

UNIVERSITY OF SOUTHERN INDIANA

BOARD OF TRUSTEES

FINANCE COMMITTEE MEETING

May 4, 1993

The Board of Trustees Finance Committee Meeting was brought to order at 3:05 P.M. C.S.T. via Suvon Conference Connection.

Members present were: Charles Combs, Bruce Baker, Joseph O'Daniel, Robert Swan, Smith Barney representative Jim Pass, and University of Southern Indiana staff members, Richard Schmidt, Byron Wright and Steve Helfrich.

Jim Pass discussed Smith Barney's plans regarding the financing of the Health Professions Building. Discussion of the plans followed.

Mr. Swan moved that the attached resolution, Attachment A, be recommended for approval by the Board. Mr. O'Daniel seconded the motion. The motion was passed.

Steve Helfrich presented proposed change orders to the construction contracts for the Health Professions Building. These change orders are summarized in Attachment B.

Mr. O'Daniel moved that the change orders be approved. Mr. Swan seconded the motion. The motion was passed.

Mr. Schmidt informed the committee of the University plan to move the Perry Township School No. 3 Building, which is in the path of the Overpass Project, to the University. Renovations will be made at a later date. A resolution to accept the gift of the building from the Westwood Garden Club will be presented to the Board on Saturday.

The University received a claim from the parents of Robert Butler, the young man who fell to his death at the University Center while attending a wedding reception in October, 1992. The letter has been sent to the University Attorney and Insurance Company.

Mr. Schmidt discussed staff salary increases for the fiscal year 1993-94. Proposed salary increases will be presented as part of the operating budget at the July Board meeting.

The meeting was adjourned by Mr. Combs at 3:45 P.M.

Respectfully submitted,



Richard W. Schmidt  
Acting Secretary

RWS/tlm

cc: Finance Committee Members

May 3, 1993 - 1st DRAFT

**RESOLUTION OF THE BOARD OF TRUSTEES  
THE UNIVERSITY OF SOUTHERN INDIANA AUTHORIZING  
THE ISSUANCE OF ITS TAXABLE STUDENT FEE BONDS, SERIES C  
AND ITS STUDENT FEE BONDS, SERIES D**

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has heretofore determined that a necessity exists to (i) currently refund its Student Fee Bonds, Series A (the "Series A Bonds") in the original principal amount of \$6,230,000 dated November 1, 1985, (ii) advance refund its Student Fee Bonds, Series B (the "Series B Bonds") in the original principal amount of \$8,775,000 dated November 1, 1988, (iii) refinance its Promissory Note dated January 22, 1992 (the "1992 Note") in the principal amount of \$9,000,000 (the refunding of the Series A Bonds and Series B Bonds and refinancing of the 1992 Note referred to collectively as the "Refunding"), and (iv) finance the completion of construction of the Health Professions Building and related site preparation and the expansion of the central campus boiler and chiller plant (the "Project"); and

WHEREAS, the financing of the Refunding and the Project has been authorized by the Indiana General Assembly in Section \_\_\_ of Public Law No. \_\_\_, \_\_\_ Acts of the Indiana General Assembly; and

WHEREAS, the University has previously entered into a Trust Indenture dated as of November 1, 1985 (the "Indenture") with The Merchants National Bank of Terre Haute, as Trustee, pursuant to which it has authorized the issuance of and has issued its Series A Bonds; and

WHEREAS, the University has previously entered into, as a supplement to the Indenture, a First Supplemental and Amendatory Indenture dated as of November 1, 1988 (the "First Supplemental Indenture") with The Merchants National Bank of Terre Haute, as Trustee, pursuant to which it has authorized the issuance of and has issued its Series B Bonds; and

WHEREAS, the University has previously entered into a Loan Agreement dated as of January 1, 1992 (the "Loan Agreement") with Fifth Third Bank of Central Indiana, pursuant to which it issued the 1992 Note; and

WHEREAS, the Board now desires to investigate the possibility of issuing additional bonds pursuant to the Indenture to finance the Refunding and a portion of the costs of the Project; and

WHEREAS, the Board now desires to authorize the Treasurer of the University (the "Treasurer") to investigate, develop and evaluate a proposed plan (the "Plan of Financing") for

submission to the <sup>Finance</sup> Executive Committee of the Board (the "Committee") to finance the Refunding and the Project and to obtain any further approvals required for such Plan of Financing;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Treasurer is hereby authorized to investigate, develop and evaluate a Plan of Financing and to present that Plan of Financing for approval to the Committee.

Section 2. The Board hereby authorizes the Committee to approve the Plan of Financing or a portion thereof and to authorize the execution and delivery of the University of Southern Indiana Student Fee Bonds, in one or more series (the "Bonds") and the documents referred to in Sections 3, 4, 5, 6, 7 and 8 hereinafter, provided that the following conditions are met:

- (a) The total amount of the Bonds shall not exceed the sum of
  - (i) \$ \_\_\_\_\_ for the Project,
  - (ii) \$ \_\_\_\_\_ for the Refunding,
  - (iii) amounts necessary to pay costs of issuance and other costs incidental to the issuance of the Bonds, including interest during the construction period, and up to six months beyond the expected completion date of the Project,
  - (iv) amounts necessary, if any, to pay costs of bond insurance or debt service reserve surety bonds,
  - (v) underwriters' and original issue discount, if any, as permitted by law and Section 7 hereof,
  - (vi) any amounts necessary to provide for a debt service reserve fund.
- (b) The Bonds shall be sold at a rate or rates fixed to maturity producing a true interest cost of \_\_\_% per annum or less; and
- (c) The final maturity on the Bonds shall not extend beyond \_\_\_\_\_.

Section 3. Subject to the conditions in Section 2 hereof, the Chairman or Vice Chairman of the University, or either of them, is hereby authorized to execute and deliver a Bond Purchase Agreement in substantially the form approved by the Committee, with those changes that the officers so executing shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Subject to the conditions in Section 2 hereof, the Chairman or Vice Chairman of the University, or either of them, is hereby authorized to execute and deliver, and the

Secretary or Assistant Secretary of the University, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on a Second Supplemental and Amendatory Indenture (the "Second Supplemental Indenture") and a Third Supplemental Indenture (the "Third Supplemental Indenture") (together with the First Supplemental Indenture, the "Supplemental Indentures"), which supplements and amends the Indenture, in substantially the form approved by the Committee, with those changes that the officers so executing shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Subject to the conditions in Section 2 hereof, the Chairman or Vice Chairman of the University, or either of them, is hereby authorized to execute and deliver, and the Secretary or Assistant Secretary of the University, or either of them, is hereby authorized to attest the signature of and to imprint the corporate seal of the University on an Escrow Deposit Agreement (the "Escrow Agreement"), in substantially the form approved by the Committee, with those changes that the officers so executing shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Subject to the conditions in Section 2 hereof, the Treasurer is hereby authorized to distribute or to direct the underwriters of the Bonds to distribute a preliminary Official Statement, in substantially the form approved by the Committee, to prospective purchasers of the Bonds and to deem as final for purposes of applicable SEC rules any official statement.

Section 7. Subject to the conditions in Section 2 hereof, the Treasurer is hereby authorized to execute and deliver the form of any final Official Statement as approved by the Committee, with those changes that the Treasurer shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. Subject to the conditions in Section 2 hereof, the Treasurer is hereby authorized to prepare forms of the Bonds as approved by the Committee and to cause the same to be executed by the proper officers of the University as provided in the Supplemental Indentures and the Indenture. Upon execution of the Bonds, the Treasurer shall deliver the Bonds to the Trustee for authentication, and upon their authentication, the Treasurer is authorized and directed to deliver the Bonds to the purchasers thereof upon payment of the purchase price, which price shall reflect the underwriters' discount of not more than \_\_\_%, and an original issue discount, if any, as permitted by law.

Section 9. Subject to the conditions in Section 2 hereof, the Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary of the University are, and each of them is, hereby authorized and directed to perform any and all further acts, to execute any and all further documents (including a rebate agreement) or certificates and to publish any notice required to complete the execution and delivery of the Bonds, the Second Supplemental Indenture, the Third Supplemental Indenture, the Escrow Agreement, the Bond Purchase Agreement, the Official Statement and other matters referred to herein.

Section 10. The Board hereby appoints as underwriters for the Bonds and for all other bonds subject to the Plan of Financing to be developed by the Treasurer, pursuant to Section 1 hereof, the underwriters listed in Exhibit A attached hereto.

UNIVERSITY OF SOUTHERN INDIANA

By: \_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 1993

**EXHIBIT A**

**Underwriters**

**Smith Barney, Harris Upham & Co., Inc.  
Raffensperger, Hughes & Co., Inc.**

**UNIVERSITY OF SOUTHERN INDIANA  
THE HEALTH PROFESSIONS BUILDING**

**SUMMARY OF CHANGE ORDERS**

**I. GENERAL AND EQUIPMENT CONSTRUCTION - Contracts No. 1 and No. 4**

**CONTRACTOR: PEYRONNIN CONSTRUCTION COMPANY, INC.**

<b>NO.</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>STATUS</b>
CO #GE-1	Cost reductions negotiated with General Contractor	-\$244,700	Executed
CO #GE-2	Additional basement space of approximately 23,700 S.F.	\$429,463	Pending approval
CO #GE-3	Miscellaneous Changes and Revisions:		
	<i>Item No. 1</i> - Changes to the existing storm sewer and manhole at the Physical Plant site required by existing field conditions.	3,010	
	<i>Item No. 2</i> - Raising footing drain system around basement level per Contractor's proposal.	-(3,025)	
	<i>Item No. 3</i> - Providing additional drainage under basement floor per Owner's request.	5,200	
	<i>Item No. 4</i> - Revision to floor beam size at first floor required by structural shop drawings review.	2,520	
	<i>Item No. 5</i> - Revision to lightgauge framing at exterior wall of large lecture room required by structural engineering review.	3,827	

USI - #90127  
 Summary of Change Orders  
 Page 2

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**CONTRACTOR: PEYRONNIN CONSTRUCTION COMPANY, INC.**

NO.	DESCRIPTION	AMOUNT	STATUS
	<i>Item No. 6</i> - Providing concrete haunch for Column C-50 and detail revision at canopy beam to fit construction condition.	1,706	
	<i>Item No. 7</i> - Providing storm drain pipe and downspout boots at the building's south entrance.	2,233	
	<i>Item No. 8</i> - Remove existing storm clay tile under Physical Plant addition and replace with PVC pipe.	3,267	
	<i>Item No. 9</i> - Delete dampproofing on the edges of stone panels that will receive sealant joint treatment.	-(3,354)	
	<i>Item No. 10</i> - Changes to laboratory casework requested by the Center for Medical Education.	<u>3,886</u>	
	TOTAL CO #GE-3	<b>\$19,270</b>	Pending approval

**II. MECHANICAL CONSTRUCTION - Contracts No. 2 and No. 2-A**

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**CONTRACTOR: GOEDDE PLUMBING & HEATING**

NO.	DESCRIPTION	AMOUNT	STATUS
CO #M-1	<i>Item No. 1</i> - Provide plumbing and HVAC construction for additional basement space of approximately 23,700 S.F.	\$63,300	
	<i>Item No. 2</i> - Provide high efficiency chiller per Owner's request.	<u>14,200</u>	
	TOTAL	<b>\$77,500</b>	Pending approval



**III. ELECTRICAL CONSTRUCTION - Contract No. 3**

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**CONTRACTOR: STERLING BOILER**

<b>NO.</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>STATUS</b>
CO #E/B-1	Provide electrical construction for additional basement space of approximately 23,700 S.F.	\$23,291	Pending approval

**IV. TEMPERATURE CONTROL CONSTRUCTION - Contracts No. 5 and No. 5-A**

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**CONTRACTOR: JOHNSON CONTROLS**

<b>NO.</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>STATUS</b>
CO #TC-1	Provide temperature control construction for additional basement space of approximately 23,700 S.F.	\$482	Pending approval

**V. TESTING AND BALANCING - Contracts No. 6 and 6-A**

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**CONTRACTOR: THERMAL BALANCE**

<b>NO.</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>STATUS</b>
CO #TB-1	Provide testing and balancing work for additional basement space of approximately 23,700 S.F.	\$400	Pending approval