

Minutes of the Meeting of the Board of Trustees of the University of Kentucky,
Tuesday, December 10, 2002.

The Board of Trustees of the University of Kentucky met at 3:00 p.m. (Lexington time) on Tuesday, December 10, 2002 in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Mr. Steven Reed, Chairperson, called the meeting to order at 3:10 p.m., and Dr. Elissa Plattner gave the invocation.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Ms. Marianne Smith Edge, Professor Michael Kennedy, Ms. Pamela R. May, Dr. Robert P. Meriwether, Mr. Billy Joe Miles, Dr. Elissa Plattner, Dr. Claire Pomeroy, Mr. Steven S. Reed (Chairperson), Mr. C. Frank Shoop, Ms. Marian Moore Sims, Ms. Alice Stevens Sparks, Dr. W. Grady Stumbo, Ms. Myra Leigh Tobin, Ms. JoEtta Y. Wickliffe, Mr. Billy B. Wilcoxson, Mr. Russ Williams, Ms. Elaine A. Wilson, and Ms. Barbara S. Young. Absent from the meeting were Mr. Paul W. Chellgren and Mr. Tim Robinson. The University administration was represented by President Lee T. Todd, Jr., Provost Michael Nietzel, Acting Senior Vice President Jack C. Blanton, Senior Vice President and Chancellor of the Medical Center James W. Holsinger, Jr., Acting Vice President for Research James Boling, and General Counsel Paul C. Van Booven.

Members of the various news media were also in attendance. A quorum being present, the Chairperson declared the meeting officially open for the conduct of business at 3:13 p.m.

C. Consent Agenda

Mr. Reed asked for a motion for approval of the following consent items on the agenda.

Approval of Minutes – October 29, 2002

PR 2 - Personnel Actions

AACR 1 – Candidates for Degrees – University System

AACR 2 – Candidates for Degrees – Community College System

Mr. Shoop moved approval. His motion, seconded by Dr. Meriwether, carried without dissent. (See PR 2, AACR 1 and AACR 2 at the end of the Minutes.)

D. President's Report to the Board of Trustees (PR 1)

President Todd called attention to the following items in PR 1:

1. The University recently launched a Regional Technology Center in Morgan County. This is a project that Mr. Gene Williams has been very involved with, and the University will be operating that facility out of its Information Technology consulting area. This is an area where the University can put an emphasis and show Kentuckians how technology can create economic opportunities.
2. A leave policy for adoption and childbirth has been approved at the University and has been very well received on campus.
3. UK College of Law professor John Rogers has been confirmed as a Judge on the U.S. Sixth Circuit Court of Appeals.
4. UK fossil fuel researchers have won a \$5.7 million grant from the U.S. Department of Energy Office of Fossil Energy to look at how to create clean fuels which is clearly a problem in Kentucky. This is the second time that UK has received a grant of this size from the Department of Energy. The University has gained the confidence of the Department of Energy, and that is how the University builds its reputation and achieves "Top 20" status.
5. The UK Gatton College of Business and Economics Department of Marketing ranks seventh in the nation among its peers based on faculty publication in top academic journals, the Journal of Marketing Education reports.
6. UK inducted 273 new donors into its Fellows Society this year.
7. UK launches an innovative online employment application system. This new system will make it easier for people to find employment at UK and also help track their resumes through the system.
8. The Capital Campaign for UK has raised \$550 million of its \$600 million goal. This is 92 percent of the goal.
9. Lexington Community College (LCC) Dental Laboratory Technology program graduates had a 100 percent pass rate on the National Board for Certification Recognized Graduate exam. The LCC Nursing Program graduates achieved a 98 percent pass rate on their board exams.
10. The Markey Cancer Center celebrated the opening of the Whitney-Hendrickson Facility. This is the fifth building at the Markey Cancer Complex. It is funded in part by a \$2.5 million dollar gift from Marylou Whitney and John Hendrickson.
11. Kim Edwards in the English Department won the 2002 Whiting Writer's Award. It is one of only ten awarded annually by the Whiting Foundation in New York. The award is for emerging writers of exceptional talent and promise.

President Todd noted that there are other outstanding awards listed in PR 1 and asked the Board to review them.

E. Campus Master Plan Presentation

President Todd said that a large amount of time had been set aside for the master plan presentation. The most important contribution of this plan to campus is to try to arrange the campus logically and try to take advantage of the uses. The short-term decisions need to fit into the long-range plan. He reported that the University is using a firm that has been willing to come to campus on several occasions to talk with faculty, and they have also been involved in some of the discussions with the town-gown situation. He introduced Adam Gross and asked him to come forward and make the presentation.

Mr. Adam Gross, principal with the firm of Ayers Saint Gross of Baltimore, Maryland, began his presentation by making the observation that while students, faculty, staff, and others come and go, the physical campus is a constant. He introduced his firm as an architectural and planning firm that works exclusively with colleges and universities all over the country. He said it had been a great experience to get to know the University of Kentucky campus. He noted some unique aspects to the campus. One is the very fine older and more traditional part of the campus, a wonderful core for the undergraduate campus. Mr. Gross noted that this area of the campus has a very strong physical relationship to the City of Lexington. Another aspect is the Medical Center and its burgeoning growth resulting from the need for research space related to its functions. Finally, there is the agricultural school which has had a significant impact over the years on the development of the campus. The fact that these three elements are all on one campus is really pretty unique. There are very few schools in the country that have that amount of diversity, activity, and focus on one campus.

Mr. Gross said that his presentation would be the culmination of a two-year process of developing a long-term vision for the physical development of the campus. He began by explaining why the University would want to develop a campus plan and said there were three points he wanted the Board to consider. One is to think about this plan as an incremental plan consisting of a broad vision and a very long-term view. This plan will guide decisions that the University will make in the present and the future. One very important reason to do a plan is to allow for incremental growth so the University can develop in a planned way, in an elegant way, and in a way that will make the campus more efficient and more functional. Another point is to plan for growth in such a way that it improves the quality of the campus. This objective is very much tied to the Top Twenty Task Force. It also ties into a lot of other visions and missions that the President, the senior staff, the faculty and the administrators have shared with the planners to use the growth of the campus to attract and retain the best faculty, staff and students. The third point is to use the campus plan to raise the aspirations of the University and parenthetically tie this into the capital campaign and other development plans as a means to raise money. Hopefully, the vision of this plan can leverage and help with capital planning and improve the ability of the University to raise funds to meet its mission.

Mr. Gross explained that the planning team tried to develop an overall process that was highly inclusive. It was very much based on soliciting the best ideas that they could from the university community. He reported that they had a wide variety of meetings with a diverse group of people on campus and in the community, including many of the surrounding neighborhood groups. The process began about a year and a half ago with an observation phase. They tried to learn as much as possible about the campus, both qualitatively and quantitatively. That then led to the development of a series of principles. Those principles were the basis of a concept plan which he described as a kind of a sketch before a painting. The principles consisted of some broad-brush ideas about how the campus might reform itself. They then had a series of very intensive workshops where they divided the campus into a series of precincts; the south part of campus, the agricultural school, the Medical Center, the athletic facilities, the north part of campus and the College Town were all precinct studies. He said that they met on campus once each month for two to three days, went on long walks with people who live, work, and play in those precincts, and tested many different ideas. They looked at building locations, street closures, street relocations, parking adjustments and creation of open space. After completing all the precinct plans, they put the campus back together again and developed the final plan.

Through a series of slides, Mr. Gross presented the findings of the observations phase focusing on the history, growth and land use. He said that when they began, they really wanted to understand not only the mission-related issues of growth but the pure physical impact of growth within the City of Lexington. They went back about fifty years because they are looking out about fifty years in the future. He explained that they took the amount of growth between 1950 and 2000 and graphically showed that same level of growth being repeated. This exercise demonstrated that the University could manage significant growth within its current planning or acquisition boundary. Mr. Gross remarked that it was reassuring to know that within the acquisition boundary, there is a significant area for improvement and growth.

Mr. Gross said that they were very fortunate to be able to tie their planning process to the Top 20 Task Force Report. They worked very closely with the Provost's Office, the President and senior staff to understand the Top 20 Task Force Report. Mr. Gross observed that there are a lot of global issues in that report and many of them relate to facilities, the need for research and teaching space, and for additional student life space. Because the University is looking at Top 20 peers, they looked at peer institutions, including the University of Georgia and the University of North Carolina (UNC) at Chapel Hill and did some quick comparisons. He said the important thing to look at is the gross square footage per student. UK's square footage per student is quite a bit lower than UNC at Chapel Hill and also lower than the University of Georgia. Both of those campuses are growing rapidly and trying to improve their ratios. Georgia is trying to build enough on-campus housing to provide beds for every freshman and every sophomore. UNC at Chapel Hill has a motto "a bed for every head." Both schools are aggressively building new undergraduate housing, and they are incorporating other functions like classrooms and teaching spaces in those residence halls. He said that they spent a lot of time with Provost Nietzel determining what the growth of the University

might be and looking at trends in high school populations in the State of Kentucky and other areas outside of the state that UK is recruiting from. He noted that they also included Lexington Community College in their planning. He explained that by 2010 there would be a need to go from the current square footage of about 9.7 million square feet to meet the population demands up to about 14 million square feet or a net increase of about 4.4 million square feet. In 2020 it would go up to 17 million for another jump of about 3.1 million square feet.

Mr. Gross explained that you fit this amount of growth on campus by looking at the land use and the acreage that the University has within its planning boundaries. Currently, the University has more than 800 acres within the planning (acquisition) boundary and owns about 707 acres of that land. Of the land the University now owns, asphalt takes up about 107 acres (16%) for surface parking. He displayed charts showing the benefit of having a series of four-level parking structures and said it would only take about 4% of the land if surface lots were consolidated into parking structures.

Mr. Gross then reviewed a series of campus planning principles.

Create academic communities.

Create multi-centered, multi-use campus districts.

Create a sustainable pattern of growth.

Act as stewards of the land.

Create connections to the City of Lexington.

Integrate planning efforts with the City of Lexington.

He summarized the principles by stating that all of these principals were used to guide the development of the physical plan. In addition, the Top 20 Task Force Report translates into significant facility growth and impacts planning. The principles evident in the quality of the older campus north of Washington Avenue should be used to guide this growth, and there should be a long-term vision that can be achieved incrementally and to respond in good economic times as well as bad economic times. He said that the long-term vision is all about defining the responsible capacity of the land. He then reviewed drawings illustrating the ten, twenty and fifty-year visions. He said that the four major goals of this long-term plan that are embodied in every one of the earlier steps are to create multi-use zones. They are trying to physically integrate housing, academic life, student life, research, and teaching space while attempting to increase the amount of on-campus student housing. They want to create a much more pedestrian oriented campus and integrate the planning efforts with the city.

Mr. Gross talked about the South Campus and said that it feels disconnected from the north campus. They want to make better connections for pedestrians and bicyclists as well as to generally improve the vehicular circulation and transit. Ayers Saint Gross wants to integrate future growth in this precinct with what is there now.

He said that their plan for the South Campus would incorporate a series of athletic venues for intercollegiate and recreational sports and talked about a new track and field

venue as well as the expansion of existing recreational fields. He said that they did not want to put large academic functions on the South Campus but did recommend more graduate and married student housing.

Mr. Gross said that their plan allows Lexington Community College (LCC) to expand, if and when necessary. He provided plans for the expansion of LCC, showing improvements to the adjacent roadways, new landscaped walkways to better connect to the graduate housing and undergraduate housing.

Mr. Gross said that they are trying to create more of a sense of a living and learning environment in the part of the South Campus where the College of Agriculture is located so that it is more multi-use. The plan will centralize agriculture functions and connect the areas of activity to the north part of campus by making better connections across Cooper Drive. The plan also incorporates projected growth of research and teaching spaces. There is a lot of capacity in this area of campus for future buildings for agricultural research, new greenhouses, a new parking structure and new housing so the agricultural students can live close to their college.

He said that their plan is to provide a median and landscape improvements on Cooper Drive. These changes would make Cooper Drive a more pedestrian friendly street. Crossing Cooper Drive would be easier if the street were made narrower allowing a better connection of the two areas of the Agriculture Campus separated by the road. They would add street trees and a planted median and try to slow the traffic down, making Cooper Drive less like a high-speed highway. He noted that all of the perspective renderings show tree lined streets and walkways to create allee that connect with other walkways and areas that feel rather distant right now. He said that they can shrink the perceptual distance by making these types of pedestrian connections.

Mr. Gross talked about the Medical Center. He said that they want to try and make it a safer, more friendly, and an easier place to get in and out of. This needs to be accomplished while also accommodating significant growth both for the Hospital as well as for research within all the divisions and colleges that are in this part of campus. He then reviewed the Medical Center plan and pointed out that this is a very dramatic amount of new square footage. It is looking at a series of 200,000 square foot research buildings, tied together with a series of pedestrian bridges, and organized around a series of new green spaces integrated with parking structures, and a service yard that would be servicing the buildings. He explained that their plan would create a new quadrangle to be created in front of the Hospital by rerouting Rose Street to connect with Virginia Avenue. The new quadrangle or courtyard would be exclusively for emergency vehicles and pedestrian drop off and would no longer be a public through street. This part of Rose Street would become a pedestrian place so that the Hospital would have its own significant green space.

He reviewed the plan for the new facilities for the College of Dentistry, the College of Medicine, and the College of Pharmacy. The idea is to have connections that will be more attractive and tie into a very rational, incremental plan for all the various

units within the colleges as well as within the Hospital. He said that their plan also recommends safety improvements to Limestone to slow the traffic down and create better crossings for pedestrians all along the length of Limestone. They are also trying to integrate housing everywhere, and their plan would step the scale of the new buildings built south of Transcript Avenue down to a residential scale that would be more appropriate to the neighborhoods while also providing opportunities for new housing. Their general thought is to have a series of new quadrangles and green spaces so it would be easy to walk across while going to a class and coming back home at lunch.

Mr. Gross talked about the plan for the central portion of campus and reviewed the area around Funkhouser Drive. Again, there are a lot of common themes: improving the pedestrian environment and improving traffic while trying to introduce residential opportunities as well as growth for academic needs. The proposal calls for the expansion of the Pharmacy Building, an expansion for Biological Sciences, and a series of new additions for the Natural Sciences around the Chemistry/Physics Building. He mentioned landscaping improvements down Funkhouser Drive leading to Memorial Hall and suggested removing some parking spaces and creating a beautiful place for pedestrians and bicyclists. He noted that access for service vehicles and special needs parking would remain. He mentioned that Provost Nietzel and many others were working on an idea to convert the Funkhouser Building into a student services building, which their plan very much supports.

He also mentioned Rose Street and suggested plantings in the median and having marked pedestrian crosswalks. He said Rose Street could be improved aesthetically and still retain its function as a route for ambulances, fire trucks and other necessary vehicles.

Mr. Gross then reviewed the north campus area near the William T. Young Library and said that they are suggesting the incremental removal/relocation of the Greek housing and replacing those buildings with academic space. Most of the other functions depicted by the plan in this area are graduate/undergraduate student housing. Mr. Gross noted that there exists ample opportunity for undergraduate housing to be developed in and around the existing housing in this area.

The next area Mr. Gross discussed was the Kirwan-Blanding Complex. He said that serves the University pretty well given that much of the space is in two high-rise buildings. Their plan is to reorganize the outdoor space and make it feel more like the collegiate quadrangle. They would plant deciduous trees as opposed to the evergreens, plant more grass, maybe add some more cafes and student life functions, a computer lab, seminar rooms at the base of the buildings and make it feel more like a living, learning community with ties back into the core campus.

Mr. Gross reviewed the plan for the area around Scott Street where the Newtown Pike Extension will be routed and where there are a series of old tobacco warehouse buildings. This area is currently home to two very important academic programs: the Gatton College of Business and Economics and the College of Law. Those colleges occupy buildings that cannot support the current and planned needs. Planning studies

done for each college recommend that the building these colleges occupy should be assigned to other functions and that these colleges be relocated. The College of Law would move to a site on Scott Street and the Gatton College of Business and Economics would relocate to Martin Luther King Boulevard.

He said that the South Limestone Street, Scott Street and South Upper Street intersection configuration is rather dangerous and confusing for motorists and pedestrians. Their plan would have Upper Street removed from this intersection and connected to Limestone Street to the north. This would result in a better condition at Limestone Street and Scott Street. The new intersection would be simpler and easier to navigate on foot. It would also make a better vehicular entrance into campus once the Newtown Pike Extension is completed. The proposed plan also includes realignment of Administration Drive and a new plaza on Limestone Street reinforcing the pedestrian entrance to campus.

Mr. Gross said that area just north and south of Euclid Avenue is a wonderful opportunity to introduce a mixture of student life functions, education functions and teaching and research functions. Their plan shows a lot of growth in this area, starting with a site for a "digital village," combining programs in engineering, math and computer science, at Rose Street and Maxwell Street. He mentioned the possibility of the University purchasing the small retail area at Rose Street and Euclid Avenue and that area becoming housing and/or academic space. He also talked about the possible expansion of Memorial Coliseum to allow for additional basketball training facilities. He said that the existing parking lot between Martin Luther King Boulevard and Lexington Avenue and north of the Student Center had been identified as the site for the Gatton College of Business and Economics. He noted that there would be parking under the proposed buildings and retail space at ground level along Euclid Avenue.

Their plan shows a significant addition to the Student Center that would make the Center much more friendly to students. The bookstore and some of the dining functions would be treated more like retail functions that would open out onto Euclid Avenue. The two existing buildings that make up the present Student Center would be connected by an atrium that would create a gathering space for students.

He said that their plan also shows growth and expansion to the Singletary Center for the Arts as well as expansions for the Opera Program, the Art Museum and the School of Music. Housing is proposed to be located around the large open space south of Euclid Avenue leaving enough space for the band to practice there.

Mr. Gross said that his firm has been working with the College Town Plan for the University and the City of Lexington which involves revitalizing the area from Maxwell Street to High Street and Rose Street to Limestone Street. This plan calls for simple modifications like improving the pedestrian cross-walks, placing the utilities underground, adding more off street parking, improving the street lighting, and furniture, and planning for bike ways. All the streets in the area would be converted to two-way traffic and improved to create a more pedestrian oriented environment. The instant

opportunities for the College Town itself are pretty significant. He said that planning the campus and the College Town area was a concurrent process, working closely with the local government and the community. All the major stakeholders were involved during the planning process. One of the major ideas of the College Town Study was to try to create more attractive connections from downtown to the campus. New retail and housing opportunities are a big part of the plan. He mentioned plans for market housing that would provide opportunities for graduate students, undergraduates, faculty and staff in this area. He mentioned that Limestone Street and Jersey Street would be the commercial corridor and the Martin Luther King Boulevard would be a residential corridor. No buildings would be demolished under the College Town Plan.

Referring to the overall campus plan Mr. Gross noted that parking and housing are linked together in a way that impacts academic performance, and they are working on a study that suggests that the higher the percentage of on-campus housing and the lower the percentage of on-campus parking, the higher the academic ranking. If more people live on or near campus, then more people would walk, bike or ride a bus to campus. There is a cause and effect related to the opportunities people have to leave their car at home. Mr. Gross introduced George Alexiou of Martin Alexiou and Bryson, Transportation Engineers and said that he would talk about the transportation and parking aspects of the plan.

Mr. Alexiou said that they had many discussions from day one about parking and transportation issues. The transportation strategy that he would summarize was developed as an integral part of the plan. They are not separate. The transportation component of the plan was developed jointly and part of the discussions during the meetings that Mr. Gross referenced. If he had to summarize the transportation strategy in one phrase or just pick just one objective, it would be to create a more pedestrian friendly campus. This is the over-riding theme. Walking around the campus, crossing certain streets or walking between different locations is very often unsafe, unpleasant, and can disrupt the pleasure of being on an academic campus.

Mr. Alexiou explained that there are basically two things to do to create a pedestrian friendly campus: reduce the number of vehicles that are parked on campus and reduce the number of vehicles that are moving on the streets that run through the campus. This is accomplished by supporting alternative means of travel to and around campus and working in conjunction with regional transit. The bottom line, however, is accommodating growth in a sustainable way. We have to look at the big picture, the long-term vision for the campus and the long-term issues as a region and as a nation. Transportation cannot be dealt with in isolation. The campus is not an island. It is part of a larger community, and there are responsibilities to be shared.

He said the goals are to provide a balanced, multi-modal transit system, enhance transit development and use, and reduce demand for single occupancy vehicles. These are alternatives that provide a much more environmentally friendly way to get around. He said that the specific objectives are to get more people into ride sharing and into

transit on buses. In order for these alternatives to work, you need to improve the systems and also encourage people to use bicycles or walk.

Many of the improvements that Mr. Gross showed around the campus are designed to meet multiple objectives, but one very specific intent is to make the campus a much more pleasant, attractive, and safe place to walk and ride around. As the largest employer in the county, the University can make or break achieving the region's goals. The University has a responsibility, if not an obligation, to lead the way in terms of sustainable growth and improving this region as well as the campus.

Mr. Alexiou said that the plan very deliberately replaces a lot of the surface parking with either landscaping or new buildings. In the next eighteen years almost 5,000 surface spaces will be eliminated, primarily in the center part of the campus as it becomes more pedestrian oriented. He explained that a need and a demand come with growth. If the University continues to provide parking at the same ratio, the same rate as now, 7,700 spaces would be required, and the University would be losing some of its current spaces. The bottom line is that the University would need 12,500 spaces over the next eighteen years to keep up with growth if it continues to do it the old way. This would be a pretty major increase in parking and, of course, that brings traffic, storm water run-off, etc. to campus. The cost to build 12,500 spaces is around \$180,000,000. That is about \$10,000,000 a year that must be set aside just to keep providing the parking that is needed. Understanding that most of the new parking will have to be in structures, it works out to be about \$1,800.00 a space on an annual basis. That is to finance it, run it, and maintain it. He said that the parking permit fees are nowhere near that amount, and he does not think that the University would want to charge that amount to staff, faculty and students. Therefore, it calls for a different approach in the longer term. It calls for keeping one foot on the ground but aspiring to a different vision.

He said that the plan is that things are not going to change over night, but you need to start today to work towards that change. For the next ten years, you can chip away at that parking demand, trying to reduce it a little bit, but the real benefit or payback will probably come after ten years. At that time you can get some of these alternatives in place and get people accustomed to using them. They become part of the University landscape and the regional landscape. Between 2010 and 2020, the amount of parking would be substantially less than you would need to build if you continued to do it the old way. Interestingly enough, there are about two employees and/or students for every parking space on campus. He reported that this is the highest ratio of about twenty campuses that they have reviewed in terms of student population. What they have found is that with some commitment and some funding, you can increase the ratio of people to parking spaces within the next ten years to about two and a half persons to a space and by 2020 to three and a half people per parking space.

He said that there are a series of strategies, and these are strategies that have been used and are being used increasingly across the country. The ultimate transportation strategy is to get people to live near where they work or go to school. For students, it means they come to the campus, and they are on campus Monday through Friday. They

leave their car a mile or so off the campus in a secure lot with good shuttle bus service. He noted that security is the big issue. This is something a number of campuses are doing. Those vehicles that are sitting there day-to-day do not need to be there. That frees up the land. There are also issues about students who have to work that need to be accommodated. By pursuing this strategy, the number of resident student vehicles parked on campus could be reduced 610 by 2010. It is a larger number by 2020. That still allows for a lot of students to continue to park if they have a job that they have to go and work after school. There will still be parking allowed on campus.

He talked about the incentives that other universities are offering to encourage faculty and staff to come and live in the community or around the community. This would allow them to walk to campus. They do not need to have the parking space.

He reported that there are about 1,200 people who either work or go to school and rely on Lex-Tran, the regional transit system, for transportation. There is a move to make improvements, but again, funding is a big issue. It always is a big issue, and the University needs to make that commitment and partner with the region to make improvements to regional transit.

He said that there were a lot of other improvements that could be made as well. He talked about the benefits of shuttle buses, cycling, and ride sharing strategies. He noted that these are not new strategies. They do, however, need to be harnessed as one ultimate vision that is going to achieve the land and planning vision for the University.

He said that there is a cost to doing all this. Nothing is free, and this is a recurring cost. To do all of these things presented would cost around \$6,000,000 a year, but it would reduce the amount of parking that is needed on campus. Again, this is looking at the next twenty years. It would reduce the demand for on campus parking by about 9,000 spaces over twenty years. Those 9000 spaces would cost \$16,000,000 annually. This number includes financing the parking and running it. He noted that there is a \$10,000,000 differential, and it is well worth considering.

Mr. Alexiou concluded his remarks and turned the presentation over to Mr. Gross who indicated that the presentation was complete.

F. Southern Association of Colleges and Schools Reaffirmation

President Todd reported that the University had been reaffirmed for ten years. The University will receive a letter in January regarding some points that the University will need to work on and get back to them by September. He explained that had the University used the present tense instead of the future tense in some sentences, the issues would have been solved. He noted that there was a tremendous amount of work that went into the accreditation process. He said that he is very pleased with the results.

G. Robinson Forest Comments

President Todd commented on the e-mails and postcards that he and the Trustees had received concerning Robinson Forest. He reminded the Board of the resolution they recently passed to look at the factual situation surrounding Robinson Forest. He reported that there are no plans to take any action for quite some time. Information is being gathered, and people will be involved in the decision. There will be many discussions before final decisions are made. He said that he had toured Robinson Forest and noted that the Board Retreat may be held at the Forest in July 2003.

H. Appointment of Vice President for Development (PR 3)

President Todd recommended that the Board of Trustees approve the appointment of Terry B. Mobley as Vice President for Development, effective November 1, 2002. He reported that Mr. Mobley has been in this role for many years, has led the University through \$550M of its \$600M capital campaign, and has done an outstanding job. He is a 1965 graduate of the University of Kentucky.

Ms. Wickliffe said that she would like to make the motion for approval. She said that she thought most everyone knew that Mr. Mobley is from Harrodsburg in Mercer County. He is just another citizen that has come out of Mercer County and has done well. Mr. Williams seconded the motion, and it carried without dissent. (See PR 3 at the end of the Minutes.)

President Todd asked Mr. Mobley if he would like to make any comments.

Mr. Mobley said that for the sake of time he would be very brief. He said that he thought that most everyone knows that he has never been too concerned about a title. When you work for an institution for which you have great passion and affection, which happens to be your alma mater, your wife's alma mater, and the alma mater of three children, job titles really do not mean a lot. It has been a labor of love for 26 years. He said that he recognizes the significance that the President and Board have done for the position. The position at the University of Kentucky should be as it is at the University's benchmark institutions and should have that title regardless of who is in the position. He said that he is honored and humbled, and his brief message to the Board and to President Todd is one of sincere appreciation.

I. Appointment of the Executive Director of the University of Kentucky Research Foundation (PR 4)

President Todd recommended that approval be given to the appointment of Dr. Wendy Baldwin as Executive Director of the University of Kentucky Research Foundation, effective January 1, 2003. In accordance with the Bylaws, the Executive Director of the University of Kentucky Research Foundation is appointed by the Board of Trustees upon the recommendation of the President of the University. On motion made

by Ms. Wilson and seconded by Ms. Smith Edge, PR 4 was approved without dissent. (See PR 4 at the end of the Minutes.)

J. Naming of Auditorium and Conference Room in the Maxwell H. Gluck Equine Research Center (PR 5)

President Todd said that PR 5 recommends that the Board approve naming an auditorium and conference room in the Maxwell Gluck Equine Research Center the John Howard Clark Auditorium and the Nelson Bunker Hunt Conference Room, respectively. Mr. Clark has left in his Last Will and Testament \$2.6 million for the University. Nelson Bunker Hunt, through contributions, accrued interest and dividends, has contributed almost \$1.75 million to the University. President Todd recommended approval of naming the auditorium and the conference room in honor of the donors who have contributed to the institution. Mr. Shoop moved approval, and Ms. Wickliffe seconded the motion. The motion carried without dissent. (See PR 5 at the end of the Minutes.)

K. Approval of Administrative Regulation AR II-1.6-2 Phased Retirement Policy and Plan (PR 6)

President Todd said that PR 6 recommends the approval of an amendment to Administrative Regulation AR II-1.6-2 relating to a phased retirement policy and plan for eligible full-time tenured faculty members. The program currently is available for full-time faculty with 15 years of service who are at least age 65 or older. This revision reduces the age at which faculty members will be eligible to enter a phased retirement to 60. Further, because of recent Supreme Court decisions, the Age Discrimination in Employment Act no longer applies to the University of Kentucky; the waiver specified for compliance with that Act is, therefore, unnecessary. Faculty who retire pursuant to this program are also eligible for post retirement appointment under the usual terms of such appointments. He recommended approval. Professor Kennedy made a motion for approval. Dr. Pomeroy seconded the motion, and it carried without dissent. (See PR 6 at the end of the Minutes.)

L. Master of Architecture (AACR 3)

Ms. Sparks, Chairperson of the Academic Affairs Committee, noted that the first two Academic Affairs Committee items were on the consent agenda. The third item recommends the establishment of a combined Bachelor of Arts in Architecture degree and a Master of Architecture degree program in the College of Design. The proposal will change a five-year program to a four-plus-two professional degree program so a student will graduate with a Master of Architecture degree. The program has been reviewed and approved by the Graduate Council, Senate Council, and University Senate. The Academic Affairs Committee discussed the recommendation in length and approved it. She moved approval of AACR 3. Dr. Meriwether seconded the motion, and it carried without dissent. (See AACR 3 at the end of the Minutes.)

Ms. Wickliffe added that the University of Kentucky will have the only accredited professional degree in the Commonwealth, and that is good.

M. Report of Leases (FCR 1)

Dr. Stumbo, Vice Chairperson of the Finance Committee, reported that FCR 1 contains standard leases that can be approved by the President but are reported to the Board as a matter of record. He pointed out that one of the leases is a little unusual for the University. The University of Kentucky Research Foundation is leasing an apartment in Washington, D.C. that is being used by people traveling to Washington to represent the University. The Finance Committee was told that this apartment saves the University money by not having to pay for lodging at hotels. He moved approval of FCR 1. Ms. Sparks seconded the motion, and it carried without dissent. (See FCR 1 at the end of the Minutes.)

N. Approval of Lease (FCR 2)

Dr. Stumbo said that FCR 2 is a renewal of a lease that is over \$30,000 and has to be approved by the Board of Trustees. It is a lease for the University of Kentucky College of Pharmacy for office, computer room, and storage space. The Finance Committee was assured that it is a competitive rate, is good property, and is what the College of Pharmacy needs. He moved the approval of FCR 2. Ms. Smith Edge seconded the motion, and it carried without dissent. (See FCR 2 at the end of the Minutes.)

O. Acquisition of Real Property at 403 and 409 Linden Walk (FCR 3)

Dr. Stumbo said that FCR 3 recommends that approval be given to the administration to buy two pieces of property from a University employee. When purchasing property from an employee, the University must comply with KRS regulations and go by a certain procedure. The University obtained four evaluations of the property, and it is property that the University wants. The total cost of the property is \$420,242. The University and the Alumni Association will each pay half the cost. He moved the approval of FCR 3. Ms. Sims seconded the motion, and it carried without dissent. (See FCR 3 at the end of the Minutes.)

P. Gifts and Pledges (FCR 4 through 14)

Dr. Stumbo reviewed FCR 4 through 14 and said that he would have one recommendation.

FCR 4 – establish the Belle R. Johnston quasi-endowment to provide scholarships to undergraduate students based on academic achievement. Mr. Johnston's initial gifts in the 1970's were approximately \$185,000. These gifts have been invested in a short-term investment program. The current value of the fund is \$346,400. The University would transfer \$220,000 of the fund to the endowment in order to

achieve a longer-term perspective for investment purposes. The initial principal of \$220,000 will generate annual spending distributions of \$11,000.

FCR 5 – approve renaming the Gatton Endowed Chair in Finance to the Richard W. and Janis H. Furst Endowed Chair in Finance in the College of Business and Economics. Dr. Furst has served as Dean of the College for 22 years and will be retiring. Carol Martin Gatton requested that the name be changed.

FCR 6 – accept gifts of \$103,213.75 and pledges of \$15,799.25 from alumni and friends to create and endow the Thomas D. Clark Professorship in American History in the Department of History. This professorship is to honor Dr. Clark who is well-known and well deserving of this recognition.

FCR 7 – accept a gift of \$50,000 from Dr. Helen Thacker Hill to create and endow the Arvle and Ellen Turner Thacker Endowment Fund in the College of Education for graduate student fellowships and to support the research of assistant professors.

FCR 8 – accept a gift of \$20,000 and a pledge of \$30,000 from the United States Enrichment Corporation to create and endow the USEC Inc. Graduate Fellowship in the College of Engineering.

FCR 9 – accept a pledge of \$1,000,000 from Mountain Enterprises, Inc. of Lexington to create and endow the Lawson Endowment Fund. The Fund will provide \$250,000 to endow the Lawson Professorship in the Department of Civil Engineering, \$650,000 for the Lawson Endowment for Asphalt Research in the Department of Civil Engineering, and \$100,000 for the Lawson Endowment in the UK Center for Research on Violence Against Women that First Lady Judi Patton has an interest in.

FCR 10 – accept a pledge of \$50,000 from Dean and Mrs. Thomas W. Lester to be added to the Donald and Gertrude Lester Professorship in Mechanical Engineering in the College of Engineering.

FCR 11 – accept a pledge of \$50,000 from Palmer Engineering of Winchester, Kentucky to create and endow the Palmer Engineering Civil Engineering Laboratory Endowment in the College of Engineering. Mr. Palmer is a graduate of the University, is well-known, and has made several gifts in the past.

FCR 12 – accept a pledge of \$75,000 from The Trane Company of La Crosse, Wisconsin to create and endow The Trane Company Graduate Fellowship in the College of Engineering.

FCR 13 – accept a gift of \$100,000 from H. Lester Reynolds of Lexington, Kentucky to create and endow the H. Lester Reynolds Professorship in the College of Engineering.

FCR 14 – accept a gift of \$10,184 and a pledge of \$300,000 from Thomas C. and Evelyn W. Finnie for the BS/MBA Graduate Fellowship Endowment Fund in the College of Engineering.

Dr. Stumbo moved that FCR 4 through FCR 14 be approved. Ms. May seconded the motion, and it passed without dissent.

Mr. Reed said that the Board is always appreciative of receiving gifts. He called particular attention to FCR 9 and said that Steve Lawson, a good friend of his, told him earlier in the summer that he and his father were contemplating a gift of approximately \$1,000,000 to the University. He said that the Lawson family has been longtime supporters of the University. He noted that Steve Lawson played baseball at the University of Kentucky and has given a lot to UK. Mr. Reed said he was especially pleased when he learned that Steve was considering a gift to Engineering. The fact that the gift is \$1,000,000 and does not require a match by the state's Research Challenge Trust Fund makes it even more impressive.

Q. 2002-2003 Budget Revisions (FCR 15)

Dr. Stumbo said that FCR 15 is a standard item concerning budget revisions. He pointed out the \$813,000 adjustment in county appropriations. He explained that when UK makes its budget out, it does not know how much it is going to receive from the county government to support the County Extension Service. The tendency is to underestimate that figure and readjust it. He also mentioned another item in the Medical Center that has to do with money coming in and making adjustments in the budget. He said the revisions are pretty standard and moved the adoption of FCR 15. Ms. Smith Edge seconded the motion, and it passed without dissent. (See FCR 15 at the end of the Minutes.)

R. Comment about Robert P. Meriwether Scholarship Fund

President Todd referred back to the gifts and pledges received. He said he wanted to make a comment about a gift received from Dr. Meriwether's staff. His staff gives him a Christmas present annually by making a donation to the Meriwether Scholarship Fund. He asked Dr. Meriwether to thank his staff for their gifts and pledges. He said he wanted the other members of the Board to talk to their staffs because this could be a growing trend.

S. Investment Committee Report

Mr. Wilcoxson, Chairperson of the Investment Committee, reported that the Pool of Endowment Investments had a market value on September 30th of \$371.8M compared to June 30, 2002 of \$416.5M, a decrease of \$44.7M for that quarter. The quarter ending on September 30th was a tough quarter for the endowment investments; however, the endowment performed well on a relative basis. Overall, the endowment posted a

negative total return of minus 11% for the quarter compared to minus 11.5% for a blended market index of allocated assets and an out performance of 50 basis points over the capital market indexes. He said that the bad news was that the last quarter had a market loss on investments of about \$45.5M, but the good news is that October and November were good and produced a market gain of \$33M. He said that he hoped there would be some more good months.

T. Other Business

Ms. May said that she read in the newspaper that Carolyn Bratt had resigned as chairperson for the Commission on the Status of Women. She asked what steps were being made to fill the position.

President Todd reported that Professor Bratt's resignation would be effective at the end of the year. Professor Bratt has already sent him a list of women on campus, and he will be making a decision based on that list. He informed the Board that there would be an op-ed piece in the newspaper soon about his feelings about that particular situation and the coverage that has been given to the University in the paper.

U. Dr. Pomeroy's Farewell Speech

Dr. Pomeroy reminded the Board that this would be her last meeting and said that she wanted to take a few minutes to make some comments. She thanked all of her colleagues around the table for a very enjoyable and important experience. She said that it had been quite an honor to work with everyone, and she is grateful for that opportunity.

Dr. Pomeroy said that the University is facing a lot of challenges: state budget cuts, the national economy, and competition from benchmark institutions that are really moving ahead. In her opinion, these make it quite a responsibility for the Board to lead the institution. Leadership becomes particularly important at times of external pressures and when change is needed. As she has watched the group work, she has seen several principles at work. She encouraged the Board to keep them in mind.

Dr. Pomeroy said that there are four principles that she has seen and personally valued: unity, innovation, justice and courage. She commented about each of them.

Dr. Pomeroy said that unity is critical. President Todd began his work by talking about a vision of one university, and there is still a ways to go towards achieving that goal. Too often, people get into silos, worry about just their unit or their part of the organization and think about getting a bigger piece of the pie instead of helping make the pie bigger for everyone, and the Board needs to keep this in mind.

Dr. Pomeroy commented about the second principle, innovation. In her opinion, that is why President Todd is the President now because the Board values that so much, but there is a fear of change. It is normal human behavior, but it is manifest in this institution. After she leaves, the Board will be responsible for making sure that everyone

does not fear innovation, and that there is a sense of urgency about moving forward quickly because other people are doing it. In order to move to the front of the pack, you must do that.

Dr. Pomeroy said that the third principle that she has seen and values greatly is justice. The one particular issue that it comes down to most for her is the issue of diversity. In her opinion, the University of Kentucky has many challenges ahead in terms of insuring diversity in our faculty, our staff and in our student body. She does not think that enough has been done to encourage African American participation, Hispanic participation, other group participation, and the issue of justice for women. She noted that Dr. Baldwin's appointment as Vice President for Research was very important, but women still lag far behind at this institution in terms of moving through the academic ranks. It is the Board's responsibility to create a culture where that does not continue to happen.

Dr. Pomeroy said that the fourth principle, courage, is what everyone is going to need in these hard times. She said that the Board cannot be all things to all people. It is going to have to define some programs that it wants the University to excel in and concentrate in those areas even though it may mean saying no to some people. That does take courage.

She said that those are the four principles that she hopes the Board will keep in mind after she is gone. The University of Kentucky is at a watershed position. It can really excel and become nationally prominent in the top twenty. It can be all those things that the Board has envisioned and wants, but it is at risk at this moment. The leadership is what is going to make the difference. She said that she trusts the Board to provide that leadership and wisdom, and she believes that they can do it.

Dr. Pomeroy said that the institution has provided her great opportunity, and she has grown so much at the University of Kentucky. It has been very wonderful. She thanked President Todd for the support that he has given her and her mentors at the Medical Center who helped her move and develop her personal career. She thanked the Board members for the opportunity to have shared these challenges with them. She said it had been a very valuable time, and she thanked them for taking the time to listen. She encouraged the Board to keep working.

Mr. Reed said that Dr. Pomeroy has followed in the footsteps of some very important predecessors, the faculty members of the Board who have served the University very well, and she has held her own. He said that he had seen Dr. Pomeroy exemplify those four characteristics of unity, innovation, justice and courage, and he would say on behalf of the entire Board that someone is going to have some big shoes to fill to replace her. On behalf of the Board, he wished for her the very best.

President Todd also thanked Dr. Pomeroy for her service to the University. He said that Dr. Pomeroy had been extremely helpful to him in terms of setting up town meetings, getting inside the minds of some of the faculty, and coaching him in some

areas. He said that they both kind of learned together in the period of time that they have served together. He also wished for her the very best and asked her to stay in contact.

V. Meeting Adjourned

Before adjourning the meeting, Mr. Reed reminded everyone of the University Senate reception at the Alumni House at 5:00 p.m. and the dinner at Maxwell Place at 5:30 p.m. With no further business to come before the Board, Mr. Reed adjourned the meeting at 4:56 p.m.

Respectfully submitted,

Russ Williams
Secretary, Board of Trustees

(PR 2, 3, 4, 5, and 6; AACR 1, 2, and 3; FCR 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 which follow are official parts of the Minutes of the meeting.)