

**MINUTES**  
**FINANCE/AUDIT COMMITTEE**  
**UNIVERSITY OF SOUTHERN INDIANA**  
**BOARD OF TRUSTEES**

**September 1, 2011**

The Finance/Audit Committee of the University of Southern Indiana Board of Trustees met on Thursday, September 1, 2011, in Carter Hall in the University Center. In attendance were Chair W. Harold Calloway and Trustees Ira G. Boots, Ronald D. Romain '73, and Steven J. Schenck '72. Others in attendance were President Linda L. M. Bennett, Vice President for Finance and Administration and Treasurer Mark Rozewski, and Vice President for Government and University Relations Cynthia S. Brinker

Committee Chair Calloway called the meeting to order at 1:35 p.m.

**1. APPROVAL OF RECOMMENDATION TO TRANSFER FUNDS TO THE VEBA (VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION) TRUST**

Mr. Calloway called on Vice President Rozewski who noted the VEBA Trust continues to be developed as an alternative funding vehicle for future post-retirement health care expenses. Current post-retirement expenses are accommodated in the University's operating budget. He reported that last year, the Committee discussed the possibility of a strategic review of the VEBA Trust and the post-retirement health care benefit it funds. Following consultation with Mercer, the firm that has advised the University regarding health benefits for many years, the conclusion is to wait until closer to 2014 to make any changes to the benefit or the funding vehicle. In 2014, health reform is scheduled to become operational which may result in new and more affordable options that will influence the University's action relative to the Trust and benefit. Mr. Rozewski stated the University is committed to definitive action no later than 2014 (sooner if options pertaining to health reform become apparent). He noted Mercer determines the recommended annual contribution to the Trust. From various sources, including the proposed transfer of funds, the University will fund 54 percent of the recommended contribution in 2011.

Mr. Rozewski recommended a transfer of \$500,000 to the VEBA (Voluntary Employees' Benefit Association) Trust.

On a motion by Mr. Schenck, seconded by Mr. Boots, a recommendation to the Board of Trustees to approve a transfer of \$500,000 to the VEBA Trust was approved.

**2. REVIEW OF RECOMMENDATION FOR 2012-2013 HOUSING RATES**

Mr. Calloway called on Vice President Rozewski, who reported on the status of student housing. He noted that USI began fall 2011 with 96.2 percent occupancy in student housing. The University has 2,808 beds in 816 residence hall and apartment units. He proposed a 2012-2013 rate increase of \$94 (5 percent) for the most typical accommodation, a two-bedroom suite or apartment with four occupants, and a per semester rate of \$1,964. He noted most of the increase will be reinvested in facilities, including a program to renovate several apartment buildings each year and continue the annual Summer Rehab Program. The renovations are funded by reinvesting the growth of the housing reserve and will extend the life of the buildings.

Mr. Rozewski reported on the popularity of the Residence Life Community Center and the recent expansion of its convenience store to keep pace with sales growth. Durbin and Hanley apartment buildings will be renovated to provide dedicated freshman housing in 2012-2013. Special programming, designed to facilitate student success and increase retention, will be offered to residents in these buildings.

Mr. Rozewski discussed current methods for promoting the University outside its core market of southwestern Indiana and noted the importance of University housing options to potential students as we diversify our market.

He reported that a routine review of the University's debt portfolio identified an Auxiliary Bond Issue, Series 2001A, as an option for refunding. The issue has approximately \$11.5 million outstanding and matures in

2018. He plans to submit a Request for Proposal and bring a complete report and recommendation to the Committee at its meeting in November 2011. Following a discussion about bond refunding and the processes required by the state of Indiana, Mr. Boots recommended that Mr. Rozewski return to the committee at its next meeting with a proposal of how the Board of Trustees could empower the Vice President for Finance and Administration to make decisions regarding refunding of bonds in a more timely manner to take advantage of opportunities for refunding. The Committee agreed by consensus.

On a motion by Mr. Romain, seconded by Mr. Schenck, a recommendation to the Board of Trustees for approval of the following 2012-2013 housing rates was approved.

		<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
<b><u>FALL OR SPRING SEMESTER</u></b>				
<b><u>McDONALD or O'DANIEL APARTMENT</u></b>				
Two Bedroom:	Two students per bedroom	\$1,870	\$1,964	7-01-12
	One student per bedroom	3,345	3,512	7-01-12
One Bedroom:	Two students	2,258	2,371	7-01-12
	One student	4,195	4,405	7-01-12
<b><u>GOVERNORS, NEWMAN, O'BANNON, or RUSTON HALL</u></b>				
One and Two Bedroom: Two students per bedroom		\$1,870	\$1,964	7-01-12

**SUMMER SESSIONS**

Summer session rates are pro-rated to fall and spring semester rates.

**3. REVIEW OF RECOMMENDATION FOR 2012-2013 MEAL PLAN RATES**

Chair Calloway asked Vice President Rozewski to review a recommendation for 2012-2013 meal plan rates. Mr. Rozewski noted that meal plan purchases in fall 2011 increased three percent over fall 2010. He reported the University is positioning itself for growth by investing in expansion upgrades and the introduction of new menu items. Improvements in the dining infrastructure have resulted in success, especially in new venues in UC East. A Red Mango frozen yogurt venue will soon open and The Loft will be renovated and expanded in summer 2012.

Students who live in the residence halls (Governors, Newman, O'Bannon, and Ruston) are required to purchase a resident meal plan. Three plans (Red, White, and Blue Eagle) offer different combinations of buffet meals in The Loft and discretionary spending at other dining venues on campus. Mr. Rozewski recommended the proposed meal plan rates, which allow for normal increases in food and labor costs.

**FALL OR SPRING SEMESTER**

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>EFFECTIVE DATE</u>
Red, White, or Blue Eagle Meal Plan	\$1,730	\$1,785	7-01-12

Students who live in apartments (McDonald or O'Daniel) are required to purchase \$50 in Munch Money for use in any dining venue on campus.

On a motion by Mr. Boots, seconded by Mr. Schenck, a recommendation to the Board of Trustees for approval of the proposed meal plan rates for 2012-2013 was approved.

There being no further business, the meeting was adjourned at 2:07 p.m.