

Minutes of the retreat of the Board of Trustees of the University of Kentucky, Tuesday, August 26, 2003.

The Board of Trustees of the University of Kentucky began its retreat at 8:30 a.m. (Lexington time) on Tuesday, August 26, 2003 in the Library of the Hilary J. Boone Center.

Mr. Steven Reed, Chair, welcomed the members and thanked them for attending the retreat. He said the purpose of the retreat was to have time together and have a dialogue.

The following members were in attendance: James F. Hardymon, Davy Jones, Michael Kennedy, Pamela R. May, Billy Joe Miles, Steven S. Reed, C. Frank Shoop, Marian Moore Sims, Alice Stevens Sparks, Myra Leigh Tobin, Rachel Watts, JoEtta Wickliffe, Russ Williams, Elaine Wilson, and Barbara Young.

Absent from the retreat were Marianne Smith Edge, Robert P. Meriwether, Phillip Patton, Elissa Plattner, and Billy Wilcoxson.

Mr. Reed began the meeting by expressing appreciation to President Lee Todd and First Lady Patsy Todd for their hard work the past two years. He talked about the total package and noted that the Board should not take the President for granted. He called on Frank Shoop, Chair of the Ad Hoc Committee on Compensation, to make a report.

Mr. Shoop informed the Board that the Ad Hoc Committee had several meetings, and it plans to submit a proposal at the September meeting. He reviewed the various options that the Committee had discussed and talked about other presidential packages at benchmark institutions. There was also a discussion about the state law controlling the salary of the state presidents based on the salary of the President of the Council on Postsecondary Education.

Mr. Shoop said the Committee was cognizant of the budget and other issues. The Committee wants to keep President Todd until he is age 65, and retention will be addressed in the contract. The Committee does not want the University to lose focus and momentum.

Board members commented about the President and First Lady's desires. They feel it is important to have a clear understanding of their desires and what is important to them. They feel the President's evaluation should not be tied to money because it muddles the process. The Board has struggled with compensation more than any other issue, and it is better to face it going into the beginning of the academic year. It is an emotional subject and very individual.

Mr. Shoop said he wanted the issues to be put to rest. It is important to have full input from Board's on the President's compensation package. He wants the Board to be united on the package and the President to be happy.

Professor Kennedy, Dr. Jones, and Mr. Williams expressed their views and opinions from the standpoint of faculty and staff.

It was noted that the Ad Hoc Committee suggested that the Board have an evaluation. Mr. Williams was instructed to get books from the American Governing Board regarding the Board's evaluation process.

The pros and cons were discussed regarding an outside facilitator coming to campus to walk the Board through the process. Mr. Hardymon commented that it is better to walk before they try to run and possibly get a facilitator at some time in the future.

Through a series of slides, President Todd gave a presentation about the last two years. He talked about the accomplishments at the University, the transition to the Provost system, changes in the Governing and Administrative Regulations, leadership changes, reorganization of the Medical Center, and budget needs.

There was a discussion regarding the Lexington Community College accreditation issue and its future.

President Todd asked the various administrators to give some brief reports.

Dr. Phyllis Nash gave a presentation on the Code of Conduct. She distributed a draft to the Board, challenged them to take a hard look at the Code, and have comments back to her by October 15<sup>th</sup>.

Dr. Nash also distributed three copies (current status copy, marked copy, and clean copy of proposed changes) of the Governing and Administrative Regulations to the Board. She encouraged the Board to take a serious look at the proposed changes because they involve a lot of issues and real changes. Comments from the Board are due by October 1<sup>st</sup>.

Dr. Al Cohen talked about the appointment of the Executive Vice President for Health Affairs and the search for the Dean of the College of Medicine. He stated that the restructure would make a huge difference.

Provost Nietzel explained that he was reorganizing a variety of support units. He noted that the two budget offices had been combined into one. He talked about putting the Deans' Council back together and reported that the reorganization was moving ahead smoothly.

A discussion followed regarding the benefits of the Provost system and the savings from being converted. They talked about the interdisciplinary issue and having trust, understanding and more collaboration on both sides of campus. With the disciplines coming together, it will make things much easier to get accomplished.

Mr. Terry Mobley gave a presentation on development for the University. He informed the Board that he anticipates the capital campaign far exceeding the \$600 million goal. He talked about the impact of the capital campaign on the institution, and the scholarship needs. He also discussed the endowed accounts and the Research Challenge Trust Fund (RCTF). Without the RCTF, the University probably would not have met the \$600 million goal.

Mr. Mobley informed the Board that the University is getting good returns on its investments. The University of Louisville endowment is probably still ahead of UK, but UK is catching up because of the RCTF.

He talked about the fundraising project for the Administration Building and reviewed solicitation statistics. He told the Board that he would like to say the Board of Trustees are supportive of this fundraising effort and have 100% of their support. Some thoughts and ideas

were exchanged among Mr. Mobley and the Trustees about the Building and the various fundraising efforts, including scholarships.

The Board discussed employee benefits and whether there is a need to expand on the benefits. It was noted that the University now has an insurance policy for pets.

The next item on the agenda was a Board of Trustee scholarship. Ms. Tobin mentioned a scholarship that would reach out to the world, possibly in the Patterson School of Diplomacy. She talked about the scholarship she received as a student and how it opened her eyes to the world. If the University's vision is beyond the state, perhaps there should be international exposure. Summer study abroad would add dimension and level to the University. This kind of a scholarship could also be a great recruiting tool.

It was decided that a proposal should be put together before a decision is made about a Board of Trustee scholarship and whether it should be a Trustee scholarship or a Trustee initiative with others contributing to it. The scholarship should benefit the students and the institution.

The Board then discussed the Board committees and ways to improve the value of the meetings.

The Board talked about the schedule of meetings for the calendar year and the need to have more or less meetings. A schedule of meetings for 2004 will be presented at the September Board meeting.

Board participation in campus events was also discussed. President Todd suggested that a calendar be developed with highlights of events that the Board members should attend, if possible.

The Board talked about a retreat in 2004. Various members expressed their preference for an off campus vs. an on campus retreat. Some thought that this retreat was more of a work/information session. While it has been a valuable session, a retreat off campus might be more relaxed and give the Board an opportunity to know each other better.

The retreat ended at 4:00 p.m.

Respectfully submitted,

Russ Williams  
Secretary, Board of Trustees