

Minutes of the  
**NIU Board of Trustees**  
**FINANCE, FACILITIES AND OPERATIONS**  
**COMMITTEE MEETING**  
November 12, 2009

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Chair Manuel Sanchez at 10:09 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 Robert Boey, John Butler, Cherilyn Murer, Barbara Giorgi Vella, BOT Chair Marc Strauss and Committee Chair Manuel Sanchez. Not present was Trustee Myron Siegel. 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 Sanchez asked for a motion to approve the agenda. Trustee Boey made a motion to approve the agenda. It was seconded by Trustee Strauss. The motion was approved.

**REVIEW AND APPROVAL OF MINUTES**

It was moved by Trustee Murer and seconded by Trustee Vella to approve the minutes of August 27, 2009. The motion was approved.

**CHAIR'S COMMENTS/ANNOUNCEMENTS**

Today's agenda includes a number of items that require committee approval, Chair Sanchez said, among them are the College of Engineering ROCK Program Research and Project Development, Department of Geology WISSARD Project Support, Department of Geology Remotely Operated Instrumentation System, Research and Graduate Studies Multi-Year Software Licensing and Maintenance Fees, Data Security on State Computers Act Policy, Energy Infrastructure Improvements-Phase X Performance Contract, Oracle Database Capacity and Performance Management Add-On Modules. We will also receive a number of annual and periodic reports, including the Semi-Annual Progress Report of Active Capital Projects Over \$100,000, Periodic Report on Investments, and a Quarterly Summary Report of Transactions in Excess of \$100,000.

Chair Sanchez recognized the University Advisory Committee representatives, Dr. Alan Rosenbaum and Dr. Gregory Waas.

**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 request for public comment had been received.

## UNIVERSITY RECOMMENDATIONS

### **Agenda Item 7.a. – College of Engineering ROCK Program Research and Project Development**

Our first item, continuation of the ROCK Program through our College of Engineering and Engineering Technology, Dr. Williams said, is a grant pass-through. The project has brought in a very positive amount of research dollars that have supported the Rockford community as well as NIU's College of Engineering. This is a subcontract under the full grant to the Quad City Manufacturing Laboratory in Rock Island for \$1 million. Chair Sanchez noted for the record that ROCK was an acronym for Rapid Optimization of Commercial Knowledge. The Chair then asked for a motion to approve the College of Engineering ROCK Program Research and Project Development. Trustee Boey so moved, seconded by Trustee Strauss. The motion was approved.

### **Agenda Item 7.b. – Department of Geology WISSARD Project Support**

This also is a pass-through grant, Dr. Williams said. It is continuation of research at the polar caps. This subcontract is under the research grant that is given to NIU and is with the University of Wisconsin Madison campus for \$1.3 million.

Trustee Murer asked, in light of the last presentation we had on research monies, if the dollars for this project and the following project were included in the research determination. Dr. Erman stated that if the grant was awarded to an NIU faculty or staff member and passed through the Office of Sponsored Projects, it would be included in the research funding. As a subcontractor, our prorated apportionment, not the total amount, goes into the total amount calculated for NIU's research monies. Chair Sanchez asked for a motion to approve the request for Department of Geology WISSARD Project Support. Trustee Vella so moved, seconded by Trustee Boey.

### **Agenda Item 7.c. – Department of Geology Remotely Operated Instrumentation System**

This Department of Geology grant is another pass-through for the exploration and research they are doing at the polar caps, Dr. Williams said. This is also a subcontract being awarded to the Deep Ocean Exploration and Research (DOER) Marine of \$1.8 million.

As an NIU alum and Trustee, Chair Sanchez said, we ought to take a great deal of pride in knowing that our university is involved in significant research such as this. It seems like we just nonchalantly pass over the words polar cap and such, but this is very serious scientific work. Know that NIU here in DeKalb is significantly involved in efforts like this. We often take note of that when we talk about FermiLab partnerships or activities. But these kinds of things, although they may be pass-throughs for us, demonstrate Northern Illinois University's significant involvement in important efforts like this. It is a matter of timing today, Trustee Boey said, because I see that these three items are under the sponsored projects. It is great that we had that discussion earlier in the Academic Affairs Committee meeting, and it makes more sense as we go along.

Chair Sanchez asked for a motion to approve the Department of Geology Remotely Operated Instrumentation System request. Trustee Boey so moved, seconded by Trustee Vella.

### **Agenda Item 7.d. – Research and Graduate Studies Multi-Year Software Licensing and Maintenance Fees**

This item presents an opportunity for our graduate studies and research areas to upgrade their software to better prepare our grant requests by putting them into a format that would be most conducive for getting approvals and for reporting, Dr. Williams said. This is a request which covers a five-year period, and projects ahead for not only the initial purchase of the software, but also for maintenance and potential upgrades of the software over the term of the agreement.

In reply to a query from Trustee Strauss on what the comparison is between this contract amount on a per annum basis and the per annum costs under the initial RFP, Dr. Williams said that they are projecting ahead all price increases. Further, included in the analysis are what we believe to be components or modules that we do not have now, he said, that may come on line and be added to this. We wanted to get sufficient authority from the Board to move forward when these become available. Dr. Erman stated

that the original contract with InfoEd was done under Rathindra Bose and was for a five-year period. There are multiple modules in the system, and we initially started with two areas. One was the Office of Sponsored Projects, the second was Office of Research Compliance gathering all of the information. We recently included technology transfer activities in that and those developments will continue. These are software systems that serve as a database for all of our activities in Sponsored Projects, Research Compliance and in Technology Transfer. So it helps us meet federal regulations as well as keep track of all of our contracts and grants. There are modules which allow the electronic submission of grants and so forth, so it is for research compliance as well as timely submission of the grants.

Chair Sanchez asked for a motion to approve the Research and Graduate Studies Multi-Year Software Licensing and Maintenance Fees request. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

#### **Agenda Item 7.e. – Data Security on State Computers Act Policy**

Ordinarily, when we are ready to discard computers because they are no longer of any use to us and we want to upgrade, Dr. Williams said, we internally have a policy and procedure to clean all information off the hard drives. This is only a prudent thing to do, whether they are coming from our computer labs, from our faculty offices or administrative offices. However, the state decided that it was important enough to actually pass a statute pursuant to this, and in that statute, they require that the drives be cleaned out and all information cleaned off of computers being discarded. But they also required that the Board of Trustees of that entity must approve this policy. Again, this is something that we already do, so we are just complying with state statute.

As we have watched technology change, we have become more aware of how information remains on hard drives, when we thought it was gone, Trustee Murer said. I understand why the state is very attuned to this, and I commend the state for it. And I think it should go all the way to the Board of Trustees, because this could be devastating in terms of the information that is incorporated within a university as you discard the hardware. Ten years ago, we did not realize there might be residual information on discarded equipment.

I had a direct experience with this a few weeks ago, Trustee Boey said. The City of DeKalb actually had a place where you could take your cell phone to be discarded, and also you could pull out the memory on a computer. They take these and guarantee that they will be cleaned. So I am definitely for this policy.

The point for me is that we have been doing this routinely, Chair Sanchez said, and it is with a great deal of pride I take note as chair of this committee that we have been doing it, and we are very sensitized to this issue of privacy. But now that the state is mandating it, it is nice for me as a Trustee to know, once again, that NIU and its great leadership team is ahead of the curve. The Chair asked for a motion to approve the Data Security on State Computers Act Policy. Trustee Strauss so moved, seconded by Trustee Murer. The motion was approved.

#### **Agenda Item 7.f. – Energy Infrastructure Improvements-Phase X Performance Contract**

The energy infrastructure improvements is a continuation of a program that this Board has been involved in and supported over the years, Dr. Williams said. This is the opportunity for the university to use performance contracting to address some of our capital needs. Under this statute, the university is allowed to enter into agreements with vendors who would provide all up-front capital for funding various types of energy related projects with the stipulation that they would be reimbursed or paid for their services through the savings generated through the energy improvements. Northern has been one of the leading universities in the state in utilizing this tool to do some very important projects when limited funding would not allow us to get those projects done. Phase X of our series of projects under a performance contract, as listed in your reports, includes projects such as steam trap replacements, door and window replacements, lighting, upgrading HVAC systems and some roofing. With your approval, the university would issue an RFP to vendors for response under the performance contract legislation to provide the institution with these capital projects at no direct cost to the university.

This has been a very good program for us, Trustee Strauss said, and the concept of it is very appealing. He asked what the commissioning and monitoring process to determine the amount of savings was since

we are looking at energy savings as the actual method of payment. Savings parameters are detailed in our initial contract agreements, and we follow up to validate those savings annually, Mr. Albanese said. He stated that for each performance contract the university also receives a report from an outside engineer annually validating the savings that were set in the contract.

In answer to a query from Trustee Butler on why installation of ADA sidewalks at the Nursing School was included in the list under the performance contract, Mr. Albanese stated that some of the energy savings generated by other projects are such that those savings can be used to do some things that the campus cannot fund internally. So each performance contract usually includes things like roof replacements and ADA work on campus that are not funded otherwise.

In reply to an inquiry from Trustee Murer, Dr. Williams stated that the performance contracts are not open-ended. The investor only gets what was part of the RFP in terms of their investment and the return on that investment. Any savings beyond the cost in the initial commitment goes back to the university. The original statute on performance contracts was for 10 years. However, as we identified some high-profile projects where the return was substantial, Dr. Williams said, the state was responsive by extending it to 20 years. That allows us to do many projects where the incremental savings are not great, but still allow us to include other projects over time. In regard to the structure of the RFP's, Dr. Williams said that the state identified the parameters, what qualifies and the term of the contract. The rest is up to the university. Bob Albanese and his staff have done a tremendous job in taking advantage of this opportunity and working it through, he said. NIU is far in advance of the other schools in utilizing this tool. Many of them have called and asked us how we do it, what is involved, how we structure the deals and so forth.

Chair Sanchez asked for a motion to approve the Energy Infrastructure Improvements-Phase X Performance Contract. Trustee Boey so moved, seconded by Trustee Murer. The motion was approved.

#### **Agenda Item 7.g. – Oracle Database Capacity and Performance Management Add-On Modules**

This is another performance contract involving our Oracle database, Dr. Williams said. Most of the members of this Board were involved when NIU made its major investment in the PeopleSoft system for its financials, its human resource system and, most recently, its student system. Again, NIU is at the leading edge with this technology. I was invited by Oracle to a meeting of their top 100 partners in the development and utilization of Oracle systems. These are various companies, corporations, either users or developers that partner with Oracle in developing the various types of tools that they put on the market. The reason they invited me was not because of me, but because of NIU and the success we have had with the system and how we have been able to implement it. In fact, we have not only implemented the system, but we have made many very important recommendations in the modification of their system, which they have implemented and put on the marketplace. So we are very much respected in that regard.

This particular item will provide software for our database system, which would then allow a better management of the data on the system. We have become more and more dependent upon this, and there is a great deal of demand for operating with the data, students accessing it, our financials accessing it, and human resources accessing it. All of these individuals are working on the same dataset. Some data is used every day, some every week, some only monthly and so forth. This will manage the dataset so that utilization of data can be speeded up by focusing on a partitioning system that focuses on the data which is used most often as opposed to going through all the data, which makes it more economical and more efficient. Along with the upgrade, we also have to provide maintenance for the program. The amount requested is \$930,000; but, if we package this with our other programs, we actually will have a savings of \$364,000, which would go against the \$930,000.

Trustee Vella inquired how our relationship with Oracle was because of the concern when Oracle bought out PeopleSoft and not knowing whether they were going to support the PeopleSoft product. She also, wanted to know if it is user friendly to our students, because with social security numbers being available to everyone on line at that time, privacy and confidentiality was another concern. Dr. Williams asked Mr. Steve Pace, Associate Director of Computer Services, Finance and Facilities, to address her concerns. As we worked through those issues associated with the hostile takeover of PeopleSoft by Oracle, Mr.

Pace said, we contacted and worked with people at Oracle and have been very pleased with the resulting relationship we have them, their product and their continuing support of the PeopleSoft system. One of the things we found is that they have changed their attitude and the way they do business, and we have sought to establish a relationship and a partnership with both PeopleSoft and Oracle. The president of PeopleSoft was our sponsor at PeopleSoft, and the vice president of research, higher education and healthcare is our sponsor at Oracle. That relationship has allowed us to have contacts within the company, make recommendations for changes in the system and other things that benefit the university and higher education in general. The PeopleSoft student system, human resources and financials have been a success as well.

This proposal is for additional software modules needed for database and performance management. One problem is that we have such a diverse infrastructure now having gone to the web type environment made up of many tiers and layers. As an example, one institution purchased another student system offered by a different company. When it came on line, students were livid about the performance. When they finally traced through to the problem, they found that somebody had set the parameters wrong on a router and had nothing to do with the software. So one of the modules that we are adding to this is the module called Real User Experience where we can see what is happening, and we will be able to pinpoint a problem with more accuracy. The other aspect is what we call grid computing, real application clusters, that allow us to spread things out in multiple servers to add capacity so we are able to do upgrades and updates to the system without taking the system down.

I recall the discussions that took place, as do some of my fellow Trustees, Chair Sanchez said, as well as the concern and the angst that we went through contemplating the decision to go with Oracle. It is very comforting to know that we need not have that kind of angst any further. Chair Sanchez asked for a motion to approve the Oracle Database Capacity and Performance Management Add-On Modules. Trustee Vella so moved, seconded by Trustee Strauss. The motion was approved.

#### **UNIVERSITY REPORTS**

- Agenda Item 8.a. – Semi-Annual Progress Report of Active Capital Projects Over \$100,000**
- Agenda Item 8.b. – Periodic Report on our Investments**
- Agenda Item 8.c. – Quarterly Summary Report of Transactions in Excess of \$100,000**

The above informational items were detailed in the Finance, Facilities and Operations Committee Report.

#### **OTHER MATTERS**

There were no other matters.

#### **NEXT MEETING DATE**

Chair Sanchez announced that the next meeting of the Finance, Facilities and Operations Committee was scheduled for March 4, 2010.\*

#### **ADJOURNMENT**

Chair Sanchez asked for a motion to adjourn. Trustee Murer so moved, seconded by Trustee Boey. The motion was approved. The meeting was adjourned at 10:55 a.m.

Respectfully Submitted,

Sharon M. Banks-Wilkins  
Recording Secretary

\*This meeting was later rescheduled for February 4, 2010.