

## **MINUTES**

### **Finance Committee UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES**

**September 1, 1994**

The University of Southern Indiana Finance Committee met on Thursday, September 1, in the University Center. Trustees present included Bruce Baker, Joseph O'Daniel, David Huber, and Percy Clark, Jr.. Also present were Vice Presidents Richard Schmidt and Donald Bennett, Assistant Vice President Cindy Brinker, Business Office Director Michael Whipple, and Director of Human Resources Nancy Byrd.

In the absence of Mr. Combs, Mr. Schmidt called the meeting to order at 3:40 p.m.

Mr. Schmidt called on Mr. Whipple to present construction contract information on the Health Professions Center. Discussion followed on amounts of change orders and remaining balances of contracts.

Mr. Whipple presented several funding alternatives for the University Center Addition project. He said that the University could fund 100 percent of the cost by issuing bonds and increasing student fees to pay the debt service, utilize existing Auxiliary Fund reserves to reduce the amount of the bonds issued, while increasing student fees to pay the remaining debt service, or fund 100 percent by issuing bonds, but dedicate Auxiliary Fund reserves to investments that will provide revenue to pay part of the debt service, while increasing student fees to pay the remaining debt service. Mr. Baker and Dr. Clark both expressed their support for the third alternative. Mr. Schmidt added that more information will be compiled and sent to the Board. Discussion followed on the funding.

Mr. Whipple called the Committee's attention to the remaining handouts that represent the University's liabilities and fund balances and investment portfolio analysis and balances. He reported that the University's rate of return on investments decreased only slightly from the previous year. Discussion followed on this information.

Ms. Brinker reviewed the Board's action taken regarding employee retirement benefits and called on Mrs. Byrd to present an update on the University's post-retirement benefit funding. Mrs. Byrd reported that the \$1.2 million currently in the fund is derived from several sources including premium reimbursements from the University's Blue Cross/Blue Shield plan, transfers from current operating funds as a result of budgeting benefits for unfilled positions, fund contributions by employees, and unspent Flexible Benefit contributions. Discussion followed on options for the fund balance. She said the University plans to contact a consultant with regard to establishing a trust. She added that plans are to present a proposal to the Board at its November meeting.

There being no further business, the meeting was adjourned at 4:45 p.m.