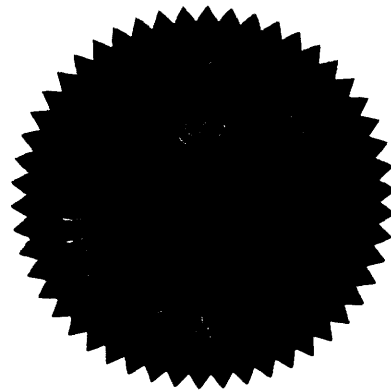


MINUTES
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

November 7, 1994



SECTION II - FINANCIAL MATTERS

A. ARCHITECT'S REPORT ON UNIVERSITY CENTER ADDITION PRELIMINARY DESIGN

The architectural firm of Veazey, Parrott, and Shoulders, Inc. presented revised schematic proposals for the design of the University Center addition. Cost estimates for these proposals also were presented. Architect Mr. Mike Shoulders presented Plan C to the Board, which designates the concourse on the outer edge and the service area on the west of the building. He added that docks will be located under the great hall and additional parking on the south, while the multi-purpose room is eliminated due to budget constraints. He said preliminary cost estimates total around \$4 million. Mr. Schmidt reported that the cost estimates and schematics will be finalized and development of the design phase will begin in January.

B. APPROVAL OF RESOLUTION TO AUTHORIZE THE CONSTRUCTION COMMITTEE TO AWARD CONTRACTS FOR CONSTRUCTION OF A STUDENT HOUSING BUILDING

State and local building permits and approvals have been received from the Indiana Administrative Building Council and the Vanderburgh County Area Plan Commission for the construction of a student housing building. Approvals for the construction and financing of this facility have also been received from the Indiana Commission for Higher Education and the State Budget Committee. Advertisement for construction contractors to bid on this project has been completed and the bid-opening date has been set for November 10, 1994, at 2:00 p.m. in the USI University Center, Room 353.

Because no action on this project has been required since the September, 1994, board meeting, the Construction Committee has not met.

On a motion by Mr. Huber, seconded by Mr. Combs, the following resolution was approved.

WHEREAS, the Board of Trustees of the University of Southern Indiana wishes to enhance the completion of the construction of the student housing building on a timely basis; and

WHEREAS, the construction bids will be received in November, 1994, and the next scheduled meeting of the Board of Trustees is not until January, 1995;

NOW, THEREFORE, BE IT RESOLVED that the Construction Committee appointed by the Chairman of the Board at the regular board meeting on September 1, 1994, is authorized to award a construction contract and to reject any or all bids on behalf of the Board of Trustees, after all bids have been received and reviewed by the Construction Committee and University officials, and

BE IT FURTHER RESOLVED that the Construction Committee will report its actions at the next scheduled meeting of the Board of Trustees.

C. APPROVAL OF RESOLUTION OF INTENT TO REIMBURSE STUDENT HOUSING BUILDING PLANNING AND CONSTRUCTION COSTS FROM BOND PROCEEDS

On a motion by Mr. Swan, seconded by Mrs. Torain, the following resolutions in both items C and D were approved.

WHEREAS, the University of Southern Indiana Board of Trustees (the "University") intends to acquire, construct, and equip a student housing building (the "Project"), as more specifically described in Exhibit II-A (the "Project"); and

WHEREAS, this Board of Trustees previously has expressed its intent to acquire, construct, equip, and plan the Project, and in particular on August 4, 1994, specifically approved the inclusion of the Project in its Capital Improvement Budget Request to the State of Indiana; and

WHEREAS, the Board of Trustees, by its approval, on July 7, 1994, of a request to construct student housing, evidenced its anticipation that the University would procure funding for the planning and project costs associated with the Project through issuance of tax-exempt debt (together with the expression of intent described in the preceding paragraph, the "Prior Approval"); and

WHEREAS, the University previously has incurred costs of planning and other preliminary costs (the "Planning Costs") for the Project and has advanced its own funds for those purposes; and

WHEREAS, the University intends to continue to incur Planning Costs and to reimburse itself for the Planning Costs for the Project and intends to begin to incur costs for the acquisition, construction, equipping, or rehabilitation of the Project (the "Project Costs") and to advance its own funds for the purposes with the intent to reimburse itself for those advances from the proceeds of tax-exempt debt; and

WHEREAS, the University intends to pay debt service on the tax-exempt debt incurred to reimburse such costs of the Project from rental revenues;

NOW, THEREFORE, BE IT RESOLVED that the University hereby affirms and ratifies its Prior Approval, as defined above, and affirms that the Prior Approval evidenced a declaration of intent to advance funds for Planning Costs for the Project and, where appropriate, to advance funds for Project Costs for the Project, all to be reimbursed with the proceeds of tax-exempt debt payable from the sources described above.

BE IT FURTHER RESOLVED, that the University hereby declares its official intent to plan, acquire, construct, and equip the Project; to advance its own funds to pay costs associated with those purposes; and to reimburse such project costs by issuing tax-exempt debt.

D. APPROVAL OF DECLARATION OF OFFICIAL INTENT TO REIMBURSE STUDENT HOUSING BUILDING EXPENSES

On a motion by Mr. Swan, seconded by Mrs. Torain, the resolutions in both items C and D were approved.

WHEREAS, the University of Southern Indiana (the "Corporation") intends to acquire, construct or rehabilitate, and equip a student housing building on the University campus at Evansville, including related site preparation for the building (the "Project"); and

WHEREAS, the Corporation reasonably expects to reimburse certain costs of the Project with proceeds of debt to be incurred by the Corporation; and

WHEREAS, the Corporation expects to issue debt of \$800,000, plus the costs of debt issuance, for the purpose of reimbursing costs of the Project; and

WHEREAS, the Corporation intends that this Declaration of Official Intent to Reimburse expenditures constitutes a declaration of official intent pursuant to Treas. Reg. S1.103-18 (1992);

NOW, THEREFORE, BE IT RESOLVED that the Corporation declares its official intent pursuant to Treas. Reg. S1.103-18 (1992) to acquire, construct or rehabilitate, and equip the Project; to reimburse certain costs of acquiring, constructing or rehabilitating, and equipping the Project with proceeds of debt of \$800,000 to be issued by the Corporation, plus the costs of debt issuance, for the purpose of reimbursing costs of the Project.

E. APPROVAL OF HEALTH PROFESSIONS BUILDING CHANGE ORDERS

A summary of change orders for the Health Professions Building is included in Exhibit II-B.

On a motion by Mr. O'Daniel, seconded by Mr. Combs, the Health Professions Building change orders in Exhibit II-B were approved.

F. APPROVAL OF BLUE CROSS/BLUE SHIELD GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC. DENTAL INSURANCE PREMIUM RATES

On a motion by Mrs. Torain, seconded by Mr. Auberry, the following rate schedules in both items F and G were approved.

The following Blue Cross/Blue Shield health insurance monthly premium rates have been quoted for a twelve-month period beginning January 1, 1995. The medical premium rates reflect no increase for 1995. The current premium rates have been in effect for the past two years. The existing plan provisions will remain in effect for the 1995 plan year.

The twelve-month renewal rates effective January 1, 1995, for Health Resources, Inc. dental insurance reflect a 7 percent rate increase for 1995. The rate increase is the result of increased utilization by USI employees and dependents and a 12.3 percent increase in dentists' fees, due to OSHA's infectious control mandates, effective January 1, 1994. The current HRI rates have not been increased for the past two years.

The 1995 insurance rates include a contribution for funding the liability for post-retirement benefits.

Blue Cross/Blue Shield and Health Resources, Inc. provide the primary health/dental insurance for 325 employees, dependents, and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits for single, family, and retiree coverage is 75 percent of the total premium.

1995 MONTHLY PREMIUM RATES

	<u>BC/BS MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>1995 TOTAL PREMIUM</u>	<u>1994 TOTAL PREMIUM</u>
Single	\$157.48	\$ 15.44	\$ 8.50	\$181.42	\$180.46
Family	402.57	39.60	22.00	464.17	461.53
Over 65 (Retired)	142.77	15.44	8.50	166.71	165.75

G. APPROVAL OF WELBORN HMO GROUP HEALTH INSURANCE AND HEALTH RESOURCES, INC. DENTAL INSURANCE PREMIUM RATES

On a motion by Mrs. Torain, seconded by Mr. Auberry, the rate schedules in both items F and G were approved

The University of Southern Indiana has offered Welborn HMO/Health Resources, Inc. as an alternative health/dental benefit program since October 1988. Welborn is administered locally and currently provides services to approximately 35,000 members in the local area.

The quoted premium rates effective for a twelve-month period beginning January 1, 1995, reflect an increase of 4.5 percent for single coverage, a 0.5 percent increase for family coverage, and an 8 percent increase for retiree coverage. There are no changes recommended to the existing benefit plan. Renewal rates for Welborn HMO are based on age, gender, plan design, and industry trend.

The twelve-month renewal rates effective January 1, 1995, for Health Resources, Inc. dental insurance reflect a 7 percent rate increase for 1995. The rate increase is the result of increased utilization by USI employees and dependents and a 12.3 percent increase in dentists' fees, due to OSHA's infectious control mandates, effective January 1, 1994. The current HRI rates have not been increased for the past two years.

The 1995 insurance rates include a contribution for funding the liability for post-retirement benefits.

Welborn HMO and Health Resources, Inc. provide the primary health/dental insurance coverage for 162 employees, dependents, and retirees. The University contribution for medical and dental coverage and for funding the liability for post-retirement benefits is equal to the amounts contributed for the Blue Cross/Blue Shield/Health Resources, Inc. plans.

1995 MONTHLY PREMIUM RATES

	<u>WELBORN MEDICAL PREMIUM</u>	<u>HRI DENTAL PREMIUM</u>	<u>POST- RETIREMENT CONTRIBUTION</u>	<u>1995 TOTAL PREMIUM</u>	<u>1994 TOTAL PREMIUM</u>
Single	\$162.00	\$ 15.44	\$ 8.50	\$185.94	\$177.98
Family	419.00	39.60	22.00	480.60	475.96
Over 65 (Retired)	140.26	15.44	8.50	164.20	152.84

H. REPORT ON THE IMPLEMENTATION OF A FUNDING VEHICLE FOR POST-RETIREMENT BENEFITS

William M. Mercer, a benefits consulting firm located in Indianapolis, Indiana, has been retained for the purposes of assisting the University in developing a funding methodology in order to implement a funding vehicle for the University's post-retirement benefits. William M. Mercer will assist in preparing a request for proposals to be sent to asset management services and in the selection of an asset manager.

The Finance Committee discussed the post-retirement funding requirements at its September 1994 meeting. Evaluation of the funding methodology and the selection of the asset manager will be reviewed with the Finance Committee. A discussion on the progress of the project to the full Board will be presented at the January 1995 meeting.

I. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

On a motion by Mr. Swan, seconded by Mr. Combs, the following budget appropriations, adjustments, and transfers were approved.

1. Additional Appropriations

From:	Unappropriated Current Operating Funds		
To:	1-10195	Southern Indiana Review Supplies & Expense	798
To:	1-10310	Biology Supplies & Expense	200
To:	1-10420	Health Professions Supplies & Expense	100
To:	1-10700	School of Business Supplies & Expense	560
To:	1-10200	School of Liberal Arts Supplies & Expense	755
To:	1-10220	Communications Repairs & Maintenance Capital Outlay	141 8,825
To:	1-10300	School of Science & Engineering Technology Capital Outlay	33,316
To:	1-10700	School of Business Capital Outlay	11,800
To:	1-10800	School of Education and Human Services Supplies & Expense	4,000
To:	1-13100	Media Services Capital Outlay	2,526
To:	1-13200	Library Services Capital Outlay	10,514
To:	1-14000	Student Services Personal Services	21
To:	1-14100	Intramurals Personal Services	47
To:	1-15000	Physical Plant Personal Services	75
To:	1-15700	Security Supplies & Expense	48

To:	1-14006	Student Life Capital Outlay	1,788
To:	1-14100	Recreation Personal Services Supplies & Expense	5,249 92
To:	1-15000	Physical Plant Capital Outlay	5,055
To:	1-15700	Security Capital Outlay	2,000
To:	1-16220	University Relations Personal Services	3,000
To:	1-16400	Development Supplies & Expense	10,000
From:	Unappropriated Designated Funds		
To:	2-20100	Student Programs Supplies and Expense	96
To:	2-23100	Faculty Development Travel Supplies & Expense	2,023
From:	Unappropriated Auxiliary Funds		
To:	3-30602	Athletics - Baseball Supplies and Expense Repairs and Maintenance	2,950 400
To:	3-30609	Athletics - Cross Country, Men Supplies and Expense	300
To:	3-30610	Athletics - Soccer Supplies and Expense	1,000
From:	Unappropriated Restricted Funds		
To:	4-45085	Economics Education 1994-95 Supplies and Expense	11,800
To:	4-46232	Faculty/Student Research - Professor Pitzer Supplies and Expense	600
To:	4-46233	Faculty/Student Research - Professor Nuwer Personal Services Supplies and Expense	408 83
To:	4-46324	Faculty/Student Research Professor Shaw - II Supplies and Expense	500

2. Transfer & Appropriation

From:	1-10100	General Instruction	
To:	2-22600	Distance Education Supplies and Expense	8,000


From:	2-22000	Extended Services Revolving Fund	
To:	2-22350	Extended Services Training Partnerships Supplies and Expense	1,000
From:	2-22400	TQM Contracts	
To:	2-22350	Extended Services Training Partnerships Supplies and Expense	1,000
From:	2-24200	Computer Maintenance Fund	
To:	1-10340	Chemistry Capital Outlay	17,376

3. Appropriation Transfers

From:	1-10100	General Instruction Capital Outlay	
To:	1-10120	Historic Southern Indiana Personal Services	2,000
		Supplies & Expense	5,150
To:	1-13200	Library Capital Outlay	5,000
To:	1-14002	Registrar Capital Outlay	7,540
From:	1-10200	School of Liberal Arts Capital Outlay	
To:	1-14002	Registrar Capital Outlay	2,000
From:	1-10820	Social Work Personal Services	
To:	1-10820	Social Work Supplies & Expense	1,272
From:	1-14000	Student Administrative Services Personal Services	
To:	1-14000	Student Administrative Services Supplies & Expense	1,272
From:	1-14100	Recreation and Building Capital Outlay	
To:	1-14100	Recreation and Building Supplies & Expense	2,431
		Repairs & Maintenance	349
From:	1-16220	University Relations Capital Outlay	
To:	1-14001	Admissions Capital Outlay	3,496
To:	1-16220	University Relations Supplies & Expense	259
From:	3-30613	Sports Medicine Supplies and Expense	
To:	3-30613	Sports Medicine Capital Outlay	1,898
From:	3-33100	McDonald Apartments General Repairs and Maintenance	
To:	3-33500	O'Daniel Apartments General Repairs and Maintenance	15,000

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Thomas McKenna', written over a horizontal line.

Thomas McKenna, Secretary

Description of the Project

The Project consists of acquiring, constructing, and equipping of a 16-unit, two-bedroom student residence building on the University of Southern Indiana campus at Evansville and related site preparation for the building.

The design of the building will be identical to the existing buildings constructed in the Campus Apartment Student Housing Complex. The size of the building is projected to be approximately 12,000 gross square feet. Each unit will include two bedrooms, two baths, a living room, and a kitchen, and will house four students.

#90127
University of Southern Indiana
Health Professions Building

SUMMARY OF CHANGE ORDERS

I. GENERAL AND EQUIPMENT CONSTRUCTION

CONTRACTOR: Peyronnin Construction Company, Inc.

NO.	DESCRIPTION	AMOUNT
CO #GE-9 Item 1	Provide additional labor and materials to enlarge slab blockouts at Columns 4 through 6D from 2' x 2' to 3' x 3'.	\$ 1,660
Item 2	Provide footings over excavations and additional concrete due to poor existing soil bearing at Power Plant addition.	\$ 428
Item 3	Provide additional structural angles required for the exterior cold-formed framing system.	\$12,674
Item 4	Provide additional equipment rental and work for the connector tunnel to accommodate relocation of the existing electrical manhole and existing structures.	\$ 6,622

II. MECHANICAL CONSTRUCTION

CONTRACTOR: Goedde Plumbing and Heating, Inc.

NO.	DESCRIPTION	AMOUNT
CO #M-3 Item 1	Provide additional labor and materials required to relocate the existing fire hydrant located at the southwest corner of the Health Professions Building.	\$ 1,750

III. ELECTRICAL CONSTRUCTION

CONTRACTOR: Sterling Boiler and Mechanical, Inc.

NO.	DESCRIPTION	AMOUNT
CO #E/B-3 Item 1	Provide two (2) additional starters for two fan coils (for H.V.A.C. Units in rooms.)	\$ 868

The contract sum is increased by these change orders in the total amount of \$24,002.