

Minutes of the  
**NIU Board of Trustees**  
**FINANCE, AUDIT, COMPLIANCE, FACILITIES AND OPERATIONS**  
**COMMITTEE MEETING**  
**February 15, 2018**

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 10:43 a.m. by Committee Chair Tim Struthers in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Vicky Ripberger conducted a roll call. Members present were Trustees Dennis Barsema, John Butler, Giuseppe LaGioia, Eric Wasowicz, Board Chair Wheeler Coleman, and Committee Chair Tim Struthers. Members absent were Trustees Robert Boey and Veronica Herrero. Also present were Acting President Lisa Freeman, Committee Liaison Sarah McGill, Acting Executive Vice President and Provost Chris McCord, Deputy General Counsel Greg Brady, and Board Liaison Matt Streb.

**VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING**

General Counsel Greg Brady indicated the appropriate notification of the meeting was provided pursuant to the Illinois Open Meetings Act. Mr. Brady also advised that a quorum was present.

**MEETING AGENDA APPROVAL**

A motion to approve the agenda was made by Trustee Eric Wasowicz; seconded by Trustee Giuseppe LaGioia. All were in favor. The motion carried.

**REVIEW AND APPROVAL OF MINUTES**

A motion to approve the minutes of the November 16, 2017 meeting was made by Trustee Eric Wasowicz; seconded by Trustee Giuseppe LaGioia. All were in favor. None were opposed. The motion carried.

A motion to approve the minutes of the December 7, 2017 meeting was made by Trustee Eric Wasowicz; seconded by Trustee Wheeler Coleman. All were in favor. None were opposed. The motion carried.

**CHAIR'S COMMENTS/ANNOUNCEMENTS**

Chair Struthers commented that the overwhelming focus of this committee is to enhance our financial reporting in an effort to have a very clear line of sight of our operations and our status; to have good data and good information, so we make good decisions that will lead to good audits and good operations, all while being very transparent.

There were no comments from University Council Representatives.

**PUBLIC COMMENT**

There was on request for public comment.

Misty Haji-Sheikh addressed the Board with concern over the December meeting stating she was disappointed in the way her attorney had been treated. She also addressed concerns about Open Meetings Act training.

Mr. Brady responded to specific comments regarding capacity for seating for today's meeting stating we had an overflow room that was electronically wired, and the university is in compliance with the Open Meetings Act.

Chair Struthers welcomed Vice President and CFO, Sarah McGill, to her first Finance, Audit, Compliance, Facilities and Operations Committee Meeting.

## **UNIVERSITY RECOMMENDATIONS/REPORTS**

### **Action Item 7.a. – FY19 Student Health Insurance**

Sarah McGill explained that the University provides group health insurance funded solely by student health insurance fees paid by students and that the action requested is renewal option two of five.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee John Butler; seconded by Trustee Dennis Barsema.

A discussion ensued regarding the cost of our health insurance compared to other state universities. Andrew Digaty, Director for Health Services, indicated that he and others have had informal discussions with colleagues from other universities, however, the decision is local. Acting President Freeman added that she raised this topic with other Presidents and Chancellors in the IBHE staff meeting, suggesting that there might be a consortia approach for this and perhaps others items. The opinions varied, but NIU has asked the Board of Higher Education for help with this. Further discussion centered around the \$8M recommendation versus the actual \$3M amount paid to the provider in FY18. It was pointed out that this is a pass-through expense and the amount spent will be limited to the amount received.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.b. – FY19 International Programs Division Expenditures**

Sarah McGill indicated that Northern Illinois University's International Programs Division is provided an annual authorization for expenditures for foreign study programs. These expenditures are made from payments received from students enrolled in these programs. It was noted that these expenditures never exceed the revenues.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee Eric Wasowicz.

A question was posed regarding the amount spent in FY18; the answer was \$1.4M.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.c. – FY19 DoIT – Integrated Media Technologies Campus Copier Program**

Sarah McGill explained the need for renewal of an open order for the campus copier program, which consists of approximately 405 copiers whose annual volume of copies is estimated at 12 million. This program

includes all equipment, toner, and maintenance. This is the sixth year of nine, one-year renewal options.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee Eric Wasowicz.

A question about the benefit/cost savings of the new printer process on campus was raised. Brett Coryell, AVP for the Division of Information Technology and CIO, explained that the savings has been a little over \$1M per year. This is due to more people using the Anywhere Print Program allowing for re-negotiated, lower rates as well as decrease in the amount of individual printers requiring toner. Although there was resistance in the beginning, the overall program has been an acceptable success. A comment was made regarding the length of the term. Mr. Coryell indicated that was being looked into.

All were in favor. None were opposed. The motion carried.

#### **Action Item 7.d. – FY19 DoIT Integrated Media Technologies Printing Paper Open Order Contract Renewal**

Sarah McGill explained the need for renewal of an open order for various printing papers, envelopes, and supplies. This is the fourth year of nine, one-year renewal options.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Dennis Barsema.

A question was asked about the offset of reduced printing of digital storage capacity being a meaningful expense. Brett Coryell indicated there was no concern as most individual storage on campus is migrating to OneDrive, and there is no additional cost for OneDrive inside the Office 365 Suite.

Further discussion was had on whether the campus copier program met or exceeded our expectations. Brett Coryell explained that the original goal was to reduce campus printers by 50% to save \$500,000 per year. We reduced by more than 50% and also reduced our print behavior by 40-45% when our expectation was 30%. So, we exceeded both targets.

All were in favor. None were opposed. The motion carried.

#### **Action Item 7.e. – FY19 DoIT Infrastructure Applications Microsoft Enrollment Contract Renewal**

Sarah McGill explained the need for renewal of Microsoft Enrollment for Education Solutions software for resale. This is the fifth year of nine, one-year renewal options.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse

this request and ask that the President forward it by means of the President's report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee John Butler; seconded by Trustee Dennis Barsema.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.f. – WiFi Network Expansion**

Sarah McGill indicated that Northern Illinois University provides data network connectivity to students, faculty, and staff through both wired and wireless access points on campus. In an ongoing effort to improve internet access, an expansion of access points is required.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request to proceed with a project that includes work orders, all necessary contracts with consultants, contractors, and suppliers as necessary to complete the work and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on February 15, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A conversation ensued beginning with a question about what percentage of the University had WiFi access. Brett Coryell explained that it was somewhere between one-third to one-half. He further explained that the WiFi funding was incomplete; daily operations were handled but equipment refresh was not, until recently. There is now a plan in place that will triple the number of access points and ready NIU for the next generation over the next seven years using the existing funding. The plan is to use the current vendor, Cisco, and use our own installers. This expansion is roughly an eighth of NIU's total annual cost for WiFi, and this would now be the new normal to refresh this amount every six months or so. This expansion is the beginning of a sustainable WiFi model.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.g. – Convocation Center-Update Nelson Suite**

Sarah McGill explained that the NIU Foundation received a significant donor gift directed to Intercollegiate Athletics for the update and renovation of the Nelson Suite located in the Convocation Center.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request to proceed with a project that includes work orders, all necessary contracts with consultants, contractors, and suppliers as necessary to complete the work and ask that the President forward it by means of the President's report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A discussion ensued verifying that this is just a pass-through. A donor brought this issue forward, and this project will not exceed the amount stated.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.h. – Convocation Center-Replace Video Board/Scoreboard**

Sarah McGill indicated the need to replace the video board/scoreboard in the Convocation Center as they are original components from the construction of the center in 2002 and have exceeded their expected life.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request to proceed with a project that includes work orders, all necessary contracts with consultants, contractors, and suppliers as necessary to complete the work and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Dennis Barsema; seconded by Trustee Eric Wasowicz.

A question was raised regarding the funding – auxiliary reserves and department funds, and what exactly are department funds. The distinction just means that it has to flow through the unit as an expense, and that's how the departments funds are accessed, but the funding, technically speaking, will come from auxiliary reserves. Further conversation ensued related to the priority of this project. Due to the number of events held at the Convocation Center, it was felt that it's essential to ensure everything is in working order. Clarification was also provided that although this is a five-year lease, it is basically just enabling NIU to spread the payment over five years; there is no buy out at the end of the lease, and it will be owned at the end of five years.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.i. – FY19 Master Agreement Facility Contract Renewal**

Sarah McGill explained that master agreements for labor and materials supporting facility repairs/improvements are required to be established or renewed for FY19 for various contractors. The amounts presented are 'not-to-exceed' limits, and work will be requested on an as-needed basis.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Dennis Barsema; seconded by Trustee Eric Wasowicz.

A discussion ensued and clarification was provided regarding the process if any of the vendors' work would exceed the amount specified for that vendor. John Heckmann, Associate Vice President for Facilities Management and Campus Services, further explained that the goal is to set up some prearranged contracts with various firms so on smaller projects the opportunity exists to easily engage a particular vendor that would offer the better price and value. A question was asked about why the amount increased from \$9M for FY18 to \$13M for FY19. Mr. Heckmann indicated that it is speculation in an effort to understand what our volume of work is or should be as well as the hope of increase funding from the state. There was question by committee members as to why they were seeing this as this was not an item they had seen in the past. Mr. Heckmann explained that this is just a contract mechanism, not an approval to spend this amount. By doing this, projects that are under \$250,000 can be handled quickly, but if they are over \$250,000, Board approval will be sought. Trustee Coleman inquired about minority companies on the list and encouraging comments were made by others to take a look into this. Ms McGill will follow up.

A roll call vote was taken Trustees Barsema, LaGioia, Wasowicz, Coleman all voted yes. Trustee Butler and Chair Struthers abstained. Trustees Boey and Herrero were absent.

The motion carried.

#### **Action Item 7.j. – FY19 Transportation Services Motor Fuels**

Sarah McGill indicated the need for various fuel types to support campus vehicles and equipment operations in FY19.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Giuseppe LaGioia.

A discussion ensued about being more green. There is a charging station pilot on campus in the garage that anyone can use, but they have to pay for their electricity.

All were in favor. None were opposed. The motion carried.

#### **Action Item 7.k. – FY19 Materials Management Commodities Open Orders**

Sarah McGill explained the need for an open order to purchase commodities for janitorial, office, computer, and printer supplies.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee Dennis Barsema.

All were in favor. None were opposed. The motion carried.

#### **Action Item 7.l. – FY19 Campus Mail Services and Integrated Media Technologies-Postage**

Sarah McGill explained the need to purchase postage for campus mailing needs.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A question was posed as to our postage history. There is definitely a downward trend.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.m. – FY19-20 Solid Waste Removal and Recycling Services**

Sarah McGill explained that the existing contract for refuse and recycling expires June 30, 2018, and a new solicitation will be advertised. It will be for a two-year performance period followed by three, one-year renewals.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A brief discussion ensued as to why the increase. This amount provides a buffer because the actual proposal amount is unknown, but it will not exceed \$500,000 per year for the first two years. Further comments were made about the efforts to support recycling around campus.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.n. – Appointment of Board Treasurer**

Sarah McGill explained the requirement by NIU Law that the Board of Trustees designate a member of the staff of NIU as treasurer to serve the Board and they shall furnish a bond in an amount satisfactory to the Board.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends, in accordance with the Northern Illinois University Law and the Board of Trustees *Bylaws*, that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request to appoint Sarah McGill as Treasurer for the Board of Trustees, effective February 15, 2018, provided that Ms. McGill furnishes a fidelity bond to the Board in the amount of \$500,000 to be secured by the State of Illinois Department of Central Management Services and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on February 15, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee John Butler.

Greg Brady asked for an amendment to the language to say that the University will furnish the fidelity bond that is required by the law and mentioned here.

A question was asked about how the bond amount was decided to be \$500,000. This has been the traditional amount which mirrors what the law requires for the State's treasurer. The motion was amended to read, "...provided that the University will furnish a fidelity bond in the amount of \$500,000...".

A motion to approve the amended language was made by Trustee John Butler; seconded by Trustee Eric Wasowicz.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.o. – Treasury Operations – Signatory Authorization**

Sarah McGill indicated that the Treasurer of the Board of Trustees (the Vice President of Administration and Finance), the Associate Vice President of Finance and Budget, the University Controller, and the Director of Treasury Operations are being submitted as authorized signatories for all Treasury Operations. This designation is consistent with prior authorizations.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on February 15, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee John Butler.

A discussion ensued to make sure the process was not being changed. This change was simply to add the Vice President of Administration and Finance as an authorized signatory.

All were in favor. None were opposed. The motion carried.

### **Action Item 7.p. – Commercial Card Services**

Sarah McGill explained the need to enter into an agreement to utilize a commercial card program administered by JP Morgan Chase and Company to support the University's P-Card program. This would provide for an increase in the annual rebate.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A discussion ensued as to why this request was coming before the Board. Since JP Morgan Chase and Company is an actual vendor, and we will be paying them approximately \$500,000 annually, Board approval is required. The primary justification would be to take advantage of the IPHEC relationship, understanding that the rebate to the institution will grow over time, given the current pricing associated with JP Morgan Chase. That's the primary objective.

Trustee Butler commented on the number of new things that the Board is seeing at the meeting and was wondering if there was fruition of some compliance and procurement reform efforts seen by bringing these items before the Board. Acting President Freeman responded by commenting about making the University as transparent, ethical, and accountable as possible, to be good stewards of the public funds and honest with the public about how they're being invested. This is what has influenced some of the items presented today.

All were in favor. None were opposed. The motion carried.

Sarah McGill began presentation of the information items stating that the committee was provided written updates of items B and D. There were no questions or comments. Commencement began of the presentations.



**Information Item 8.a. – Quarterly Financial Summary**

**Information Item 8.b. – Quarterly Summary Report of Transactions in Excess of \$100,000**

**Information Item 8.c. – Periodic Report on Investments**

**Information Item 8.d. – Investment and Cash Management Policy**

**Information Item 8.e. – Clery Report**

NIU Police Chief Tom Phillips presented the Annual Security Report, which covered a three-year period, 2014-2016, and addressed crimes against person, crimes against property, some Violence Against Women Act reported offences, and weapons and drug offences within the Clery Geography.

A question was asked about the correlation between the offenses; if one type of crime decreases, will another type decrease? Perhaps if alcohol and drug charges decreased, sexual assault and domestic battery could also decrease. Also, the term “referral,” which was used in the presentation was explained to be when a student is referred to Student Conduct; not necessarily arrested. If they’re not affiliated with the University, often they are given a citation. It was pointed out that the Clery Report is a report of offenses, not arrests. Further explanation was provided about the areas that are included in the report versus areas that are patrolled but not reported on.

**Information Item 8.f. – Facilities Update**

John Heckmann presented an update on facilities activities which included an update of the Stevens Building project, which will be completed late Spring/early Summer. He also provided an update on the Holmes Student Center. Construction efforts are set to begin at the end of this semester. As things are relocated, some of the functions of the bookstore will move up to the first floor. The Founders Café, which will offer alternative dining when the Holmes Student Center is not available, is planned to open late March/early April. Other major and minor projects and repairs were also presented.

Brief comments were made by Chair Struthers relative to the assets of the University and the amount that should be put back into maintaining them, which would be between 10 and 20 million dollars. It is important that, as financial statements are presented, it is realized that an expense item that may be small is deferment which would usually cost more down the road.

**OTHER MATTERS**

No other matters were discussed.

**NEXT MEETING DATE**

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be May 10, 2018.

## **ADJOURNMENT**

A motion was made to adjourn by Trustee Dennis Barsema; seconded by Trustee Wheeler Coleman. The motion carried.

Meeting adjourned at 12:27 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.*