

Minutes of the
NIU Board of Trustees
FINANCE, FACILITIES AND OPERATIONS
COMMITTEE MEETING
June 4, 2009

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Robert Boey at 10:17 a.m. in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees John Butler, Manuel Sanchez, BOT Chair Cheryl Murer and Committee Chair Boey. Not present were Trustees Myron Siegel and Barbara Giorgi Vella. Also present were Committee Liaison Eddie Williams and Board Parliamentarian Kenneth Davidson. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act notification compliance was given by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Chair Boey asked for a motion to approve the agenda. Trustee Sanchez made a motion to approve the agenda. It was seconded by Trustee Murer. The motion was approved.

REVIEW AND APPROVAL OF MINUTES

It was moved by Trustees Murer and seconded by Trustee Butler to approve the minutes of March 5, 2009. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Today's agenda includes a number of items that require committee approval, Chair Boey said, and among them are contracts and agreements such as the Gasoline 10 Percent Ethanol Blend purchase, the NIU Foundation Professional Services Contract, the NIU Naperville Catering Services Contract, Waste Management and Utilities Solid Waste Removal and Recycling Contract, Health Services Multi-Year Medical Reagent Contract; the ITS Multi-Year Blackboard, Inc. Software Licenses, Investment and Cash Management Policy Revision. Capital improvement projects include Kishwaukee Hall and Radio Tower Removal, Naming of Campus Facilities and the East Heating Plant project approval. The committee will receive periodic reports including Quarterly Report of Transactions in Excess of \$100,000, Periodic Report on Investments, and the Semiannual Progress Report of Active Capital Projects.

The Finance, Facilities and Operations Committee UAC representatives, Dr. Paul Stoddard and Dr. Clersida Garcia, were unable to attend the meeting. Dr. Williams met with Dr. Stoddard last week and reviewed today's materials, the Chair said, and Dr. Garcia was traveling and unable to join us at that meeting. Dr. Stoddard has expressed his support of the agenda items presented to the committee today. Also, President Peters is not here this morning because he is traveling to represent the university elsewhere.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and the Board of Trustees Bylaws. Mr. Davidson noted that no timely requests for public comment had been received.

UNIVERSITY RECOMMENDATIONS

Agenda Item 7.a. – Fiscal Year 2010 Gasoline 10 Percent Ethanol Blend

Our agenda today includes several items that are primarily routine renewals that we normally would face this time of year, Dr. Williams said. I have always been very appreciative of the work that Bill Finucane and his staff do in getting the university involved from a green perspective, both green in terms of our environment and also green in terms of dollars. As you will see in this report, he was able to negotiate the bulk purchase of gasoline having 10 percent ethanol in the blend for what amounts to \$2.04 a gallon, including all taxes. In response to a query from Trustee Murer, Mr. Finucane stated that they solicited bids from a dozen vendors, but because of the volatility of the gas market, many of the vendors chose not to supply a bid. Over the last eight years, all but one of the years has been advantageous for us to have the locked in price, and the price before you is \$1.20 lower than we have been paying this year. Chair Boey asked for a motion to approve the FY10 Gasoline 10 Percent Ethanol Blend purchase. Trustee Sanchez so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.b. – Fiscal Year 2010 NIU Foundation Professional Services Contract

The university has had a contract with the NIU Foundation for well over 25 years now, Dr. Williams said. Through this contract, the Foundation provides fundraising services to the university. The contract is not being increased at this time and remains the same as last year. As part of the contract, Chair Boey said, the Foundation reimburses the university for all fixed expenses in the contract and, in addition, what they raise above and beyond fixed expenses is also passed on to the university in various forms such as scholarships and professorships. Chair Boey asked for a motion to approve the FY10 NIU Foundation Professional Services Contract. Trustee Butler so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.c. – Fiscal Year 2010 NIU Naperville Catering Services Contract Renewal

Catering services for the NIU Naperville operation are contracted out, Dr. Williams explained. This contract is based on a pass-through for individual groups that use the facility and need catering. Chair Boey asked for a motion to approve the FY10 NIU Naperville Catering Services Contract Renewal. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.d. – Fiscal Year 2010 Waste Management and Utilities Solid Waste Removal and Recycling at NIU DeKalb

The waste management and utilities solid waste removal contract is something that we have bid throughout the year, Dr. Williams said. This is the first year of a new potential nine-year agreement, which means the contract contains renewal options that would allow the university to renew under the same conditions each year up to nine years. The amount of this contract is equivalent to last year's. Chair Boey asked for a motion to approve the FY10 Waste Management and Utilities Solid Waste Removal and Recycling contract at NIU DeKalb. Trustee Butler so moved, seconded by Trustee Sanchez. The motion was approved.

Agenda Item 7.e. – Health Services Multi-Year Medical Reagent Contract

A multiyear agreement to contract for medical reagents is required by Health Services, Dr. Williams said, and this contract covers three years. Healthcare is rising at an incredibly fast pace annually, Trustee Sanchez remarked. He then inquired how costs this year compared with last year's in view of what appeared to be a significant increase. Dr. Williams stated that particularly in view of the rising cost of healthcare in today's market, in this case, the vendors are projecting three years ahead to reflect future costs. He then asked Dr. Linda Herrmann, Assistant Vice President for Student Health and Wellness, to elaborate on the services provided through the contract. Dr. Herrmann stated that Health Services has the staff and equipment for doing the tests on site, and the reagents are the supplies used for conducting the tests. The volume of testing would fluctuate from year to year based on students served, and that would determine the cost. She explained that this is an open order with a not-to-exceed limit, and only those reagents needed to conduct the tests would be purchased.

Chair Boey asked for a motion to approve the request for a Health Services multiyear medical reagent contract. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.f. – ITS – Multi-Year Blackboard Inc. Software Licenses

The Blackboard system has become a very popular way by which our faculty interact with students regarding specific courses, Dr. Williams said. This is the renewal of a software license through Fiscal Year 2012. Chair Boey asked for a motion to approve the extension of the Multi-Year Blackboard Inc. Software Licenses. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.g. – Investment and Cash Management Policy Revision

The Investment and Cash Management Policy will be discussed in greater detail in the Legislation, Audit and External Affairs Committee later this morning, Dr. Williams said. This policy was put in place to govern how our university would invest funds, and we have to make it consistent with state statute, which limits the types of instruments by which the university can invest funds. The Government Accounting Standards Board added Standard No. 40, which addressed the safety of principle in managing market changes and in minimizing interest rates. This modification is needed to update the university's policy so that it will be consistent with the Government Standards Act now in place. Chair Boey asked for a motion to approve the Investment and Cash Management Policy revision. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.h. – Kishwaukee Hall and Radio Tower Removal

Over the years, we have discussed the deterioration of Kishwaukee Hall. This facility has exceeded the point where it can be repaired cost effectively, and it is no longer functional. The university is requesting Board approval to remove the facility. It is a small house on the eastern part of the campus off College Avenue. The radio tower, which is no longer functional and that has been there for at least 40 years, will also be removed. It is in the flood plain, making it a problem location, so this space will become a passive park area. Chair Boey asked for a motion to approve the removal of Kishwaukee Hall and the radio tower. Trustee Murer so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.i. – Naming of Campus Facilities

The naming of campus facilities is pretty much delineated by the functions that will be housed in the facilities, Dr. Williams said. The former Wesley property will house the Academic Division's Academic Advising Center. The chilled water plant will be called the East Campus Chilled Water Plant. Having certain campus operations move to the Monsanto property allowed us to rehouse and remodel space for our university police. That facility will be called the University Police and Public Safety Building.

I agree that we should be more accurate and articulate in the naming of buildings, Trustee Murer said. I was on a health system campus that had a multi-building type campus as well, and one of the things I noticed is what appears to be a new trend in numbering the buildings and using very large numbers on each of the buildings for easy access and, particularly, recognition for safety purposes such as fire. She inquired whether that was something NIU should investigate. Dr. Williams replied that in this age where campuses must be very sensitive to emergencies and have the ability to effectively respond to emergencies, campus wayfinding is a very big issue. Several years ago, a study was conducted and then implemented on campus which basically dealt with that issue. We have a computerized system by which campus locations can be very easily identified. Also, a new system of signage was implemented about four years ago that identifies very clearly, in prominent locations, the name of each facility. It is an ongoing analysis, and we would like to take a look at the numbering.

Chair Boey asked for a motion to approve the naming of these three campus facilities. Trustee Sanchez so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.j. – East Heating Plant – Main Steam Tunnel Reconstruction Project Approval

The East Heating Plant Main Steam Tunnel Reconstruction project is a request that has been on the table for several years on our capital lists, Dr. Williams said. This steam tunnel extends to the west of the

heating plant and provides steam to approximately 12 buildings. It was originally constructed around 1948. The tunnel now has deteriorated and the piping has leaks in it. The state has not released state monies for capital projects in the past, but when we wrote this item, there seemed to be some indication that the state was going to release a capital list of projects and a capital appropriation. We want to have all of the approvals in place so that if the state does appropriate a capital budget, and this project is included, we will be able to immediately begin as opposed to waiting until the next Board meeting for approvals, which would not be until September. We are requesting approval to do a quality based selection of an architect/engineer and to move forward with the project once funds are released under the capital appropriation.

This is contingent upon receiving money from the state, Trustee Murer commented, and this has been going on for the last several years as we have talked about capital budgets. We are now seeing evidence of the lack of capital budgets, and we are now talking about the deterioration of infrastructure. It was one thing when we were talking about the aesthetics and the progressive accommodations in buildings, but now, it is very disturbing to me that we are talking about actual infrastructures, tunnels, going to the point of deterioration where there is a monumental impact.

For years, since we first had a Board of Trustees, Chair Boey said, we have been talking about a maintenance budget for structural maintenance, elevators that may not work, water pipes that may not hold up. In this case, if we do not get something done, we may not have heat next winter.

Chair Boey asked for a motion to approve the East Heating Plant Main Steam Tunnel Reconstruction Project. Trustee Sanchez so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.k. – CEET Department of Technology Subcontracting Grant

Agenda Item 7.k. was moved to the University Reports section of the meeting agenda for discussion as an information item.

UNIVERSITY REPORTS

Agenda Item 8.a. – Quarterly Summary Report of Transactions in Excess of \$100,000

Again, Board policy allows transactions below \$250,000 to be approved through the President's Office. The Quarterly Summary Report of Transactions list those transactions between \$100,000 and \$250,000, which are reported routinely to the Board.

Agenda Item 8.b. – Periodic Report on Investments

Our Periodic Report on Investments over the last nine months showed a return at 2.73 percent. Miss Tamara Farley is our investment officer, and I want to thank her for her efforts. Under the guidelines we have for investments, we have done very well.

Agenda Item 8.c. – Semi-Annual Progress Report of Active Capital Projects

The semi-annual report on capital projects lists those projects which are ongoing or on which we are making final reports and final estimates on costs.

Agenda Item 8.d. – Fiscal Year 2009-2010 Budget Update

Agenda Item 8.d. was moved to the Legislation, Audit and External Affairs Committee Agenda for discussion.

Agenda Item 8.e. – CEET Department of Technology Subcontracting Grant

The College of Engineering and Engineering Technology has had a grant from the National Science Foundation, which is called the ROCK (Rapid Optimization and Commercial Knowledge) grant. The university has subcontracted with Rock Valley College to work with the project. Funding is available for the third year on this project, and an amendment is required to continue through June 30, 2010. This

item will be presented through the President's Report at the full Board meeting later this month as an action item.

NEXT MEETING DATE

The next meeting of the Finance, Facilities and Operations Committee is scheduled for August 27 in DeKalb.

ADJOURNMENT

Chair Boey asked for a motion to adjourn. Trustee Sanchez so moved, seconded by Trustee Murer. The motion was approved. The meeting was adjourned at approximately 11:11 a.m.

Respectfully Submitted,

Sharon M. Banks-Wilkins
Recording Secretary