REvised AGENDAS

indiana university board of trustees
Committee and business meetings

Indiana university-purdue university Indianapolis
Campus Center

February 14-15, 2013
AGENDA

FINANCE AND AUDIT COMMITTEE

Thursday, February, 14, 2013
10:00 a.m. – 11:30 a.m.
Room 450A
Student Campus Center
IUPUI

I. Welcome

Ch. Thomas E. Reilly Jr.

II. Action Item: Approval is requested for 2013-2014 residence hall rates

MaryFrances McCourt
Dawn M. Rhodes
Jeff Jones
Dana C. Wavle

III. Investment rebalancing: Current environment, risks in portfolio, thoughts for rebalancing

MaryFrances McCourt
Amanda Black and Janet Sweet (Capital Cities)

IV. Economics of IU Foundation cash flow to university

Daniel C. Smith

V. Update: University ongoing efficiency plans

MaryFrances McCourt

VI. Procurement: Current and future plans (touching on current savings with contracted vendors, etc. and next steps with procurement)

Jill M. Schunk

VII. Financial statement footnotes 12 & 13 review: Specifically defined contribution plans, defined benefit and postemployment benefits

Joan M. Hagen
Daniel U. Rives

VIII. Update: Indianapolis walk-in clinic

Daniel U. Rives

IX. Action Item: Approval is requested for a resolution of the Finance and Audit Committee approving and authorizing the sale of certificates of participation, Series 2013A, evidencing a proportionate interest in lease payments to be made by Indiana University, as lessee, to the Indiana University Building Corporation or its assignee, as lessor.

MaryFrances McCourt

X. New Business

XI. Adjournment

Ch. Thomas E. Reilly Jr.
FEBRUARY 15, 2013

LUNCH / EXECUTIVE SESSION *

February 14, 2013
11:45 a.m. – 1:45 p.m.
Room 406
Student Campus Center
IUPUI

* Executive Session - Items authorized by Open Door Law-Sec. 5-14-1.5-6.1(b)(5); 5-14-1.5-6.1(b)(6)(B);
5-14-1.5-6.1(b)(9)
AGENDA

FACILITIES COMMITTEE**

February 14, 2013
2:00 p.m. – 3:30 p.m.
Room 450A
Student Campus Center
IUPUI

I. Welcome
Chairman Eskew

II. Review of Current Projects
Tom Morrison
John Lewis

III. Project Approvals
Paul Sullivan
A. IUB – School of Public Health-Bloomington
   – Roof Replacement
B. IUB – School of Optometry – Mechanical
   Systems Replacement – Phase I

IV. Design, Development, Construction, Leasing, and Financing Approval
Tom Morrison
Lynn Coyne
A. IUPUI – Office Building

V. Consent Item for Approval
Lynn Coyne
A. IUPUI – Easement to the City of Indianapolis – Drainage Permit

VI. Informational Items
John Lewis
Tom Morrison
A. IUPUI – Wishard Property Evaluation
   Update
B. IUB – Old Crescent Planning Review
   Update

VII. Executive Session **

VIII. Adjournment
Ch. Eskew

** Executive Session – 3:00 p.m. – 3:30 p.m. Items authorized by Open Law- Sec. 5-14-1.5-6.1(b)(2)(B); 5-14-1.5-6.1(b)(D)
AGENDA

EXTERNAL RELATIONS COMMITTEE: ECONOMIC DEVELOPMENT, COMMUNITY ENGAGEMENT, AND LEGISLATIVE AND LEGAL AFFAIRS

Thursday, February, 14, 2013
3:45 p.m. – 4:30 p.m.
Room 450A
Student Campus Center
IUPUI

I. Welcome Ch. MaryEllen K. Bishop

II. Legislative Update Michael M. Sample
Jeffrey Linder

III. Update: IU Foundation Daniel C. Smith

IV. Old Business

V. New Business

VI. Adjournment Ch. Bishop
REVISED AGENDA

ACADEMIC AFFAIRS AND UNIVERSITY POLICIES COMMITTEE

Friday, February, 15, 2013
9:00 a.m. – 10:30 a.m.
Room 450A
Student Campus Center
IUPUI

I. Welcome
   Ch. Patrick A. Shoulders

II. Discussion: Classroom Utilization
    John Applegate
    Thomas A. Morrison

III. Update: New Degree Credit Hour Requirements
     John Applegate

IV. Spring Enrollment Report
    John Applegate
    Todd Schmitz

V. Old Business

VI. New Business

VII. Adjournment
     Ch. Shoulders
REVISED AGENDA

TRUSTEES OF INDIANA UNIVERSITY
BUSINESS MEETING

Friday, February, 15, 2013
10:45 a.m. – 11:45 a.m.
Room 450A
Student Campus Center
IUPUI

TABLE OF CONTENTS

I. GENERAL BUSINESS

Trustee Business

1. Action Item: Approval is requested of the minutes for the meeting of December 7, 2012, which includes the Administrative Action Reports of October 5, 2012 and November 5, 2012.

President’s Report

1. Remarks from Michael A. McRobbie

Faculty Report

1. Remarks from Carolyn Calloway-Thomas and L. Jack Windsor, Co-Secretaries, University Faculty Council

Student Report

1. Remarks from Janice D. Vinson, president, Undergraduate Student Government
2. Remarks from Anthony L. Greco, president, Graduate and Professional Student Government

II. REPORTS FROM COMMITTEES

FINANCE AND AUDIT COMMITTEE

1. Report from Thomas E. Reilly, chair
2. Action Item: Approval is requested for 2013-2014 residence hall rates

FACILITIES COMMITTEE

1. Report from Philip N. Eskew Jr., chair
2. Project Approvals

IUB – School of Public Health-Bloomington – Roof Replacement
Action Item: Approval of the board is requested to proceed with the roof replacement of the old “HPER” Building located on the Bloomington campus. This project consists of removing the existing roof down to the decking and replacing it with new insulation and a fully-adhered membrane roof. Total roofing area for the building is approximately 93,500 square feet. The cost of this project is estimated to be $1,750,000 and will be funded through repair and rehabilitation. Appropriate state approvals will be requested.

IUB – School of Optometry – Mechanical Systems Replacement – Phase I

Action Item: Approval of the board is requested to proceed with the mechanical system replacement in the School of Optometry located on the Bloomington campus. This project consists of removing the existing inefficient constant volume reheat system and replacing it with energy efficient air handling units and selected controls in the newly renovated areas of the school. The cost of this project is estimated to be $1,750,000 and will be funded through repair and rehabilitation. Appropriate state approvals will be requested.

3. Design, Development, Construction, Leasing, and Financing Approval

IUPUI – Office Building

Action Item: Approval of the board is requested to proceed with a resolution authorizing:

1. A financing agreement pursuant to Indiana Code §§ 21-35-7-1 et. seq. between the Trustees and REI Real Estate Services, LLC (“REI”) and Vermillion Enterprises, LLC (“Vermillion”) (REI and Vermillion each, and collectively, “Developer”) for the design, development, construction, leasing, and financing of a building consisting of five (5) stories that incorporates (A) approximately 100,000 gross square feet of office space and (B) related improvements (the “Project”) on that certain real estate owned by the Trustees that is located generally on the northeast corner of New York Street and University Boulevard on the Indiana University–Purdue University Indianapolis campus (the “Project Site”);

2. A ground lease of the Project Site from the Trustees to Developer for the Project; and

3. The lease of the completed Project by the Trustees from Developer.

It is requested that the Trustees adopt the following resolution:

RESOLUTION OF THE
BOARD OF TRUSTEES OF INDIANA UNIVERSITY (THE “TRUSTEES”)
AUTHORIZING:

1. A FINANCING AGREEMENT PURSUANT TO IND. CODE §§ 21-35-7-1 et. seq. BETWEEN THE TRUSTEES AND REI REAL ESTATE SERVICES, LLC (“REI”) AND VERNILION ENTERPRISES, LLC (“VERMILION”) (REI AND VERNILION EACH, AND COLLECTIVELY, “DEVELOPER”) FOR THE DESIGN, DEVELOPMENT, CONSTRUCTION, LEASING AND FINANCING OF A BUILDING CONSISTING OF FIVE (5) STORIES THAT INCORPORATES (A) APPROXIMATELY 100,000 GROSS SQUARE FEET OF OFFICE SPACE AND (B) RELATED IMPROVEMENTS (THE “PROJECT”) ON THAT CERTAIN REAL ESTATE OWNED BY THE TRUSTEES THAT IS LOCATED GENERALLY ON THE NORTHEAST CORNER OF
NEW YORK STREET AND UNIVERSITY BOULEVARD ON THE INDIANA UNIVERSITY-PURDUE UNIVERSITY INDIANAPOLIS CAMPUS (THE “PROJECT SITE”);

2. A GROUND LEASE OF THE PROJECT SITE FROM THE TRUSTEES TO EITHER DEVELOPER OR AN EXISTING OR TO-BE-FORMED ENTITY AFFILIATED WITH INDIANA UNIVERSITY (“UNIVERSITY AFFILIATE”) FOR THE PROJECT; AND

3. THE LEASE OF THE COMPLETED PROJECT BY THE TRUSTEES FROM EITHER DEVELOPER OR UNIVERSITY AFFILIATE.

WHEREAS, The Trustees of Indiana University (the "Trustees") have full power and authority under and by virtue of the laws of the State of Indiana to operate the state educational institution known as Indiana University (the "University") including, more particularly, the power and authority, pursuant to Indiana Code §§ 21-35-7-1 et. seq., to (i) enter into agreements concerning and to acquire by lease, land or interests in personal property needed for the purpose of development of buildings and equipment located on a campus of the University, the primary purpose of which is to make available or provide, inter alia, office space, (ii) lease as lessee or lessor, (iii) enter into financing agreements, including leasing land or property to developers, and (iv) enter into agreements with developers to allow developers to construct and manage property; and

WHEREAS, pursuant to Indiana Code § 21-35-7-8, the University has taken action to invite proposals for the development of an approximately one hundred thousand (100,000) gross square feet five-story office building (the "Project") on the certain real estate owned by the University that is located generally on the northeast corner of New York Street and University Boulevard on the campus of Indiana University Purdue University Indianapolis (the “Project Site”) to provide open and competitive proposals; and

WHEREAS, in accordance with Indiana Code § 21-35-7-5, the Trustees have determined and find that (a) the Project is needed to adequately furnish services in the form of office space to the students, faculty and staff of Indiana University Purdue University Indianapolis and (b) the services are not being adequately furnished by others in the immediate vicinity of the campus of Indiana University Purdue University Indianapolis; and

WHEREAS, pursuant to Indiana Code § 21-35-7-9, the Trustees have considered (i) the experience and financial ability of potential developers of the Project, (ii) the plans and specifications for the Project, (iii) the size and cost of the Project, (iv) payments to be made to and from the University, (v) the method of financing and the terms and conditions of the proposed financing agreements consisting of a development, a ground lease of the Project Site by the University, as lessor, to either a developer or an existing or to-be-formed affiliate of the University, as lessee, and a lease by the University, as lessee, of the completed Project from either the developer or an existing or to-be-formed affiliate of the University, as lessor, and (vi) other factors of benefit to the University; and

WHEREAS, having reviewed multiple proposals for the development of the Project, the Trustees have determined that it is in the best interests of and advantageous to the University that the Trustees award the Project to, REI Real Estate Services, LLC (“REI”) and Vermilion Enterprises, LLC (“Vermilion”) or one or more special purpose entities formed by REI and Vermilion with respect to the Project (REI and Vermilion, together with any such special purpose entity, each, and collectively, "Developer") and enter into financing agreements for the design, development, construction, leasing and financing of the Project, consisting of (i) a Development Agreement between the Trustees and Developer, (ii) a
ground lease of the Project Site by the Trustees, as lessor, to either Developer or an existing or to-be-formed entity affiliated with the University ("University Affiliate"), as lessee, and (iii) a lease of the completed Project between the Trustees, as lessee, and either Developer or University Affiliate, as lessor, (collectively, the "Project Financing Agreements"), on substantially the terms described on Exhibit A attached hereto and made a part hereof (the "Summary of Terms").

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Trustees as follows:

1. The Trustees determine and find that the University should enter into Project Financing Documents on substantially the terms described in the Summary of Terms.

2. The Treasurer of the University and the Secretary of the University are hereby authorized and directed, respectively, upon obtaining all such approvals described in Paragraph 3 below, to execute, attest and deliver, the Project Financing Agreements, on substantially the terms described in the Summary of Terms, with such modifications, and in such forms as they approve by their execution thereof, after consultation with the Vice President for Capital Planning and Facilities of the University.

3. To the extent contained in the Summary of Terms, the plans and specifications for the Project are hereby approved. Pursuant to Indiana Code § 21-38-3-2, the Trustees hereby delegate to the Treasurer the authority to approve any plans and specifications for the Project that are not contained in the Summary of Terms.

4. The Trustees hereby authorize and direct the various officers of the University and each of them as appropriate, on behalf of and in the name of the University, to request and obtain all necessary approvals of the Governor of the State of Indiana and the State Budget Agency, with the recommendation of the State Budget Committee, and any other necessary government review or approvals required for the Project and the execution and delivery of the Project Financing Agreements.

5. The Trustees hereby further authorize and direct the various officers of the University and each of them as appropriate, on behalf of and in the name of the University, to provide notice of the award of the Project and approval of the Project Financing Agreements in the form and manner specified in Indiana Code § 21-35-7-11.

6. The above designated officers, and each of them, are authorized and directed to execute all other documents and to take all other actions necessary or convenient to accomplish the purposes and intent of this resolution, whether or not specifically set forth in this resolution. All acts of said officers in conformity with the intent and purposes of this resolution, whether taken before or after this date, are ratified, confirmed, approved and adopted as the acts of the Trustees.

**IUPUI Office Building Summary**

<table>
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<th>Building Size</th>
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<td>Estimated Project Cost</td>
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<td>Estimated Annual Rent</td>
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<tr>
<td>Estimated Total Annual Cost</td>
<td>$2,660,603.56 (at most recent estimate of $26.62/SF)</td>
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</tbody>
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Ground Lease Term 40 years with 10 year renewal

Office Lease Term 20 years

Occupants:
President
Chancellor
Vice President for Public Affairs and Government Relations
Vice President for Engagement
Vice President and General Counsel
Vice Chancellor for Finance and Administration
Executive Vice Chancellor and Dean of Faculties
Vice Chancellor for Student Life
Vice Chancellor for External Affairs
Planning and Institutional Improvement
School of Social Work
School of Philanthropy

4. Consent Item for Approval

IUPUI – Easement to the City of Indianapolis – Drainage Permit

Action Item: Approval of the board is requested to proceed with a grant of easement to the City of Indianapolis, Department of Public Works for a 40’ x 35’ perpetual drainage easement and right-of-way situated southwest of Ball Nurses’ Sunken Garden and Convalescent Park on the IUPUI campus to assure that the drainage plan established by The Trustees of Indiana University is established and maintained and to otherwise assure satisfactory drainage.

The legal description will be filed with the Secretary.

EXTERNAL RELATIONS: ECONOMIC DEVELOPMENT, COMMUNITY ENGAGEMENT, AND LEGISLATIVE AND LEGAL AFFAIRS

1. Report from MaryEllen K. Bishop, chair

ACADEMIC AFFAIRS AND UNIVERSITY POLICIES COMMITTEE

1. Report from Patrick A. Shoulders, chair

REPORT OF THE STUDENT TRUSTEE

1. Remarks from Trustee Griffin

III. PERSONNEL ACTIONS

INDIANA UNIVERSITY – PRESIDENT MICHAEL A. McROBBIE

No items
IUB-PROVOST LAUREN ROBEL

Initial Appointments

For Betsy Burleigh, Associate Professor of Choral Conducting, with tenure, Jacobs School of Music, beginning January 1, 2013.

Reappointments and Changes in Status

For Edward Gazouleas, a change in title from Adjunct Professor to Professor of Viola, Department of Strings, with tenure, Jacobs School of Music, beginning January 1, 2013.

For Mohammad Torabi, Chancellors’ Professor of Applied Health Science, a change in title from Interim Dean to Dean, School of Public Health, beginning January 1, 2013.

IUPUI—CHANCELLOR CHARLES R. BANTZ

Initial Appointments

Christopher J. Lamb, Professor, School of Journalism, with tenure, effective January 1, 2013.

Douglas S. Noonan, Associate Professor, School of Public and Environmental Affairs, with tenure, effective January 1, 2013.

Reappointments and Changes of Status

For Terry L. Baumer, Associate Professor, School of Public and Environmental Affairs, drop the title of Executive Associate Dean, School of Public Environmental Affairs, effective January 1, 2013.

For Victoria L. Champion, Distinguished Professor, Mary Margaret Walther Professor, Professor, School of Nursing, drop the title of Associate Dean for Research, School of Nursing, effective December 1, 2012.

For Adrian Gardner, Assistant Professor of Clinical Medicine, the additional title of Stephanie and Craig Brater Scholar in Global Health, School of Medicine, for the period November 1, 2012 to June 30, 2015.

For Patrick M. Rooney, a change in title from Executive Director for the Center on Philanthropy to Associate Dean, School of Philanthropy, for the period January 1, 2013 to December 31, 2016.

For G. Marie Swanson, Professor, School of Public Health, drop the title of Associate Vice Chancellor for Public Health, effective January 1, 2013.

Retirements and Emeritus Titles

For Paul N. Cox, Centennial Professor of Law, Professor, McKinney School of Law, early retirement under the 18/20 early retirement plan, effective January 1, 2013, with the title Centennial Professor of Law Emeritus.
For Meredith T. Hull, Professor, Department of Pathology and Laboratory Medicine, School of Medicine, early retirement under the 18/20 early retirement plan, effective January 1, 2013, with the title Professor Emeritus.

For Stephen A. Kempson, Professor, Department of Cellular and Integrative Physiology, School of Medicine, early retirement under the 18/20 early retirement plan, effective January 1, 2013, with the title Professor Emeritus.

For Robert M. Worth, Professor of Clinical Neurological Surgery, School of Medicine, retirement effective January 1, 2013, with the title Professor Emeritus of Clinical Neurological Surgery

IUE – INTERIM CHANCELLOR LAURENCE RICHARDS

No items

IUUK–INTERIM CHANCELLOR SUSAN SCIAME-GILSECKE

No items

IUN–CHANCELLOR WILLIAM LOWE

No items

IPFW–CHANCELLOR VICKY CARWEIN

No items

IUSB–CHANCELLOR UNA MAE RECK

No items

IUS–CHANCELLOR SANDRA PATTERSON-RANDLES

No items

IV. APPROVAL OF CONFLICT-OF-INTEREST STATEMENTS

1. Action Item: Approval is requested for conflict-of-interest statements.

V. AWARD OF DEGREES

1. Action Item: Approval is requested for the award of degrees as of December 31, 2012 and January 31, 2013.

2. Action Item: Approval is requested for the award of honorary degrees and Spring Commencement and other events.

VI. OLD BUSINESS

VII. NEW BUSINESS

1. Action Item: Approval is requested for the appointment of Distinguished Professors
whose names will be announced at a later date.

VIII. NEXT MEETING

April 11-12, 2013
Indiana University Bloomington
Bloomington, IN

IX. ADJOURNMENT