internet, but some live exhibition games have been on the web.

The marketing information system is how they contact fans. They have roughly 46,000 football season ticket holders, and that equates to about 16,000 accounts. On any given day, they do not necessarily know who is in the stadium, but they are making strides for that information. They are working with a local mail house that collects the data from the various lists and merge them together. They continue to compile addresses, clean them, and make sure no one gets two pieces of the same mail. In that process, they have gathered about 19,000 e-mail addresses which allow them to e-mail people directly for different events.

Mr. Thompson reviewed the marketing plan they implemented this year for Women's Basketball. He distributed a copy of the plan to the Board.

He reported that UK has been number one in attendance in Men's Basketball for nine years now. In football UK has been in the top 25 since the stadium expansion. UK finished 23<sup>rd</sup> in the country in football attendance this past year, which is a pretty

impressive number. Last year in Women's Basketball, UK ranked 148. This year UK finished 16<sup>th</sup>. If UK can average 2,500 people in attendance at the baseball games, it will be the only school in the top 25 in those four sports.

Mr. Thompson talked about the direct mail and the target market they had identified to receive post cards. Through the mail house, they identified thousands of kids in Fayette County and extended areas that are six to twelve years old. They also identified a more senior group that would receive a different post card. A photograph of Coach DeMoss is on the post card marketed toward seniors that have purchased Women's Basketball tickets in the past. This is an example of how detailed they get in their marketing plan.

Mr. Thompson introduced Micheline Schott, who put together the Women's Basketball marketing plan, and Jason Schlafer, who manages the Men's Basketball and Football marketing plan.

He indicated that Derek Abney and Jared Lorenzen had helped with marketing through e-mail and a telephone campaign.

He mentioned a couple of things they are doing differently this year for football. They want to get people revved up in February and March for football. He said that internet chatter is already talking about the fall campaign.

Mr. Barnhart said that they have been working very hard to bring back reunion classes. Kristen Branscum has been very involved in putting together the reunion classes for football and basketball. That has been a great thing for Athletics, and it has given them an opportunity to celebrate a lot of neat things in UK history.

Ms. Branscum also heads up the now infamous barn campaign. She has been locating barns and working with people that have barns. The barns are painted and then aired at a football or basketball game. There are about 200 barns in several different cities. They are also painting water towers.

Mr. Barnhart said that Mr. Thompson's presentation shows the details that they go through with their plan. He noted that they have worked with Cornett Advertising on some of the art work. They do a great job in helping UK. He praised Mr. Thompson and his staff for their work and their great thought processes. Mr. Thompson has a marketing plan for every sport at UK. It is just a matter of slowly but surely giving the resources to those people.

Mr. Morris commented about an opportunity he had interacting with some of the staff. They are very competent and impressive. He gave praise to the CATSPY event and encouraged everyone to attend this year. It was a tremendously impressive evening last year, and knowing that almost all of it is put together by the student-athletes, makes it even more impressive.

President Todd mentioned one of the referees who stopped Mrs. Todd and him following a basketball game to tell them that he looked forward to coming to Kentucky to see who would be recognized for achievement at the games. They have received a lot of compliments on the recognition of UK achievers. He said he appreciated Athletics support of that recognition.

President Todd told another story about a legislator trying to get tickets to the UK vs. Tennessee Women's Basketball game. He said that the Marketing Department has done a superb job with class and professionalism. He thanked the marketing staff and congratulated them on a job well done.

Mr. Barnhart said that there would be another 50-yard line dinner this year, and it will be a good night.

He reported that Athletics had made some progress in the last 19 months, but they still have got a long ways to go, most importantly in terms of revenue and facilities. Their goal is to be a Top 20 institution, same as President Todd's.

President Todd said that when searching for a new Athletics Director, he was searching for one who would pay attention to all sports at the University. He felt that the student-athletes who compete in all the sports should be given an opportunity for proper exposure. He applauded Mr. Barnhart for having done that since he has been UK.

Ms. McCaslin said that she would like to make a comment on behalf of the student-athletes. They are so grateful for the administration and everything that surrounds them. She is the president of the Student-Athlete Advisory Committee. That Committee consists of 21 people who come together from every sport to meet bi-weekly. The Committee had nothing but good comments about everything that goes on in the Athletics Department. She said they are very grateful for everything that they have and everyone is just blessed to be at the University of Kentucky.

President Todd passed out information about the Athletics self-study process. He said that it will be a good process for the University, not only to meet the requirements of the NCAA certification process but also to collect information and do a comparison since the last process which was completed in 1995-96.

### **Meeting Adjourned**

With no further business to come before the Board, President Todd adjourned the meeting at 4:45 p.m.

Respectfully submitted,

Dr. John J. Picoro, Jr.  
Secretary