

Minutes of the
NIU Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations Committee
August 20, 2020

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 12:01 p.m. by Committee Chair Montel Gayles. This Finance, Audit, Compliance, Facilities and Operations Committee meeting is being conducted through video conferencing communications and is pursuant to Section 6 of Executive Order 2020-7 (Suspending Open Meetings Act requirements of in person attendance by members of a public body). Recording Secretary Sandy McCartney conducted a roll call of the Trustees.

Trustee Rita Athas: Present

Trustee John Butler: Present

Committee Chair Montel Gayles: Present

Trustee Veronica Herrero: Present

Trustee Bob Pritchard: Present

(absent until 12:04 p.m. when Committee Chair Gayles noted Trustee Pritchard was in attendance)

Trustee Aidan Shields: Present

Vice Chair Eric Wasowicz: Present

Board Chair Dennis Barsema: Present

All members of the Board of Trustees were present.

Also present were President Lisa Freeman, Committee Liaison Vice President Chief Financial Officer Sarah Chinniah, 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 had been provided pursuant to the Illinois Open Meetings Act. General Counsel Perry also advised that a quorum was present.

3. MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Vice Chair Wasowicz and seconded by Trustee Athas. Sandy McCartney conducted a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

4. REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the May 14, 2020 meeting was made by Trustee Athas and seconded by Board Chair Barsema. Sandy McCartney conducted a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

5. CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Gayles commented on how pleased he was to be serving as the chair for FACFO during this rather tenuous time. He commended the leadership of the University for their commitment to the health and safety of the students, faculty, and staff. Committee Chair Gayles spoke to NIU's Protecting the Pack which outlines the values that guide NIU's decision making process. He talked about Executive Vice President and Provost (EVPP) Beth Ingram's overview of NIU's approach and focus on teaching, learning and scholarship plans going into the fall semester provided in an earlier Committee meeting. He also discussed the lack of progress towards another federal stimulus package, uncertainty about the state's budget and the effect this could have on NIU's budget. He confirmed the need to continue to move forward even with a year projected to close with a loss of \$35M, facing the possibility of a similar loss this fiscal year, knowing the university cannot sustain this level of financial distress. He offered his support to the University leadership recognizing that difficult decisions will need to be made in the days ahead.

Committee Chair Gayles then acknowledged the passing of Vicky Rippberger, former FACFO recording secretary and welcomed Sandy McCartney who assumed the role.

Committee Chair Gayles welcomed the members of the University Advisory Committee and asked if anyone had any comments for the board. Kendall Thu confirmed he was saving his comments for the Full Board Meeting and no other comments were shared.

6. PUBLIC COMMENT

Committee Chair Gayles inquired to General Counsel Perry if any members of the public registered a written request to address the board in accordance with state law and Board of Trustees bylaws.

General Counsel Perry advised Mr. Roderic Moyer had requested to speak.

Roderic Moyer, a current NIU student, gave a presentation and discussed his views on social change and leadership.

7. FINANCIAL UPDATE

Information Item 7.a. – FY21 University Preliminary Budget – Summary Update

Vice President and Chief Financial Officer (VPCFO) Sarah Chinniah presented Item 7.a. – FY21 University Preliminary Budget – Summary Update.

On June 18th, The Board of Trustees approved an FY21 preliminary internal budget including \$361.4M in revenue against \$400.3M in anticipated expenses. This preliminary internal budget uses revenue and cost assumptions based on limited available data as of May 31, 2020 and assumes a shortfall of approximately \$38.8M.

VPCFO Chinniah confirmed four primary items that could have significant upside or downside to NIU's budget: enrollment; the state's financial position; the availability of a federal relief bill and the state's reopening plan. NIU leadership was closely monitoring information provided by the Governor and the Illinois Department of Public Health. The health, wellness,

and safety of the entire campus community was a priority and at the center of the university's decision-making.

VPCFO Chinniah acknowledged and commended the efforts of Associate Vice President Shyree Sanan and Budget and Financial Planning Director Andrew Rogers and their teams for their leadership and efforts in supporting this work.

There was no board discussion, however during the discussion of Action Item 8.a. Board Chair Barsema did thank VPCFO Chinniah and her team for the FY21 Budget Update and acknowledged the challenges being faced.

8. UNIVERSITY RECOMMENDATIONS

Action Item 8.a. – Classroom Technology Upgrades

VPCFO Chinniah presented Item 8.a. - Classroom Technology Upgrades.

Board Discussion followed prior to any motions made to approve.

Committee Chair Gayles asked if the technology would be used outside of campus or was strictly for use on campus for the instructors and professors involved in the program. Chief Information Officer (CIO) Matthew Parks explained the majority of the equipment would be used on campus with a smaller portion deployed at off-campus sites.

Board Chair Barsema inquired as to the reason for the increase from \$450K to \$600K. VPCFO Chinniah explained the initial \$450K would allow for the necessary purchases to start classes, however in preparing for potential contingency plans more flexibility could be needed as the semester progresses.

Board Chair Barsema inquired if a motion was needed to amend the Action Item to read \$600K instead of \$450K. General Counsel Perry confirmed a motion was needed.

Trustee Pritchard asked for more description as to what this extra \$150K would offer beyond flexibility. EVPP Ingram responded that while several classrooms were set up for the current needs of student and faculty, as the semester evolves some classrooms may need to be converted allowing the faculty the flexibility to adapt as needed. Trustee Pritchard asked for confirmation if this was for equipment and not connectivity. CIO Parks gave the assurance all the equipment was for the classrooms.

Vice Chair Wasowicz asked since this is an unplanned capital expenditure was thought given as to how much the university can utilize this equipment in the future. EVPP Ingram confirmed that even after COVID-19, by having this equipment in place students who become ill and could not participate in face to face classes or bad weather preventing students and faculty getting to class would be able to participate remotely, thus expanding our student services into the future. President Freeman also mentioned the market for adults seeking a degree completion and how this technology could be utilized in the future.

Trustee Butler asked if assurance could be provided that this was procured within the proper guidelines.

VPCFO Chinniah explained multiple methods of procurement were used that were allowable and permissible by state procurement statutes.

At approximately 12:35 p.m. Board Liaison Matt Streb announced Committee Chair Gayles had been dropped from the meeting due to technical difficulties. Conversation continued as procedures needed to go forward and General Counsel Perry said Vice Chair Wasowicz could call for a motion and the vote.

Vice Chair Wasowicz asked for any further discussion and called for a motion to approve the amended amount from \$450K to \$600K. The motion was made by Board Chair Barsema and seconded by Trustee Herrero. There was no further discussion and Sandy McCartney did a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

When Committee Chair Gayles name was called he said he was back in the meeting. The time was 12:38 p.m.

The motion was approved to amend the item to \$600K.

Vice Chair Wasowicz moved to approve the Classroom Technology item for \$600K and this was seconded by Board Chair Barsema. Sandy McCartney did a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

VPCFO Chinniah apologized for the change in this item and expressed appreciation for everyone's support and endorsement to amend and move the item forward.

9. UNIVERSITY REPORTS

VPCFO Chinniah explained there were five informational items with comprehensive write ups included for each due to the number of annual reports.

Information Item 9.a. – Quarterly Summary Report for Transactions in Excess of \$100,000 for the Period April 1, 2020 to June 30, 2020

The Committee discussed the item related to securing a third-party to assist the collection of past-due accounts receivable and the need to be thoughtful in the approach used due to hardships caused by COVID.

Information Item 9.b. – FY20 Annual Summary Report Obligation of Financial Resources Year ended June 30, 2020

Committee Chair Gayles asked for more information on NIU's Business Enterprise Program (BEP) activity. VPCFO Chinniah committed to working with the Trustees to provide more information as to how the university aligns with BEP goals.

Information Item 9.c. – FY20 Annual Report of Cash and Investment for Period Ending June 30, 2020

Board Chair Barsema asked VPCFO Chinniah to give a general sense of where we were in terms of the university's level of cash, \$128M as of the date of this report. He asked her to respond in terms of green, yellow, and red. VPCFO Chinniah answered as of today she would put the university in yellow status. She confirmed the need to be thoughtful with resources as there was still much uncertainty in this upcoming year.

Information Item 9.d. – FY20 Report Tuition and Fee Waivers

No discussion

Information Item 9.e. – Campus Facility Project Update

Committee Chair Gayles asked if the boiler project had been paused. Associate Vice President John Heckmann explained that the project was still moving forward. AVP Heckmann did clarify that NIU does have a cost share to move this position forward. NIU's overall financial position and ability to provide the cost share will be assessed as the boiler project moves forward.

10. OTHER MATTERS

There were no other matters.

11. NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be November 12, 2020.

12. ADJOURNMENT

Committee Chair Gayles asked for a motion to adjourn the meeting and thanked VPCFO Chinniah and her team for all their work and help in preparing for this FACFO Meeting. He also expressed appreciation for VPCFO Chinniah and her team, as well as President Freeman, and the rest of the executive team.

Motion to adjourn was made by Trustee Herrero and seconded by Board Chair Barsema. Sandy McCartney conducted a roll call.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aiden Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion passed.

The meeting adjourned at 1:06 p.m.

Respectfully submitted,

Sandy McCartney

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.