

June 30, 2006

Members of the Board Finance Committee

John Simmons, Chair
Roger Tedrick
Stephen Wigginton
Marquita Wiley

Dear Members of the Finance Committee:

There will be a meeting of the Finance Committee on Thursday, July 13, 2006, immediately following the Executive Committee meeting in the Auditorium of the Southern Illinois University School of Medicine, 801 North Rutledge, Springfield, Illinois. The following items have been suggested for the agenda:

1. Approval of Minutes of the June 8, 2006, meeting (enclosure).
2. Executive Summary: Resource Allocation and Management Program (RAMP) Planning, Operations, and Capital Budget Request, Fiscal Year 2008 (Board Agenda Item M) (joint discussion with Architecture and Design and Academic Matters Committees).
3. Approval of Fiscal Year 2007 Operating and Capital Budgets (Board Agenda Item N) (joint discussion with the Architecture and Design Committee).
4. Reorganization of Touch of Nature Environmental Center from Office of Administration to Office of the Provost and Vice Chancellor, SIUC (Board Agenda Item O).
5. Approval of Purchase of Excess Medical Professional Insurance and Related Brokerage Services (Board Agenda Item U).

6. Other business.

Yours truly,

Duane Stucky
Vice President for Financial and Administrative Affairs
And Board Treasurer

DS/lap

Enclosure

cc: Samuel Goldman
Christine Guerra
Ed Hightower
Jesse Phelps

Keith Sanders
Glenn Poshard
Vaughn Vandegrift

Walter V. Wendler
Constituency Heads
Other Interested Parties

BOARD OF TRUSTEES

SOUTHERN ILLINOIS UNIVERSITY

Minutes of the Finance Committee Meeting

June 8, 2006

The Finance Committee met at 9:02 a.m. in Roller Hall, Room 1511, Main Clinic Building 263, at the School of Dental Medicine in Alton, Illinois. Present were: Marquita Wiley (Chair Pro Tem), Roger Tedrick and Stephen Wigginton. Absent was: John Simmons. Other Board members present were: Samuel Goldman, Tequia Hicks and Keith Sanders. Absent were: Ed Hightower and Matthew Townsend. Executive Officers present were: President Glenn Poshard; Chancellor Vaughn Vandegrift, SIUE; Provost John Dunn, SIUC; Vice President for Academic Affairs John S. Haller, Jr.; and Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky.

Minutes

The minutes of the March 9 (as amended) and May 2, 2006, meetings were approved as submitted.

Salary Increase Plan for Fiscal Year 2007 (Board Agenda Item K).

Vice President Stucky outlined the salary increase plan for non-represented employees.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Temporary Financial Arrangements for Fiscal Year 2007 (Board Agenda Item L).

Vice President Stucky informed the Board that the Fiscal Year 2007 Operating Budget will be presented at the July meeting. This matter will extend spending authority until the budget is acted upon by the Board.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Operating and Capital RAMP Guidelines for Fiscal Year 2008 (Board Agenda Item M) (joint discussion with the Architecture and Design Committee).

Vice President Stucky reviewed the Guidelines, which have essentially remained the same for the last three years.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance and Architecture and Design Committees.

Reorganization of Center for Environmental Health and Safety from Office of Finance to Office of Administration, SIUC (Board Agenda Item R).

Provost Dunn stated that the move will enhance and improve efficiency.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Amended Proposed Increase: Student Activity Fee, SIUC [Amendments to 4 Policies of the Board Appendix A-6 and A-11] (Board Agenda Item S).

This matter was passed by the Finance Committee at its May 2 meeting and is presently on the table for the full Board. The current Agenda Item S proposes an amendment to the resolution for the Student Activity Fee in response to discussions held at the May Board meeting. Provost Dunn stated that the amended matter has the support of the constituency groups involved.

Appointments of Executive Director of Connect SI and Communications Director, Office of the President.

President Poshard explained that SIU has entered into an agreement with the Illinois Department of Commerce and Economic Opportunity to head an economic development effort based upon the enlargement of the broadband initiative throughout southern Illinois. Rex Duncan will report to Vice President Stucky, who will lead this effort.

A previous position responsible for media relations in the President's Office was eliminated several years ago due to budget constraints. The position is now being reinstated and filled by Michael Ruiz, who will articulate the unity and goals/objectives of the entire system.

Finance Committee approval was requested for: Rex Duncan as Executive Director of Connect SI effective 06/05/06 at an annual salary of \$65,000; and Michael Ruiz as Communications Director effective 7/1/06 at an annual salary of \$63,000.

Ms. Wiley recommended approval. The motion was duly seconded and was passed by Committee.

Investments Report.

Vice President Duane Stucky reviewed the University's investments for the third quarter of Fiscal Year 2006. The report included a review of the University's asset allocation of externally managed investments, return on investments, and fees. Dr. Stucky informed the Board that this will be the last report prepared by Ennis Knupp. In consultation with the Finance Committee, the decision was made to consolidate the services they had provided with that of the financial advisor for debt financing to save money. Dr. Stucky and his staff will prepare the Investment Report in the future.

Vice President Stucky gave a presentation outlining SIU's lost interest earnings due to delays in State reimbursements of payrolls.

Budget Adjustment Request.

Vice President Stucky explained the budget adjustment requested by the Carbondale campus.

Approval of the matter was passed by Committee.

Third Quarterly Budget Report for FY 2006.

Dr. Stucky distributed to the Board the current fiscal year's income and expenditures.

Other Business

Vice President Stucky reviewed the outcome of the May 2006A Housing and Auxiliary Facilities System Bond sale, which provided funds for several new projects and for refunding previously issued bonds. Dr. Stucky recognized Tina Galik and Erin Troue, Lehman Brothers, John Vincent and Chapman and Cutler for their efforts. Dr. Stucky informed the Board that SIU prescribed that 10% of the bonds be sold by minority firms. In response to a question by Mr. Tedrick, Dr. Stucky stated that our bond ratings remain strong. To continue these ratings, it will be important that SIU's projects financially perform as projected.

There being no further business, the meeting was adjourned.

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