

AGENDA
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

September 4, 1986

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. Approval of Minutes of July 2, 1986, meeting
- B. Establishment of next meeting date, time, location
- C. President's Report

SECTION II - FINANCIAL MATTERS

- A. Resolution for Financial Aid Awards
- B. Budget Adjustments and Appropriations
- C. Resolution for the Advance Refunding and Exchange of University of Southern Indiana Student Union Bonds, Series 1985
- D. Blue Cross/Blue Shield Group Health Insurance Premium Rates
- E. Maxicare Health Maintenance Organization Premium Rates

SECTION III - PERSONNEL MATTERS

- A. Early Retirement
- B. Leave of Absence with Pay

SUPPLEMENTAL INFORMATION
UNIVERSITY OF SOUTHERN INDIANA

September 4, 1986

SECTION I - GENERAL AND ACADEMIC MATTERS

- A. APPROVAL OF MINUTES OF JULY 2, 1986, MEETING
- B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION
- C. PRESIDENT'S REPORT



SECTION II - FINANCIAL MATTERS

A. RESOLUTION FOR FINANCIAL AID AWARDS

Indiana Code 20-12-1-2 provides for the awarding of financial aid to students from existing resources. Approval of the following resolution is recommended.

Pursuant to Indiana Code 20-12-1-2, the University of Southern Indiana Board of Trustees delegates to the President of the University of Southern Indiana the responsibility to approve financial aid recommendations for students within 1986-87 budgetary capabilities.

B. BUDGET ADJUSTMENTS AND APPROPRIATIONS

1. Appropriations: 1986-87

| | | |
|-------|--|---------|
| From: | Unappropriated NEA/Weinzapfel Funds | |
| To: | 3-30960 NEA/Weinzapfel Supplies and Expense | \$5,000 |

2. Appropriations and Transfers: 1985-86

The annual closing of the financial records requires adjustments, additional appropriations, and transfers between funds. These closing transactions are found in Exhibit II-A.

Approval of the above appropriations and the appropriations and transfers in Exhibit II-A are recommended.

C. RESOLUTION FOR THE ADVANCE REFUNDING AND EXCHANGE OF UNIVERSITY OF SOUTHERN INDIANA STUDENT UNION BONDS, SERIES 1985

The resolution in Exhibit II-B, prepared by bond counsel, will allow the issuance of Student Fee Bonds, Series B, to be exchanged for the Student Union Refunding Bonds, Series 1985, held by the Indiana Bond Bank. This exchange will place all University of Southern Indiana bonds under one indenture, under the provisions of Indiana Code 20-12-6, and will have no financial implications regarding amount of debt service or length of indebtedness. The reason for this exchange is so that present bonds and all future bonds may be under the same indenture and will be parity bonds.

Approval of the resolution in Exhibit II-B and the First Supplemental Indenture in the addenda to the agenda, Exhibit II-C, is recommended.

D. BLUE CROSS/BLUE SHIELD GROUP HEALTH INSURANCE PREMIUM RATES

The following Blue Cross/Blue Shield monthly premium rates have been quoted for a twelve-month period beginning October 1, 1986. These renewal rates include the addition of Cost Guard Health Care Benefits Management System.

Cost Guard is a cost-containment program which helps manage health care resources by using several control features to eliminate unnecessary inpatient hospital care. With this management system, the insured member plays an active role in the administration of health care benefits.

Blue Cross/Blue Shield provides the primary health insurance coverage for 242 employees, retirees, and families. The university contribution for single and family coverage has been 75% of the total premium. The contribution of the University for the retired employee eligible for Medicare takes into consideration the cost of Medicare to the retiree.

Approval of the renewal of the master policy with Blue Cross/Blue Shield with the addition of the Cost Guard Health Care Benefits Management System and the following rate schedule for 1986-87 is recommended.

Blue Cross/Blue Shield

Monthly Premium Rates

| | <u>Total</u> | <u>1985-86</u> <u>University</u> | <u>Employee</u> | <u>Total</u> | <u>1986-87</u> <u>University</u> | <u>Employee</u> |
|----------------------|--------------|-------------------------------------|-----------------|--------------|-------------------------------------|-----------------|
| Single | \$ 64.40 | \$ 48.30 | \$ 16.10 | \$ 64.40 | \$ 48.30 | \$ 16.10 |
| Family | 168.50 | 126.38 | 42.12 | 169.30 | 126.96 | 42.34 |
| Over 65 (Retired) | 52.90 | 46.90 | 6.00 | 61.10 | 53.10 | 8.00 |

E. MAXICARE HEALTH MAINTENANCE ORGANIZATION PREMIUM RATES

Maxicare Preferred Health Care Network is an alternative health benefit program available to employees of the University of Southern Indiana. Maxicare is a Health Maintenance Organization which offers a comprehensive health plan and stresses preventative care. It is the primary health care provider for 27 employees, retirees, and families.

The renewal rates beginning October 1, 1986, for Maxicare have been reduced approximately 12 percent for single coverage and 15 percent for family coverage due to the introduction of an expanded provider delivery system under Maxicare Preferred Health Care Network.

Approval of the renewal of the master policy with Maxicare Indiana, Inc. and the following rate schedule for 1986-87 is recommended.

Maxicare Indiana, Inc.

Monthly Premium Rates

| | <u>Total</u> | <u>1985-86</u> <u>University</u> | <u>Employee</u> | <u>Total</u> | <u>1986-87</u> <u>University</u> | <u>Employee</u> |
|----------------------|--------------|-------------------------------------|-----------------|--------------|-------------------------------------|-----------------|
| Single | \$ 73.36 | \$ 48.30 | \$ 25.06 | \$ 64.30 | \$ 48.30 | \$ 16.00 |
| Family | 217.37 | 126.39 | 90.98 | 182.69 | 126.97 | 55.72 |
| Over 65 (Retired) | 51.53 | 46.90 | 4.63 | 52.03 | 52.03 | -0- |



SECTION III - PERSONNEL MATTERS

A. EARLY RETIREMENT

Dona F. Frost, Professor of Business, in accordance with the early retirement policy, has requested early retirement effective May 9, 1987, including leave with pay for the Spring Semester, 1987, January 12, 1987 through May 8, 1987. Severance pay based upon 17 years' service to the University amounts to \$6,562 and will be paid as of June 30, 1987. Approval of this request is recommended.

B. APPROVAL FOR LEAVE OF ABSENCE WITH PAY, SPRING SEMESTER, 1987

Wanda B. Hibbitts, Professor of Business; leave of absence with pay for the spring semester, 1987; effective January 5, 1987. Professor Hibbitts will retire at the end of the 1986-87 academic year which marks the completion of 17 years of service to the University. Approval of this request is recommended.



BUDGET ADJUSTMENTS

1. Additional Appropriations

| | | |
|-------|--|--------------------|
| From: | Unappropriated Current Operating Fund | |
| To: | 1-10160 Arts Commission - Music Supplies and Expense | \$ 7,920 |
| To: | 1-10170 Arts Commission - Theatre Supplies and Expense | \$ 1,132 |
| To: | 1-10100 General Instruction Capital Outlay | \$ 2,914 |
| To: | 1-10100 General Instruction Supplies and Expense | \$ 500 |
| To: | 1-15000 Physical Plant Capital Outlay | \$79,839 |
| To: | 1-19999 Current Operating Supplies and Expense | \$ 5,448 |
| From: | Unappropriated Student Publication Funds | |
| To: | 2-20400 Student Publications Supplies and Expense | \$ 102 |
| From: | Unappropriated Continuing Education Revolving Funds | |
| To: | 2-22000 Continuing Education Revolving Fund Supplies and Expense | \$15,695 |
| From: | Unappropriated University Center Funds | |
| To: | 3-30200 University Center Repairs and Maintenance | \$79,303 |
| From: | Unappropriated Athletic Funds | |
| To: | 3-30602 Athletics Baseball Supplies and Expense Capital Outlay | \$ 4,207 \$ 969 |
| To: | 3-30606 Athletics Basketball Men Supplies and Expense | \$14,794 |
| To: | 3-30607 Athletics Softball Women Supplies and Expense | \$ 424 |

Additional Appropriations (Cont'd)

| | | | |
|-------|---------|---|----------|
| To: | 3-30603 | Athletics Golf Supplies and Expense | \$ 1,200 |
| To: | 3-30609 | Athletics Cross Country Supplies and Expense | \$ 3,419 |
| From: | | Unappropriated HPER Equipment Funds | |
| To: | 6-60400 | HPER Equipment Fund Repairs and Maintenance | \$ 5,586 |
| From: | | Unappropriated Instructional Equipment Funds | |
| To: | 6-60780 | Instructional Equipment Capital Outlay | \$40,900 |
| From: | | Unappropriated PAC Building Roof Funds | |
| To: | 6-62107 | PAC Building Roof Repairs and Maintenance | \$ 7,700 |
| From: | | Unappropriated Forum III Renovation Funds | |
| To: | 6-62108 | Forum III Renovation Repairs and Maintenance | \$19,725 |

2. Transfer of Funds

| | | | |
|-------|---------|-----------------------------------|----------|
| From: | 6-64100 | Academic Building Facility Fund | |
| To: | 6-60107 | Administration Building Reroof | \$77,680 |
| To: | 6-62105 | Computer Center Renovation | \$ 218 |
| To: | 6-62107 | PAC Building Roof | \$27,300 |
| To: | 6-61010 | PAC Building Construction | \$ 3,685 |
| From: | 6-61020 | Forum/Library Construction | |
| To: | 6-64100 | Academic Building Facilities Fund | \$ 1,629 |
| From: | 1-19999 | Current Operating Funds | |
| To: | 6-60730 | Instructional Equipment | \$20,450 |
| To: | 6-60701 | Administrative Computers | \$94,883 |

RESOLUTION FOR THE ADVANCE REFUNDING AND EXCHANGE
OF UNIVERSITY OF SOUTHERN INDIANA STUDENT UNION BONDS
SERIES 1985

The following resolution is recommended for approval.

WHEREAS, the Board of Trusteses (the "Board") of the University of Southern Indiana ("USI") has full power and authority under and by virtue of the laws of the State of Indiana, including more particularly the provisions of I.C. 20-12-6, I.C. 20-12-7, I.C. 20-12-9, Public Law 232 of the Acts of the General Assembly for 1986 and Public Law 218 of the Acts of the General Assembly for 1985, to issue bonds to refund bonds originally issued to finance certain facilities on the campus of USI in Vanderburgh County, Indiana, and;

WHEREAS, pursuant to a Master Implementing Agreement dated as of June 1, 1985 (the "Agreement") between USI and the Indiana State University Board of Trustees ("ISU"), USI has heretofore assumed from ISU certain liabilities incurred for building facilities on the USI campus, including but not limited to the indebtedness incurred to finance the cost of a Student Union Building on the campus of USI, as evidenced by the Indiana State University Student Union Refunding Bonds, dated as of January 1, 1978; and

WHEREAS, USI has entered into a Trust Indenture (the "Trust Indenture") with The Merchants National Bank of Terre Haute (the "Trustee"), dated as of November 1, 1985, providing for the issuance by USI, under the authority of I.C. 20-12-6 and I.C. 5-1-5, of its University of Southern Indiana Student Fee Bonds, Series A (the "Series A Bonds"), which are secured by a first lien on all academic fees, including tuition, assessed by USI against its students, with certain exceptions stated in the Trust Indenture ("Student Fees"); and

WHEREAS, Article IV of the Trust Indenture permits USI to issue Additional Bonds (the "Additional Bonds") secured by a pledge, assignment and lien and security interest upon the same Student Fees upon a pari passu basis with the Series A Bonds, provided that a Supplemental Indenture to the Trust Indenture is executed by USI and the Trustee, and that such Supplemental Indenture is accompanied by such other documents as are required by Section 4.03 of the Trust Indenture; and

WHEREAS, on December 30, 1985, USI issued its University of Southern Indiana Student Union Refunding Bonds, Series 1985 (the "Series 1985 Bonds"), in the aggregate principal amount of \$1,050,000, which were purchased by the Indiana Bond Bank (the "Bank") pursuant to a Bond Purchase Agreement dated as of December 1, 1985 (the "Purchase Agreement"); and

WHEREAS, Section 9 of the Purchase Agreement permits USI to exchange with the Bank the Series 1985 Bonds currently held by the Bank for Additional Bonds issued under the Trust Indenture, with such Additional Bonds being authorized by I.C. 20-12-6, and that upon such occurrence the Purchase Agreement shall be discharged and shall no longer be in effect, provided that the Additional Bonds are "Parity Bonds", as defined in the Trust Indenture, and are accompanied by an unqualified approving opinion of bond counsel satisfactory to the Bank and a transcript of the proceedings that sets forth the unqualified approval of the Additional Bonds and the tax exempt status of the interest paid thereon; and

WHEREAS, Public Law 232 of the Acts of the General Assembly for 1986 authorizes USI to issue bonds under I.C. 20-12-6 for the purpose of exchanging such Bonds with the Bank for the Series 1985 Bonds issued under I.C. 20-12-7; and

WHEREAS, as authorized by the Purchase Agreement, this Board desires to exchange the Series 1985 Bonds held by the Bank for the Additional Bonds issued under the Trust Indenture, designating such bonds as University of Southern Indiana Student Fee Bonds, Series B (the "Series B Bonds"), with such Additional Bonds being "Parity Bonds" in respect to being secured by a lien on Student Fees pari passu with the Series A Bonds; and

WHEREAS, this Board desires to authorize the Treasurer of this Board to enter into a First Supplemental Indenture to the Trust Indenture with the Trustee to issue the Additional Bonds, plus any other documents necessary to effectuate the First Supplemental Indenture, utilizing the same terms as established in the Purchase Agreement; and

NOW, THEREFORE, BE IT RESOLVED by this Board:

1. The Chairman, Vice Chairman and Treasurer of this Board, or any of them, are hereby authorized to execute and deliver, and the Secretary and Assistant Secretary, or either of them, are hereby authorized to attest to the signature of the foregoing on a First Supplemental Indenture between USI and The Merchants National Bank of Terre Haute in substantially the form provided to this Board and approved hereby and with such changes as the officers executing the First Supplemental Indenture shall approve, such approval to be conclusively evidenced by the execution of the same; and

2. The Chairman, Vice Chairman and Treasurer of this Board, or any of them, are hereby authorized to execute and deliver to the Trustee, in the form found in the First Supplemental Indenture and approved hereby, of Series B Bonds, bonds evidencing the indebtedness incurred pursuant to the First Supplemental Indenture described in paragraph (1) above, with such Series B Bonds being issued in the aggregate amount of One Million Fifty Thousand Dollars (\$1,050,000) or the principal amount of the Series 1985 Bonds then outstanding, as the case may be, in the demonination of

\$5,000 or whole multiples thereof, issued as fully registered bonds not registerable to bearer; bearing interest at the rates and maturing (subject to prior redemption as provided in the First Supplemental Indenture) on October 1 in the years and amounts as follows:

| <u>Year</u> | <u>Interest Rate</u> | <u>Principal Amount</u> |
|-------------|----------------------|-------------------------|
| 1986 | 6.50 | \$ 30,000 |
| 1987 | 6.75 | 30,000 |
| 1988 | 7.25 | 35,000 |
| 1989 | 7.50 | 35,000 |
| 1990 | 7.75 | 40,000 |
| 1991 | 7.95 | 40,000 |
| 1992 | 8.15 | 45,000 |
| 1993 | 8.35 | 50,000 |
| 1994 | 8.55 | 50,000 |
| 1995 | 8.75 | 55,000 |
| 1996 | 8.90 | 60,000 |
| 1997 | 9.05 | 70,000 |
| 1998 | 9.15 | 75,000 |
| 1999 | 9.25 | 75,000 |
| 2000 | 9.35 | 85,000 |
| 2001 | 9.45 | 90,000 |
| 2002 | 9.60 | 100,000 |
| 2003 | 9.75 | 85,000 |

3. The Chairman, Vice Chairman and Treasurer, are authorized to exchange with the Bank the Series B Bonds issued under the First Supplemental Indenture, described in paragraph (1) above, for the Series 1985 Bonds currently held by the Bank,

4. The Chairman, Vice Chairman, Treasurer, Secretary and Assistant Secretary of this Board, or any of them, are hereby authorized to execute and deliver any other certificates, agreements or other documents necessary to consummate the transactions as described in paragraphs (1), (2) and (3) above, including any amendments or supplements to the Purchase Agreement which are necessary or appropriate in the judgment of such officer.