

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
May 28, 2015

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 2:20 pm by Chair Marc Strass in room 233 of the NIU-Hoffman Estates, 5555 Trillium Boulevard, Hoffman Estates, Illinois. Recording Secretary Vicky Rippberger conducted a roll call of the Trustees. Members present were Trustees Robert Boey, Wheeler Coleman, Anthony Iasco, Robert Marshall, Cherilyn Murer, Student Trustee Paul Julion, Board Chair John Butler, and Committee Chair Marc Strauss. Also present were President Douglas Baker, Committee Liaisons Alan Phillips, Jerry Blazey, Executive Vice President and Provost Lisa Freeman, Board General Counsel Jerry Blakemore, and Board Liaison Mike Mann.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act compliance was given by General Counsel Jerry Blakemore as well as verification of a quorum.

MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Trustee Murer; seconded by Student Trustee Julion. All were in favor. The motion carried.

REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the February 26, 2014 meeting was made by Trustee Marshall; seconded by Student Trustee Julion. All were in favor. None were opposed. The motion carried.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Strauss began, in the interest, not of making up our lost time, but at least keeping us within our allotted time for this meeting, I'm not going to have any announcements. I will recognize representatives from the University Advisory Committee that are here and ask if there are any comments.

Rebecca Shortridge spoke. We do have some comments today. Today you are examining the fiscal year 2016 budget preparations. We would like to mention some recent changes approved by our University Council to the Resource, Space and Budget Committee, the primary committee providing budget advice to the administration. In anticipation of continued financial uncertainty relative to state allocations, the University Council modified the committee's duties to include providing input on time sensitive budget issues and revenue generation. It also added a provision allowing the committee to operate outside of the academic calendar year without a quorum providing there are at least five members present, three of whom must be faculty. Provost Freeman and President Baker were the catalysts for this change. Provost Freeman and Vice President Phillips met with the Resource Space and Budget Committee and the Faculty Senate Executive Committee in March to explain the critical budget issues and express the need for continued input from the university constituents after the conclusion of the academic year. We believe this demonstrates a commitment to shared governance and speaks to the interest of having as much input as

possible until the budget picture becomes clearer. So thank you for the Resource, Space and Budget willingness to serve in those roles.

Chair Strauss thanked Ms. Shortridge for her input. We do appreciate it.

PUBLIC COMMENT

Chair Strauss asked Board General Counsel Jerry Blakemore if we had any registered public comment requests. Mr. Blakemore stated that no such requests have been received.

UNIVERSITY RECOMMENDATIONS/REPORTS

Action Item 7.a. – Overview of On-Going Fiscal Year 2016 Budget Preparations/Preliminary Fiscal Year 2016 Internal Operating Budget Interim Approval

Al Phillips presented Item 7a, Overview of the On-going Fiscal Year 2016 Budget Preparations and Preliminary recommendations. As you heard earlier, Mike Mann talked briefly about some of the budget discussions that have been going on in Springfield. Our budget recommendations for this year will reflect the governor's budget. When we put the material together we had not received input from the general assembly. Understanding there are a tremendous number of unknowns at this point in time, and while we understand that our funding recommendations or the appropriation amount will be probably less than the 31.5% proposed by the governor, it will probably be higher than the 6% that was put on the table by the appropriations committees. As a result, going into the budget process for FY16, and not knowing at this point in time what our enrollment revenue will be, our planning will start at the 31.5% budget. For FY15 our budget, after we gave back 2.1 million dollars which was a requirement to get us through FY15, our FY15 budget was \$424,000,000. Going into FY16, our budget proposal will reflect the reductions. Our preliminary start point will be roughly \$395,000,000 for our budget process.

A motion was made to approve the recommendation of the preliminary operating budget as presented by Trustee Murer; seconded by Student Trustee Julion.

Chair Strauss asked for discussion or questions.

Chair Strauss continued with his question. In the budget presentation, university income fund line item includes tuition. What assumption is made, and maybe a better way to phrase that is how does the university fund line item number here for when we get down to the total, is the assumption that it would be the same then as FY2015?

Al Phillips responded, the assumption is that tuition would probably be less. We're starting at the governor's budget recommendation level understanding that our appropriation will probably be more than the governor's recommendation. Our enrollment, we expect, will be down again this year. To take that into consideration we're going to start at the governor's recommendation level understanding that the loss of revenue due to enrollment will probably make up the difference.

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Action Item 7.b. – Fiscal Year 2015 Student Accident and Sickness Insurance Contract Addendum

Al Phillips presented Item 7b, Fiscal Year 2015 Student Accident and Sickness Insurance Contract. The Board in 2015 approved an insurance amount of \$7.7 million. This is basically a pass through that goes to

pay student insurance with the vendor. The insurance health fee has generated actually \$8.3 million which is \$630,000 over the initial authorization, therefore it requires additional approval of the Board. The university requests the Board approve the expenditure authority for FY2015 which includes the additional \$630,000.

A motion was made to approve the recommendation by Trustee Boey; seconded by Student Trustee Julion.

Chair Strauss asked for discussion or questions.

Chair Strauss continued with his question. Presumably we knew at some point during the fiscal year that numbers were out of whack. Is there any reason why we're only discovering it now?

Eric Weldy, Vice President for Student Affairs, responded, yes, we do 85 percent of the invoice billing during the fall and the spring semesters, and we noticed in March that the net premium that was used to calculate what would go to the broker was the FY14 net premium and not the FY15 net premium. Although the students were billed correctly, when it went to the Board the wrong net premium was used in the calculation, and so that's why we have the shortage. The money is there but we still need the approval in order to pay the invoice.

Chair Strauss asked for other discussion or questions. Trustee Coleman asked for a roll call.

Trustees Boey, Marshall, Murer, Student Trustee Julion, Committee Chair Strauss all voted yes; Trustee Coleman abstained; Board chair John Butler was absent. The motion carried

Action Item 7.c. – Intercollegiate Athletics Fiscal Year 2016 Secondary Student Health Insurance Contract Renewal

Al Phillips presented Item 7c, Intercollegiate Athletics Fiscal Year 2016 Secondary Student Health Insurance Contract Renewal. This is secondary insurance that's required in addition to coverage the students may already have through their own primary insurance. It's specifically purchased and designed for NCAA members and negotiated on behalf of the schools in accordance with NCAA regulations. This amount is for the NCAA group basic accident medical program insurance plan fees and deductible claims coverage. This is renewal number two of nine one-year renewal options. We request the Board of Trustees approve the expenditure authority for this insurance.

A motion was made to approve the recommendation by Trustee Boey; seconded by Student Trustee Julion.

Chair Strauss asked for discussion or questions.

Chair Strauss continued with his question. Is there anybody who can describe to me the parameters of this insurance?

John Cheney, Interim Associate Vice President for Facilities Management and Campus Services/ Associate Athletics Director, responded, so as it was mentioned, it's a secondary insurance policy. All students athletes already have either their primary insurance through their parents or through the student insurance program. So this is just a secondary that helps manage the costs within athletics due to their participation in NCAA athletic events. We do have the responsibility to ensure that they do not have out of pocket expense for their injuries that would be incurred representing the university. This policy fills that void.

Chair Straus questioned, so it basically covers what would have been the deductible stop loss and co-pay?

John Cheney replied, correct.

Chair Strauss continued, alright. I'm also interested in what happens if there's later manifestation of an injury that occurs through competitive athletics. There seems to be an issue of some common occurrence, and I'm not sure what our treatment is.

John Cheney responded, currently as the student athlete completes their eligibility or graduates, they'll do an exit interview with either one of the senior administration that oversees that particular sport as well as the sports medicine staff. As part of that interview any medical issues that they've incurred during their career are addressed and documented, those type of things, their medical records are obviously saved per legal statutes as well. Any current issue is then addressed upon their completion of eligibility or as needed prior to their leaving the university or leaving our care and then currently issues such as concussions, all those type of things, are obviously working their way through the system. That's part of a much larger scale issue. It's not specifically addressed within this insurance, but once there are funds that the NCAA is putting aside that will cover some of those class action type, larger scale issues, but we do do an exit interview to insure that we at least are aware of potential issues that have been documented so that should the issue arise later we come back.

Chair Strauss asked, do we have a policy regarding what expenses we would cover for future manifestation of injuries?

John Cheney replied, that I do not know. I apologize.

Trustee Boey asked, the secondary insurance you referred to earlier, did we always have that? Because I just don't remember, that's why I'm asking.

John Cheney answered, this is the second year of this particular policy.

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Action Item 7.d. – Intercollegiate Athletics Fiscal Year 2016 Air Charter Services for Football Team

Al Phillips presented Item 7d, Intercollegiate Athletics Fiscal Year 2016 Air Charter Services for Football Team. Intercollegiate athletics requests permission to purchase these services for the football team. Since this item was put together for the FFOC we actually did receive the proposals. There were two; one did not include the required state forms therefore it was not considered. Although we are budgeting or we're requesting \$360,000, it looks like that the proposal will be less than that. We don't have the final numbers yet, but it will be somewhere in the range of \$322,000. We request the Board of Trustees to approve the expenditure authority for 2016 in the amount of \$360,000.

Chair Strauss clarified, not to exceed.

Al Phillips agreed, not to exceed.

A motion was made to approve the recommendation by Trustee Murer; seconded by Trustee Coleman.

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Action Item 7.e. – Oracle and PeopleSoft ERP

Al Phillips presented Item 7e, Oracle and PeopleSoft ERP system annual maintenance renewal. This is the enterprise system that underpins pretty much everything we do at the university. As you know these

maintenance agreements tend to be rather expensive. The annual maintenance cost for the hardware and software is roughly 1.5 million, however, we have entered into an agreement, a long term agreement. For the next five years instead of doing annual renewals that will encompass the software contract as well as or the nine software support contracts along with the hardware contract, this actually will save us roughly \$641,000 over the next five years.

Chair Strauss asked, and the request is that we approve expenditure authority for FY16 through 2020 for Oracle hardware and software ERP maintenance support services as follows in the printed materials.

Al Phillips answered, correct, for the five year period.

A motion was made to approve the recommendation by Trustee Boey; seconded by Student Trustee Julion.

Chair Strauss asked for other discussion or questions.

Trustee Murer asked, we've had PeopleSoft for a long time. I'm not sure. What do you think about ten years or so? Oh 17 years, I was just wondering comparatively has this continued to significantly escalate or has it been more just what fair market is generating?

Brett Coryell, Vice President of Information Technology and CIO, answered, it's a good and fair question. While I can't go back many years into what the annual inflationary price increases are, Oracle typically tries to begin negotiations with a five percent per year inflationary maintenance cap written into their agreements. Currently the agreements we have today reflect either two or three percent per module per year and the contract that vice president Phillips referred to is a renegotiation of that contract based on the financial circumstances that we're in where we have eliminated those price increases. So we're going from two or three in our current existing contracts down to zero this year and for four years future. So they do go up over time, Oracle does negotiate from time to time, and we've have a successful negotiation in this round.

Chair Strauss asked, I take that we're committed to this particular architecture and vendor through 2020 then?

Brett Coryell replied, yes we are.

Chair Strauss continued, and the hardware component, if I recall it correctly, there were some servers that come preloaded with the software, we approved that not too long ago?

Brett Coryell answered, yes.

Chair Strauss asked, have we fulfilled all of the projected hardware requirements that we'll need through 2020, so if we approve this contract we're not going to need to add more hardware in the future?

Brett Coryell responded, no. That is not correct. This maintenance contract doesn't cover replacement of the physical hardware. So there are actually three separate hardware platforms that run the four different PeopleSoft systems that we have. The one that we purchased, or the one that this Board approved several months ago, maybe back in November if memory serves, that one will not be good for the next four and a half years as it serves out its complete life cycle. But that was the third of the three that make up the complete hardware ecosystem. The other two have earlier dates and will need to be refreshed at some point.

Chair Strauss continued, but if you added additional servers would they be able to be added to this agreement at a prorated maintenance charge?

Brett Coryell replied, yes, I believe that is the case. Now I hesitate on that answer only because the architecture doesn't use individual servers. We've essentially bought appliances from Oracle that are self-contained. So to the extent that we are in that same hardware platform and we're simply replacing or upgrading one of the previously purchased, like a three-year-old appliance, in two years we'll need replacing. That life for life replacement will be covered under this contract. Similarly, if we were to have the high class problem of having performance or capacity related issues because we were to grow in enrollment or budget or grants or something like that, simple memory upgrades or additional discs within the chassis, that would be covered under this agreement as well. So all the future growth that I can foresee would be covered under this contract.

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Action Item 7.f. – Division of Information Technology Fiscal Year 2016 Blackboard Software Licenses

Al Phillips presented Item 7f, Division of Information Technology, Fiscal Year 2016 Blackboard Software Licenses. This request is to purchase three year licenses covering the Blackboard learning platform. This would lock in pricing for the next three years. As we were putting this together we, as you know, the increase is roughly 17 percent above what we were paying before. We took a look at if there were other alternatives. This is not something we could do in a short period of time, and if we were to move to a different platform there would be significant startup costs because we have sunk costs in the blackboard systems we do have. It does not mean that we could not in the future go to another platform, but it would require a significant amount of time to plan for that into the future. So our recommendation is that we go ahead and approve the three year licenses for the blackboard system.

A motion was made to approve the recommendation by Student Trustee Julion; seconded by Trustee Boey.

Chair Strauss asked, I'd like to make a request that we explore the alternatives. I understand that you could have a commitment to this particular approach and that it has value, but when you're looking at a 17.55 percent increase and there's nothing to say that we won't continue to get 17 percent increases. At some point it just makes economic sense to pay the costs. I recognize that there are costs and not just expended but for the programming and for the training because it's become embedded in the institution now, but I still think to be responsible we need to let Blackboard know that there are other options, and just to be able to negotiate you need to do that.

Brett Coryell agreed, definitely. We are completely open to revisiting any and all of our software platforms as we took a re-examination of the PeopleSoft platform in brief earlier this year. For Blackboard, the 17.55 percent increase reflects not only the contractually obligated maintenance increase or the best negotiated maintenance increase, it also includes an expansion of functionality that we're purchasing, so it's not truly a like for like. It's maintenance on every new module that we implement. That we would not expect to have again over the course of the next year. The other thing to say is when we do go about re-examining what learning management platform we use, whether it be Blackboard or any of the other competitors in the space, that is a process that really needs to be driven by and decided by the faculty, and we'll need to choose a time when they can be maximally involved. I suspect that during program prioritization won't be the best time to do that, so there may be some interdependencies that could prevent me from initiating that or working with the provost to initiate a review like that - certainly within the next six months; maybe within the next 12 months. If the Board finds that acceptable, then we'll certainly put that on the list. If you'd like us to explore other options or what it would take to do both of those at the same time, I think Provost Freeman and I would need some time to go back and to consider what that might look like.

Chair Strauss responded, yeah I appreciate those clarifications because they weren't apparent to me from the printed materials, but I do believe it would always be in our best interest to make sure that we've

explored these alternatives before the procurement decisions come to us, and I'd like to have a feeling of confidence that as a routine, not just you, but anybody who's bringing in an expenditure request to the Finance, Facilities and Operations Committee, can give us a level of comfort that if they're renewals, we've gone back to the market and at least kept people honest if there are new contracts that we've gotten a representative cross sections of bids and that we are doing the best we can to be able to achieve value. I don't say any of this to be critical of the particular proposal that's in front of us today.

Brett Coryell commented, point well taken. Would it be permissible to the Board to postpone the review of Blackboard as the sole source of our learning management system for let's say the next year while we let program prioritization play out?

Chair Strauss responded, we don't have a convenient forum within which to take a vote on that proposition today, but I'm not seeing any people jumping up and down at the prospect so I think it would be a safe assumption that you could in fact defer it, and if we could just have everybody comply with the general proposition, that would be great.

Brett Coryell agreed. Thank you very much.

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Action Item 7.g. – Waste Management and Utilities – Fiscal Year 2016 Solid Waste Removal and Recycling at NIU DeKalb Contract Renewal

Al Phillips presented Item 7g, Waste Management and Utilities, Fiscal Year 2016 Solid Waste Removal and Recycling contract renewal. This is the seventh year of a nine-year option based on a proposal that dates back to 2008. Prior year request was \$420,000. This is consistent with that, and we request approval of the expenditure authority of Waste Management who has the contract of \$420,000.

A motion was made to approve the recommendation by Trustee Murer; seconded by Student Trustee Julion.

Chair Strauss asked for discussion or questions?

Trustee Murer asked, would you just speak briefly about Waste Management and their commitment to being green as they're our primary vendor in this regard?

Tom Wroblewski, Director of Architectural and Engineering Services, responded, Waste Management is determined to decrease their ability to be green. All of the recycling that we do is handled by Waste Management. We just went through a five year solid waste plan of how we're handling solid waste including renewable resources and recycling. I don't have the results of that to share with the board, but we can certainly send it out to you. It had to be filed with the state I believe last month.

Trustee Murer asked, then at the next committee meeting that might be at least something I'd be very interested, and I think it's something to put on the record.

Chair Strauss commented, we may be able to get a representative here to speak to that question instead of having to do it yourself. Let me ask a follow up question as well, it's something that I've asked before. I've had people who asked me, particularly at athletic events and other mass gatherings where we have trash generated in great amounts, about recycling disposal options, at least they don't perceive any, and I'm wondering whether that's something that Waste Management can do as part of this contract or if that's on us or it's just impossible because the drunken hoards won't deposit it into anything more than the single receptacle.

Tom Wroblewski responded, I know that there were at least three efforts, and actually they were student driven, to do recycling during big events. One of them we were in competition with the other universities, and I don't know if somebody here can speak to that a little bit better, where it was a competition to see who could recycle the most at a football game or two and I think NIU placed 12th or 13th on the list so we didn't do too bad, but it was all student driven. I'm not aware of any real recycling that we could do right now because of the way – it is just everybody comes in and everybody leaves. I know facilities staff does if it's not in a container, if it's laying around, they recycle it properly.

Trustee Boey chimed in, I'm the expert because I get to lug all the garbage cans out come Tuesday night, but I know more and more know they're defining it as solid, recyclable, and green. Green meaning, I presume, when you mow the grass and you dump it in there. They're really getting sticky with those things.

Tom Wroblewski replied, yes and NIU does, we make our own mulch. We have mulch beds and some of that is bought but a lot of it is made from the trees that are cut down. We do as much as we can given the staff limitations.

Trustee Murer asked, Mr. Chair, in the next committee meeting could we just have a very brief presentation on what we're doing in this regard?

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Action Item 7.h. – Appropriation Transfer Authorization

Al Phillips presented Item 7h, Appropriation Transfer Authorization. As I mentioned earlier, the FY15 state budget was short about a billion and a half to get through the end of FY15. To make up for the shortfall, the governor swept a number of the funds, and the niche of the public universities was asked to give back roughly 2.25 percent of our 2015 appropriation. In our case, that amounted to roughly 2.1 million. They de-vouchered a portion of that which is money that they owed us and had not yet paid us, so \$547,000 they kept, and then we had to return the rest of that, and they decremented all of our funding lines. The issue is that one of the lines that they decremented is personal services. When you do that that starts to impact retirement and social security and other issues, so what this transfer does is it takes funds from our other line item and puts it back into the personal services line to bring it back to where it was originally. The reason we're bringing this to the committee is because this transfer has to be approved by our board. It then has to go to the board of higher of education for approval by the IBHE board which will take place on the second of June. It has to then go to the governor's office for approval and then it finally will go to the comptroller's office where they will actually transfer the funds, but this requires board approval for us to reprogram money back into personal services so that it does not – the cuts do not impact retirement or salaries or anything associated with personal services.

A motion was made to approve the recommendation by Student Trustee Julion; seconded by Trustee Iasco.

Chair Strauss asked, on the group insurance line item, which I see was reduced about \$500,000, which group insurance is that?

Cristine Black, Director of Financial Analysis and State Budget Reporting, responded, Central Management Services.

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Action Item 7.i. – Scope Clarification to Previous Board Approval Preliminary Planning for Neptune Complex Improvements

Al Phillips presented Item 7i, Scope Clarification to Previous Board Approval Preliminary Planning for Neptune Complex improvements. At the June 19, 2014 Board of Trustees meeting, a \$1.5 million was approved for preliminary design, engineering, architectural studies for Holmes Student Center. While it was understood that that also included the Neptune project, which we're going to hear about here shortly, it was never specifically stated that this covered that project as well as the \$1.5 million; include that as well. The funding for Neptune has been previously approved. The building will be funded through Build America bonds. It was just an oversight that it was not specifically stated in the previous board item that this also included the Neptune project. We are not asking for any additional funding. This would fall under the previously approved \$1.5 million. It's just to correct the record so that we can go forward and there not be any issues or problems associated with the Neptune project.

A motion was made to approve the recommendation by Trustee Murer; seconded by Trustee Boey.

Chair Strauss asked for other discussion or questions. There were none. All were in favor. None were opposed. The motion carried.

Information Item 8.a. – Semi-Annual Progress Report of Active Capital Projects

Information Item 8.b. – Quarterly Summary Report of Transactions in Excess of \$10,000

Information Item 8.c. – Periodic Report on Investments

Information Item 8.d. – Holmes Student Center/Neptune Redevelopment Plans

Chair Strauss asked if there were any questions on Items 8a, 8b, or 8c. There were none. The meeting proceeded to the presentation of the Holmes Student Center/Neptune Redevelopment Plans.

John Cheney began, Hello trustees. Thank you for your time and this opportunity for Mike and I to present this design information for you. The primary projects we'll be discussing today are Holmes Student Center as well as the Neptune, but really the initial focus has been on the redevelopment of the campus core in general with Holmes and Neptune really becoming the first projects that are needed to be addressed. The reason we're really focusing on why the core of campus are highlighted on this slide. The student career success as you know is a primary focus of the administration and what we're trying to do at NIU, and it requires more than just the high quality education. It requires the relationships and experience that shape the futures as well as the academic pursuits; unique campus places that inspire the students and can enhance their student experience. NIU can really influence how the core of campus can be influential on our students through this process. So that is really what the focus of these design teams focus on as we move forward with the Holmes and Neptune projects as well. The framework can provide the long term vision for the core of campus and it illustrates how that vision can be implemented over time. We were all charged to make sure that Holmes and Neptune projects looked at the impact on campus, but also as a whole and specifically the core, not with just within their own project boundaries. The intent of the framework was really to instill the order and character of the historical campus within the core to develop a broad hierarchy of outdoor rooms making it more of a

place, a sense of place and not just an area. To prioritize the core of campus for the people, for the students, for the campus community, not necessarily for the vehicles as it currently resides right now, to allow for built forms and natural systems to inform connected contrast. The Watson Creek that runs through the center of campus currently is more of a divider than it is a natural feature that we embrace and enhance within the community. Create a landscape that uniquely defines NIU. This is the opportunity to place an anchor point within campus to develop from to really establish our identity and what NIU is going to stand for and look like going forward in the future. So it creates that landscape that you're going to know you're on NIU's campus. As we all know, there is a need for parking lots, there is a need for open spaces, but over the years the plan of campus hasn't necessarily embraced all of those, and some of those are not in the optimal location. Just looking through that and figuring out what the best way to really showcase our campus from a student's perspective, faculty, just anyone who comes and visits the campus in general. So the framework really focused in on six core campus big moves. They tie back into the six items I just discussed earlier. Creating a central green space that welcomes and invites the campus community back to the core. Really looks into where – how Watson Creek affects that area and how that area can be redeveloped to become inviting and engaging for the students and campus community.

Trustee Boey asked, how big is the Watson Creek location again? I'm looking here. I'm having trouble defining where Watson Creek is.

John Cheney responded, it's that creek that kind of runs through just on the west side of Neptune and then down through the front of Cole.

Trustee Boey replied, I got it. Thank you.

President Baker joined in, if I could just say something in that regard, I think a lot of people on campus would have the same comment Bob did, what creek? And so there's this beautiful water feature, potentially beautiful water feature, that flows through campus. There's a nice, round gathering pond outside of Cole Hall, but we're structured to not see it. In fact we've got a giant parking lot that masks it along the creek, and so a lot of campuses would pay a lot of money to put a water feature in like that. We've got it, and we don't use it. The core idea is to capture the beauty of that and celebrate it and even use it for teaching and learning and research as an aquatics research center. But we can do that in the shapes and rethinking the whole space to make it an asset instead of an eyesore.

Trustee Boey explained, the reason I ask this is because I thought it was a famous skating pond that we're talking about and over my dead body will you remove that one because that's one of the beauties, the natural beauties of campus.

John Cheney replied, the lagoons, yes.

President Baker continued, and it feeds into the lagoon. It goes underground, under the parking structure and then pops out into the lagoon and it's Watson Crick Creek who were the discoverers of DNA so that's where it's got two words.

Trustee Boey asked, so where are we on the subject?

President Baker answered, Watson Creek.

Trustee Boey asked, you want to remove that?

John Cheney replied, no. We want to enhance it and engage it into the campus rather than being an afterthought.

Trustee Boey remarked, wonderful, thank you.

John Cheney continued, and then the third big move is adding retail areas. This particular space is showing just currently where the bus turnaround is just on the west side of Holmes Student Center along Lucinda Avenue, but really just engaging the spaces that really have a location that can engage both the community as well as the campus and produce retail and revenue for the campus.

Trustee Murer asked, could I just ask a question before we move on? I just want to make mention of this retail because it would seem to me that there are a lot of other implications if we're talking about retail and the oversight. I'm not sure where our regulatory requirements are in regards to including retail. I just want to make mention of that as we take a look at a whole plan.

Chair Strauss responded, duly noted. If we can note how far advanced we are in having a discussion today about this, but I think it might be good to get the rest of the orientation to this concept first and then I'm sure there will be many questions.

John Cheney continued, connecting the campus core with the southwest area of campus, due to Watson Creek and the altered orientation the southwest core of campus has, it's not a true north/south or east/west orientation of the buildings, they're at a diagonal, so really trying to figure out how that engages campus because most campuses are laid out in quadrant lines and those types of things, so really engaging that part of campus back into the core and included them in the core. Allowing Carroll Avenue to become a north/south corridor. Currently, as I mentioned earlier, there's a parking lot at Carroll Avenue, and there's kind of an end point. There's also the Pizza Hut down on Lincoln Highway, those type of things. So really making that more of a window into campus rather than simply a street or an access point is something that the design teams are looking at, and redesigning MLK Commons to be more user friendly and become a gathering space that currently isn't fully utilized as is.

Trustee Marshall asked, on the commons area, is there any commercialization with vendors going in there?

John Cheney replied, not currently, but we will address how that would be engaged in a couple more slides.

Trustee Marshall responded, I think there may be some opposition there.

John Cheney continued, so the core really becomes an east/west connection is what the organizing structure slide shows. Currently it does have that connection, but this really clarifies it and puts it in a linear term and reduces a lot of the current obstructions that limit the connection between the east and west sides of campus going through the core and makes it a welcoming area. This is an illustration of what it can be in 2040. The 2040 concept is really just to show what could be done and where potential building sites for the future development of campus is possible. We are by no means proposing to the board at this time to build 9 new buildings or anything like that or where there would necessarily be site approval of those types of things, but strategically increasing the density of the core can be used to

improve the functionality and the convenience of campus for the campus community; reducing the outside commute between buildings; improving the efficiencies of bringing the services and academic spaces closer together can really enhance the student as well as the community members experience while they're on campus and in the core. So going forward, the actual Holmes and Neptune design process, although they were two separate processes, Mike and I were asked by President Baker to co-chair the core committee which really focused to bridge the gap and make sure that the two processes were working simultaneously as well as looking at the core campus so that they weren't only focusing within their site boundaries or within their own parameters building. The process for each project was similar and both included representatives from different user groups as well campus and community groups. The design team worked extremely hard to gather the information and input from all viewpoints; the system and development of their concepts. The core committee helped to guide the projects, but each project also had their own design teams, utilized their own focus groups, used student engagement interviews and other research tools to get to their own independent conclusions and then collectively those were brought back to the core committee, and the core committee was used to really find what the primary focus of those areas needed to be and how this needed to be implemented across campus and within both projects. Multiple campus departments, both academic and administrative, community leaders, students, and alumni were engaged throughout the process. At this time, I'd also like to recognize the efforts of Ben Ritter, Belinda Roller, and Tom Wroblewski from NIU's Architectural and Engineering Services who served as the project managers and helped us manage these projects and coordinate the design teams, which there were six different companies that incorporated three different set of two design teams; so that was by no means an easy task to keep them organized, let alone all the different constituents. So I appreciate everyone's efforts in keeping the project moving forward and actually getting to our deadline, which was to be able to present to this board today. Having started in January that was a fairly aggressive timeline with design and reaching the concepts, and I appreciate their efforts and the efforts of everyone involved. What we did find for Holmes, based on the research, was there's several themes: the student career success, recruitment and retention, creating a social density at the campus core, creating a place to celebrate Huskies culture, transformational change, the wow effect. You may or may not be wowed when you walk into the current Holmes Student Center, but really looking into how we can do that within a transformational change of the building, celebrating the entrepreneurial culture of campus at NIU, and shifting from transactional to relationship experience rather than the only reason to really go into Holmes in some instances is to make a transaction, to pay a bill, to do that type of thing rather than to stay in there and experience your fellow students and your fellow campus members. So really trying to figure out how that type of a relationship can be developed; and then leveraging the alumni connections for all of the multiple ways that they can be engaged as well. The strategies that were come up through this research was fixing the economic engine as they talked about the engagement piece and reasons to go into Holmes Student Center; the food, retail, as well as the hotel. Those areas are areas that we can definitely focus on to engage in a manner that really draws students and the campus community into the building and develop that further. Return student life to Holmes Student Center; they're currently over in the Campus Life building across Lucinda. Returning those organizations to Holmes Student Center would allow all the students that are engaged in those activities, also those that want to come and have engagement with those activities and organizations, to be able to utilize Holmes Student Center. Leverage the current assets. There are some great things within Holmes Student Center. You just can't get to them easily or you don't know about them; such as the Huskie Den and the MLK plaza. Increasing the daylight; the architecture just currently is not an engaging architecture for the exterior and the interior. There's ground level that's below grade so there's only windows on the west side; those types of things. So really finding a way to engage the entire building. Responsible stewards, the building is an aged building, early '60s mid-60's was the initial construction so finding a way to insure

that that building is sustainable for a long period of time and the interior systems are all upgraded as well. Upgrading the conference spaces, new programming spaces, a reason to stay on the weekends. Holmes is really an opportunity to enhance the student experience throughout, if you can create additional spaces that students can utilize and attract. It's actually a quite busy building, but because of the way it's laid out, it's not really known by the students as to what activities are going on and how they can utilize it. Increasing the lounge space, making it another area similar to the library where you can go, you can study, you hang out, you can have engagement with the students and with fellow faculty, those type of things. So this is the existing conditions, particularly on the ground floor. As you can see, it's very compartmentalized so you can enter through the stairwell; you can enter over by the transit hut; you can enter on the north side, but there's no connection of any of the facilities, there's no flow through the building. Everything has to be done through small corridors. You have to go through the bookstore to get to an area, through a fairly empty food area, those type of things. There's a lot of potential within the building, but it's currently, based on its existing conditions, just not an engaging space. So this is the phase one concept plan of the ground floor. It continues to keep many of the same features that we have, it just enhances those. Also, opens everything up so there's a flow through the building. You can come in any of the entrances, whether it be the north entrance coming off Lucinda you can walk through the building. This area would be the student involvement and leadership area and organizations. This would become where your hotel desk is to engage that particular location. This has an outdoor patio area so that this would actually be lowered so that there'd be a connection to the outside to the MLK commons to be able to go directly into the building and have that engagement with the rest of campus rather than having to go down a separate set of stairs, those type of things. And then the transit area is obviously a very popular area utilizing the bus, and so having an area where they could come in and utilize Holmes Student Center. And then these are identified as potential areas for different retail opportunities. Whether it be food, kind of a convenient store market type of an area; a tech or bookstore area; additional food areas and then the Huskie Den really becoming more of a sports den and a sports bar per se type of an activity that really engages the students and allows them someplace to go after hours, that type of a thing. Although these are all identified as these particular locations, as we go through the design process really figuring out what that means, whether the bookstore as it's traditionally known as the bookstore comes back or if it's just more of a market, more of a spirit wear, those type of things really needs to be flushed out, but this at least gives us a floor plan and a conceptual to build off of and work through.

Chair Strauss chimed in, I'm wrestling with time management. We're so far behind. I'm wondering, I know that there's going to be a lot of curiosity because nobody has seen this until it was dropped on the desk. I haven't see it either. What I might suggest, if it's okay with the rest of the committee, is if we get the balance of the report today and then just defer consideration of this for another meeting, otherwise I know people have other commitments and we're already two hours plus behind schedule. Does that generally suit what the committee would like to do? I don't mean to minimize the questions, they're all important.

The Trustees agreed.

John Cheney continued, so these renderings show the Capstone facility that's also proposed. This would be a new building that would be off the southwest corner of the Holmes Student Center into MLK commons on the west end of the commons. The addition of this cornerstone building within the core campus allows for full integration of the student life activities as well as become a further extension of the student engagement hub that we want to create here at NIU. Budget as always is a large portion of question. The Holmes Student Center can be broken down into several phases to be completed within

realistic financial budgets in a reasonable time frame. All the financing and available funding is now being evaluated over the summer and a full financial plan moving forward will be presented to this committee in the August meeting. The current phase one funds include the ground floor concepts that were shown. However, with the initial budget we identified approximately \$16 million through Build America Bonds or building reserves that could be utilized for these areas, but neither the Student Life of the Huskie Den area is included within that \$16 million that's why there's asterisks on this particular slide. They could both be included but would raise the initial budget to \$19.7 million. Those are obviously estimates just based on square footage and the conceptual design at this point, not hard bid numbers by any means. The financial analysis as I said will be done over the summer to help determine the exact scope and budget of phase one. The Capstone Building, although indicated as a phase four, could be done at any point depending how that particular facility would be funded. The design takes into consideration future needs as well as the Capstone Building to make sure the proper infrastructure is in place as we go so we're not demolishing or having to remodel anything that we've already built in the earlier phases as we go forward. At this point I'm going to turn it over to Mike Stang for his review of the Neptune project.

Mike Stang, Assistant Vice President of Student Affairs, began, thanks John. I don't know what's worse following the award winning student or being the last half of the last presentation after a six hour day. Let me see if I can give you a quick synopsis of the Neptune design team and the work that they've done over the last six months. As John has shared with you, the design team used pretty much the same strategy in terms of trying to gather stakeholder input on the possible renovations. The Neptune specific findings included a need to reinforce the development of the campus core. Respondents indicated that that could be accomplished by improving the east/west circulation both within the building, which is pretty much a nightmare, and on the exterior south end of the building. In addition, the housing quality and amenities need to be improved in order to bring Neptune up to the level of our other housing options. In order to accomplish this, we need to provide the ability for individual temperature control in student rooms. Student rooms and bathrooms need to offer additional privacy and community and dining spaces need to be upgraded. A third finding was the need to reinforce and improve efforts to support our living/learning communities, and this can be accomplished with improved meeting space and adding community specific amenities. Similar to the plan for the Holmes Student Center, the designers have proposed a multi-phase vision which would allow us to meet these identified needs and much more. Phase one, which is identified here in the light blue on the drawing, calls for a newly defined thoroughfare that would allow us to begin the process of upgrading the building mechanicals while also improving student access to both Neptune central and the east and west residential communities. The idea is that once the horizontal utility improvements are in place, the first phase would then allow us to begin vertical renovation beginning with student lounges and restrooms on the lower floors and moving upward throughout the facility. Phase two, which is the darker blue in the center, focuses on the renovation of Neptune central where both the main dining center and the Trident grab and go outlet are located. Window replacement and improving the courtyard between Neptune central and Neptune north are also a part of phase two. Later phases focus on the renovation of Neptune north as a standalone project and propose a possible new housing facility on the west end of the current complex. These improvements would allow us to move fairly rapidly, at least initially, from our current condition which you can see here on the slide, a well maintained but tired and dated Neptune Hall to a more contemporary housing complex that would provide improved study and social space with enhanced natural light and a more straight-forward navigation path throughout the building. The design team believes that this can be accomplished in phase one. As John indicated work is still being done to identify funding sources for all of these projects but our designers have provided an initial budget that would allow us to achieve each of these phases as funding was identified in a similar

manner to what they provided for the Holmes Student Center. So as you can see, much has been accomplished by both of the design teams, yet much work remains to be completed. The intension for both of our committees is to return to the fall FFOC meeting once the state budget and the fall enrollment picture are a little clearer. Work is going to be done throughout the summer as John indicated to better understand the university's reserve position and to understand whatever revenue sources might be available to fund any of these proposed projects. And then in the fall we will return with final recommendations on initial projects that will include intended funding sources and a firmer timeline. At this point, that's probably enough information to get us started with maybe some questions. I don't know how you want to proceed or if Dr. Phillips or Dr. Baker want to make any additional comments. That's what we had wanted to share with the Board today.

Chair Strauss commented, here's the only concern that I've got. I don't think we're going to get to the point where we have a thorough reaction from the committee today. I don't want to put us in a position where what's going to happen is that you're going to go spend another million dollars assuming this concept is acceptable before the board has had a chance to endorse it. So I'd be open to whatever we can do in scheduling to try to accommodate this and still keep the project on schedule, at least a consideration of this, but I don't think we're going to get as far as you'd like us to get today. If we need to find a date for another meeting, that might be the best way to be able to accommodate this.

President Baker agreed. Thank you for that. I agree, there's a lot here. Believe it or not, this is an abbreviated slide show. We had about 80 slides or something before it got shrunk down here. There's a lot of really exciting things in here and there's a big price tag too and we have some reserves, maybe a quarter of what we need here, but we also have ideas on additional revenues, and so we need to come back to you and give you a fuller picture of all those, and we would be willing to come sit with you in smaller groups, one or two of you at a time, and go over this in detail if you want to have those deeper conversations in that setting; or we can come back at a full board meeting.

Chair Strauss replied, yeah I'll be open to input from the committee members too, but personally it seems to me that it would be nice to have an initial meeting where we had a chance to all listen to one another and make sure that we had a consensus on the general direction and then I think it would be appropriate for there to be other meetings for people who have more in-depth questions - they'd have the opportunity to be able to get them answered.

Trustee Boey said, just too much to absorb all at one time. I would prefer what you're saying is that come back to the next meeting, the next board meeting, and then have the overview again so that we don't miss anything because quite frankly this mind is all soaked up today. And then maybe we'll then go into the two or three member detail discussion that will give us a better chance to absorb it that way. Otherwise we won't be doing justice.

John Cheney reassured, the intent of today wasn't to get any further approvals. We currently have reached the point of design where we're pretty much at a point where now it's within university administration to determine how to move forward at this point. We do not need board approval and that was not the intent of today's presentation. It was more informational just to give you an update based on your approval to where we were at this point. We realize it's a lot of information and we apologize we weren't able to get it out, but as Dr. Baker said, it was getting concise and the final phase was approved last night so we wanted to make sure we got you the latest information and so we can appreciate the board's desire to...

Chair Strauss replied, no offenses taken.

Al Phillips joined in, one of the considerations in the constraining factors is we have a time limit in which we can use the Build America bonds. I think it's by the end of 2016 so we certainly didn't want to keep kicking the can down the road. We wanted to get going with this, and the design work was to a point where we felt we were comfortable in bringing it to the board at least initially.

Trustee Boey mentioned, I would say that for our next committee meeting that we review this whole thing again.

Chair Strauss agreed, well I think it might make sense, if the committee members are willing to do this, that we wind up with a special meeting before the August meeting. Otherwise we're going to wind up in exactly the same position that we're in, again. Would at least a quorum be willing to entertain the notion of having a special meeting of this committee sometime before August?

Trustee Boey said, it's okay with me. I'm in favor of it.

Chair Strauss replied, alright well let's see whether we can find a date to do that.

Trustee Coleman mentioned, we could leverage that same day that we're all together to have a special committee meeting.

Chair Strauss agreed, I'd certainly be willing to consider that. I don't yet have a sense for what the business will be for the full board meeting, but I can discuss that with the board chair and see whether we can do it on that day or if it works for everybody else, and if not we'll see whether we can find something else. We've obviously got a complicated subject here and the suggestion was made that maybe we could schedule a special meeting of this committee on the June date for the full board meeting. Would you give that some consideration and then we can see whether that schedule works and we need to find another day.

Board Chair Butler agreed, okay.

Chair Strauss asked if there was any other compelling business related to this agenda item today? There was none.

OTHER MATTERS

Chair Strauss asked if there were any other matters for this committee. There were none.

NEXT MEETING DATE

Thursday, August 27, 2015, 1:30 p.m.

ADJOURNMENT

A motion was made to adjourn by Trustee Murer; seconded by Trustee Boey. The motion was carried.

Meeting adjourned at: 3:26 p.m.

Respectfully submitted,

Vicky Rippberger
Recording Secretary

In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings.