



## **PURDUE UNIVERSITY BOARD OF TRUSTEES**

### **FINANCE COMMITTEE**

**DECEMBER 6, 2019**

### **MINUTES**

A meeting of the Finance Committee of the Board of Trustees convened on Friday, December 6, 2019, at 9:45 a.m. 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; Malcolm DeKryger; Gary Lehman; Noah Scott; and Thomas Spurgeon.

Officers and administrators in attendance were: Mitch Daniels, president; Jay Akridge, provost and executive vice president for academic affairs and diversity; Bill Sullivan, treasurer and chief financial officer; Jim Almond, senior vice president, assistant treasurer, and assistant secretary; Steve Schultz, general counsel; Trent Klingerman, deputy general counsel; Janice Indrutz, corporate secretary and senior executive assistant to the Board; Ron Elsenbaumer, chancellor of Purdue University Fort Wayne; and Tom Keon, chancellor of Purdue University Northwest.

#### **I. APPROVAL OF MINUTES**

Upon proper motion duly made and seconded, the Finance Committee voted unanimously to approve the minutes of October 10, 2019.

#### **II. APPROVAL OF 2020-2021 STUDENT HOUSING RATES**

Assistant Treasurer Almond requested approval of student housing rates for FY21. He proposed that housing rates on the West Lafayette campus be held at current levels for an eighth consecutive year due to the continued focus on student affordability. He reminded the Committee that two new residence halls would open in Fall 2020 (Third Street North and Meredith South), and he explained why FY21 room and board rates would be lower than FY13.

With regard to the regional campuses, which offered apartment-style housing, Mr. Almond proposed an average increase of 2% for Purdue Northwest's Hammond campus and a 2.9% increase for the Purdue Fort Wayne campus. He explained that the increases would enable each campus to cover operating costs and target a margin for future investments in facilities. He added that approval was also being requested for flexibility in the rate-setting process in order to address the demand for housing on the Fort Wayne campus through off-campus housing and temporary reconfigurations.

Trustee Thompson expressed his appreciation for the administration's continued attention to student affordability, student access, and student success and said what had been accomplished was "absolutely phenomenal." Trustee Klipsch pointed out that students had collectively saved \$594,000,000 ever since the West Lafayette campus had been able to hold tuition flat. Trustee Thompson asked Chancellors Keon and Elsenbaumer to comment on the housing needs for their respective campuses, during which time Chancellor Elsenbaumer thanked Mr. Almond for his assistance with addressing PFW's 105% occupancy rate.

Upon proper motion duly made and seconded, the Finance Committee voted unanimously to recommend full Board approval of the 2020-2021 student housing rates. Supporting materials were filed with the minutes.

### **III. ENDORSEMENT OF INVESTMENT POLICY**

Mr. Chris Ruhl, senior vice president for strategic initiatives, provided an overview of substantive revisions made to the Purdue Research Foundation's Endowment Investment Policy. He said excellent work had been done to achieve two imperatives with regard to outside consultants and active management, for which he thanked Mr. David Cooper, chief investment officer for the Purdue Research Foundation. Mr. Ruhl informed the Committee that the revisions had been approved by the Purdue Research Foundation Board of Directors pending endorsement by the Purdue University Board of Trustees. In response to a question from Trustee Thompson, Mr. Cooper briefly spoke about changing from active to passive management, which, he said, would result in a \$4,000,000 savings. Upon proper motion duly made and seconded, the Finance Committee voted unanimously to recommend full Board approval to endorse the revisions made to the Endowment Investment Policy. Supporting materials were filed with the minutes.

### **IV. REMARKS BY COMMITTEE CHAIR**

On behalf of the Finance Committee, Trustee Thompson expressed his gratitude to Treasurer Sullivan, who would be stepping down as treasurer and chief financial officer on December 31, 2019, and who would be succeeded by Mr. Ruhl. Mr. Thompson said it had been a pleasure to work with Mr. Sullivan and his finance team as the university matured and strengthened its business processes under Mr. Sullivan's leadership.

### **V. ADJOURNMENT**

By consent, the meeting adjourned at 10:00 a.m.