A meeting of the Finance Committee of the Board of Trustees convened at 3:11 p.m. on Friday, December 18, 2015, in Room 326 of Stewart Center on the campus of Purdue University in West Lafayette, Indiana.

All committee members were present: Don Thompson, chair; Sonny Beck; Vanessa Castagna; and Michael Klipsch. All other trustees were present: Michael Berghoff; JoAnn Brouillette; John Hardin; Gary Lehman; Cameron Mann; and Thomas Spurgeon.

Also in attendance were: Mitch Daniels, President; Deba Dutta, Provost and Executive Vice President for Academic Affairs and Diversity; Bill Sullivan, Treasurer and Chief Financial Officer; Jim Almond, Senior Vice President and Assistant Treasurer; Steve Schultz, Legal Counsel; and Janice Indrutz, Executive Assistant to the Board and Corporate Secretary.

I. APPROVAL OF MINUTES

Upon proper motion duly seconded, the Committee voted unanimously to approve the minutes of its last meeting held on October 8, 2015.

II. APPROVAL OF 2016-17 STUDENT HOUSING RATES

Assistant Treasurer Almond discussed and recommended approval of the proposed 2016-17 student housing rates for the West Lafayette, Calumet, and Fort Wayne campuses. He outlined that room and board at the West Lafayette campus would remain at the current level and reminded the Committee that the residence halls provided 12,729 beds, with the addition of 794 beds with the opening of the Honors College during 2016-17. Mr. Almond continued that the Calumet campus, which offered 744 beds in apartment-style housing, would also maintain its current rates, and he explained that the Fort Wayne campus would increase rates for some of its 1,200 bed apartment-style configurations but also decrease rates for other configurations, resulting in a weighted average increase of zero.

Upon proper motion duly seconded, the Finance Committee voted unanimously to recommend full Board approval of the 2016-17 student housing rates for the West Lafayette, Calumet, and Fort Wayne campuses. Supporting documents were filed with the minutes.

Trustee Thompson first took a moment to thank President Daniels, the chancellors, and the leadership across the Purdue system for their continued efforts toward student affordability.
III. APPROVAL OF RESOLUTION TO AUTHORIZE REFUNDING OF OUTSTANDING BONDS

Assistant Treasurer Almond requested approval of a resolution to authorize refunding of outstanding bonds. He explained that the university actively reviewed bond refunding candidates throughout the year and worked with the Indiana Finance Authority as part of the process. He further explained that the resolution was meant to address all outstanding bonds for consideration of refunding, and it requested the delegation of authority to the treasurer and assistant treasurer to refund or call any bonds outstanding if it is financially or otherwise advantageous to the university to do so. He said approval of the resolution, and subsequent delegation of such authority, would help streamline and improve the coordination and execution of such opportunities.

In response to a question from Trustee Lehman, Treasurer Sullivan stated that the Committee received quarterly notification of actions.

Upon proper motion duly seconded, the Finance Committee voted unanimously to recommend full Board approval of the resolution. A copy of the resolution was filed with the minutes.

IV. APPROVAL TO AMEND RESOLUTION TO MODIFY FUNDING SOURCE AUTHORIZATION FOR THE FLEX LAB FACILITY

Assistant Treasurer Almond reminded the Committee that on May 16, 2014, the Board approved a resolution that provided for the ability to plan, finance, construct, and award contracts for certain engineering research facilities. These facilities included the Flex Lab Facility project, which, he said, was under development and targeted for award in early 2016. He explained that the prior resolution authorized the treasurer to use up to $38,000,000 in bond proceeds, $13,500,000 in gift funds, and up to $2,500,000 in central reserves. However, a change in the funding language was requested in order to possibly reduce the anticipated debt to be issued for the project by allowing additional contributions from central funding or gifts.

After discussion and upon proper motion duly seconded, the Finance Committee voted unanimously to recommend full Board approval of the resolution to modify funding source authorization for the Flex Lab Facility project. A copy of the resolution was filed with the minutes.

During discussion, Trustee Thompson suggested that going forward, resolutions should be written to allow for such flexibility in order to avoid the need for amendments such as this.

V. APPROVAL OF DENTAL INSURANCE CONTRACT

Mr. Trent Klingerman, vice president for human resources, requested approval of a contract with Delta Dental in the amount of $2,900,000. He explained that the health care plan options and rates that the Board had approved at its meeting on October 9, 2015, included preventive dental care and that Delta Dental was the university’s provider for that piece of the plan. Mr. Klingerman was pleased to report that the university was able to negotiate a lower rate with Delta Dental than the previous estimate.
Trustee Thompson marveled at how the university was able to provide this additional benefit to employees without an increase in plan costs or employee premiums. President Daniels remarked that it was the result of moving to a consumer driven health plan and called it a “big win.”

Upon proper motion duly seconded, the Finance Committee voted unanimously to recommend full Board approval of the dental insurance contract with Delta Dental. A supporting document was filed with the minutes.

VI. ADJOURNMENT

By consent, the meeting adjourned at 3:29 p.m.