

MINUTES OF THE FINANCE COMMITTEE

November 14, 1991

The University of Southern Indiana Board of Trustees Finance Committee met in the Conference Center of the New Harmony Inn in New Harmony, Indiana, on Thursday, November 14, 1991. Present were Trustees Bruce Baker, J. David Huber, Joseph O'Daniel, and Robert Swan. Also attending were Vice Presidents Donald Bennett and Byron Wright and Assistant Vice President for Business Affairs Richard Schmidt.

Mr. Baker convened the meeting at 11:00 a.m. and called on Mr. Wright to report on agenda items for approval at the Board of Trustees meeting -- including health and dental insurance, Welborn HMO, and the flexible benefit plan. Mr. Wright explained that the University's contract year for health insurance will be changed from October - September to the calendar year, and the deductible will increase. He said that a wellness benefit will be added for this next year and that the lifetime benefit will increase from \$250,000 to \$1,000,000. Discussion followed on the University's health insurance.

Mr. Wright explained details of the flexible benefit plan. He said the University plans to expand the Section 125 Flexible Benefit Plan to include flexible spending accounts for unreimbursed health care, dependent care, and alternative insurance expenses for eligible employees who choose to participate. He added that participants could pay eligible expenses with before-tax dollars, lowering their taxable income and tax liability for federal, state and local income taxes and FICA taxes. Mr. Wright said the University would save its matching share of FICA taxes. Discussion followed on the flexible benefit plan.

Mr. Baker called on Assistant Vice President for Business Affairs Richard Schmidt to report on Health Professions Building financing options. Mr. Schmidt reported on four suggested options for obtaining needed capital to fund the construction costs of the project. Discussion continued on the four options -- using University funds, obtaining outside interim financing, issuing multiple bond issues, and issuing a single bond issue, along with advantages and disadvantages of each. Discussion followed on significant laws affecting financing of the Health Professions Building. Mr. Schmidt presented a draft requesting proposals for short-term financing. Mr. Wright said the University plans to make a recommendation for interim financing at the January Board meeting.

Mr. Wright reported on additional information that the University is considering including in its financial report. Discussion followed on financial ratios and data, enrollment and graduation data, and faculty data for inclusion in the annual report.

Mr. Baker reported to the committee on the University's athletic and recreational facilities. He said the University will lose its tennis courts when the Health Professions Building is constructed. Mr. Baker called on Dr. Bennett to report on the condition of the soccer field. Dr. Bennett said that the playing surface is in need of renovation. Mr. Baker expressed his concern about the field and requested proceeding with the renovation/maintenance of the field. Mr. Wright said that the University's engineers have completed a study for cost estimates on the renovation and the University is able to fund this project through the Student Activities Fees fund.

Mr. Baker and Mr. O'Daniel expressed their concerns about the University's increasing costs for retirees' health care coverage. Discussion followed on details of the University's current health care coverage for its retirees. Mr. O'Daniel requested that the University research retiree health care alternatives and project costs based on future enrollment and number of faculty members. In addition, Mr. Wright suggested that the Board review the University's current early retirement and retirement plans.

There being no further business, the meeting was adjourned at 12:40 p.m.