

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
March 8, 2007

CALL TO ORDER AND CALL ROLL

The meeting was called to order by Chair Robert Boey at 10:33 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees Cheryl Murer, Manuel Sanchez (via teleconference) and Chair Boey. Present for purposes of a quorum was Board Chair Barbara Giorgi Vella. Not present were Trustees George Moser and Myron Siegel. Also present were Trustees Cheryl Murer and Marc Strauss, Student Trustee Andrew Nelms, Committee Liaison Eddie Williams and Board Parliamentarian Kenneth Davidson. With a quorum present, the meeting proceeded.

Parliamentarian Davidson noted for the record that for purposes of quorum management, Chair Vella would be acting as a member of the quorum that is present and also as a voting member.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

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

MEETING AGENDA APPROVAL

Chair Boey asked for a motion to approve the agenda as amended. Trustee Murer made a motion to approve the agenda. It was seconded by Trustee Vella. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustee Vella and seconded by Trustee Murer to approve the minutes of November 16, 2006. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

In addition to the members on this committee, Chair Boey said, I would like to acknowledge, the presence of Board Chair Barbara Vella, who is always doing extra duty. I would also like to thank Trustees Murer and Strauss and Student Trustee Nelms for being present today as well.

I would like to also recognize our UAC representatives, Dr. Paul Stoddard and Dr. Xueshu Song. In these budget times, Dr. Stoddard said, we want to thank the Board and let them know we very much appreciate having a Board that is so supportive of the university. This is my last meeting serving as a University Advisory Committee representative, Dr. Song said, so I just want to thank the Board for everything they do and wish you luck in the future.

Today's agenda includes items of particular importance to the students and the university community as a whole, Chair Boey said. Those items include recommendations for student fees and room and board rates for the upcoming year. These recommendations have been developed through a consultative process that involves students and staff. They reflect the budget challenges that the university faces in Fiscal Year 2007-08. In addition to those items today, on the agenda are also other items that include contract renewals, spending authorizations for athletic sports camp housing and meals, authorization to grant easements and other project revisions.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and the Board of Trustees Bylaws. Mr. Davidson noted that no timely request for public comment had been received.

UNIVERSITY RECOMMENDATIONS

I would like to welcome the members of our committee to another exciting day at NIU, Dr. Williams said. Before I begin, I would like to introduce to you the person who will be my right-hand person stepping into our office as administrative assistant to the senior vice president, Ms. Cheryl Ross. We are very pleased to have her join our staff, and over the coming years, you will get to know her and to know her expertise and professionalism.

Agenda Item 7.a. – Fiscal Year 2008 Student Fee Recommendations

Our fee process is one that we are very proud of, Dr. Williams said. Every fee area has a representative committee that includes staff, faculty and student representation, and these subcommittees work on each individual fee area. They make an evaluation of the need issues in that particular area, and then come together with a unanimous recommendation that comes to my office and then to the President for evaluation. President Peters then meets with student leadership, including our Student Trustee, to review the recommendations prior to making a final decision and recommendation to the Board. So, what is before you is a result of this very extensive process. The President, at the outset, established guidelines, again this year, to try to minimize the impact of the fees on our students, affordability being a major priority of our campus. And, as a result of the President's guidelines, the overall increase represented is 3.32 percent. That is exclusive of the health insurance fee, which is an optional program, and many campuses do not have this kind of extensive coverage. I would like to commend Dr. Herrmann and her staff and the Vice President of Student Affairs, Dr. Hemphill, and the students who were involved on that committee for their efforts in negotiating a very positive rate with our insurance carrier. The initial request was an 11 percent increase, and they were able to negotiate that down to 8 percent.

In reply to a query from Trustee Vella regarding the bus fee, Dr. Williams, said that this is the last year of a four-year agreement. The agreement contains certain escalators that basically are caused by things such as a change in service or diesel fuel costs, and those escalators are then brought back by the transportation committee as part of the increase recommendation. The same is true for the health insurance fee, which is also by contract. The provider looks at their prior claims history, and that is what impacts the next contract year.

As Dr. Williams stated, Student Trustee Nelms said, a number of other student leaders and I met with him and Dr. Peters to go over these numbers. And, while given the option, students would obviously rather pay less than more, we, as students, do require certain services. These include the Huskie Bus Line, and services paid through the student activity fee, such as the Students Legal Assistance Office and certain facilities and infrastructure, like the Recreation Center, the Holmes Student Center, the convocation center, and others. So these student fee recommendations are the costs associated with these services and facilities, and they are what the committees unanimously agreed were required to fund these services, facilities and infrastructures.

Chair Boey asked for a motion to approve the FY08 Student Fee Recommendations. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.b. – Fiscal Year 2008 Room and Board Rate Recommendations

Again, Dr. Williams said, this recommendation comes to the Board as part of a committee consisting of both students and staff, primarily under the guidance of the Vice President of Student Affairs. This year, the recommendation is for a zero increase in the board rates and a 9.8 percent increase in room rates. We are in the process of providing fire sprinklers for our residence halls, which is a major expense. This program began several years ago, but the State of Illinois stepped in and mandated that this be done. Of course, there was no funding behind the mandate. One of the major reasons for the increase is that we are trying to address this issue through increasing our room rates to generate enough capital in order to

undertake the program in its entirety. Another reason is because of the increase in minimum wage, which we all will be facing.

I just want to make the comment that it appears there is always a great sensitivity on the part of your office, Dr. Williams, and all of the colleagues that you work with, as we look to price increases, Trustee Murer said. And even though some of the fees have increased, it is not commensurate with other universities. Dr. Williams acknowledged the comment for the many people who were involved in the process of making sure that minimum increases are maintained wherever possible.

Chair Boey asked for a motion to approve the FY08 Room and Board Rate Recommendations. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.c. – Fiscal Year 2008 Student Accident and Sickness Insurance Contract Renewal

This is the actual contract for our health insurance, Dr. Williams said. We previously made comments about it and how it is calculated. This is a voluntary program. It is a flow-through supported through student fees. Students are allowed to opt out if they have comparable coverage from parents or other sources. It is an excellent program, and as a parent myself, I certainly appreciate the insurance coverage we have for students.

Chair Boey asked for a motion to approve the FY08 Student Accident and Sickness Insurance Contract Renewal. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.d. – Fiscal Year 2008 Mass Transit Contract Renewal

This contract supports the Huskie Bus system, Dr. Williams said. Again, we have discussed the fees necessary to support this contract. And like the health insurance program, it is a pass-through item. This is the fourth year of a four-year contract, which means that we will be in the process of rebidding this service next year. Student Trustee Nelms commented that the Huskie Bus Line was one of the top mass transit services in Illinois, with an annual ridership of over two and a half million. Chair Boey asked for a motion to approve the FY08 Mass Transit Contract Renewal. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.e. – Fiscal Year 2008 Athletic Sports Camp Housing and Meal Expenditure

Dr. Williams stated that the FY08 Athletic Sports Camp Housing and Meal Expenditure is also a pass-through. This is the annual authorization for athletic sports camps held at the university during the summer. The users who attend the camps generate the necessary revenue to support the camps. Chair Boey asked for a motion to approve the sports camp expenditures. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.f. – Fiscal Year 2008 International Programs Division

As you all know, Dr. Williams said, we have one of the most positive International Programs in demand around the country. We normally provide an appropriation that gives the International Programs Division the authorization to spend up to \$3 million. This is a pass-through; the users pay for the service. Chair Boey asked for a motion to approve the FY08 International Programs Division item. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.g. – Fiscal Year 2008 Waste Management Contract Renewal

This is the fifth year renewal of a five-year contract, Dr. Williams said, which means that we will be in the process of renegotiating this contract at the end of this year. Chair Boey asked for a motion to approve the FY08 Waste Management Contract Renewal. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.h. – Fiscal Year 2008 Document Services Copier and Controller System Contract Renewal

This is a contract renewal for our Document Services Copier and Controller System, Dr. Williams said. We have found that it is much better for us to lease equipment as opposed to actually purchasing it. This

is the sixth year of a ten-year contract. Chair Boey asked for a motion to approve the FY08 Document Services Copier and Controller System Contract. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.i. – Fiscal Year 2008 Copy Paper – ITS Document Services and Materials Management

This is a request for expenditure authority up to \$830,000 to be used by ITS for materials such as paper, envelopes and supplies as needed, and Materials Management will purchase items under this authorization. Chair Boey asked for a motion to approve the FY08 Copy Paper for ITS Document Services and Materials Management. The motion was approved.

Agenda Item 7.j. – Transportation Services Motor Coaches

I am very proud to be able to bring this item to the Board, Dr. Williams said. We are recommending the purchase of two new motor coaches. One of the buses has over 500,000 miles already logged on it. The other bus is a smaller bus with a little over a hundred thousand miles, but the body is rusting out. So we are recommending the acquisition of two new 56-passenger intercity motor coaches. They will be financed through the state procurement consortium, which provides financing. Also, we are able to purchase these buses and meet the annual debt service with the revenue that is generated by the Transportation Department; therefore, the university does not have to provide additional capital to fund this acquisition. Chair Boey asked for a motion to approve the purchase of two Transportation Services Motor Coaches. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.k. – ITS Document Services Digital Press

This acquisition by ITS of a digital press is required to remain competitive and provide those services that our various academic and other user departments require to provide their designated services, Dr. Williams said. This particular acquisition for \$390,000 will be supported by the sales and service funds generated by the Document Services area, so no additional capital will have to be designated to support this purchase. Chair Boey asked for a motion to approve the ITS Document Services Digital Press Acquisition. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.l. – Information Technology Services Hardware and Software Maintenance and Software Upgrade

The Information Technology Services Hardware and Software Maintenance and Software Upgrade is a renegotiated maintenance contract for software with Cisco Systems, Dr. Williams said. It provides the necessary maintenance required to keep the system and the software running. This maintenance contract will be supported by the sales and service activities of ITS, which means that no additional capital is necessary to support it.

Wally Czerniak, Associate Vice President, Information Technology Services, explained that this is an annual maintenance contract on all the Cisco gear which provides Internet connectivity across campus. We found we could reduce our maintenance costs by signing a three-year contract, he said. It has never been to the Board before because using one-year contracts meant the cost was always under the \$250,000 annual limit. With this agreement, we hope to save about 25 percent over three years. Chair Boey asked for a motion to approve the ITS Hardware and Software Maintenance and Software Upgrade. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.m. – NIUTEL – Telecommunication Services System Upgrade

The existing switch is the original Northern Telecom switch, and was one that we worked on in Finance and Planning back in the eighties, Dr. Williams said. We were very pleased to have the opportunity to bring that technology to campus at that time. Now we are being told that it has far spent its time and there is a need to upgrade the system with a replacement switch, and I am very pleased that we were able to negotiate such an attractive price to do the upgrade. Again, this is a capital investment that will be covered through the revenues generated by the area itself and will not require outside funding. Chair Boey asked for a motion to approve the NIUTEL-Telecommunication Services System Upgrade. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.n. – Far West Campus Roadway Extension – DeKalb Sanitary District Easement

This is a 20 foot wide easement that will allow sanitary pipes to be brought out to the new Northern View Community housing for students with dependents that currently is being developed, Dr. Williams said. But it will also have the capacity to serve the entire 240 acres as future buildings and facilities are developed in that area. The sanitary district has agreed to upsize pipes and to work with us in that regard. In accordance with Board *Regulations*, the Board must authorize any grants for easement. Chair Boey asked for a motion to approve the DeKalb Sanitary District Easement for the Far West Campus Roadway Extension. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.o. – Lorado Taft Campus Waste Water Treatment Plant – Capital Project Revision

The original design and budget that were established for a waste water treatment plant for our Lorado Taft Campus, from our perspective was an adequate system, Dr. Williams said. But the IEPA reviewed the plans and made certain recommendations that required a change in the design and, therefore, a change in the budget. The Lorado Taft Campus, as you know, is sort of our outdoor education experience, and many of our local schools take advantage of that. And, while the actual revenues from that area will not cover this entire amount, we have sufficient funds within our extension area to cover it. Chair Boey asked for a motion to approve the revised budget for the Lorado Taft Campus Waste Water Treatment Plant. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.p. – Student Financial Aid Office Remodeling – Capital Project Budget Revision

This remodeling project for our Student Financial Aid Office was brought before the Board and approved for a budget sometime ago, Dr. Williams said. However, in our research and assessments of the project, we found there were materials that would cause a potential problem once disturbed. Therefore, we included an abatement section to the construction project, which required an amendment of the budget. The purpose of the remodeling is to provide a more private setting for students who come in for financial aid counseling. As you know, identity theft is very prevalent right now, and it is not wise to have people discussing personal information in an open space. The area of Financial Aid has been able to generate enough funds to cover the cost of the renovation. Chair Boey asked for a motion to approve the Student Financial Aid Office Remodeling. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.q. – Collective Bargaining Agreements

We are very pleased to report to the Board that we have had at least two additional collective bargaining units reach agreement, Dr. Williams said. The Teamster's Local 330 and the Carpenter's Local 790, have reached full agreement, and those agreements are pursuant to the Board's guidelines on increments. Chair Boey asked for a motion to approve the collective bargaining agreements for Teamsters Local #330 and the Chicago Regional Council of Carpenters, Local #790. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.r. – Intergovernmental Agreement – City of Chicago

As part of the City of Chicago's application to the Olympic Committee to have Chicago as the site of the upcoming Olympics, Dr. Williams said, the city approached the university about using certain NIU facilities as part of their application. This would mean that possibly several events could be located here at the NIU campus. Unfortunately, we did not have a great deal of time to negotiate this situation, but the city has asked for an intergovernmental agreement, which requires Board approval. At this juncture, so that the City of Chicago would have a complete packet for the Olympic Committee, we sent a letter of intent saying that we were very much in favor of this as a university community endeavor, and that we would be recommending to the Board that they enter into an intergovernmental agreement to provide the facilities needed for the Olympics on our campus. In reply to a query from one of the Trustees, Dr. Williams said that as far as he knew, Athletic Director Jim Phillips was very involved in the talks, and NIU was the only university asked to participate. I am assuming that they did a survey of the universities in the vicinity, and NIU was the one they felt provided what they need, he said.

Before we end discussion, Trustee Sanchez said, I do not know if my fellow Trustees know this, but I have the privilege of serving on that 2016 exploration Olympic Committee. The International Olympic Committee is looking at Los Angeles and Chicago as possible sites. In answer to the question about a venue, soccer is one of the sports that they have in mind for DeKalb. In a very competitive process, they looked at several venues in our area, and NIU was viewed as the best opportunity. Finally, I believe that if we are privileged enough to have the Olympics come to Chicago, NIU would benefit greatly, as would the City of Chicago and the State of Illinois. But what is going to happen in 2009 is much more problematic unless we clear up some of the problems we have in Iraq and other places internationally. We would have a very hard time right now getting the International Olympic Committee to approve a United States venue, be it L.A. or Chicago.

Chair Boey asked for a motion to approve an Intergovernmental Agreement with the City of Chicago for the 2016 Olympics. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.s. – Naming of Academic and Athletic Performance Center

The NIU Foundation has recommended that the Academic and Athletic Performance Center be named the Jeffrey and Kimberly Yordon Center, Dr. Williams said, and the university supports that recommendation.

Chair Boey asked for a motion to approve that the academic and athletic performance center be named the Jeffrey and Kimberly Yordon Center. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

UNIVERSITY REPORTS

I will not go through all of the information items, Dr. Williams said, but there are a couple I would like to call to the Board's attention. With the Governor's message just yesterday, it is very important that we have an update on the Fiscal Year 2008 budget, and Vice President Buettner is going to provide that report.

Agenda Item 8.a. – Fiscal Year 2007-2008 Budget Update

Those of you who were at the LAEA Committee meeting on Tuesday heard a more extensive and in-depth presentation on the Illinois Board of Higher Education's FY08 recommendations because the Governor's budget was not available until yesterday. The Illinois Board of Higher Education provided a recommendation to the Governor in general fund appropriations for a 1.5 percent base budget increase for the public universities. The Governor's Office and the Director of the Budget, after discussion among themselves as well as with some of the Presidents, raised that amount in the Governor's budget to a 1.9 percent base budget increase. Also, there was an additional approximately one-half percent or about \$6 million put in a separate funding account that will be available to the Illinois Board of Higher Education to distribute to the public universities to meet the needs of education, the teacher's training issues and the healthcare workforce issues. Each university will be submitting competitive proposals for that funding. The program has not been set up yet, so that will be decided as the session and the budget discussions progress.

The Governor basically outlined approximately a \$400 million capital budget for public higher education including community colleges and public universities throughout the normal capital process coming through CDB. That particular budget did contain funding for the Stevens Building project, which has been this Board's number one priority for over ten years, and we are very grateful for that. All of the capital needs were put forth into one large capital budget, which is typical for the State and for the Governor. And now the discussion in Springfield will be focused on the revenue source. What source is going to fund that particular capital budget and the growth in the Governor's healthcare programs and the things you read about in the newspaper? That discussion will be very contentious over the next few months, and I believe everyone, including the Governor, is not exactly sure how all of this is going to come out because the revenue streams that were put forth in his message in terms of primarily a gross receipts sales tax is an extremely controversial measure by anyone's admission, whether you are for it or against it. There will be issues involving gaming and issues involving whether or not we consider an income tax

increase. Every source of potential revenue will be open for discussion over the next few months. The important thing I want to leave with this Board and with this campus is that while the funding is there in the Governor's budget, the capital funding for the entire state is dependent in large part on what revenue stream is found agreeable by the General Assembly to support that capital budget and the debt service that is required.

I would only add one word of caution, Dr. Williams said. As Vice President Buettner has indicated, this process has a long way to go. And in prior years we have seen recommendations from the Governor not survive through the legislative process. It is at issue as to how the Governor is going to fund the operating side of his recommendation as well. So, there are some major issues that have to be resolved. But the initial thrust of the Governor's budget is a positive one for higher education.

Agenda Item 8.b. – Fiscal Year 2008 Legislative Update

Agenda Item 8.c. – Fiscal Year 2007 Increment Summary Report

Agenda Item 8.d. – Quarterly Summary Report of Transactions in Excess of \$100,000

Agenda Item 8.e. – Periodic Report on Investments

Agenda Item 8.f. – Bowl Game Participation Expenses

There were no questions from Board Committee members regarding the above items.

NEXT MEETING DATE

Chair Boey announced that the next meeting of the Finance, Facilities and Operations Committee is scheduled for June 11.

ADJOURNMENT

There being no Other Matters, Chair Boey asked for a motion to adjourn. Trustee Murer so moved, seconded by Trustee Vella. The meeting was adjourned at approximately 11:21 a.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary