

REVISED
AGENDA

FINANCE/AUDIT COMMITTEE

UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

May 5, 2006

1. REPORT ON VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION (VEBA) TRUST FUND

Neil Heppler, Principal with Asset Performance Partners, will present a report on the performance of the VEBA Trust Fund.

2. APPROVAL OF RESOLUTION FOR FINANCING THE RECREATION AND FITNESS CENTER EXPANSION – PHASE II

Authorization to borrow \$7,250,000 to build an addition to the Recreation and Fitness Center was received from the 2005 Indiana General Assembly.

At its meeting on November 2, 2005, the Board of Trustees approved an authorizing resolution for Phase II of the Recreation and Fitness Center, which included authorization for the Finance/Audit Committee to evaluate the results of investment banking proposals; accept or reject all proposals; approve all financing plans on behalf of the Board of Trustees; and inform the Board of its actions.

At its meeting on January 12, 2006, the Finance/Audit Committee selected Old National Bank to provide the University with investment banking services to develop a financing plan for the Phase II addition to the Recreation and Fitness Center.

The project was reviewed and approved by the Commission for Higher Education at its meeting on March 10, 2006, and authorization of the project by the State Budget Committee is anticipated at its meeting on April 28, 2006.

Approval of the resolution (Attachment A) detailing the specific arrangements for financing the Recreation and Fitness Center Expansion – Phase II is recommended.

Following approval of the Board of Trustees, the financing package will be submitted to the State Budget Director and the Indiana Financing Authority for approval.

3. REVIEW OF RECOMMENDATION OF REQUEST FOR GENERAL REPAIR AND REHABILITATION FUNDS

The following request will be reviewed and is recommended for approval by the Board of Trustees at its meeting on May 5, 2006.

The 2005 Indiana General Assembly appropriated \$400,414 to the University for Repair and Rehabilitation projects for fiscal year 2006-2007.

The 2006 Indiana General Assembly appropriated an additional \$1,225,670 to the University to be used for Repair and Replacement projects in fiscal year 2006-2007. The projects to be funded by the combined \$1,626,084 in appropriation are:

| | |
|--|---------------|
| Replace high temperature water (HTW) system pumps | \$ 50,000 |
| Renovate Forum I lecture hall | 350,000 |
| Upgrade parking lot and street lighting | 100,000 |
| Renovate Physical Activities Center restrooms/corridors/classrooms | 150,000 |
| Renovate selected Science Center laboratories (Phase 1) | 500,000 |
| Renovate Wright Administration Building hallways, stairs (Phase 2) | 200,000 |
| Renovate Wright Administration Building interior courtyard and patio (Phase 2) | 150,000 |
| Rehabilitate building exteriors in New Harmony | 75,000 |
| Repair walkways (Phase 2) | <u>51,084</u> |
| | \$ 1,626,084 |

Authorization of the request for general repair and rehabilitation funds allows President Hoops to request the Indiana Commission for Higher Education, the State Budget Committee, and the Governor of the State of Indiana to release the appropriated funds for the previously noted projects.

4. RECOMMENDATION TO APPROVE PROPOSED MISCELLANEOUS FEES FOR 2006-2007

Miscellaneous Fees are those fees (other than the Contingent, Academic Facilities, Student Services, and Technology Fees) that are charged to some, but not necessarily all, students in the course of their attendance. Examples include, but are not limited to, Laboratory Fees, Parking Fees, and Late Registration Fees. A schedule of proposed Miscellaneous Fees is in Attachment B.

Approval of a recommendation to the Board of Trustees for approval of the proposed Miscellaneous Fees for 2006-2007 (Attachment B) is recommended.

NOTE: IC 20-12-1-12, as added by P.L..246-2005, SEC.123, passed by the 2005 Indiana General Assembly, requires state universities in Indiana to approve Mandatory Fees, ("Tuition"), such as the Contingent, Academic Facilities, Student Services, and Technology Fees, for a two-year period. Institutions must set those rates on or before May 30 of any odd-numbered year. The Mandatory Fee rates for 2005-2006 and 2006-2007 were approved by the USI Board of Trustees at its meeting in July 2005. Attachment C details those rates and is included for reference.

RESOLUTION OF THE FINANCE/AUDIT COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTHERN
INDIANA
FOR FINANCING THE STUDENT RECREATION AND FITNESS CENTER
EXPANSION – PHASE II

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has determined that a necessity exists to consider financing the acquisition, construction, expansion, renovation, rehabilitation and/or equipping of an expansion of the existing student recreation and fitness center on the University's Evansville campus, as well as related site preparation and other improvements and renovations (the "Project"); and

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has full power and authority under and by virtue of the laws of the State of Indiana, including, more particularly, the provisions of the Indiana Code 20-12-6, to issue bonds secured by Student Fees to finance and refinance academic and building facilities on its Evansville Campus; and

WHEREAS, by resolution dated November 2, 2005, the Board approved the Project and delegated to the Finance/Audit Committee (the "Committee") of the Board the authority to review and approve the recommendations of the Treasurer and to approve the financing of the Project; and

WHEREAS, the Treasurer has investigated, developed, evaluated and presented a plan of financing to the Committee; and

WHEREAS, the Committee desires to approve the plan of financing presented by the Treasurer; and

WHEREAS, there has now been submitted to the Committee a form of Bond Purchase Agreement (the "Bond Purchase Agreement"), a form of the University's Series 2006 Junior Lien Bond (the "Bond") and a form of ISDA Master Agreement in connection with the issuance of the Bonds in an aggregate principal amount not to exceed \$7,250,000.00, which financing and refunding have been approved by the State Budget Agency of the State of Indiana; and

WHEREAS, the University intends to acquire, construct, equip, renovate and/or rehabilitate the Project, and reasonably expects to reimburse certain costs of the Project with proceeds of debt to be incurred by the University; and

WHEREAS, the University expects to issue debt not exceeding \$7,250,000 in aggregate principal amount for purposes of financing, refinancing, and reimbursing costs of the Project;

NOW, THEREFORE, BE IT RESOLVED by this Committee as follows:

1. The University hereby declares and reaffirms its official intent to acquire, construct, equip and/or rehabilitate the Project described in Exhibit A; to reimburse certain costs of acquiring, constructing, equipping and/or rehabilitating the Project with proceeds of debt to be incurred by the University; and to issue debt not exceeding \$7,250,000 in aggregate principal amount for purposes of financing, refinancing, or reimbursing costs of the Project.
2. The plan of financing is hereby approved with respect to the financing of the Project.
3. The issuance of the Bond by the University on the terms and conditions set forth in the Bond Purchase Agreement is hereby authorized in the total principal amount not to exceed the sum of \$7,250,000 for the financing of the Project. The Bond shall bear interest at a variable rate per annum as set forth in the Bond Purchase Agreement. The final maturity of the Bond shall not extend beyond June 1, 2028, and shall be subject to prior redemption and to periodic payment in quarterly principal installments as set forth in the Bond Purchase Agreement. The Bond shall be sold pursuant to the Bond Purchase Agreement at negotiated sale to Old National Bank, as the sole purchaser.
4. The Bond Purchase Agreement is approved in substantially the form submitted to this Committee and is made a part of this Resolution as if set forth fully herein. The Chair, Vice Chair, Treasurer, or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the form submitted to the Board, with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.
5. The ISDA Master Agreement is approved in substantially the form submitted to the Committee and is made a part of this Resolution as if set forth fully herein. The Chair, Vice Chairs, Treasurer, or Assistant Treasurer of the University, or any of them, is hereby authorized to execute and deliver the ISDA Master Agreement in substantially the form presented to the Committee, together with necessary supplemental or confirming schedules and documents with those changes in form or substance that the officers executing that document shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.
6. The Treasurer or Assistant Treasurer is hereby authorized to prepare the form of Bond, as approved by the Committee, in accordance with this Resolution, required for use in the issuance of the Bond, and to cause the same to be executed manually or by facsimile by the proper officers of the University as provided in the Bond Purchase Agreement. Upon execution of the Bond, the Treasurer or

Assistant Treasurer shall deliver the Bond, upon payment of the Initial Advance, to the purchaser thereof.

7. The Chair, Vice Chairs, Treasurer, Assistant Treasurer, Secretary, and Assistant Secretary of the University are, and each of them is, hereby authorized and directed to do any and all further acts and things necessary underlying execution and delivery of such additional or supporting agreements, documents or certificates as may be requested or necessary in order to complete the transaction contemplated by the Bond Purchase Agreement, ISDA Master Agreement, and related documents hereby authorized.

MISCELLANEOUS FEES FOR 2006-2007

| | Current Fee | Proposed Fee | Effective Date |
|---|------------------------|-------------------------|---------------------------|
| Application Fee | 25.00 | 25.00 | 08/28/06 |
| Audit Fee (Plus applicable Lab Fee) | 35.00 | 35.00 | 08/28/06 |
| Change of Schedule | 15.00 | 0.00 | 07/01/06 |
| Computer Lab Fee | 35.00 | 35.00 | 08/28/06 |
| Departmental Exams | 15.00 | 15.00 | 08/28/06 |
| Distance Education Fee (Learning Center Fee, per credit hour) | 25.00 | 25.00 | 08/28/06 |
| Distance Education Delivery Fee (Per credit hour) | 10.00 | 10.00 | 08/28/06 |
| Distance Education Supply Fee | 100.00 | 100.00 | 08/28/06 |
| Health Professions Insurance | 15.00 | 15.00 | 08/28/06 |
| Health Services Fee | 40.00 | 40.00 | 08/28/06 |
| Laboratory Fee (College of Science and Engineering) | 45.00 | 45.00 | 08/28/06 |
| Laboratory Fee (All other colleges) | 35.00 | 35.00 | 08/28/06 |
| Late Registration Fee - Week 1 | 25.00 | 30.00 | 07/01/06 |
| Late Registration Fee - Beginning Week 2 | 00.00 | 125.00 | 07/01/06 |
| Matriculation Fee | 65.00 | 65.00 | 08/28/06 |
| Nursing Test Fee | 30.00 | 30.00 | 08/28/06 |
| Occupational Therapy Clinical Fee | 50.00 | 50.00 | 08/28/06 |
| Payment Plan Fee | 30.00 | 30.00 | 08/28/06 |
| Payment Plan Late Fee | 25.00 | 25.00 | 08/28/06 |
| Physical Education | 20.00 | 25.00 | 07/01/06 |
| Respiratory Therapy Advanced Life Support Fee | 100.00 | 100.00 | 08/28/06 |
| Special Course Fee (Varies by course; maximum amount) | 200.00 | 200.00 | 08/28/06 |
| Student Activity Fee (Non-mandatory) | 25.00 | 25.00 | 08/28/06 |
| Studio Fee | 35.00 | 35.00 | 08/28/06 |
| Study Abroad Fee | 100.00 | 100.00 | 08/28/06 |
| Transportation & Parking Fee (8 or more credit hours per semester) | 40.00 | 45.00 | 07/01/06 |
| Transportation & Parking Fee (More than 3 and fewer than 8 credit hours per semester) | 32.00 | 36.00 | 07/01/06 |
| Transportation & Parking Fee (3 or fewer credit hours) | 24.00 | 27.00 | 07/01/06 |
| Transportation & Parking Fee (Per summer session) | 16.00 | 18.00 | 07/01/06 |

SCHEDULE OF STUDENT FEES AND OTHER MANDATORY FEES
2005-2006 and 2006-2007

STUDENT FEES 2005-2006

| | <u>UNDERGRADUATE*</u> | | <u>GRADUATE*</u> | |
|---------------------|------------------------------|---------------------|-------------------------|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Contingent | \$ 97.70 | \$ 97.70 | \$ 161.65 | \$ 161.65 |
| Academic Facilities | 25.00 | 25.00 | 25.00 | 25.00 |
| Student Services | 13.75 | 13.75 | 13.75 | 13.75 |
| Technology | 5.00 | 5.00 | 5.00 | 5.00 |
| Non-Resident | | 195.80 | | 200.25 |
| Total | <u>\$ 141.45</u> | <u>\$ 337.25</u> | <u>\$ 205.40</u> | <u>\$ 405.65</u> |

STUDENT FEES 2006-2007

| | <u>UNDERGRADUATE*</u> | | <u>GRADUATE*</u> | |
|---------------------|------------------------------|---------------------|-------------------------|---------------------|
| | <u>Resident</u> | <u>Non-Resident</u> | <u>Resident</u> | <u>Non-Resident</u> |
| Contingent | \$ 103.65 | \$ 103.65 | \$ 170.85 | \$ 170.85 |
| Academic Facilities | 25.00 | 25.00 | 25.00 | 25.00 |
| Student Services | 15.00 | 15.00 | 15.00 | 15.00 |
| Technology | 5.00 | 5.00 | 5.00 | 5.00 |
| Non-Resident | | 205.70 | | 210.30 |
| Total | <u>\$ 148.65</u> | <u>\$ 354.35</u> | <u>\$ 215.85</u> | <u>\$ 426.15</u> |

OTHER MANDATORY FEES

| | |
|--|----------|
| University Services Fee (8 or more credit hours per semester) | \$ 30.00 |
| University Services Fee (more than 3 and fewer than 8 credit hours per semester) | \$ 22.75 |
| University Services Fee (3 or fewer hours per semester) | \$ 10.00 |
| University Services Fee (summer) | \$ 10.00 |

* Per semester credit hour.