

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
September 7, 2006

CALL TO ORDER AND CALL ROLL

The meeting was called to order by Chair Robert Boey at 10:15 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Mimms conducted a roll call of Trustees. Members present were Trustees Cherilyn Murer, Manuel Sanchez, Myron Siegel and Chair Boey. Not present was Trustee George Moser. Also present were Committee Liaison Eddie Williams, President John Peters and Board Parliamentarian Kenneth Davidson. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act notification compliance was given by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Added to the agenda was Agenda Item 8.i., Housing for Students with Dependents-Ground Lease and Management Agreements. Chair Boey asked for a motion to approve the agenda as amended. Trustee Sanchez made a motion to approve the agenda as amended. It was seconded by Trustee Murer. The motion was approved.

EXECUTIVE SESSION

Chair Boey asked for a motion to close the public meeting to conduct an executive session to discuss the following subject authorized by the Illinois Open Meetings Act: personnel matters as generally described under §2(c)(1) and (3) of the Open Meetings Act. Trustee Murer so moved, seconded by Trustee Sanchez. A roll call vote of the Trustees to recess to Executive Session was unanimous.

FINANCE, FACILITIES AND OPERATIONS COMMITTEE MEETING RECONVENED

Chair Boey reconvened the public meeting at approximately 11:16 a.m.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Siegel and seconded by Trustee Sanchez to approve the minutes of May 25, 2006. The motion was approved.

PUBLIC COMMENT

No timely requests for public comment were received.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Boey welcomed everyone to the first Finance, Facilities and Operations Committee of the 2006-2007 Academic Year. This is a special and exciting time as students and faculty return to campus with renewed enthusiasm and expectations for the year ahead, he said. I am very flattered to be appointed again to serve as chair of this key Board of Trustees committee, the Finance, Facilities and Operations Committee, and have always found it to be a very rewarding experience. I would like to

welcome back fellow committee members Manny Sanchez, George Moser, Cheryl Murer, and Myron Siegel. Also in attendance are Trustee Marc Strauss and Student Trustee Andrew Nelms.

The Chair recognized UAC representatives Dr. Paul Stoddard and Dr. Xueshu Song. I welcome you all back, Dr. Stoddard said, and look forward to another productive year working with this committee and with the full Board.

I would like to say how pleased I am that the university has been able to maintain a steady budget this year thanks to President Peters and his staff, Chair Boey said. I am also especially pleased about the salary increase that the BOT was able to approve to support our hardworking and well-deserved faculty and staff. For the university to be able to provide this significant salary increase within our current statewide budgetary constraints is truly outstanding and speaks well of the leadership of President Peters and his staff.

Today's agenda includes a number of action items requiring committee approval. Among them are Fiscal Year 2008 Appropriated and Nonappropriated Capital Budgets; Fiscal Year 2007 Internal Budget; Academic and Athletic Performance Center Foundation Lease Agreement; Authorization to Continue Intergovernmental Agreements for Federal Participation of Far West Campus Roads Project, as well as Utility and Infrastructure Improvements; East Campus Bridge and Street Construction Reconstruction Approval; Intercollegiate Athletics Broadcast Service and Licensing; and the Ground Lease and Management Agreement for the Housing for Students with Dependents Projects. We will also include a number of annual and periodic reports including: Fiscal year annual reports on capital activities; transactions involving real property; cash and investments; obligation of financial resources and tuition and fee waivers; student tuition comparison item; Quarterly Summary Report of Transactions in Excess of \$100,000; Professional Excellence Awards for Faculty and Staff; and a presentation on the reconstruction of Parking Lots 20 and 21.

UNIVERSITY RECOMMENDATIONS

Agenda Item 8.a. – Fiscal Year 2008 Budget Guidelines

The Fiscal Year 2008 Appropriated Capital Budget Request begins on page 7 of your materials, Dr. Williams said. Page 8 shows the summary of capital projects as we move into Fiscal 2008. As you all are very much aware, the state has not provided major capital funds for at least five years, so our list is essentially a repeat of the lists we submitted a year ago at this time. We have increased our requests given the fact that costs are escalating; but the priorities are the same, including our Stevens Building renovation, Computer Science and Technology Center, and our academic buildings and electrical systems improvements. Our capital renewal projects, those under \$1 million, are identified in your list. Again, we are repeating projects approved in prior years that remain unfunded. We have made extra efforts through internal reallocations to try to address the capital needs of the campus. The President has established that health and safety issues take priority and must be addressed, so we have tried in every way possible to make sure that has been done.

The Trustees all agreed that with the submission of the capital budget request this year, a note should be sent with the request expressing the NIU Board's extreme disappointment with the failure of the state to provide capital funding in the past few years, and that we are hopeful that, as a minimum, the number one and two positions on the consolidated IBHE list would be for our top two projects. We should reemphasize to the IBHE that the Stevens Building is a health and safety issue that needs immediate consideration, Trustee Siegel said. This is something we have not done in the past, he said, and I think we need to let the IBHE know how serious these capital needs have become. To put this subject into context, Chair Boey said, the Stevens Building was on the priority list when Manny, Myron and I were in our first terms with the Board in 1996, and it was unsafe at that time.

Chair Boey asked for a motion to approve the Fiscal Year 2008 Budget Guidelines. Trustee Siegel so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 8.b. – Fiscal Year 2008 Nonappropriated Capital Budget

The nonappropriated budget is somewhat different from the appropriated in that it is primarily our bond revenue activity, Dr. Williams said, and the bond revenue activity has built-in reserves for repair, replacement and maintenance. This is through the bond indentures and, therefore, we do have reserve funds for maintaining these facilities. The projects listed are those that have come through our internal process from the users of our bond revenue area. Also, we try to leave flexibility within the budget to address specific needs as they arise. Chair Boey asked for a motion to approve the Fiscal Year 2008 Nonappropriated Capital Budget. Trustee Sanchez so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 8.c. – Fiscal Year 2007 Internal Budget

This is the first year in five that we received any increase in our general revenue funding, Dr. Williams said. As you know, we received just under a million dollars for salary increments from state appropriations. Again, this is a major breakthrough indicating that we are at the end of the era of reductions and cuts and perhaps turning the corner to the era of some increases in our general funding. And again, Chair Boey said, I will point out the fact that the general revenue fund, in round figures, is \$103 million. We have a total budget of \$380 million, which means that the state is providing slightly less than one-third of our funding. Chair Boey asked for a motion to approve the Fiscal Year 2007 Internal Budget. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 8.d. – Academic and Athletic Performance Center Foundation Lease Agreement

This item is for the lease agreement between the university and the Foundation for the operation of the Academic and Athletic Performance Center, Dr. Williams said. This is one of those benchmark projects of which we can all be proud. The NIU Foundation has increased its role in assisting the university in meeting its needs by taking on the responsibility for developing and financing this impressive facility which is located directly north of Huskie Stadium. One of the other great things about this project is that donors have given in excess of \$7.5 millions in support of its development, and this is unique in our history. The fact that the Foundation took on the actual financing and issuing of bonds is very positive. We want to commend Mallory Simpson and Mike Malone for their leadership in bringing the Foundation to this point. From the Foundation viewpoint, Chair Boey said, this was very creative, and it really helped to accelerate the entire schedule of this wonderful project. I want to add recognition of a person who from the very beginning said he was committed to seeing this happen, Trustee Sanchez said, and that is our athletic director, Jim Phillips, who deserves a lot of credit but could not be here today. The Chair asked for a motion to approve the Academic and Athletic Performance Center Foundation Lease Agreement. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 8.e. – Authorization to Continue Intergovernmental Agreements for Federal Participation of Far West Campus Roads Project

This is the authorization for a continued intergovernmental agreement with the Illinois Department of Transportation, with regard to the construction of roads in the far west campus, Dr. Williams explained. I want to commend Kathy Buettner for her efforts in obtaining federal dollars for the development of the roadways out on our Far West Campus. This particular project was originally funded in 2004, and we have the unique opportunity to tell the Board that the work came in under budget. We are now entering this agreement to invest the excess dollars in extending the roadway further north in that area. Chair Boey asked for a motion to authorize continuation of the Intergovernmental Agreements for Federal Participation of Far West Campus Roads Project. Trustee Sanchez so moved, seconded by Trustee Siegel. The motion was approved.

Agenda Item 8.f. – East Campus – Bridge and Street Reconstruction Scope Change to Previous – Capital Project Approval

We are about to complete the improvements, repair and renovation of the College Avenue Bridge, Dr. Williams said. We also are going to improve the roadway that extends from the corner here at Altgeld going east to the bridge. Now that we have the resources, those two projects have been combined. Chair Boey asked for a motion to approve the Bridge and Street Reconstruction on College Avenue. Trustee Murer so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 8.g. – Far West Campus Utility and Infrastructure Improvements – Capital Project Approval

These utility and infrastructure improvements are in relation to the development of the Far West Campus, Dr. Williams said, which we have discussed in previous meetings. We are ensuring that all utility extensions will be sized with future development in mind. This particular item will include extensions for the housing for students with dependents project as well. Also, we want to point out that we will be working hand-in-hand with the Board-assigned Trustees regarding the West Campus as well as the Chair of the Finance Committee. The Far West Campus we are referring to is the 200 acres west of DeKalb off Lincoln Highway, Chair Boey said. The Board of Trustees views that as a strategic development area for the future growth of NIU in the next 20 to 40 years for which we are working to develop strategies. The Chair asked for a motion to approve the Far West Campus Utility and Infrastructure Improvements. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 8.h. – Intercollegiate Athletics Broadcast Service and Licensing

The Intercollegiate Athletics Broadcast Service and Licensing is the agreement we have with Radio 670 which allows us to broadcast over almost all of the Midwest and South, Dr. Williams explained. This was reported to you previously in a presentation by the athletic director in a full Board meeting a year ago, and it is continuing. Chair Boey asked for a motion to approve the Intercollegiate Athletics Broadcast Service and Licensing. Trustee Siegel so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 8.i. – Housing for Students with Dependents – Ground Lease and Management Agreements

Board authorization is needed to enter into a ground lease and management agreement pursuant to the development of housing for students with dependents, Dr. Williams said. This is a very fast paced project, and certain of the agreements and documents were not available until very late. I want to express my appreciation to General Counsel Kenneth Davidson, who worked until the wee hours this morning to review these documents to make sure they were consistent with university policy. These agreements are pursuant to the development agreement you have previously authorized us to enter into. The lease agreement allows the developer to construct the project on university property, and the management agreement allows our Student Affairs division to manage and service the property through the term of the amortization. General Counsel Davidson reminded the committee that since this was a walk-in item that was not listed on the Open Meetings Act posted agenda, it was eligible for discussion and consideration, but not for action at this meeting. Chair Boey asked that the consensus of the committee to pass this item on for approval be conveyed to the full Board at its September 21 meeting.

I was very excited about this project when this was presented, Trustee Murer said, and I want to remind everyone that this is a very unique structure. Just as we commended the Foundation for its unique structure in using bonds for the Athletic facility, this is a reflection of today's NIU, which is innovative in finding ways and solutions that may not have been available five years ago. So this is important as a reflection of using a lot of ingenuity to be able to fund capital projects when capital allocations are dwindling. This is a very exciting, risk free project that will be good for a segment of our student population, President Peters said. Anyone who knows the existing married student housing structures know they have long since fulfilled their purpose. It is important to stress that we are replacing the existing housing, Chair Boey pointed out, not adding new structures.

UNIVERSITY REPORTS

- Agenda Item 9.a. – Fiscal Year 2006 Report on Capital Activities**
- Agenda Item 9.b. – Fiscal Year 2006 Annual Report of Transactions Involving Real Property**
- Agenda Item 9.c. – Fiscal Year 2006 Report of tuition and Fee Waivers**
- Agenda Item 9.d. – Fiscal Year 2007 Entering Student Tuition Comparison - Public Universities**
- Agenda Item 9.e. – Fiscal Year 2006 Annual Report of Cash and Investments**
- Agenda Item 9.f. – Quarterly Summary Report of Transactions in Excess of \$100,000**
- Agenda Item 9.g. – Fiscal Year 2006 Annual Summary Report - Obligation of Financial Resources**
- Agenda Item 9.h. – Professional Excellence Awards for Faculty and Staff**

There were no questions from the Trustees regarding the above items.

Agenda Item 9.i. – Parking Lots 20 and 21 Reconstruction Update

We had considerable difficulties with the parking areas and traffic congestion as well as the potential conflict of pedestrians and vehicles in Parking Lots 20 and 21, Dr. Williams said. We did a major redesign and reconstruction of this very important parking area in record time. I want to commend the staff for their hard work and give you Trustees an opportunity to see it. I would like to ask Tom Wroblewski, from Architectural and Engineering Services, to give you a quick overview of the restructure and realignment of Parking Lots 20 and 21.

The reconstruction of these parking lots was approved by the Board of Trustees at the December 2005 meeting, Mr. Wroblewski reported. Today we would like to present two short video clips of the project. The first was created by our very talented student helper, and the second was done by our staff architect. As the clips play, we will try to describe some of the features of the project.

The parking lots are approximately 17,000 square yards of asphalt, which is approximately three and a half acres of parking on the west side of campus near Evans Field House. Some of the problems encountered were the aging infrastructure that is common on campus in many areas. The parking lots are approximately 40 years old. There was no engineering data available for us to analyze, so we started from square one. The storm drainage in the area was in very poor condition and needed to be updated and repaired. The lighting was outdated, in very poor condition and distribution in some areas made the parking areas very dark. The surface itself was very deteriorated with numerous patches with uneven, cracked and broken pavement, which created hazards for people trying to park and walk from their vehicles. The existing two-way vehicular traffic configuration created a distinct conflict for pedestrian traffic with cars going in and out and trying to park. Traffic congestion was increased when drop-off and pick-up was moved to the lot after we closed the University Circle Drive in 2004. New lighting with four heads was added to distribute the lighting in a more even pattern throughout the parking lot. And, a pedestrian walkway was added through the middle of the lot to provide safety for pedestrians, most of whom come from the residence halls to get to the academic buildings.

Traffic flow was changed to a one-way system to help improve the flow by adding a new entry and exit on Lucinda. A new drop-off and pickup area was created separate from the parking lot so that activity would not interfere with parking lot operations. The capacity of the original existing lots was 435 vehicles. Quite often a renovation of this type is done, spaces are lost because of the configuration. In this case, however, we were able to add 19 additional spaces. So the new parking lot provides 454 parking spaces. Because of the key location of these parking lots, we tried to minimize the time that they were closed. The lots were reconstructed in 50 days and were open for the first day of class. To help reduce the construction time and cost, the existing asphalt surface was scraped up, pulverized and recycled and put back in place to provide a new stone base for the new asphalt surface. The water main was changed and fire hydrants were added. Chilled water was included to provide for future air conditioning into the building.

One of the biggest items on our budget was the cost of the asphalt, which increased 35 percent on June 1, so our budget was stretched to its maximum. We were able to complete the project with two change orders and stay within the budget that had been established at the last meeting.

I want to thank Tom and his student employee, who is attending Kishwaukee Community College, for their efforts. Also, I would like to recognize Paula Lofgren, who has been working with us on two key projects representing the bond revenue area. She has been very instrumental in the work on the land lease agreement and the management agreement for the housing for students with dependents, and she has been very instrumental with the lease agreement with the Foundation regarding the Academic and Athletic Performance Center.

Although we are going to meet them at lunch, Chair Boey said, I would like to publicly recognize those faculty and staff that may be present who received excellence awards. Present were Sandi Carlisle, Associate Director, Residential Services, recipient of a Presidential Supportive Professional Staff Award for Excellence; Judy Burgess, Secretary IV, Environmental Health and Safety, recipient of an Operating Staff Outstanding Service Award; and Karen Smith, Program Services Specialist, Human Resource Services, recipient of an Operating Staff Outstanding Service Award.

NEXT MEETING DATE

The next meeting of the Finance, Facilities and Operations Committee is scheduled for Thursday, November 16, at 10:00 a.m. in the Board of Trustees Room, Altgeld Hall 315.

ADJOURNMENT

There being no Other Matters, Chair Boey adjourned the meeting at approximately 11:39 a.m. without objection.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary