

Minutes of the
NIU Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations Committee
August 15, 2019

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:11 a.m. by Committee Chair Eric Wasowicz in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Vicky Rippberger conducted a roll call of the Trustees. Members present were Trustee Rita Athas (arrived at 10:13), Trustee Montel Gayles, Trustee Veronica Herrero, Trustee Bob Pritchard, Trustee Madalynn Mershon, Board Chair Dennis Barsema, and Committee Chair Eric Wasowicz. Members absent were Trustee John Butler. Also present were President Lisa Freeman, Committee Liaison Sarah McGill, General Counsel Bryan Perry, and Board Liaison Matt Streb.

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

General Counsel, Bryan Perry, indicated the appropriate notification of the meeting has been provided pursuant to the Illinois Open Meetings Act. Mr. Perry also advised that a quorum was present.

3. MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Trustee Bob Pritchard; seconded by Trustee Montel Gayles. All were in favor. None were opposed. The agenda was approved.

4. REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the May 9, 2019 meeting was made by Trustee Montel Gayles; seconded by Trustee Bob Pritchard. All were in favor. None were opposed. The minutes were approved.

5. CHAIR'S COMMENTS/ANNOUNCEMENTS

Chair Wasowicz welcomed Trustee Montel Gayles as the Vice Chair for the FACFO Committee. Chair Wasowicz also shared information about former Student Trustee Nathan Hayes.

Members of the University Advisory Committee were present but did not speak.

6. PUBLIC COMMENT

There were no public comments.

7. UNIVERSITY RECOMMENDATIONS

Action Item 7.a. – Fiscal Year 2021 Budget Request

Sarah McGill explained that typically the University provides financial updates to start the Committee meetings. Since the close of FY19 is still in process, financial updates including the FY19 year-end results as well as the first quarter of FY20 results will be presented during the November meeting.

Ms. McGill presented the FY21 Budget Request indicating a funding level of \$93,628,600. This amount included a base funding level of approximately \$91.1M and \$2.5M for academic program requests.

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

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse the budget request of \$93,628,600 to ensure the timely preparation and submission of the University's FY21 detailed budget request to the IBHE and subsequent reports to the General Assembly and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 12, 2019.

A motion was made by Trustee Rita Athas; seconded by Trustee Montel Gayles.

Board Chair Dennis Barsema explained that Trustee Herrero has been appointed to the Illinois Board of Higher Education representing the public trustee boards in the state and indicated a roll call vote may be needed for this item.

Questions were raised as to whether this request is realistic and how it compares to last year. Ms. McGill explained that the operations base funding level is about 3.5% over what was received last year. The amount received for FY20 was 5% above the previous year, but the University is still below the \$91.1M worth of funding that was received in FY15. The University is committed to asking for an increased amount to cover increased costs. It was also mentioned that the University is still recovering from the years of the budget impasse.

A roll call vote was held. Trustees Athas, Gayles, Mershon, and Pritchard, as well as Board Chair Barsema and Committee Chair Wasowicz all voted yes. Trustee Herrero abstained. The motion passed.

Action Item 7.b. – Fiscal Year 2021 IBHE Capital Budget Request

Sarah McGill indicated the capital budget request consists of two principal categories of projects and a third category that provides notification of anticipated, non-instructional projects. The request for FY21 includes 11 capital projects totaling approximately \$326M and 20 capital renewal projects totaling approximately \$57.2M. Ms. McGill noted the information in the materials quoted \$63M for capital renewal projects, however, the correct amount is \$57.2M.

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 asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 12, 2019.

A motion was made by Trustee Bob Pritchard; seconded by Trustee Monel Gayles.

Confirmation was provided that the new Health Informatics and Technology Center was included in this request. It is the second overall priority on the list compiled by the Board of Higher Education. Approval has been received for planning funds, however, those funds have not yet been received. Board Liaison, Matt Streb confirmed that project planning money and project construction money are two different line items. He further explained that there is very little money available from the State for capital at this time. Most of the money for capital is coming from gaming expansions and sports betting, but these will take time to materialize. Trustee Pritchard added that previous attempts to generate this type of revenue did not materialize due to the sources not generating the amount of revenue anticipated.

A roll call vote was held. Trustees Athas, Gayles, Mershon, and Pritchard, as well as Board Chair Barsema and Committee Chair Wasowicz all voted yes. Trustee Herrero abstained. The motion passed.

Action Item 7.c. – Student Recreation Center Changing Room Remodel

Sarah McGill explained that the student recreation center locker rooms have been largely unchanged since the original construction in 1983. An investment to make the locker room more inclusive and appealing as well as address ADA components is essential. The requested funding of \$1.1M will be funded by auxiliary reserves.

Ms. McGill read the following recommendation for consideration by the committee: Board of Trustees approval is requested to proceed with design development. Approval for construction will be requested at a subsequent meeting once additional details for the project can be developed. The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its next meeting on September 12, 2019.

A motion was made by Trustee Montel Gayles; seconded by Trustee Veronica Herrero.

Kelly Wesener-Michael, Associate Vice President for Student Affairs, explained that this renovation would kick off an important initiative the University and will focus on health and well-being of students, faculty and staff. She pointed out that this has revenue-generating potential as an attractive membership option for the community, faculty, and staff.

A lengthy conversation ensued clarifying what changes are included in the \$1.1M price tag. John Heckmann, Associate Vice President for Facilities Management and Campus Services, explained that a large amount of the cost is involved in the plumbing required as well as electrical expense. Mr. Heckmann further explained that designs costs are roughly 10% of the total, and the \$1.1M is a macro-level estimate based on similar projects. Student input will be considered in the design, and gender inclusive options will be explored. Ms. McGill confirmed that the University will come back to the Committee and request approval before construction begins.

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

Action Item 7.d. – Bowl Game Participation Expenses

Sarah McGill explained that due to the quick timeline required in support of the bowl process, there is a need to delegate to the President, or designee, approval for all necessary and proper expenses related to NIU's participation in a post-season bowl game competition.

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 asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 12, 2019.

A motion was made by Trustee Bob Pritchard; seconded by Trustee Veronica Herrero.

A request was made for more detail of the financial aspect of bowl games. Debra Boughton, Chief of Staff and Sr. Associate Athletics Director, explained that there is a shared cost model. All the institutions give into a shared cost. It does not matter if the team actually attends a bowl game. However, each institution that does attend a bowl receives resources to help fund the bowl game. If it is a trip that requires a charter flight, the MAC pays for that directly. Additionally, Athletics has a budget for bowl games, and the University is permitted to keep all the revenue from any ticket sales. The amounts that are reported include all expenses from an Athletics perspective including those that were paid for by the MAC.

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

8. UNIVERSITY REPORTS

Information Item 8.a. – Fiscal Year 2019 Report of Tuition and Fee Waivers

Sarah McGill stated that items 8.a. through 8.d. were provided as written updates with no formal discussion planned. There were no questions.

Information Item 8.b. – Fiscal Year 2019 Annual Report of Cash and Investments

Information Item 8.c. – Fiscal Year 2019 Annual Summary Report Obligation of Financial Resources

Information Item 8.d. – Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period April 1, 2019 to June 30, 2019

Information Item 8.e. – Campus Facility Project Updates

John Heckmann, Associate Vice President for Facilities Management and Campus Services, presented an update on several projects. He began with the Nutrition Center at the Yordon Center, which was completed in May. The project was funded by donation dollars from Northwestern Medicine and Phi Sigma Kappa Alumni. Other improvements, also based on donations, were the Anderson Hall Motor Development Lab and the Davis Hall Meteorology Lab. Both of which are in the final stages and will be completed by the start of the academic year.

Mr. Heckmann also provided an update on the multi-year effort on the Neptune project. Specific focus has been on the unoccupied east wing, including air conditioning and updated rooms and bathrooms. Other areas of Neptune have been updated, with work scheduled to take advantage of summer and winter breaks.

An update on the Holmes Student Center project was also presented. Among the highlights Mr. Heckmann detailed were a refreshed transportation area and south entrance, new food venues, new stairwell connecting the prior dining area to the Huskie Den, and introduction of the OASIS (Organizations and Student Involvement Suite). The ground floor is expected to be open in the fall. Mr. Heckmann mentioned other improvements that are being made on campus including a refreshed look in the Stevenson dining hall and refreshing the Three Son's Café in Barsema Hall.

Several building systems improvements were also addressed by Mr. Heckmann. These included refurbishing roofs and improving steam line valves and expansion joints. The later made use of state funding received in FY19. The state is also contributing a significant amount of money to the boiler replacement project. This is currently in the design phase, with construction execution is slated for 2020-2021.

A question was raised as to how the vendors were selected and what employment opportunities might exist. Mr. Heckmann explained this was a partnered effort with Student Affairs and Holmes staff. Students and staff around campus were surveyed. Kelly Wesener-Michael added that the design consultants conducted a number of focus groups and extensive research with students, faculty, and staff. Also, there is a food advisory board that provides feedback about NIU dining facilities and suggests ideas for best practices. Ms. Wesener-Michael explained that NIU has purchased the franchises, and they will be staffed with NIU employees as well as student employees.

A conversation ensued about the replacement of the boilers. Given their size, will a building need to be deconstructed to move in a new boiler? Mr. Heckmann explained that boiler/steam production will need to be maintained while the new boilers are being installed so a new structure on the west side of campus will be necessary to house the new boilers. The east steam plant will likely be decommissioned. President Freeman acknowledged the heating plant employees, thanking them for keeping the 60-year-old boilers running despite the inability to obtain parts.

A concern was raised about the serving of alcohol in the Holmes Student Center and what training would be provided as well as whether there would be security. Kelly Wesener-Michael confirmed that procedures are in place. NIU currently serves alcohol on campus and has a license to do so; this is just an extension. TIPS (Training for Intervention ProcedureS) training and other safeguards are already in place. A partnership with NIU hospitality programs will be pursued to staff this and other venues on campus.

Additional conversation took place regarding how the legalization of cannabis will be handled when it becomes legal. President Freeman explained the University is smoke-free and will remain that way and will continue to adhere to the drug-free school act, so the change to campus will be minimal. Further, a group of campus representatives is working with the DeKalb Police and the surrounding community to determine the impacts of the legalization more broadly. NIU is communicating with other communities and universities in the states that have already worked through this issue and will report back any notable items to the Board at a later date.

Information Item 8.f. – Ethics and Compliance Update

Sarah Garner, Ethics and Compliance Officer & Title IX Coordinator, presented the background, portfolio, and FY20 plans of the Ethics and Compliance Office. The office launched about a year ago in alignment with Board of Trustees priorities as well as the 2018 Presidential Goals, both of which speak to building a culture of ethics, accountability, and transparency on the NIU campus.

It was noted that annual Ethics training for employees runs from October through November. A request was made by Chair Dennis Barsema that the Board receive an ADA compliance report at some point in time. Ms. McGill offered to work with Vernese Edghill-Walden, Sr. Associate Vice President, Academic Diversity, Equity and Inclusion & Chief Diversity Officer, to coordinate the update to the Board.

9. OTHER MATTERS

Trustee Montel Gayles thanked Ms. McGill and her staff getting the Board prepared for this meeting.

10. NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be November 14, 2019.

11. ADJOURNMENT

A motion was made to adjourn by Trustee Montel Gayles; seconded by Board Chair Dennis Barsema.

The meeting adjourned at 11:28 a.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