

**AGENDA**  
**JOINT MEETING**  
**FINANCE AND CONSTRUCTION COMMITTEES**

**UNIVERSITY OF SOUTHERN INDIANA**  
**BOARD OF TRUSTEES**

January 10, 2002

**(CONSTRUCTION COMMITTEE)**

**1. REVIEW OF PROPOSALS FROM ARCHITECTURAL FIRMS INTERESTED IN PROVIDING ARCHITECTURAL AND DESIGN SERVICES FOR THE LIBRARY EXPANSION PROJECT**

At its meeting on November 29, 2001, the Construction Committee selected five architectural firms for further consideration for the Library Expansion Project. Proposals received from the five firms will be reviewed.

**2. INFORMATION ITEM: REPORT OF CHANGE ORDERS ISSUED BY THE VICE PRESIDENT FOR BUSINESS AFFAIRS (Attachment A)**

**(FINANCE COMMITTEE)**

**3. UPDATE ON THE SALE OF SERIES H STUDENT FEE BONDS TO FINANCE THE CONSTRUCTION OF THE SCIENCE AND EDUCATION CENTER (Attachments B and C)**

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

**5. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS (Attachment D)**

Approval of the budget appropriations, adjustments, and transfers in Attachment B is recommended.

**Report to University of Southern Indiana Board of Trustees  
January 10, 2002**

**Change Orders Issued by the Vice President for Business Affairs**

On September 6, 2001, the Board of Trustees adopted a procedure related to changes in construction contracts which included the following: "Change orders up to \$25,000 may be issued by the Vice President for Business Affairs and reported to the Board of Trustees at its next meeting." Consistent with that policy, the following change orders have been issued.

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**PROJECT:** Miscellaneous Improvements Related to the Construction of the Science and Education Center

	<u>Description</u>	<u>Contractor</u>	<u>Amount</u>
2.10	Install two additional curb inlets along Bent Twig Lane, one on north end of road and one near the Liberal Arts Center, to eliminate water ponding on road	Deig Brothers Lumber & Construction Co.	\$3,769.00

**UNIVERSITY of SOUTHERN INDIANA**  
**Series H Bonds - New Project**

**SOURCES**

Bond Proceeds	
Serial Bonds	\$9,095,000
Term Bonds	<u>16,165,000</u>
<b>Par Amount of Bonds</b>	<b>\$25,260,000</b>
Accrued Interest	94,985
Bond Premium	<u>115,027</u>
<b>Total Sources</b>	<b>\$25,470,012</b>

**USES**

Project Fund	\$23,176,000
Capitalized & Accrued Interest	1,987,903
Cost of Issuance	121,500
Bond Insurance Premium	102,112
Underwriter's Discount	82,095
Other	<u>402</u>
<b>Total Uses</b>	<b>\$25,470,012</b>

Estimated annual new debt service \$2,000,000.

<b><u>TIC</u></b>	<b><u>All-in TIC</u></b>	<b><u>Arbitrage Yield</u></b>
4.972%	5.087%	4.961%

**NEW ISSUE**  
**BOOK-ENTRY-ONLY**

**CREDIT RATINGS**  
Moody's: Aaa  
Fitch: AAA

*In the opinion of Ice Miller, Indianapolis, Indiana, interest on the Series H Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986 for federal income tax purposes under existing laws, regulations, judicial decisions and rulings. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Ice Miller, Indianapolis, Indiana, interest on the Series H Bonds is exempt from income taxation in the State of Indiana under existing laws, regulations, judicial decisions and rulings. See "TAX MATTERS," "ORIGINAL ISSUE DISCOUNT" and "AMORTIZABLE BOND PREMIUM" herein.*

**\$25,260,000**

**UNIVERSITY OF SOUTHERN INDIANA**  
**University of Southern Indiana Student Fee Bonds, Series H**

**Dated: November 15, 2001**

**Due: October 1, as shown below**

The Series H Bonds are issuable only as fully registered bonds, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series H Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series H Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Series H Bonds. Interest on the Series H Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2002. Such interest, together with the principal of the Series H Bonds, will be paid directly to DTC by Old National Trust Company, as trustee and bond registrar, as described herein, so long as DTC or its nominee is the registered owners of the Series H Bonds. The final disbursement of such payments to the Beneficial Owners of the Series H Bonds will be the responsibility of DTC, the Direct Participants and the Indirect Participants, all as defined and more fully described herein. See "DESCRIPTION OF THE SERIES H BONDS — Book-Entry-Only System."

Payment of the principal of and interest on the Series H Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Series H Bonds.

The Series H Bonds are subject to mandatory sinking fund redemption prior to maturity as described in this Official Statement. The Series H Bonds are subject to optional redemption prior to maturity as described in this Official Statement.

The Series H Bonds are being issued pursuant to resolutions adopted by and actions authorized by the University of Southern Indiana (the "Corporation") and a Trust Indenture dated as of November 1, 1985, as supplemented and amended (the "Indenture"), entered into by the Corporation and the Trustee for the purpose of financing a certain new project of the Corporation and refinancing interim indebtedness incurred by the Corporation in connection with such project, all as further described herein.

The Series H Bonds, which are issued on a parity with the Series D Bonds, the Series E Bonds, the Series F Bonds and the Series G Bonds (each as defined herein), are limited obligations of the Corporation secured by and payable solely from a pledge of and first lien on Student Fees as provided in the Indenture and moneys on deposit in certain funds established under the Indenture. The Series H Bonds are not a general obligation debt or liability of the Corporation or the State of Indiana, and no recourse shall be had for the payment of the principal or of interest on the Series H Bonds against the State of Indiana, the Corporation, or against the property or funds of the Corporation or the State of Indiana, except to the extent of the pledge of Student Fees and of the funds pledged under the Indenture for payment of the Series H Bonds. See "SECURITY OF THE BONDS."

**AMOUNTS, MATURITIES, INTEREST RATES AND PRICES**

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Price</u>
\$ 855,000	10/01/2003	3.50%	101.534	\$1,045,000	10/01/2008	4.25%	100.581
885,000	10/01/2004	3.50	101.222	1,090,000	10/01/2009	4.25	99.797
920,000	10/01/2005	3.75	101.269	1,145,000	10/01/2010	5.00	104.406
955,000	10/01/2006	4.00	101.435	1,200,000	10/01/2011	4.50	100.072
1,000,000	10/01/2007	5.00	105.495				

\$5,480,000, 5.50% Term Bonds due October 1, 2015 Price 104.696

\$10,685,000, 5.00% Term Bonds due October 1, 2021 Price 97.176

*This cover page contains information for reference only and is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.*

*The Series H Bonds are offered when, as and if issued by the Corporation and received by the Underwriter, subject to withdrawal or modification of the offer without notice, and to the approval of legality by Ice Miller, Indianapolis, Indiana, Bond Counsel. Ice Miller, Indianapolis, Indiana, also serves as Disclosure Counsel. Certain legal matters will be passed upon for the Corporation by its counsel, Kahn, Dees, Donovan & Kahn, LLP, Evansville, Indiana. It is expected that the Series H Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about December 13, 2001.*

**Banc One Capital Markets, Inc.**

Date: December 5, 2001

**BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS**

**1. Additional Appropriation of Income**

From:	Unappropriated Current Operating Funds		
To:	1-10170	USI Theatre Supplies and Expense	50
To:	1-10200	School of Liberal Arts Supplies and Expense	167
To:	1-10230	English Supplies and Expense	2,630
To:	1-10700	School of Business Supplies and Expense	1,497
To:	1-10740	Information Systems and Business Education Personal Services	3,125
To:	1-10750	Economics and Finance Personal Services	6,250
To:	1-13300	Instructional Technology Services Capital Outlay	15,371
To:	1-16221	Art Committee Supplies and Expense	1,295
To:	1-16415	Volunteer Services Supplies and Expense	2,000
From:	Unappropriated Designated Funds		
To:	2-21105	Student Activity Fee Supplies and Expense	13,526
To:	2-23100	Faculty Development Travel Supplies and Expense	4,039
To:	2-23130	Faculty Enhancement – School of Science and Engineering Technology Supplies and Expense	3,328
To:	2-23180	Faculty Enhancement – School of Education and Human Services Personal Services Supplies and Expense	683
From:	Unappropriated Auxiliary Funds		
To:	3-30200	University Center Supplies and Expense	2,888
To:	3-30603	Men's Tennis Supplies and Expense	240

To:	3-30605	Women's Basketball Supplies and Expense	1,500
To:	3-30615	Women's Cross Country Supplies and Expense	390
To:	3-30617	Women's Golf Supplies and Expense	3,750
From:	Unappropriated Restricted Funds		
To:	4-45082	USI Center for Economic Education Supplies and Expense	5,000
To:	4-46410	Advanced Education Nurse Traineeships Supplies and Expense	29,221
To:	4-46435	Welborn Foundation - Employee Lifestyle Program Personal Expenses Supplies and Expense	39,960 25,040
To:	4-46837	Indiana Humanities Council - Landscape Preservation Seminar Supplies and Expense	2,000
To:	4-46838	National Park Service - Lenz House Garden Project Supplies and Expense	3,336

**2. Transfer and Appropriation of Funds**

From:	2-24600	Employee Benefit Revolving Fund	
To:	3-36010	Fitness Center Programming  Supplies and Expense	10,054