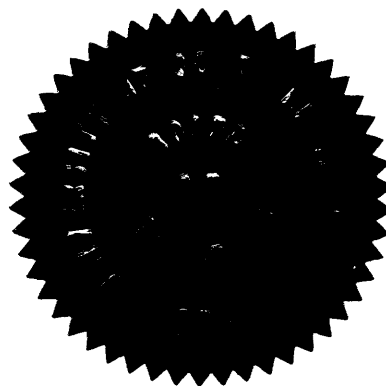


OFFICIAL MINUTES
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

November 2, 1989



MINUTES

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

November 2, 1989

The University of Southern Indiana Board of Trustees met in the University Center on Thursday, November 2, 1989. Present were Trustees Bruce H. Baker, Percy Clark, Jr., Joseph E. O'Daniel, Carole D. Rust, and Brad A. Schepers. Also attending were President David Rice; Vice Presidents Donald Bennett, Robert Reid, Sherrienne Standley, and Byron Wright; and Faculty Senate Chairperson Larry Goss.

There being a quorum present, Mr. O'Daniel called the meeting to order at 11:10 a.m. He welcomed newly appointed Trustee Bruce Baker to the Board.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF SEPTEMBER 14, 1989, MEETING

On a motion by Mrs. Rust, seconded by Dr. Clark, the minutes of the September 14, 1989, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next regular meeting of the Board of Trustees was set for Thursday, January 11, 1990, in Indianapolis, Indiana.

C. PRESIDENT'S REPORT

Dr. Rice welcomed Bruce Baker to the Board. Mr. Baker replaces Mr. Robert Fair, who was recently appointed to the State Ethics Commission.

Dr. Rice reported to the Board that a hearing was held regarding the Eickhoff-Korressel highway improvement project, which will provide a north-south corridor between Highways 62 and 66. He added that the county commissioners and county council are proceeding with plans for a bond issue to improve the intersection to campus.

Dr. Rice reviewed highlights from the Financial Aid Report mailed previously to the Board. He added that the University is grateful to the Lilly Endowment, Inc. for providing student financial aid in the amount of \$171,000 for the 1988-89 year.

Dr. Rice called on Dr. Bennett to report on the fall athletic programs. He reported the fall sports programs have been completed and the soccer team won the Great Lakes Valley Conference championship.

Dr. Rice called on Dr. Reid to report on projected program development for the University. Dr. Reid introduced the deans to describe proposed programs in each school. Dean James R. Blevins reported that a baccalaureate degree in French and a master's degree in psychology are among those proposed in the School of Liberal Arts.

Dean Nadine Coudret reported that a baccalaureate degree in occupational therapy and certificate programs in chemical drug dependency and gerontology are among those proposed in the School of Nursing and Health Professions.

In the School of Science and Engineering Technology, Dean Frank Stanonis said that a baccalaureate degree in Geology is proposed for the 1991-93 biennium.

School of Education and Human Services Dean Thomas Pickering said the accreditation process for the baccalaureate degree in social work should be completed next year, and then a master's degree in social work would be considered.

SECTION II - FINANCIAL MATTERS

A. REPORT OF FINANCE COMMITTEE'S ACTION REGARDING TELECOMMUNICATIONS SYSTEM FINANCING

The Board approved a resolution at its September 14, 1989, meeting authorizing the Finance Committee to approve a finance plan and report the results to the Board.

The Finance Committee met October 9, 1989, and approved a plan submitted by Indiana National Bank of Indianapolis, Indiana, to issue serial bonds over a seven-year period. The minutes of that meeting are in Exhibit II-A.

The bonds were sold at a net interest cost of 6.726%. The Debt Service Schedule and Sources and Uses of Funds schedules are in Exhibit II-B.

B. REPORT OF THE CLASSROOM BUILDING CHANGE ORDER COMMITTEE

The following change orders were approved by the Change Order Committee and were reported to the Board as instructed by the Board resolution adopted September 1, 1988.

<u>Contractor</u>	<u>Amount</u>
1. Peyronnin Construction Company	
Provide a room on the lower level to house the new telecommunications system switch and related equipment.	\$37,504.00
2. Mel-Kay Electric Company	
Install electrical service to telecommunications room.	\$15,230.60

C. APPROVAL OF RENEWAL OF CONCERN

On a motion by Dr. Clark, seconded by Mrs. Rust, the renewal of the CONCERN: EAP master policy with Deaconess Service Corporation, effective February 1, 1990, was approved.

CONCERN: EAP is a comprehensive employee assistance program which provides assessment, short-term counseling, referral and follow-up services for 387 employees and members of their immediate families.

A renewal rate of \$23.00 per employee per year has been quoted for the twelve-month period beginning February 1, 1990. The University pays the total annual cost for the program.

ANNUAL PREMIUM RATES PER EMPLOYEE

Present	Proposed
<u>1988-90</u>	<u>1990-91</u>
\$22.00	\$23.00

D. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

On a motion by Mrs. Rust, seconded by Mr. Baker, the following Budget Appropriations, Adjustments, and Transfers were approved.

From: Unappropriated Current Operating Funds

To: 6-60780	Instructional Equipment Fund	
	Capital Outlay	\$150,000

From: Unappropriated Athletic Funds

To: 3-30609	Athletics -- Cross Country	
	Supplies and Expenses	142

To: 3-30610	Athletics -- Soccer	
	Supplies and Expenses	1,000

To: 3-30611	Athletics -- Women's Volleyball	
	Supplies and Expenses	1,250

From: Unappropriated Restricted Funds

To: 4-45987	Nursing Fellowships	
	Personal Services	6,552
	Supplies and Expenses	1,318

To: 4-45988	Faculty/Student Research - Professor Sinn	
	Supplies and Expenses	400

To: 4-45989	Intentional Community	
	Personal Services	1,650
	Supplies and Expenses	1,350

To: 4-45990	Labor Management Forum	
	Personal Services	14,602
	Supplies and Expenses	18,932
	Capital Outlay	3,525

To: 4-45991	Faculty/Student Research - Professor Gehring	
	Supplies and Expenses	285

SECTION III - PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTIONS

On a motion by Dr. Clark, seconded by Mr. Baker, the following personnel actions were approved.

1. Early Retirement

John M. Barnes, Assistant Professor of Geology/Geography, in accordance with the early retirement policy, has requested early retirement effective May 12, 1990, including leave with pay for the period of January 8, 1990, through May 12, 1990. Severance pay based on 18 years of service to the University will be paid as of June 29, 1990.

2. Appointment to Emeritus Status

Thomas R. Boyd will retire November 30, 1989. It is recommended that he be retired officially with the effective date shown and the appropriate emeritus title, as indicated.

Thomas R. Boyd; Bookstore Merchandise Manager Emeritus; 20 years at USI, effective November 30, 1989.

J. Eliseo DaRosa will retire after the fall semester, 1989. It is recommended that he be retired officially with the effective date shown and the appropriate emeritus title, as indicated.

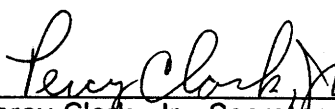
J. Eliseo DaRosa; Professor Emeritus of Economics; 21 years at USI, effective December 16, 1989.

John W. Klingelhofer will retire January 31, 1990. It is recommended that he be retired officially with the effective date shown and the appropriate emeritus title, as indicated.

John W. Klingelhofer; Director Emeritus of Physical Plant; 15 years at USI, effective January 31, 1990.

There being no further business, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,



Percy Clark, Jr., Secretary

MINUTES OF THE FINANCE COMMITTEE

October 9, 1989

The University of Southern Indiana Board of Trustees Finance Committee met in the offices of the Vincennes Sun Commercial in Vincennes, Indiana, on Monday, October 9, 1989. Present were Trustees Robert M. Boyer, and William E. Brooks, Jr. Also attending was Vice President Byron Wright. Dr. Percy Clark, Finance Committee member, was absent.

Mr. Brooks, chairman of the Finance Committee, recognized a quorum and called the meeting to order at 2:15 p.m.

Mr. Brooks called on Mr. Wright to lead discussion of the telecommunications system financing. Discussion of the proposals submitted by various banks, as summarized in Exhibit A, followed. On a motion by Mr. Boyer, the committee accepted the proposal submitted by Indiana National Bank of Indianapolis, Indiana, on October 5, 1989, and approved the following resolution. The motion was seconded by Mr. Brooks and passed unanimously.

WHEREAS, the University of Southern Indiana ("University") 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 to issue bonds secured by student fees either as prior or subordinated bonds to finance facilities located at its campus; and

WHEREAS, the Board of Trustees of the University (the "Board") now desires to issue its University of Southern Indiana Junior Lien Student Fee Bonds, Series 1989 ("Junior Lien Bonds") for the purpose of providing funds to finance the cost of a telecommunications project on its campus; and

WHEREAS, the Board has authorized the Finance Committee thereof to act on its behalf to approve the forms of an Indenture (the "Indenture") between the University and the Merchants National Bank of Terre Haute, as Trustee (the "Trustee"), a Bond Purchase Agreement (the "Bond Purchase Agreement") between the University and INB National Bank (the "Underwriter"), and the Junior Lien Bonds, which forms have been presented to this meeting:

NOW, THEREFORE, BE IT RESOLVED by the Finance Committee of this Board as follows:

Section 1. The forms of the Indenture, the Bond Purchase Agreement, and the Junior Lien Bonds are approved in substantially the form presented to this meeting.

Section 2. Subject to Section 4 hereof, the Chairman and a Vice Chairman of the Board, or any of them, are hereby authorized to execute and deliver the Indenture in substantially the form presented at this meeting with such changes in form or substance as the officers executing such form shall approve, such approval to be conclusively evidenced by the execution thereof, and the Secretary and Assistant Secretary of the Board, or either of them, are hereby authorized to attest the signatures of the Chairman or Vice Chairman on the Indenture and to affix or imprint the seal of the University thereon.

Section 3. Subject to Section 4 hereof, the Chairman, a Vice Chairman, and Treasurer of the Board, and the Assistant Vice President for Business Affairs of the University of Southern Indiana, or any of them, are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form presented at this meeting with such changes in form or substance as may be approved by the officer so executing and delivering the same, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Chairman, Vice Chairman and Treasurer of the Board, or any of them, are hereby authorized to prepare the forms of Junior Lien Bonds required for the use in the issuance of the Junior Lien Bonds in substantially the form presented at this meeting in the aggregate principal amount not to exceed One Million Dollars (\$1,000,000), with an underwriter's discount not to exceed 1.10 percent and a total discount not to exceed the percentage permitted by law, at an interest rate or rates producing a net interest cost not to exceed 6.825138 percent with such serial or term maturities and with such redemption features as the executing officers shall approve, with a final maturity of no later than October 1, 1996, and cause the same to be executed by the proper officers of the University as provided in the Indenture. Upon execution of the Junior Lien Bonds, the Treasurer shall deliver such bonds to the Trustee for authentication. Upon such authentication, the Treasurer is authorized and directed to deliver the Junior Lien Bonds to the Underwriters upon payment of the purchase price, which price shall not be less than the face amount of the Junior Lien Bonds, less Underwriter's discount and original issue discount, if any, plus accrued interest from the date thereof, all pursuant to the provisions of the Bond Purchase Agreement.

Section 5. The Chairman or Vice Chairman, Secretary or Assistant Secretary and Treasurer of the Board, and Assistant Vice President for Business Affairs for the University of Southern Indiana, or any two of them acting jointly, are hereby authorized and directed to do any and all further acts, to execute any and all further documents or certificates, to obtain insurance for the Junior Lien Bonds from a municipal bond insurer if such insurance is considered appropriate by the Treasurer of the Board, to seek any and all further approvals needed from the State of Indiana and its agencies and representatives and to publish any notice required in order to complete the execution and delivery of the Junior Lien Bonds, the Indenture, and the Bond Purchase Agreement in connection with the Junior Lien Bonds.

Section 6. The University hereby designates the Junior Lien Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Internal Revenue Code of 1986.

There being no further business of the Finance Committee, the meeting was adjourned at 2:30 p.m.

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES
\$1,000,000 SEVEN-YEAR NOTE
SEMI-ANNUAL PRINCIPAL AND INTEREST ON BONDS

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DEBT SERVICE SCHEDULE

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DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOTAL
5/ 1/90	55,000.00	6.300000	33,140.00	88,140.00	
11/ 1/90	60,000.00	6.300000	31,407.50	91,407.50	179,547.50
5/ 1/91	60,000.00	6.400000	29,517.50	89,517.50	
11/ 1/91	65,000.00	6.400000	27,597.50	92,597.50	182,115.00
5/ 1/92	65,000.00	6.500000	25,517.50	90,517.50	
11/ 1/92	65,000.00	6.500000	23,405.00	88,405.00	178,922.50
5/ 1/93	70,000.00	6.600000	21,292.50	91,292.50	
11/ 1/93	70,000.00	6.600000	18,982.50	88,982.50	180,275.00
5/ 1/94	75,000.00	6.700000	16,672.50	91,672.50	
11/ 1/94	75,000.00	6.700000	14,160.00	89,160.00	180,832.50
5/ 1/95	80,000.00	6.800000	11,647.50	91,647.50	
11/ 1/95	85,000.00	6.800000	8,927.50	93,927.50	185,575.00
5/ 1/96	85,000.00	6.900000	6,037.50	91,037.50	
11/ 1/96	90,000.00	6.900000	3,105.00	93,105.00	184,142.50
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ACCRUED	1,000,000.00		271,410.00	1,271,410.00	
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	1,000,000.00		271,410.00	1,271,410.00	
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DATED 11/ 1/89 WITH DELIVERY OF 11/ 1/89
 BOND YEARS 4,035.000
 AVERAGE COUPON 6.726
 AVERAGE LIFE 4.035
 N I C % 6.726394 % USING 100.0000000

REPORTS PREPARED BY: INB NATIONAL BANK

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES
\$1,000,000 SEVEN-YEAR NOTE
SEMI-ANNUAL PRINCIPAL AND INTEREST ON BONDS

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SOURCES AND USES OF FUNDS

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DELIVERY DATE: 11/ 1/89

SOURCES

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PAR AMOUNT OF BONDS.....	\$1,000,000.00	
+PREMIUM /-DISCOUNT.....	\$0.00	
BOND PROCEEDS.....		1,000,000.00

		\$1,000,000.00

USES OF FUNDS

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NET BOND PROCEEDS.....		985,000.00
UNDERWRITERS DISCOUNT (% or \$).....(1.100000%)...		11,000.00
TRUSTEE FEE (ESTIMATED).....		3,500.00
CONTINGENCY.....		500.00

		\$1,000,000.00

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