I. **Review and Approval of Minutes of February 13, 2009.** The minutes were approved.

II. **Debt Issue.** Referencing the April 29, 2009 Carleton Debt Portfolio and Requested Action Memorandum, Fred Rogers reviewed Carleton’s existing debt structure with the Committee. Rogers explained the current practice of utilizing operating reserves to cover existing debt balloon payments when due. Cash flow analysis and debt alternatives were distributed. Debt proposals from three institutions, Dougherty Financial Group, U. S. Bank and Wells Fargo were discussed. The value of fixed versus variable rate debt was debated with the Committee leaning toward a fixed rate, five-year solution offered by Wells Fargo with the final debt structure to be determined and approved by the Executive Committee in June of this year. A resolution authorizing the President and Vice President and Treasurer to pursue a $10 million bond issue to be used for completion of the new residence halls, renovation of Willis Hall, and other potential deferred maintenance projects was placed before the Committee. **The Committee approved the resolution and recommends it to the full Board.**

III. **Comprehensive Fee Report.** Jim Fergerson presented on historical and current tuition and room and board fees for Carleton. In addition, this same information was shared for the standard reference group of 16 colleges. It was apparent that Carleton is well placed in the middle of this core peer group.

IV. **Endowment Spending Policy and FY 2010-2012 Proposal.** Fred Rogers reviewed Carleton’s approved endowment spending policy identifying the initial parameters and assumptions under which it was formulated. The long-term effectiveness and usefulness
of the policy was then discussed. The exception to the policy that was approved in the FY2010 budget approved by the Board of Trustees in February 2009 was reviewed. This approved exception lowered the endowment draw for FY2010 to a figure below what the policy would have allowed. The endowment draw proposed for the revised budget was then discussed. The revised budget proposes reducing the draw for FY2010 even further so the draw for FY2011 might be above what policy would allow. These adjustments essentially balance each other and allow for a more stable budgeting environment at the College.

V. Revised FY 2010 Budget. Referencing the April 29, 2009 Proposed Operating Budget for Fiscal Year 2010 Memorandum, Fred Rogers began the budget presentation with the revised endowment return projections embedded in the proposed revised budget. The campus-wide process utilized for generating the proposed revised budget was then outlined. The major revisions to both revenue and expenditures for the revised proposal were reviewed. The long-term projections for revenue, endowment payout, and endowment value were then discussed. Specific examples of campus reorganization, base budget adjustments, and ongoing evaluations were outlined for the Committee. A letter addressed to Chair Bill Craine from the Carleton Student Association was discussed. Mary Savina, President of the Faculty, reported on the Faculty’s desire to share in the reductions currently proposed in the revised budget. In addition, she expressed the Faculty’s desire that any staff reductions should be on a voluntary basis. The Committee approved the revised FY2010 budget resolution and recommends it to the full Board.

VI. UPMIFA Resolution. Linda Thornton outlined the purpose of the Uniform Prudent Management of Institutional Funds Act resolution. Fred Rogers reviewed the potential problems associated with not having such a resolution in place to protect the College’s ability to manage individual endowment accounts. This resolution confirms Carleton’s definition of Permanently Restricted Net Asset as the “historic value” of the original gift designated by the donor for “endowment” or “to be held in perpetuity.” The Committee approved the UPMIFA resolution and recommends it to the full Board.

The meeting was adjourned at 9:45 a.m.

Respectfully submitted: Patricia M. Langer, Budget Analyst