

Minutes of the
Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations
Committee Meeting
May 11, 2023

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 11:15 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 Chair Dennis Barsema: Present

Trustee Tim Moore: Present

Board Chair Eric Wasowicz: Present

Also present: President Lisa Freeman; Committee Liaison and Vice President for Administration and Finance and Chief Financial Officer George Middlemist; Vice President and General Counsel and Board Parliamentarian Bryan Perry; Vice President for Enrollment Management, Marketing and Communications Sol Jensen; Vice President for University Advancement Catherine Squires; Chief of Staff and Liaison to the Board of Trustees Matthew Streb; Associate Vice President and Chief Information Officer Matthew Parks; Vice President for Student Affairs Clint-Michael Reneau; University Advisory Council (UAC) Representative Brad Cripe.

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.

Committee Chair Dennis Barsema noted that Trustee Rita Athas was attending remotely because of an illness. Committee Chair Barsema asked for a motion to approve to allow Trustee Athas to participate in today's meeting remotely. Trustee Gayles so moved, and Board Chair Wasowicz seconded.

The motion was approved.

MEETING AGENDA APPROVAL

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

The motion was approved.

REVIEW AND APPROVAL OF MINUTES OF FEBRUARY 16, 2023

Committee Chair Barsema asked for a motion to approve the minutes of February 16, 2023. Board Chair Wasowicz so moved, and Trustee Moore seconded.

The motion was approved.

Trustee Rita Athas joined the meeting at 11:17 a.m.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Barsema welcomed everyone and recognized the University Advisory Committee. He asked if anyone had any comments. Brad Cripe commented on the HAVI Center for Analytics and thanked all for their attention to that item.

Committee Chair Barsema shared a few comments by opening with remarks congratulating graduates, their families, and the faculty and staff on another successful year. The Board had a full agenda for the meeting and was focused on a set of important financial updates with a number of recommendations in support of university activities and needs.

The University is moving forward 13 recommendations for approval; including seven that will go to the Special Meeting, which are time sensitive.

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 Vice President and Chief Financial Officer (VPCFO) George Middlemist to present the University Financial Update.

VPCFO Middlemist presented Agenda Item 7.a. Quarterly Financial Summary Fiscal Year 2023 Third Quarter as of March 31, 2023

VPCFO Middlemist asked Andrew Rogers, Assistant Vice President for Budget and Financial Planning, to present the item.

It was recognized that seeing the difference between the structural and non-structural is very helpful in order to get a better view of what needs to be focused on and not focused on when the board is reviewing the numbers. Focusing on revenue generation as well as looking at strategic spending was stressed to the board and university leadership; as well investing in our faculty and staff is an important focus from the standpoint of the board and leadership.

The trustees discussed the importance of beginning to make strategic changes to close the growing deficit. It was noted that several measures will need to be looked at: how can more revenue be generated, how can spending be more linked to our mission; any strategic conversation will need to be done collaboratively across the university.

VPCFO Middlemist presented Agenda Item 7.b. Periodic Report on Investments for Period Ending March 31, 2023

VPCFO Middlemist asked Shyree Sanan, Associate Vice President for Finance and Treasury, to present the item.

On May 10, 2023, NIU received word that Moody's Investors Service had upgraded NIU's issuer and Auxiliary Facilities Revenue Bond (AFS) ratings to Baa3 from Ba1, while upgrading the Certificates of Participation (COP) to Ba1 from Ba2. This is the second consecutive rating upgrade the university has received in a number of years. Similar to the upgrade received in 2022, the improvement in rating reflects continued strengthening of the State's fiscal condition, the

university's prospect for improving operating environment beyond fiscal 2023, and maintenance of adequate liquidity. Moody's outlook reflects expectations that NIU will continue working toward the goal of modifying NIU's footprint and cost structure, maintaining operating performance and enrollment stability. This provides 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 work of the finance and budget teams. Thanks was given to President Freeman, Shyree Sanan and Jason Askins for their leadership these past years that led to this upgrade.

VPCFO Middlemist presented Agenda Item 7.c. Fiscal Year 2024 University Budget Preliminary Summary

VPCFO Middlemist asked Andrew Rogers, Assistant Vice President for Budget and Financial Planning, to present the item.

Appreciation for the ongoing move toward multi-year budgeting, as it is a critical move for the university strategic planning, was expressed. Continuing these efforts moves the university toward fiscal sustainability as the university works to regain stability to support university operations, forecasting and planning ahead. The Board appreciates the continued updates in order to stay on top of this budgeting format.

UNIVERSITY RECOMMENDATIONS

Committee Chair Barsema asked VPCFO George Middlemist to present the University Recommendations.

VPCFO Middlemist presented Agenda Item 8.a. Services and Leases in Support of Student Health and Athletic Care

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.b. Graphic Design Services

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

Sol Jensen, Vice President for Enrollment Management, Marketing and Communication, confirmed and expressed that moving from their current provider (Wiley) to this new provider will allow the opportunity to utilize more services and not be limited as they are now. With that, the amount requested may or may not be reached as more services are utilized to allow more branding and outreach. Additional outreach in communities will allow for the ability to increase enrollment marketing as well.

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.c. Fiscal Year 2024 NIU Foundation Professional Services Contract

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.d. Fiscal Year 2024 Cisco Maintenance Contract

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.e. Fiscal Year 2024 Division of Information Technology Adobe Enterprise Term License Agreement

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.f. Fiscal Year 2023 Campus Fleet Printing Additional Funding Request

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

Clarification was requested on what fleet printing is and Matthew Parks, Associate Vice President and Chief Information Officer, responded that it is in relation to the paper that is purchased and paper volume that is used across campus.

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.g. Charter Bus Services

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

After discussion, this item was tabled to the June 15, 2023 Board of Trustees meeting, in order to provide more information which the Board of Trustees requested.

VPCFO Middlemist presented Agenda Item 8.h. College of Business Barsema Hall Renovation for New HAVI Center for Analytics and Technology

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.i. Stevenson Residential Complex Towers A, B, C, & D Washroom Faucet Replacements Capital Project Approval

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.j. Stevenson Residential Complex Tower Elevator Upgrades Capital Project Approval

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.k. Patterson Hall East Fire Sprinkler System Piping Replacement

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

The motion was approved.

VPCFO Middlemist presented Agenda Item 8.l. Yordon Center Room 125 Northwestern Medicine Performance Center Flooring Replacement Budget Increase

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

The motion was approved.

UNIVERSITY REPORTS

Committee Chair Barsema asked VPCFO George Middlemist to present the University Reports.

VPCFO Middlemist presented the items. 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 three reports provided include comprehensive written updates and are submitted in accordance with board regulations. VPCFO Middlemist stated there were no formal presentations but there were individuals present for any questions.

Information Item 9.a. – Campus Printer Lease Program Update

Information Item 9.b. – London Interbank Offered Rate Transition For Series 2020A Bonds

Information Item 9.c. – Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period January 1, 2023 to March 31, 2023

Trustee Montel Gayles left the meeting at 1:02 p.m.

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 24, 2023.

ADJOURNMENT

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

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

Trustee Rita Athas: Yes

Trustee John Butler: Yes

Trustee Montel Gayles: Absent

Trustee Veronica Herrero: Yes

Committee Chair Dennis Barsema: Yes

Trustee Tim Moore: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

The meeting adjourned at 1:04 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.