

**Minutes**  
**University of Kentucky Athletic Association**  
**Board of Directors Meeting**  
**18<sup>th</sup> Floor Patterson Office Tower**  
**March 2, 2005**  
**10:00 a.m.**

**Meeting Opened and Roll Call**

President Lee Todd called the meeting to order at 10:00 a.m.

The following members of the Board answered the call of the roll: Frank Butler, Charles Cassis, Luther Deaton, James Hardymon, Claudia Heath, Linda McDaniel, John Piecoro, Raynor Mullins, Mike Nietzel, Bill Ransdell, Gerald Smith, Alice Sparks, William Sturgill, Pat Terrell, Lee Todd, Matt Wells, and S. T. Roach (emeritus member). Bill Gatton and Danielle Petrisko were absent.

President Todd noted that there were two new members on the Board: Charles Cassis and Bill Gatton. He welcomed Mr. Cassis and said that Mr. Gatton could not attend the meeting because of a previous commitment to his wife and daughter. He said he looked forward to the combined wisdom of the two new members in making decisions.

**Approval of Minutes**

President Todd said that the Minutes of the November 19, 2004 meeting had been circulated. He asked for any corrections or additions. Mr. Deaton moved approval of the Minutes. Ms. Sparks seconded his motion, and it carried without dissent.

**President's Report**

President Todd said that there had been some discussion about a schedule for the remaining Board meetings in 2005. He announced that the meetings would be April 26 and September 14, beginning at 1:30 pm. Special meetings may be called at any time necessary. He noted that the CATSBY's celebration for all of athletics will be April 26 and encouraged everyone to attend.

He reminded the Board of the NCAA Self-Study report that was submitted in December. The committee and several Board members who served in some capacity did a tremendous job. He thanked Mr. Barnhart and his staff for the level of effort they put into it as well.

The NCAA on sight visit is scheduled April 18 to April 20. The university will get feedback by March 15 from the NCAA and will have two weeks to respond to any concerns that they have. This is a standard procedure. Based on the university's follow up response, the NCAA will then decide which components of the program they want to focus on when they come for the on sight visit. The final decision on certification will be made in the summer after the university responds to the visiting team.

President Todd talked about a series of white papers that he is doing. The first one was on health care and the university's good effort to keep the cost at 6 percent. A second one was on the efficiencies, reducing cost or finding new money to total \$35 million in the last three years. These papers were sent to university presidents and others. The third one will be about using athletics to booster academics. Athletics committed over a ten-year period \$1 million a year in cash for non-athletic scholarships which has been extremely helpful in these tight times.

President Todd said that he was pleased to say that with the media contract Mr. Barnhart had committed to help cost share five additional prestigious Singletary scholars. The university needed more of these scholarships. There had not been any added for approximately 20 years.

President Todd mentioned a story that David Hawpe, *Courier-Journal*, covered in the Sunday editorial about the FAB 5 poster of five academic stars. The five people shown on the poster will be introduced at the basketball game that evening. He said he was pleased with the article and also pleased to use both football and basketball to expose those audiences to additional impressive things that the university is doing.

President Todd said that he was extremely pleased with the multi media rights agreement. He thanked Bill Harris, Purchasing Director, and his staff, who worked closely with Mr. Barnhart and Rob Mullens on those negotiations.

President Todd recognized S. T. Roach for the vital role he has played in athletic programs and the impact he has had in the community and around the state. Linda Blackford, *Herald-Leader*, captured the essence of his value to Kentucky in a well written article on December 19. He presented Coach Roach with a framed copy of the article and noted that several other articles had been written about Coach Roach. Mr. Roach received a round of applause.

Coach Roach said he was proud of his tenure on the Athletic Board and his service to the University of Kentucky and the community. Mr. Roach received another round of applause.

### **Athletics Director Report**

Mr. Barnhart said it was mandated by the bylaws to announce new administrative level hires in Athletics. He briefly reviewed new hires that needed to be reported to the Board. He explained the reasons for the new hires and gave some background information on each of them: three assistant football coaches, a women's volley ball coach, a director of business operations, an associate athletics director for development, and director of major gifts.

Mr. Barnhart called attention to a document that had been distributed around the table. The document is called University of Kentucky Wildcat Athletics Success in Every Area. He reviewed the items in the document and said that the information might be helpful to the members in talking with others about the athletic program.

He reported that 32 Kentucky student-athletes to be inducted into the Frank Ham Society of Character would be recognized at the basketball game that evening.

Mr. Barnhart said that he was pleased to report that the University of Kentucky had brought College Game Day to Rupp Arena, and it was incredible. Of all the places they have been, Rupp Arena was the best. The fans, the staff at Rupp Arena, and the people downtown did a great job of receiving that event. It was very well received and representative of what Kentucky basketball means to the Commonwealth.

Mr. Barnhart mentioned numerous athletes and talked about the many successes of various programs, including record breaking attendance at some sports. He encouraged the Board members to read the remarkable stories and articles being printed on each of the sports.

Mr. Barnhart elaborated on the new multi media rights contract that President Todd alluded to in his remarks. He said, in his opinion, it is the best multi media rights arrangement in the country. It is a 10-year, \$80 million package. It gives the university an opportunity to have one voice in the market place for Kentucky athletics. The agreement also allowed UK to capture back WHAS radio in Louisville as the primary tenant on that station. WSAI in Cincinnati and WLAP in Lexington are two 50,000 watt stations in the contract. No one will have the opportunity to have the coverage that UK will have. That is very important for UK in terms of how it covers the Commonwealth but more importantly what it means to UK nationally. Tom Stultz, Host Communications, and Wayne Martin, WKYT, were instrumental in helping put together this package, and it is going to be remarkable.

Mr. Barnhart reported that there is a new NCAA process that measures progress toward a degree and eligibility from year-to-year rather than just a straight graduation rate. It is a very complicated formula, and it has been discussed with the staff and coaches. He introduced Sandy Bell, Associate Athletics Director for Compliance, and asked her to give the Board a brief version of the process.

Ms. Bell distributed a handout with information about the APR process as well as numbers about UK's rating. The key issues in the process are eligibility/graduation and retention. She explained the point process, provided numbers, and gave examples of how it works. She also provided a chart showing that UK is well above the national average for all sports.

She talked about UK doing especially well in the area of eligibility and said that the retention area was harder because of students transferring. She mentioned some of the reasons that students transfer.

Ms. Bell noted that UK finished second in the SEC only to Vanderbilt on the APR score, and everyone is very proud of that.

Following her remarks, she entertained questions from the Board.

Mr. Barnhart said that the new process will be more effective for UK. He mentioned the paperwork and effort that goes into making sure that the teams stay on task and have all the proper information.

Mr. Barnhart introduced Scott Stricklin, Associate Athletics Director for Media Relations, and asked him to make a presentation on a new Hall of Fame proposal that would honor those who have left legacies in the Athletics program. There are some great stories in the sports program, and those are very important to the Athletics program.

Before beginning his presentation, Mr. Stricklin recognized Jerry Tipton who has been covering UK athletics for 23 years. He announced that Mr. Tipton was named to the United States Basketball Writers Hall of Fame and would be inducted during the NCAA Final Four weekend. Mr. Tipton received a round of applause.

Mr. Stricklin presented a PowerPoint presentation regarding a proposal for UK Hall of Fame/Retired Jersey Honors. He said that the purpose of the Hall of Fame will be to honor great achievement in all varsity sports by creating a fair selection process to both the Hall of Fame and the Retired Jersey/Ring of Honor. He said that they tried to incorporate as many opinions and suggestions as possible and also tried to make it where anyone honored will have widespread support based on merit.

He reviewed and explained the nominating process, the waiting period, the selection criteria, and the timeline.

He said the Hall of Fame Committee will consist of 16 members: four Hall of Fame members, two campus representatives, two at-large members, two media members, two current coaches and four department administrators. Once a name goes through the process, the person is enshrined into the Hall of Fame. Once a person is in the Hall of Fame, they are eligible for the retired jersey or ring of honor recognition.

There will be a Retired Jersey Subcommittee of the Hall of Fame Committee. This subcommittee will consist of eight people who will consider potential retired jersey honorees. Once a person is a member of the Hall of Fame, they have to get seven of eight votes from the subcommittee to have their jersey retired or to be included in the ring of honor.

He said that there did not seem to be any consistent way of doing this in the past. He thought it had been the Athletics Director's decision. That is what led them to this proposal.

He concluded his remarks by reporting that the official announcement of this Hall of Fame will be April 26 at the CATSBY's event. The CATSBY's event has become a fabulous event for showcasing all UK sports, and this will be a great way to bring even more exposure to that event.

Mr. Barnhart asked the members of the Board to review the proposal and to let him know if there are any flaws in it. There are a lot of people who have done some remarkable things in athletics and have not been recognized for what they have given to the university, both athletically and on staff. This is an opportunity to do that.

President Todd said that he liked the idea of having a Hall of Fame as well as a retired jersey piece because that gives UK a chance to broaden the honors that people deserve.

## **Finance Committee Report**

Mr. Frank Butler, chair of the committee, reported that the committee met that morning prior to the Board meeting and reviewed two items on the agenda. He asked Mr. Mullens to give a report and update on the budget. He noted that there was a budget revision request that Mr. Mullens would also present.

Mr. Rob Mullens made a PowerPoint presentation on the FY05 Financial Projections/Variations. He provided an overview of the budget, noting that UK Athletics is 100 percent self-supporting and has no state or university funds. He said that their goals are to match resources to expectations, utilize fiscal accountability, and provide timely, accurate information.

He talked about the FY05 challenges and having a balanced budget. He reviewed the items to achieve a balanced budget and said that it allows Athletics to provide a first-class student-athlete experience and also to compete for championships.

Mr. Mullens said that Athletics is projected to exceed the FY05 revenue budget by over \$320,000; therefore, it is basically seeking an additional spending authority of \$320,000 which is less than 1 percent (0.6 percent) of the budget. That can be funded through some greater revenues noted in the areas in the individual revenue category. He presented a FY05 revenue pie chart for the \$51.5 million in revenue. He talked about the football program revenue, Men's Basketball revenue, K fund revenue, concessions revenue, and other revenue.

Mr. Mullens then reviewed and elaborated on the various sections of the pie chart showing FY05 expenses. He mentioned the unanticipated expenses related to the football coaching staff, noting that most of it was tied up in salary and relocation expenses. Other expenses included the Men's Basketball program, women's sports, administrative, K Fund, video related, and event management operations.

Mr. Butler moved that the Board approve the use of FY05 additional revenues to be used to increase the FY05 Athletics Department expenditure authority by 0.6 percent (or \$320,000) to fund important unbudgeted items. Mr. Deaton seconded the motion, and it carried without dissent.

Mr. Butler reported that Internal Audit had completed an audit of Athletics on the management of football ticket accountability. The report basically indicated three minor adjustments that Athletics has already responded to in terms of the management plan. It had to do with the way Athletics was accounting for some of the revenue. He explained that the revenue was accounted for but was just in different categories. Mr. Mullens is making the appropriate adjustments. Internal Audit basically gave Athletics a clean bill of health on how they are managing the football ticket revenue.

## **Facility Project Update**

Mr. Butler asked Mr. Barnhart to give a report on the facility project update.

Mr. Barnhart reported on two projects. One is the multi-purpose room. Due to the cost of construction and the smaller size of the project, there were not as many as bids received as hoped. The cost of materials has driven that project up very high. After doing a value engineering process of cutting back some items, it was bid again. The second bids are being reviewed, and the project has been on hold until it reaches a satisfactory financial amount.

The other project is the recently well publicized basketball practice facility. Athletics facility projects are privately funded through the department, and there are no state monies in those projects. This is important for everyone to understand. There continues to be a misperception that those facilities are going to be funded with state money. That is not the needs, desires, and wants of the university. It is important to reiterate this and make it very clear that this is an important priority for Kentucky basketball and Athletics. President Todd has acknowledged that he understands how important it is to Athletics but in no way does Athletics want to take away from the good of the university and what the University of Kentucky is trying to accomplish. It is an absolute priority for Athletics to get this done.

Athletics is well within the timeframe to continue yet it has got to find the financing mechanism to get that project completed for the basketball programs and the Athletics Department in general. The goal is still to be operational and functional in late 2006.

Mr. Deaton asked about Athletics bonding the practice facility. It is private donor's money, and Athletics has the cash flow.

Mr. Butler explained that there is a complicated factor involved. Athletic funds were included in a bond indenture for the William T. Young Library; therefore, the first call on university funds is for the library bond issue which is still out there for another 15 or 20 years. This makes the issue of bonding much more complicated for Athletics than it would be without that.

President Todd explained that in addition to that bond indenture the university would still need the authority from the state. This is one thing that he learned when he became president. He gave the example of increasing student enrollment, encouraging students to live on campus, and needing to build dorms. He proposed to pay for those dorms out of the student housing payments and learned that the university has to ask the state for authority to bond a project even though it is the university's money. Other examples are the hospital project and the student health facility. Forty-four states allow doing your own bonding if you have a revenue source and you can negotiate with bonding authorities to get the bonds. Kentucky does not have that privilege.

Mr. Deaton pointed out that the hospital is an economic driver for the state. It will create jobs and provide cash flow. There is no reason UK should not be able to bond that \$250,000, and there is no reason UK should not be able to bond the athletic complex.

### **Long-range Planning Committee Report**

Dr. Raynor Mullins reminded the Board that this is a new committee. The members include: John Picoro, Dorothy Brockopp, representing the Women's Commission, Bill Ransdell from K-

Association, Marc Matthews, Controller's Office, and Bob Wiseman who works with the facilities plan.

He reported that the Long-range Planning Committee had met twice since the last Board meeting. They were getting familiar with the existing plans, the self-study document, and the longer range strategic issues. Examples of those would be gender equity, facilities, graduation rates, and the new NCAA policies related to that as well as more importantly to continue integration and affiliation of athletics within the larger Strategic Plan of the university.

Mr. Barnhart and Mr. Mullens have started to work with the committee on the development of a long-range plan. It is very easy with the recent news reports about facilities and the furor over the state budget to lose sight of the fact that a lot of substantial progress has been made toward developing a model athletic program that is very closely integrated with a lot of the university's strategic activities.

He shared the language that Mr. Barnhart and Mr. Mullens had provided to the committee that is guiding their long-term vision for the university:

- Develop a model first-class athletic program.
- Operate with integrity, fully accredited, and in compliance with the rules.
- Compete for individual and team championships in all sports at the highest levels.
- Promote diversity and gender equity.
- Provide outstanding fan and customer service.
- Develop and maintain outstanding facilities.
- Achieve sound fiscal management, contributing positively to the university, to greater Lexington, and the overall Commonwealth.

Dr. Mullins said that the committee feels very good about the principles that are guiding the Athletics Department and the progress that has been made. He reported that the committee will be meeting regularly on a monthly basis to try to place that forward, and Mr. Mullens will be working with them. He thanked Mr. Barnhart and Mr. Mullens for the attitude that they brought to the table to try to make this a reality. He said that he is confident that Athletics is well on the way to having a model program at the university.

President Todd thanked Dr. Mullins for his report and said he appreciated his comments. The whole concept behind the Long-range Planning Committee was a suggestion from Mr. Barnhart when he became Athletics Director. Professor Robert Lawson had put together a committee that looked at several recommendations for Athletics. All of the recommendations have been done, but the addition of the Student-welfare Committee and Long-range Planning Committee were Mr. Barnhart's suggestions. He thanked the entire athletic team for their work.

### **Student-Athlete Welfare Committee Report**

Dr. Pat Terrell, chair of the committee, reported that the committee met that morning. The members of the Student-Athlete Welfare Committee present were Alice Sparks, Linda

McDaniel, Matt Wells, Gerald Smith, and Carol Jordan. Danielle Petrisko could not attend the meeting.

She reported that the committee toured the Center for Academic and Tutorial Services, the CATS Center for student-athletes, as a follow-up to their discussion at their November meeting. She described the facility, telling about the study rooms and tutoring rooms available as well as the career services and personal development center.

Mr. Bob Bradley told the committee that while UK may not have the top facility in the SEC, it certainly does have one of the top programs if not the top program based upon the contacts and personal assistance that is given to student-athletes. Dr. Terrell said that the committee was very impressed with the CATS Center and the things they do there.

She reported that the committee had some discussion about following up on student-athletes who do not stay at UK and graduate. The committee would like to help those students if there is anything it can do to help them.

### **Other Business**

President Todd mentioned again the white paper that had been distributed to the Board and asked the Board to circulate it to others. He said he was sending the white papers out through a distribution channel and trying to reach the influencers across the state.

President Todd said that he wanted to talk about the university's budget process. He said that he learned in the final days of the General Assembly session that there is a lot of give and take and a lot of publicity that takes place. He said the university's priorities need to be clear across campus. He and Mr. Barnhart talked about this very frequently.

He reported that he was pleased that the state had put some operating funds in the budget. The university has not had an operating fund increase since he became president. The House put \$50 million in the operating fund; however, the Senate reduced that to \$45 million. The conference committee will be going into session to try to work out the issues.

President Todd said that a salary increase of at least 3 percent is very important to campus, given the past three years of experience and also with respect to project costs. The university has had increased cost of materials, water bills, and coal prices that it has to adjust to. He emphasized that the university's number one priority is to get the operating funds in the budget.

President Todd said that it is crucial for the university to get the construction of phase one of the biology and pharmacy complex. It is a \$120 million project. Biology is UK's largest undergraduate major. Pharmacy is the number 3 program in the nation. The state of Kentucky is short about 400 pharmacists. He said that it is crucial to keep the research programs going and to keep the undergraduate programs going in those areas.

The House put \$40 million worth of state bonding money in the budget for that project. The Senate reduced it to \$32 million and said that UK should pay the other \$8 million. We are still

holding that we need the \$40 million. Some people have the conception that with research buildings if we get an NIH or NSF grant that would give the university an overhead rate around 40 percent to handle some of the indirect cost which includes facilities. However, if you are building \$40 million of \$120 million project, you cannot generate a whole lot of research on a slab with utilities and a shell. We will not have the facility to generate revenues. The state needs to help the university with the early phases of the projects. If you read House Bill 1, the second item after it talks about a seamless postsecondary education system is that UK should be a Top 20 institution. We have a top three program that needs to be supported.

The second item as priority for the university is the hospital. This project does not require any state funds. It will be paid by the hospital's revenues. We have asked for \$250 million worth of bonding authority. The House put that in, and the Senate has reduced it to a \$100 million in their version. We are getting good verbal support that everybody feels that project is vitally important and that a second phase of funding would be available. We are still holding to the fact that we would like to have the \$250 million of bonding authority.

A part of that complex is the student health facility. It is a \$24 million facility. It also is a part of the process that we need as we try to change the medical side of campus and open up clinical space. The House put in \$24 million of agency bond authority, and the Senate zeroed it out. We still want that facility to be funded with agency bonds.

President Todd said that he appreciated the intent of the Kentucky Senate to maintain equity in athletic facilities, and we welcome the opportunity if there is additional bonding capacity available for the basketball practice facility. We have talked about this project for quite some time. We have taken it through the Board. We have taken it through the Council on Postsecondary Education for restricted funds, and if there is bonding capacity available we want to get that project going.

The way you fund those projects is with money from donors and from athletic revenues, but pledges come in over time. If we are going to start the project, we need some way to do it. If agency bonds are available, we welcome those funds.

He reported that was the university's list of priorities, and the administration has been consistent with that all along. He said they would keep track of the story as it evolves.

President Todd thanked Mr. Mullens for his detailed presentation on the budget. It is important to know that the administration has a serious budget process in Athletics. The kind of information Mr. Mullens presented in his budget update is the kind of information that a Board needs to see. This is what he puts under the heading of transparency. That is the only way to run an organization. He applauded Athletics for the way they do that.

Mr. Barnhart said that he is very pleased with the progress the coaches are making. He is very proud of what the athletes and coaches are doing. He encouraged everyone to attend the CATSBY event on April 26.

President Todd said that it would be appropriate for the Board to have a resolution to commend Coach Tubby Smith for winning the university's 43<sup>rd</sup> SEC Conference championship. It is interesting how people tend to pass over that, but if you look at the SEC record he has compiled in the last two years, it is absolutely remarkable. He does it with style and class. He does things beyond the hard court. He opened the floor for someone to congratulate Coach Smith and the team. Mr. Deaton so moved. His motion seconded by Ms. Sparks carried without dissent.

Mr. Hardymon said that he was glad President Todd brought that up because after 43 SEC victories people can get a little blasé about it. It is a great accomplishment.

Mr. Barnhart reported that Coach Smith's winning percentage for the last three years is the best in the country. He is 81 and 12 over his last 93 games. It is pretty remarkable, and he is proud of him.

Mr. Barnhart repeated that UK is officially off probation and said that he hopes to go forward in a different era. That is another accomplishment. Sandy Bell has monitored that very closely for the last four years. He thanked her for her diligence in doing that. He said that her job is immensely difficult, and he appreciates what she does.

President Todd said that it was a great day when he received the letter from the NCAA. He said that Sandy Bell is looked up to around the country for her knowledge. She goes beyond the printed word. She goes to the sporting events, and she knows the students. The students trust her, and it helps them. She works very closely with Mr. Barnhart and his staff. He vowed to keep the program in good standing, along with the coaches and Athletics Director.

### **Meeting Adjourned**

With no further business to come before the Board, President Todd adjourned the meeting at 11:30 a.m.

Respectfully submitted,

Dr. John J. Piccoro, Jr.  
Secretary