

Minutes of the  
**NIU Board of Trustees of Northern Illinois University**  
**Finance, Audit, Compliance, Facilities and Operations Committee**  
November 12, 2020

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 11:51 a.m. by Committee Chair Montel Gayles. This Finance, Audit, Compliance, Facilities and Operations Committee meeting was 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: Yes

Trustee John Butler: Yes

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

All members of the Board of Trustees were present.

Also present were President Lisa Freeman, Committee Liaison and Vice President for Administration and Finance and Chief Financial Officer Sarah Chinniah, General Counsel Bryan Perry, and Board Liaison and Chief of Staff Matt Streb.

**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.

**MEETING AGENDA APPROVAL**

Committee Chair Gayles asked for a motion to approve the meeting agenda. VPCFO Chinniah requested Item 8.d. The Intercollegiate Bowl Game Participation Expense be pulled from the agenda.

Committee Chair Gayles asked for a motion to amend the agenda. Board Chair Barsema so moved, and Trustee Athas seconded.

Committee Chair Gayles asked Sandy to conduct 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

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

Committee Chair Gayles then asked for a motion to approve the amended agenda. Board Chair Barsema so moved, and Trustee Athas seconded.

Committee Chair Gayles asked Sandy to conduct 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

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **REVIEW AND APPROVAL OF MINUTES**

A motion to approve the minutes of the August 20, 2020 meeting was made by Trustee Shields and seconded by Trustee Herrero.

Committee Chair Gayles asked Sandy to conduct 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

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **CHAIR'S COMMENTS/ANNOUNCEMENTS**

Committee Chair Gayles spoke to this being a dynamic time and anything but typical. He spoke of Huskie resilience, continued uncertainty surrounding the budget, and the level of financial distress that the university cannot sustain. He noted the current environment in the wake of COVID-19 and State budget uncertainties will result in further impacts to NIU. The university must continue every effort to make contingency plans and offered his support to the university leadership. Committee Chair Gayles acknowledged the work of President Lisa Freeman, Vice President of Administration and Finance and Chief Financial Officer Sarah Chinniah and Executive Vice President and Provost Beth Ingram.

Committee Chair Gayles welcomed the University Advisory Committee members that were present and asked if anyone had any comments for the board?

UAC Representative Natasha Johnson from the Operating Staff Council (OSC) shared members were relieved to hear of no further lay-offs through the rest of 2020. They benefited from having President Freeman speak and offer explanations to financial questions at their last meeting. Johnson expressed the OSC felt the University and Leadership were making humane decisions as they move forward.

### **PUBLIC COMMENT**

General Counsel Perry stated no one registered to make a public comment.

## **FINANCIAL UPDATE**

### **Committee Chair Gayles asked VPCFO Chinniah to present Information Item 7.a.**

VPCFO Chinniah presented Information Item 7.a. Annual Financial Summary and Budget to GAAP Reconciliation as of June 30, 2020.

Discussion followed with Board Chair Barsema stating he never anticipated applauding a \$15M loss, however in comparison to the projected \$30M loss at year end, the results were positive. He thanked everyone within the NIU family for their part in narrowing the gap and coming in below expenses, although not by much.

Committee Chair Gayles acknowledged the efforts of being mindful of the financial challenges and echoed Board Chair Barsema in thanking staff, faculty, department chairs, deans, and leaders for the end of year performance. He also cautioned we all need to stay the course in the year to come.

Comments were made by Committee Vice Chair Wasowicz thanking VPCFO Chinniah and her team. Further discussion followed about depreciation and ownership of the buildings and other assets at NIU with Committee Vice Chair Wasowicz acknowledging differences between state and private industry.

### **Committee Chair Gayles asked VPCFO Chinniah to present Information Item 7.b.**

VPCFO Chinniah presented Information Item 7.b. Quarterly Financial Summary – FY21 First Quarter as of September 30, 2020.

Committee Chair Gayles thanked everyone for their shared sacrifice.

Board Chair Barsema spoke to the increased focus on reporting the budget quarterly, given the dynamic and fluid environment. Additional fluctuations to the budget, both good and bad, are anticipated and university leadership should plan accordingly. He acknowledged Senior Leadership for actions taken to date and continuing to do more with less since we do not know how FY22 will be affected. He also acknowledged it may be necessary to take actions that will not be easy to take.

Trustee Pritchard agreed about the need to put a hold on expenses but also affirmed faculty and staff should continue to seek methods for increased revenue generation.

### **Committee Chair Gayles asked VPCFO Chinniah to present Information Item 7.c.**

VPCFO Chinniah presented Information Item 7.c. Periodic Report on Investments for Period Ending September 30, 2020.

Discussion followed as Committee Chair Gayles asked if the University had enough cash on hand to conduct business. VPCFO Chinniah confirmed there was adequate cash on hand for the remainder of the academic year. She stated the University continues to be in conversation with the state regarding expectations from them and mentioned availability of a federal relief bill, both of which would provide flexibility. She confirmed that the University needs to be mindful of what is to come and plan accordingly.

## UNIVERSITY RECOMMENDATIONS

### **Committee Chair Gayles asked VPCFO Chinniah to present Action Item 8.a.**

Prior to presenting the University Recommendations, VPCFO Chinniah explained the typical presented pricing items were not being included in FACFO for November to allow the university additional time to gather necessary information. These items will move forward at a future meeting.

VPCFO Chinniah presented Action Item 8.a. – FY22 Budget Request for approval.

Discussion followed with Committee Chair Gayles asking whether the budget request was realistic and if there was adequate justification for the request. VPCFO Chinniah commented in support of the funding request and confirmed justification for the increase.

Board Chair Barsema asked if the listed items were in priority order. VPCFO Chinniah and President Freeman confirmed the order of the items.

Trustee Pritchard stated the proposals were well written and, although we were asking for a large amount of money, thought the requests were sound enough to meet the requirements. He complimented those who put them together.

Committee Chair Gayles asked for a motion to approve Action Item 8.a. Trustee Athas so moved, and Committee Vice Chair Wasowicz seconded.

Committee Chair Gayles asked Sandy to conduct 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

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Committee Chair Gayles asked VPCFO Chinniah to present Action Item 8.b.**

VPCFO Chinniah presented Action Item 8.b. FY22 IBHE Capital Budget Request for approval.

Committee Chair Gayles asked for a motion to approve Action Item 8.b. Committee Vice Chair Wasowicz so moved, and Board Chair Barsema seconded.

Discussion followed as Trustee Shields inquired as to the priority of the boiler replacement on the proposed list. Discussion continued about the difficulties surrounding prioritizing a list with projects that could each, arguably, be number one. The boiler project remains a priority, though timing considerations delay movement on Phase II. Associate Vice President John Heckmann affirmed we are not ready for Phase II of the Boiler Project. When asked if the university would continue to generate heat, he explained we would not dispense with the old system until Phase I was complete. AVP Heckmann also spoke about items that had been approved and were still on the list and confirmed Wirtz Hall still being in the top ten of the IBHE priority list.

Committee Chair Gayles asked Sandy to take 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 Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

**Committee Chair Gayles asked VPCFO Chinniah to present Action Item 8.c.**

VPCFO Chinniah presented Action Item 8.c. DeKalb Campus – Central Campus Roadway Improvements for approval.

Committee Chair Gayles asked for a motion to approve Action Item 8.c. Committee Vice Chair Wasowicz so moved, and Trustee Herrero seconded.

Discussion followed as Committee Chair Gayles asked if there were any ADA Compliance complaints in reference to this item. VPCFO Chinniah said they were in conversation with several departments, including those under Vice President for Diversity, Equity and Inclusion Vernese Edghill-Walden, regarding this intersection as it is a prominent intersection for students, faculty and staff. Committee Chair Gayles acknowledged it was very good that everyone was being proactive.

There was no further discussion.

Committee Chair Gayles asked Sandy to conduct 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

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

**UNIVERSITY REPORTS**

**Committee Chair Gayles asked VPCFO Chinniah to present Information Items 9.a. – 9.d.**

VPCFO Chinniah began by stating there were five University Reports. Comprehensive write-ups had been provided in the materials so there would be no formal presentations, but she would gladly answer any questions.

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

Information Item 9.b. – FY20 Annual Report of Transactions Involving Real Property.

Information Item 9.c. – FY20 Report on Facilities and Infrastructure Capital Investments.

Information Item 9.d. – Facilities Update

Information Item 9.e. – FY20 Clery Report Update

There was no discussion.

Committee Chair Gayles thanked VPCFO Chinniah and her staff for assisting him with the preparation of these meetings.

#### **OTHER MATTERS**

There were no other matters.

#### **NEXT MEETING DATE**

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be February 18, 2021.

#### **ADJOURNMENT**

Committee Chair Gayles asked for a motion to adjourn. Committee Vice Chair Wasowicz so moved, and Trustee Herrero seconded.

Committee Chair Gayles asked Sandy to conduct 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

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

The meeting adjourned at 12:56 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*