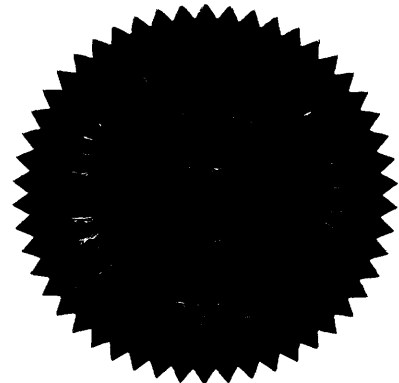


MINUTES

**UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES**

May 8, 1993



MINUTES

UNIVERSITY OF SOUTHERN INDIANA BOARD OF TRUSTEES

May 8, 1993

The University of Southern Indiana Board of Trustees met on Saturday, May 8, 1993, in the University Center, Rooms 350-353. Present were Trustees Bruce Baker, Percy Clark, Jr., J. David Huber, Thomas McKenna, Joseph O'Daniel, Kristel Swan, Robert Swan, and Harolyn Torain. Also attending were President David Rice; Vice Presidents Donald Bennett, Robert Reid, Richard Schmidt, Sherrienne Standley, and Byron Wright; and Faculty Senate Chairperson Marlene Shaw.

There being a quorum present, Mr. Baker called the meeting to order at 10:10 a.m.

SECTION I - GENERAL AND ACADEMIC MATTERS

A. APPROVAL OF MINUTES OF MARCH 4, 1993, MEETING

On a motion by Mr. Swan, seconded by Mr. Huber, the minutes of the March 4, 1993, meeting were approved.

B. ESTABLISHMENT OF NEXT MEETING DATE, TIME, LOCATION

The next regular meeting of the Board of Trustees was set for Thursday, July 8, in Cannelton, Indiana. The annual meeting will precede the regular meeting that day.

C. PRESIDENT'S REPORT

Dr. Rice reported that Commencement Exercises will take place later in the day with 850 students completing degree requirements. He added that 74 will graduate with honors -- 45 cum laude, 28 magna cum laude, and Sherry Begle, recipient of the President's Medal, will graduate summa cum laude. He said that Professor Jay Fredrich will receive the Distinguished Professor Award, and honorary degrees will be conferred on Susan Enlow, James Igleheart, and Commencement speaker Lorraine Matusak.

Dr. Rice reported that earlier this week USI Professors Ewa and Walter Jermakowicz from Poland and Professor Marwan Wafa and his wife, Sahar Al Masri, from Kuwait took the oath of citizenship before Judge Gene Brooks.

Dr. Rice reported that student trustee Kristel Swan is among this year's graduating class, and he extended his appreciation for her contributions to the Board. He added that the Student Government Association has submitted nominations for her replacement to the Governor, and that process is moving forward.

Dr. Rice called the Board's attention to the summary of spring athletics in their folders. He added that the University has several athletes who were lauded for their academic achievements.

Assistant Vice President for Business Affairs Cindy Brinker presented a summary of selected legislation being considered by the General Assembly. Discussion followed on some bills.

Mr. Schmidt called on Director of Physical Plant Steve Helfrich to report on the progress of the Health Professions Building. Mr. Helfrich reported that progress is slow primarily because of the weather and steel delivery.

Mr. Helfrich reported that renovation of the remaining lower level of the Robert D. Orr Center is currently out for bid. He added that the expected cost of the project is approximately \$193,000, and the estimated completed date is August, 1993.

Mr. Helfrich noted that the elevator addition to the Administration Building also is out for bid. He said the completion date for this project also is August, 1993.

Mr. Helfrich also reported that construction of six new tennis courts is underway and expected to be completed sometime in August.

Mr. Schmidt reported that at the April 1 Finance Committee meeting, discussion centered on investment banker proposals for financing of the Health Professions Building. He said the committee selected a joint financing proposal bid from Smith-Barney, Raffensperger, Hughes.

Mr. Schmidt reported that at the May 4 Finance Committee meeting, various preliminary financing proposals were reviewed. He added that one of the proposals is included as a resolution in today's agenda for approval. He said that change orders to the construction contracts for the Health Professions Building were approved by the committee. These change orders are included in Exhibit I-A.

Dr. Rice reported that plans for the construction of the campus interchange are progressing. He said that a resolution for the University to accept the gift of the Perry Township School No. 3 from the Westwood Garden Club is included in today's agenda.

Dr. Rice called on Professor John Gottcent to report on the University's general education program. Professor Gottcent described the current program and goals for the new program to be implemented in fall, 1995. Discussion followed on goals for the new program.

D. OTHER BUSINESS

Mr. Baker appointed a nominating committee, consisting of Mr. Huber, Mrs. Torain, and Mr. Swan, as chairman, to prepare a slate of officers of the Board of Trustees for 1993-94. The election of officers will take place at the annual meeting in July.

Mr. Baker reported that he, Director of Development Suzanne Nicholson, and Chairman of the USI Foundation Ted Ziemer will attend CASE Capital Campaign workshops in Washington, DC during the next week.

Mr. Baker called the Board's attention to the presidential search and screen committee folders distributed today. He added that several applications and nominations are being received.

Mr. Baker announced that Trustees are eligible for two free tickets if two tickets are purchased for the 1993 season of the New Harmony Theatre.

SECTION II - FINANCIAL MATTERS

A. DISCUSSION OF POST-RETIREMENT BENEFITS REVIEW COMMITTEE

The Post-Retirement Benefits Review Committee was established in September, 1992, to study the implications of providing post-retirement medical, dental, and life insurance benefits to retirees of the University.

Ms. Brinker reported that the committee has not completed its review of post-retirement benefits; therefore, discussion of the committee's recommendations will be presented at the July meeting.

B. APPROVAL OF CONCERN: EMPLOYEE ASSISTANCE PROGRAM PREMIUM RATES

CONCERN: EAP is a comprehensive employee assistance program which provides assessment, short-term counseling, referral and follow-up services for 458 employees and members of their immediate families. Since the program was adopted in February 1987, the utilization rate has been approximately 6.88 percent per year.

A renewal rate of \$25 per employee per year has been quoted for the twelve-month period beginning July 1, 1993. The contract year has been changed from February 1 to July 1 beginning in 1993. The University pays the annual cost for the program. This agreement with Deaconess Service Corporation may be terminated at any time by either party upon sixty (60) days advance written notice to the other party.

ANNUAL PREMIUM RATES PER EMPLOYEE	
Present	Proposed
<u>1992-93</u>	<u>1993-94</u>
\$ 24.40	\$ 25.00

On a motion by Mr. McKenna, seconded by Mrs. Torain, the renewal of the master policy with the Deaconess Service Corporation beginning July 1, 1993, was approved.

C. APPROVAL OF LIFE INSURANCE RATES FOR 1993-94

The University has two group life insurance programs. There are 323 employees and 1 retiree currently enrolled in the revised program and 131 employees and 46 retirees in the original program. Employees hired since February 1, 1988, are enrolled in the revised program.

Renewal rates from the Manufacturers Life Insurance Company reflect a rate decrease for a 24-month guarantee period effective July 1, 1993. The premium rates for 1992-93 have been in effect since July 1, 1989.

MONTHLY PREMIUM RATES PER \$1,000 COVERAGE		
	Present	Proposed
	<u>1992-93</u>	<u>1993-95</u>
Life Insurance	\$.27	\$.25
Accidental Death & Dismemberment	<u>.03</u>	<u>.025</u>
	\$.30	\$.275

On a motion by Mr. Huber, seconded by Mr. O'Daniel, the Manufacturers Life Insurance Company renewal rates effective July 1, 1993, were approved.

D. APPROVAL OF DISABILITY INSURANCE RATES FOR 1993-94

The contract for the University's Long-Term Disability Insurance Program with Teachers Insurance and Annuity Association (TIAA) is to be renewed as of July 1, 1993. The TIAA disability coverage provides income benefits and retirement contributions in the event of a long-term disability. The University pays the total premium cost for 315 eligible employees.

Renewal rates from Teachers Insurance and Annuity Association (TIAA) reflect no rate increase for a 12-month period beginning July 1, 1993. The current rates have been in effect since July 1, 1991.

	1993-94 <u>Rates</u>
Income Premium	\$9.73
Annuity Premium	<u>3.28</u>
	\$13.01

Renewal of the disability plan includes an increase in the Minimum Monthly Income Benefit from \$50 to \$100, payment of the Monthly Income Benefit for three months to a surviving dependent upon the death of the insured disabled employee, and the addition of a Partial Disability Benefit under the current premium structure.

On a motion by Mr. Swan, seconded by Mr. Huber, the TIAA Long Term Disability Insurance rates and plan changes effective July 1, 1993, were approved.

E. APPROVAL OF RESOLUTION FOR STUDENT FEE BONDS

On a motion by Mr. O'Daniel, seconded by Ms. Swan, the following resolution for student fee bonds was approved as amended.

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 1991 Indiana General Assembly.

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 Supplement 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 Finance 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 President is hereby authorized to request the necessary approvals of the Commission for Higher Education, the State Budget Agency, the State Budget Committee, and the Governor of the State of Indiana.

Section 2. 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 3. 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 4, 5, 6, 7, 8 and 9 hereinafter, provided that the following conditions are met:

- (a) The total amount of the Bonds shall not exceed the sum of
 - (i) \$14,540,000 for the Project, including refinancing of the interim note.
 - (ii) amount necessary to accomplish refunding for Series A and Series B Bonds.
 - (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 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 8 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 7% per annum or less; and
- (c) The final maturity on the Bonds shall not extend beyond October 1, 2018.

Section 4. Subject to the conditions in Section 3 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 these 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 3 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 6. Subject to the conditions in Section 3 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 7. Subject to the conditions in Section 3 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 8. Subject to the conditions in Section 3 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 9. Subject to the conditions in Section 3 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 1%, and an original issue discount, if any, as permitted by law.

Section 10. Subject to the conditions in Section 3 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 11. The Board hereby appoints as underwriters for the Bonds for all other bonds subject to the Plan of Financing to be developed by the Treasurer, pursuant to Section 2 hereof, the underwriters listed below.

UNIVERSITY OF SOUTHERN INDIANA

By: _____

By: _____

Dated: _____, 1993

Underwriters

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

F. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

On a motion by Mr. McKenna, seconded by Mrs. Torain, the following Budget Appropriations, Adjustments, and Transfers were approved.

1. Additional Appropriations

From: Unappropriated Current Operating Funds

To:	1-10160	Arts Commission: Music Supplies & Expense	\$ 2,096
To:	1-10170	USI Theatre Personal Services Supplies & Expense	190 2,126
To:	1-10200	School of Liberal Arts Personal Services Supplies & Expense Capital Outlay	10,500 3,423 200
To:	1-10300	School of Science & Engineering Technology Personal Services Supplies & Expense	14,400 2,481
To:	1-10400	School of Nursing & Health Professions Personal Services Supplies & Expense	14,400 1,965

To:	1-10420	Health Professions Personal Services Supplies & Expense Capital Outlay	100 100 1,687
To:	1-10430	Occupational Therapy Supplies & Expense	2,264
To:	1-10700	School of Business Personal Services Supplies & Expense Capital Outlay	5,100 2,017 3,611
To:	1-10920	University Division Personal Services Supplies & Expense	3,900 624
To:	1-14101	Intramurals Personal Services Supplies & Expense	851 1,733
To:	1-16301	Duplicating Supplies & Expense	92,744
From: Unappropriated Designated Funds			
To:	2-20000	Student Activities Supplies and Expense	14,259
To:	2-20100	Student Programs Supplies and Expense	750
To:	2-20200	Activities Programming Board Supplies and Expense	1,260
From: Unappropriated Auxiliary Funds			
To:	3-30500	Bookstore Capital Outlay	8,612
To:	3-30606	Athletics: Basketball-Men Supplies and Expense	10,000
To:	3-30609	Athletics: Cross Country Supplies and Expense	3,050
To:	3-30611	Athletics: Volleyball Supplies and Expense	1,276
To:	3-32030	Young Abe Lincoln 1993 Personal Services Supplies and Expense Repairs and Maintenance Capital Outlay	186,696 303,856 3,000 3,000
To:	3-35000	New Harmony Theatre 1993 Personal Services Supplies and Expense	129,345 111,387

To:	6-61080	University Center Renovation Capital Outlay	30,000
From:	Unappropriated Restricted Funds		
To:	4-45984	Faculty Research - Jermakowicz Supplies and Expense	31
To:	4-46014	SBA Grant 10/92-12/93 Personal Services Supplies and Expense	500 4,000
To:	4-46304	1991-92 CASE Program Supplies and Expense	551
To:	4-46504	Faculty/Student Research - Khayum Personal Services	1,218

2. Transfer and Appropriation of Funds

From:	2-23000	General Instruction Revolving Fund	
To:	4-46503	Business Education Survey Personal Services Supplies and Expense	150 410

3. Appropriation Transfers

From:	1-10100	General Instruction Capital Outlay	
To:	1-10300	School of Science & Engineering Technology Repairs & Maintenance	2,099
From:	1-10105	Academic Computer Labs Personal Services	
To:	1-10105	Academic Computer Labs Supplies & Expense Repairs & Maintenance	535 3,000
From:	1-10400	School of Nursing & Health Professions Personal Services	
To:	1-10410	Nursing Supplies & Expense	1,414
From:	1-16500	Computer Center Capital Outlay	
To:	1-16500	Computer Center Repairs & Maintenance	15,000
From:	2-22000	Extended Services Revolving Fund Personal Services	

To:	2-20000	Extended Services Revolving Fund Supplies and Expense	3,300
From:	2-24200	Computer Maintenance Fund Supplies and Expense	
To:	2-24200	Computer Maintenance Fund Repairs and Maintenance	2,421

G. APPROVAL OF RESOLUTION TO ACCEPT DONATION OF PERRY TOWNSHIP SCHOOL NO. 3

WHEREAS, the Federal Highway Administration has determined that the construction of an interchange connecting Eickhoff-Koressel Road with State Road 62 in Vanderburgh County, Indiana will have an adverse effect on Perry Township School No. 3, a property that is eligible for inclusion in the National Register of Historic Places; and

WHEREAS, the Indiana Department of Transportation, the Vanderburgh County Commissioners, and the University of Southern Indiana have participated in the consultation on this project; and

WHEREAS, the Vanderburgh County Commissioners have acquired title to Perry Township School No. 3 and subsequently transferred it to Westwood Garden Club; and

WHEREAS, the Westwood Garden Club has been soliciting funds to provide for the costs of moving, rehabilitating, and restoring the school building and is willing to make those funds available for the project; and

WHEREAS, the University of Southern Indiana wishes to facilitate the construction of the interchange project and the moving, rehabilitating, and restoring of the school building; and

NOW , THEREFORE, BE IT RESOLVED that the University of Southern Indiana accept the gift of the Perry Township School No. 3 from the Westwood Garden Club.

On a motion by Mr. Swan, seconded by Mr. Huber, the preceding resolution was approved.

SECTION III - PERSONNEL MATTERS

A. APPROVAL OF PERSONNEL ACTION

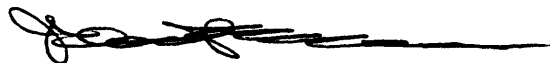
On a motion by Mr. Swan, seconded by Dr. Clark, the following personnel action was approved.

1. Early Retirement

David S. Deering, Bookstore Manager, in accordance with the early retirement policy, has requested early retirement effective June 30, 1994, including leave with pay for the period of January 4, 1994, to June 30, 1994. Severance pay based upon 24 years of service to the University will be paid as of June 30, 1994.

There being no further business, the meeting was adjourned at 11:40 a.m.

Respectfully submitted,



Thomas McKenna, Secretary

#90127

20 April 1993

**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.

NO.	DESCRIPTION	AMOUNT	STATUS
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 lightgage framing at exterior wall of large lecture room required by structural engineering review.	3,827	

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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	\$19,270	Pending approval

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

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	\$77,500	Pending approval

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III. ELECTRICAL CONSTRUCTION - Contract No. 3

CONTRACTOR: STERLING BOILER

NO.	DESCRIPTION	AMOUNT	STATUS
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

CONTRACTOR: JOHNSON CONTROLS

NO.	DESCRIPTION	AMOUNT	STATUS
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

CONTRACTOR: THERMAL BALANCE

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