

Minutes of the
Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations
Committee Meeting
May 12, 2022

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:30 a.m. by Committee Chair Dennis Barsema in the Board of Trustees Room, 315 Altgeld Hall.

Recording Secretary Christina Doe conducted a roll call of the Trustees.

Trustee Rita Athas: Absent

Trustee John Butler: Present

Trustee Montel Gayles: Present

Trustee Veronica Herrero: Present

Committee Vice Chair Bob Pritchard: Present

Trustee Jacob Sommer: Absent

Committee Chair Dennis Barsema: Present

Board Chair Eric Wasowicz: Absent

Also present: President Lisa Freeman; Committee Liaison and Interim Vice President for Administration and Finance and Chief Financial Officer James Cofer; Vice President and General Counsel and Board Parliamentarian Bryan Perry; Executive Vice President and Provost Beth Ingram; Board Liaison and Chief of Staff Matthew Streb; Vice President for Enrollment Management, Marketing and Communications Sol Jensen; and University Advisory Council (UAC) Representatives Felicia Bohanon, Holly Nicholson, and Greg Beyer.

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.

MEETING AGENDA APPROVAL

Committee Chair Barsema asked for a motion to approve the meeting agenda. Trustee Gayles so moved, and Committee Vice Chair Pritchard seconded.

The motion was approved.

Trustee Rita Athas joined the meeting at 10:32 a.m.

REVIEW AND APPROVAL OF MINUTES OF FEBRUARY 10, 2022

Committee Chair Barsema asked for a motion to approve the minutes of February 10, 2022. Committee Vice Chair Pritchard so moved, and Trustee Butler seconded.

The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Barsema welcomed everyone and recognized the University Advisory Committee. He asked if anyone had any comments. Felicia Bohanon and Holly Nicholson commented the concern on the continuing of outsourcing of bus services and the importance of utilizing NIU busses as the NIU logo is well seen and well-known; as well as issues that have been

experienced due to utilizing the non-NIU busses.

Committee Chair Barsema stated the agenda focused on a set of important financial updates and a number of recommendations that include financial commitments in support of university activities and needs.

Board Chair Eric Wasowicz joined the meeting at 10:35 a.m.

Committee Chair Barsema welcomed Dr. James Cofer, who has joined NIU as the Interim Vice President and Chief Financial Officer (VPCFO). Dr. Cofer brings with him a lifetime of experience holding senior financial and administrative positions in higher education. His expertise will be invaluable as we begin the transition and search for a new permanent VPCFO.

The university moved forward nine recommendations for approval, including three that went to the Special Meeting. Many of the items put forward built on discussions from committee meetings earlier in the day, most notably the continuation of conversation around the Shimadzu partnership extension. Committee Chair Barsema appreciates the efforts of university leadership to continue to connect the discussions and establish a thorough understanding of the items moving forward.

This committee has a fiduciary responsibility for the university, one all board members take seriously. Board members act in accordance with this responsibility, as well as work with university leadership to support and enact the ambitious university goals and continue to see the great benefit in aligning discussions throughout the day in support of the resource actions put to this committee.

As this committee reports on progress toward University Goal #6, Resource Development and Fiscal Responsibility the Board understands the alignment of actions in support of strategy. The quarterly reports provided in FACFO provide the Board, and the NIU community, with progress toward financial milestones, and a deeper discussion around FY23 budget development in support of multi-year planning is part of the agenda.

Two strategic conversations were incorporated in today's meeting: one in support of enhancing the student, faculty, and staff experience on and off campus with respect to information technology, and one in support of the university's commitment to diversity, equity, and inclusion through enhanced participation in the State's Business Enterprise Program (BEP).

PUBLIC COMMENT

Committee Chair Barsema introduced the public comment portion of the meeting. General Counsel Perry stated there were no requests for public comment.

FINANCIAL UPDATE

Committee Chair Barsema asked President Lisa Freeman to present the University Financial Update.

President Freeman presented Agenda Item 7.a. Quarterly Financial Summary Fiscal Year 2022 Third Quarter as of March 31, 2022

President Freeman provided some background on the item. President Freeman reiterated the need to be intentional and strategic in ways that the university uses non-recurring resources, such as Federal COVID Relief Funding, to ensure long-term financial sustainability. President Freeman invited Andrew Rogers, Assistant Vice President for Budget and Financial Planning to give the

overview of item 7.a.

Follow-up discussion began with which relief funding will flow into the next fiscal year and how. These funds need to be used as a bridge to a sustainable future, and the university needs to be very judicious in how funds are used.

Committee Chair Barsema thanked Assistant Vice President Rogers for the update and stated the pleasure in seeing that the university is now tracking to a surplus of \$3M, inclusive of federal relief funding and recognition of the supplemental budget adjustment announced by the Governor. Committee Chair Barsema also reiterated comments made previously that the federal relief funds or other one-time revenue generating sources should not be used to mask the reality of the need to make changes in pursuit of long-term fiscal sustainability. While these sources are available, the university needs to intentionally and aggressively pursue sustainable solutions to offset the anticipated financial losses, especially during the transition to forecasting and multi-year budgeting. It will take the campus continuing to come together to enact the structural changes needed, and any surplus should be recognized as a great sign but not one which means university financials are sustainable. Committee Chair Barsema recognized that Assistant Vice President Rogers noted there are significant shortfalls in areas such as contractual services which must increase in the coming years to put NIU back on track to achieving its goals.

There will be decisions made and actions taken that not everyone agrees with – that is the reality of change and evolution in organizations. The Board of Trustees has confidence in President Freeman, Provost Ingram and the leadership team to have the discussions and make the needed decisions.

President Freeman presented Agenda Item 7.b. Periodic Report on Investments for Period Ending March 31, 2022

President Freeman invited Shyree Sanan, Associate Vice President for Finance and Treasury Operations to give the overview of item 7.b.

It was noted that the recent overseas activities and market volatility has not negatively affected the University's holdings, due to the fact that NIU is limited in the investment types that it may purchase, which are generally safe investments.

Committee Chair Barsema thanked Associate Vice President Sanan for the overview and took a moment to acknowledge some great news. In February, it was recognized that Moody's revised NIU's outlook from stable to positive. Just last week, Moody's re-evaluated the university's standing and officially upgraded NIU's revenue bond rating with a continued positive outlook classification, the first this has happened in 21 years.

The improvement in rating reflects continued strengthening of the State's fiscal condition and an improving operating environment. Greater commitment to higher education in the forms of increased budget allocations for FY23 and increased MAP funding also helped secure the increased bond rating. And while this is excellent news, the Moody's outlook reflects expectations that NIU will continue working toward the goal of modifying NIU's footprint and cost structure, maintain operating performance stability, and increase liquidity.

Moody's actions provide important and public endorsement of NIU's mission, vision and values, as well as the difficult, but necessary decisions underway to align NIU's structure with the available financial resources. The improvement is encouraging and due in no small part to the enhanced reporting from the budget and finance teams, as well as the strong and forward-looking

leadership from President Freeman.

President Freeman presented Agenda Item 7.c. Fiscal Year 2023 University Budget Preliminary Summary

President Freeman noted that presenting this item represents a meaningful step forward in the implementation of multi-year budgeting. This is a goal that the university has articulated for several years. This evolution in budget approach appears consistent with the recommendations that will be put forward by the leadership group who have engaged a wide range of stakeholders in frank conversations about what is needed to facilitate success in multi-year planning at the unit levels. President Freeman thanked Dr. Edghill-Walden, Dr. Blazey, and Dean Brinkmann for their work in engaging the campus community.

President Freeman invited Andrew Rogers, Assistant Vice President for Budget and Financial Planning to give the overview of item 7.c.

Committee Chair Barsema thanked Assistant Vice President Rogers for the overview. The Board appreciates this move towards multi-year budgeting as it is a critical one for university strategic planning. As the university continues efforts to ensure the fiscal sustainability and as the university moves to increase contractual spending and otherwise regain stability to support university operations, forecasting and planning ahead will undoubtedly help pave the way as well as assist the Board. Committee Chair Barsema stated this is very much appreciated and everyone is looking forward to the rollout and the next update to the Board.

UNIVERSITY RECOMMENDATIONS

Committee Chair Barsema asked President Lisa Freeman to present the University Recommendations.

President Freeman presented Agenda Item 8.a. Renewal for Shimadzu Instrumentation

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

It was recommended that there be a look at leasing equipment so that there is a continuation of new and updated equipment rather than waiting to replace.

The motion was approved.

President Freeman presented Agenda Item 8.b. Fiscal Year 2022 Revised Student Health Insurance

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

A brief discussion ensued around student satisfaction with the offering. Kelly Olson, Assistant Vice President for Student Affairs and Dean of Students, explained that Student Affairs includes health insurance as part of student experience conversations, and affordability and quality of coverage remain the priorities.

Committee Chair Barsema noted for the record that Trustee Gayles' daughter is currently enrolled. As such, Trustee Gayles prefers to abstain from voting on this item.

Committee Chair Barsema asked Ms. Doe to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Abstain

Trustee Veronica Herrero: Yes

Committee Vice Chair Bob Pritchard: Yes

Trustee Jacob Sommer: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

President Freeman presented Agenda Item 8.c. Charter Bus Services

President Freeman wished to comment on the previous comments from the University Advisory Council. Charter bus services have always been used to supplement the university's own bus services. Whenever the university considers an external partnership for services, there are several factors considered, such as whether the service is core to NIU's mission and whether NIU can achieve comparable service at the same or less cost. Consistent with best practice, multiple factors were discussed and considered in advance of migrating to external busing services.

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

Conversation continued around impact to other aspects of Transportation when one major service is outsourced. John Heckmann, Associate Vice President for Facilities Management and Campus Services, spoke to various transportation needs across campus and when outsourcing versus in-house operations makes the most economic sense. Maintaining affordable transportation for student organizations was also discussed briefly as was the importance of upholding service expectations for faculty, staff, and students.

The conversation concluded with the procurement process of securing companies within the master contract.

The motion was approved.

President Freeman presented Agenda Item 8.d. Laundry Services Contract Extension

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

The motion was approved.

President Freeman presented Agenda Item 8.e. Secondary Student Health Insurance Contract Renewal

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

Committee Chair Barsema confirmed with Trustee Gayles that this does not impact his daughter and Trustee Gayles confirmed that it did not so he was able to be part of the vote.

The motion was approved.

President Freeman presented Agenda Item 8.f. NIU Foundation Professional Services Contract

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

The motion was approved.

President Freeman presented Agenda Item 8.g. Campus Printer/Copier Program Renewal

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

The motion was approved.

President Freeman presented Agenda Item 8.h. Cisco Maintenance Contract

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

The motion was approved.

President Freeman presented Agenda Item 8.i. Oracle ERP Hardware/Software Contract

Committee Chair Barsema asked for a motion to approve item 8.i. Board Chair Wasowicz so moved, and Trustee Herrero seconded.

The motion was approved.

UNIVERSITY REPORTS

Committee Chair Barsema asked President Lisa Freeman to present the University Reports.

President Freeman stated that there were two presentations during this meeting. President Freeman stated NIU Board regulations stipulate that the university presents regular summaries of designated activities including financial and property transaction, as well as confirmation that state and federal requirements are met. The two reports provided today include comprehensive written updates and are submitted in accordance with board regulations. No specific presentations are planned for the written update items. President Freeman was happy to answer any questions.

President Freeman introduced the first item which was a Strategic Division of Information Technology presentation given by Matthew Parks, Chief Information Officer (CIO).

Information Item 9.a. – Strategic Division of Information Technology Presentation

Discussion began with how the university is being protected against cyber-attacks. Matthew Parks, CIO, went through the elements of information security at NIU. Additional conversation ensued around the fiber optic broadband networks across campus and their benefits to the university.

Trustee Veronica Herrero exited the meeting at 12:25 p.m.

President Freeman introduced the Business Enterprise Program (BEP) Strategic presentation given by Antoinette Bridges, Director of Procurement Services and Contract Management, and Katie Davison, Director of State Relations.

Information Item 9.b. – BEP Strategic Presentation

Discussion began with the feasibility around reaching the percentage goals and how the university continues to make progress.

Conversation continued around the legislative advocacy component, the omnibus bill in partnership with university procurement officers, and other outstanding reforms. Goals of BEP legislation include increasing vendor participation and reducing barriers to qualification, among others that will hopefully surface this summer.

Information Item 9.c. – Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period January 1, 2022 to March 31, 2022

Information Item 9.d. – Semi-Annual Progress Report of Active Capital Projects over \$100,000

OTHER MATTERS

There were no other matters.

NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be August 18, 2022.

ADJOURNMENT

Committee Chair Barsema asked for a motion to adjourn. Board Chair Wasowicz so moved, and Trustee Athas seconded.

Committee Chair Barsema asked Ms. Doe to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Committee Vice Chair Bob Pritchard: Yes

Trustee Jacob Sommer: Absent

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

The meeting adjourned at 12:51 p.m.

Respectfully submitted,

Christina Doe
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.