

Minutes of the
Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations
Committee Meeting
February 18, 2021

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 11:01 a.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: Absent

Trustee Bob Pritchard: Present

Trustee Aidan Shields: Present

Vice Chair Eric Wasowicz: Present

Board Chair Dennis Barsema: Present

Trustee Veronica Herrero was absent.

Also present were President Lisa Freeman, Committee Liaison and Vice President for Administration and Finance and Chief Financial Officer Sarah Chinniah, Vice President and General Counsel and Board Parliamentarian Bryan Perry, Executive Vice President and Provost Beth Ingram, Board Liaison and Chief of Staff Matt Streb, Associate Vice President for Facilities Management and Campus Services John Heckmann, and President of Longhouse Capital Michael Boisvert.

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. 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. 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: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

REVIEW AND APPROVAL OF MINUTES

Committee Chair Gayles asked for a motion to approve the minutes of November 12, 2020. Vice Chair Wasowicz so moved, and Board Chair Barsema 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: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Gayles spoke to the importance of today's agenda and gave an overview of all the items. Committee Chair Gayles expressed his support and appreciation for the efforts of the university to persevere. He also talked about looking ahead towards support of activities and decisions towards NIU's multi-year planning and budgeting goals.

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

There were no comments from the University Advisory Committee members.

PUBLIC COMMENT

General Counsel Perry stated there had been one individual registered to speak but they withdrew. There were no public comments.

FINANCIAL UPDATE

Agenda Item 7.a. Series 2011 CHF Bond Refinancing with Series 2021 AFS Bonds

VPCFO Chinniah presented agenda item 7.a. Series 2011 CHF Bond Refinancing with Series 2021 AFS Bonds.

VPCFO Chinniah introduced Michael Boisvert President of Longhouse Capital.

Mr. Boisvert spoke about the financing climate due to concerns about COVID-19. He also outlined the next steps in support of the bond refinancing, committing to provide more information at future Board of Trustees meetings.

The Committee discussed with Mr. Boisvert the risk of going forward without bond insurance and the role purchasing bond insurance plays in securing a lower interest rate.

Board Chair Barsema thanked Mr. Boisvert, and the NIU Finance Team, for the success of the last refinancing. He wondered, if rates are locked in late April/early May but closing is not until early July, what happens to rate changes between the lock down time and closing. Mr. Boisvert explained that once rates are confirmed, they do not change. He did add this is the lowest rate he has seen in a while.

Vice Chair Wasowicz inquired as to why it is necessary to wait until July to close to get tax exempt status. Mr. Boisvert explained it was a federal tax rule. On a fixed rate bond if you want to refinance the debt, you must wait until the first call date to refinance it. The call provision on these bonds was a 10 year one from 2011. July 1, 2021 would be the first date the University could legally repay those to still get our tax-exempt status.

Committee Chair Gayles and VPCFO Chinniah thanked Mr. Boisvert for being there to speak with the Board. VPCFO Chinniah expressed her appreciation to be working with Longhouse Capital again. She went on to say the NIU Office of General Counsel and General Counsel

Bryan Perry, was also working with the team. They will all be working with the Collegiate Housing Foundation (CHF) to review the CHF Bond Lease and Financial Agreements. This will be a parallel process that supports the financing as the buildings are integrated fully into NIU's portfolio.

Agenda Item 7.b. Quarterly Financial Summary – Fiscal Year 2021 Second Quarter as of December 31, 2020

VPCFO Chinniah presented agenda item 7.b. Quarterly Financial Summary – Fiscal Year 2021 Second Quarter as of December 31, 2020. She asked that the Table on Page 13 be displayed.

Board Chair Barsema spoke to the wonderful job done by the team across campus to reduce and control expenses and thanked everyone and particularly those on VPCFO Chinniah's team for their work. However, he stated the relief coming from Washington would not solve all the issues. There needs to continue to be a strong focus on cost control.

VPCFO Chinniah then spoke to FY22 and beyond in preparation for a return to more typical operations. She explained the strategy this year would be deferring actions (knowing they will need to be picked up again next year), making plans for facilities, staff development, facility research, facility travel. At the same time establishing a new sustainable level.

President Freeman expressed how she was looking forward to being able to plan for a sustainable future and incorporate lessons learned during this COVID environment.

Board Chair Barsema agreed with President Freeman and commended everyone for a great job in learning from this tragedy. He observed that President Freeman and the entire team had done a great job in learning about things that will be helpful as the University moves forward, both from a budget standpoint and operational standpoint in delivering NIU's promise, mission, and vision.

VPCFO Chinniah responded as to how the university has benefited from the support and leadership of the entire Board of Trustees and was grateful for their support and leadership as well.

Agenda Item 7.c. Periodic Report on Investments for Period Ending December 31, 2020

VPCFO Chinniah presented agenda item 7.c. Periodic Report on Investments for Period Ending December 31, 2020.

There was no discussion.

UNIVERSITY RECOMMENDATIONS

Agenda Item 8.a. Fiscal Year 2021 Quarantine and Isolation Costs

VPCFO Chinniah presented agenda item 8.a. Fiscal Year 2021 Quarantine and Isolation Costs for approval.

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

Committee Chair Gayles inquired if this was enough money for these hotel costs. President Freeman explained our spend rate on hotel rooms had slowed this semester due to reorganizing students in campus housing resulting in being able to isolate more students on campus. She confirmed the not to exceed amount would allow us the needed flexibility.

Trustee Shields asked if this amount was in addition to what was already requested. VPCFO Chinniah said the total dollars not to exceed \$350K includes the \$160K already spent.

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: Absent
Trustee Bob Pritchard: Yes	Trustee Aidan Shields: Yes
Vice Chair Eric Wasowicz: Yes	Board Chair Dennis Barsema: Yes

The motion was approved.

Agenda Item 8.b. Surplus Real Estate Property Determination Hoffman Estates Campus

VPCFO Chinniah presented agenda item 8.b. Surplus Real Estate Property Determination Hoffman Estates Campus for approval.

Committee Chair Gayles asked for a motion to approve item 8.b. Trustee Athas so moved, and Board Chair Barsema seconded.

Board Chair Barsema wanted to clarify, the purpose of this item was just to declare it as surplus and the decision as to what to do with it would come at a later time. This was confirmed by VPCFO Chinniah.

Trustee Butler requested a future presentation on how NIU is connecting with the outlying areas and what the University's regional strategy is. Committee Chair Gayles added he would like that presentation to include facilities usage as well. President Freeman felt this was a good idea.

Vice Chair Wasowicz inquired as to whether the money could be used for capital building expenses, or if it would be returned to the state. VPCFO Chinniah explained there is flexibility due to legislation that passed last year. There were certain property parcels that NIU could designate in such a manner that if NIU sold them, the proceeds would be used to support emergency facility needs and deferred maintenance.

There was no further discussion.

Committee Chair Gayles asked Sandy to take a roll call vote.

Trustee Rita Athas: Yes	Trustee John Butler: Yes
Committee Chair Montel Gayles: Yes	Trustee Veronica Herrero: Absent
Trustee Bob Pritchard: Yes	Trustee Aidan Shields: Yes
Vice Chair Eric Wasowicz: Yes	Board Chair Dennis Barsema: Yes

The motion was approved.

Agenda Item 8.c. Fiscal Year 2022 Undergraduate Tuition Pricing Recommendation

VPCFO Chinniah presented agenda item 8.c. Fiscal Year 2022 Undergraduate Tuition Pricing Recommendation for approval.

Committee Chair Gayles asked for a motion to approve item 8.c. Trustee Pritchard so moved, and Trustee Butler seconded.

There was no 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: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

Agenda Item 8.d. Fiscal Year 2022 Graduate and Law Tuition Pricing Recommendation

VPCFO Chinniah presented agenda item 8.d. Fiscal Year 2022 Graduate and Law Tuition Pricing Recommendation for approval.

Committee Chair Gayles asked for a motion to approve item 8.d. Vice Chair Wasowicz so moved, and Trustee Pritchard seconded.

Trustee Pritchard commented how NIU compared with other universities and are among the few that have held flat tuition for the past five years. NIU has a great value story to tell about education in that the university is mindful of the cost of higher education and the burden this might place on students.

VPCFO Chinniah commented that the university did lower student fees earlier in the year so when you take the lowering of student fees and put it against the proposed tuition increases it is a very modest 1% for the majority of our students. She appreciated Trustee Pritchard for acknowledging the effort that the university has made to honor our commitment to access and affordability by keeping our total costs very affordable.

Board Chair Barsema mentioned it was hard to increase the costs to the students and the families because it remains a goal to keep NIU accessible and affordable to all families but at the same time there is a responsibility to increase student services and enhance academic standards. He said he understood this increase was a necessary one and applauded the university in keeping it as low as possible.

Vice Chair Wasowicz made sure everyone was aware of the enormous amount of time that was put into this and sited in the past year they had several individual discussions with VPCFO Chinniah and President Freeman along these lines.

Committee Chair Gayles wondered about the Financial Literacy being offered to students and asked for an explanation as to how that will be done.

EVPP Ingram explained there are a lot of great models out there for doing this work. The enhanced services, along with conversations with the appropriate people from the College of Business will enable a function to better meet the needs of students.

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: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

Agenda Item 8.e. Fiscal Year 2022 Division of Information Technology Microsoft Enrollment Contract Renewal

VPCFO Chinniah presented agenda item 8.e. Fiscal Year 2022 Division of Information Technology Microsoft Enrollment Contract Renewal for approval.

Committee Chair Gayles asked for a motion to approve item 8.e. Vice Chair Wasowicz so moved, and Trustee Pritchard seconded.

Trustee Shields asked what happens after the ninth renewal year. VPCFO Chinniah explained the item would move forward with a full purchasing bid through the Procurement Office. Following a full process, the item would move forward to the board for approval.

Trustee Athas asked if the \$400K had been steady throughout the multiple years of the contract. VPCFO Chinniah said no, there have been a few increases due to security enhancements in multifactor authentication, but overall, the cost has remained rather consistent.

Committee Chair Gayles added he thought the BEP numbers might be increasing from 20% to 30%.

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: Absent
Trustee Bob Pritchard: Yes	Trustee Aidan Shields: Yes
Vice Chair Eric Wasowicz: Yes	Board Chair Dennis Barsema: Yes

The motion was approved.

Agenda Item 8.f. Fiscal Year 2022 Master Agreement Facility Contract Renewals

VPCFO Chinniah presented agenda item 8.f. Fiscal Year 2022 Master Agreement Facility Contract Renewals for approval.

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

There was no discussion.

Committee Chair Gayles asked Sandy to conduct a roll call vote.

Trustee Rita Athas: Yes	Trustee John Butler: Abstained
Committee Chair Montel Gayles: Yes	Trustee Veronica Herrero: Absent
Trustee Bob Pritchard: Yes	Trustee Aidan Shields: Yes
Vice Chair Eric Wasowicz: Yes	Board Chair Dennis Barsema: Yes

The motion was approved.

Agenda Item 8.g. Fiscal Year 2022 Materials Management & Integrated Media Technologies Consumable Commodities

VPCFO Chinniah presented agenda item 8.g. Fiscal Year 2022 Materials Management & Integrated Media Technologies Consumable Commodities for approval.

Committee Chair Gayles asked about the difference between the Funding Total and the amount approved for FY21. VPCFO Chinniah explained FY21 had a slightly higher number.

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

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: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

UNIVERSITY REPORTS

Agenda Item 9.a. Campus Planning in Support of University Priorities Presentation

VPCFO Chinniah introduced Associate Vice President for Facilities Management and Campus Services John Heckmann who gave his presentation on Campus Planning in Support of University Priorities.

Board Chair Barsema thanked AVP Heckmann and his team for their continued diligence in maintaining campus and asked AVP Heckmann to explain recent efforts to keep buildings functional.

AVP Heckmann explained the protocols used by the Facilities team to maintain buildings.

Trustee Butler shared concerns from faculty that some office space is less than optimal and significantly outdated. AVP Heckmann acknowledged this was a good observation, and a good point to keep in mind regarding where to focus moving forward.

Trustee Pritchard inquired as to how realistic it might be over the next several years working with the Foundation to generate dollars to help maintain and preserve NIU facilities. AVP Heckmann agreed this is something to explore going forward to reduce dependency on state revenue.

Trustee Pritchard also asked as to whether buildings had been inventoried as to which ones required the most maintenance. AVP Heckmann assured him facilities are constantly reevaluated.

Committee Chair Gayles inquired about the future look of the campus. AVP Heckman confirmed this had been the master planning process until financial pressures had paused the effort. He said the master plan will be reshaped to incorporate lessons from the pandemic.

President Freeman reminded the Board of the process for setting milestones for advancing the Campus Master Planning Process.

Agenda Item 9.b. Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period October 1, 2020 to December 31, 2020

VPCFO Chinniah stated there was one University Report. A comprehensive write-up had been provided in the materials.

There was no discussion.

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 13, 2021.

ADJOURNMENT

Committee Chair Gayles asked for a motion to adjourn. Board Chair Barsema so moved, and 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: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

The meeting adjourned at 12:40 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.

