

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

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 12:00 p.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: Present

Trustee John Butler: Present

Trustee Montel Gayles: Present

Trustee Veronica Herrero: Present

Committee Vice Chair Bob Pritchard: Present

Trustee Jacob Sommer: Present

Committee Chair Dennis Barsema: Present

Board Chair Eric Wasowicz: Present

Also present: 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; Vice President for Enrollment Management, Marketing and Communications Sol Jensen; and University Advisory Council (UAC) Representatives Felicia Bohanon.

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 Board Chair Wasowicz seconded. The agenda was approved.

REVIEW AND APPROVAL OF MINUTES OF AUGUST 26, 2021

Committee Chair Barsema asked for a motion to approve the minutes of August 26, 2021. Committee Vice Chair Pritchard so moved, and Trustee Herrero 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 but with no response he moved forward. Those members present were Felicia Bohanon.

Committee Chair Barsema stated he is excited to be serving as Chair for FACFO in the year ahead and working closely with Vice Chair Pritchard, Dr. Freeman, and VPCFO Chinniah and her team in the year ahead. He stated his appreciation to Vice Chair Pritchard for chairing the meeting in

August and then introduced and welcomed Chris Doe as Recording Secretary for FACFO and thanked her for her years of service at NIU.

Committee Chair Barsema stated the agenda incorporates important financial updates and a number of recommendations which include financial commitments for FY23.

Many of the items put forward built on discussions from committee meetings earlier in the day. Committee Chair Barsema commented he appreciates the efforts of university leadership to connect the discussions and establish a thorough understanding of the items moving forward.

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 VPCFO Chinniah to present the Financial Update.

VPCFO Chinniah presented Agenda Item 7.a. Annual Financial Summary as of June 30, 2021

During her presentation, VPCFO Chinniah expressed appreciation on behalf of senior leadership for the sacrifices made by the NIU community in the past year. VPCFO Chinniah acknowledged on-campus activities are resuming, and the current low level of spending is not sustainable to support a vibrant university.

Committee Chair Barsema recognized that preparing to withstand a \$30M loss is daunting and thanked the faculty and staff who made decisions and altered plans to protect NIU's financial position.

Trustee Herrero asked if the additional \$1M, which Dr. Quider mentioned earlier in the day, was different funding than what was received and if it was reflected in the report. VPCFO Chinniah stated it was not reflected as it was received in FY22, and we have not yet drawn in those funds.

Additional conversation ensued as Trustee Athas and Board Chair Wasowicz expressed appreciation to the NIU community and upheld the call to be mindful of spending going forward.

VPCFO Chinniah presented Agenda Item 7.b. Quarterly Financial Summary Fiscal Year 2022 First Quarter as of September 30, 2021

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

Committee Chair Barsema expressed appreciation for these quarterly updates and continued the conversation around temporary funds and NIU's need to capitalize on this opportunity. While this funding is available, NIU needs to intentionally and aggressively pursue sustainable solutions to offset the university's anticipated financial losses. Committee Chair Barsema would like to see the university make progress this year and end FY22 better than the \$10M anticipated loss. There will be decisions made and actions taken that not everyone agrees with; that is the reality of change and evolution in organizations, including NIU. The Board of Trustees expressed confidence in President Freeman, Vice President Chinniah, Provost Ingram and the leadership team to make the needed decisions.

VPCFO Chinniah presented Agenda Item 7.c. Periodic Report on Investments for Period

Ending September 30, 2021

VPCFO Chinniah stated that on page 13 of the materials, in the narrative, investment earnings were reported as \$21.8M rather than \$21.8K. Same for interest earned in FY21 of \$90.8K; it is reported as \$90.8M. She apologized for the error and stated corrected materials will be posted to the website after the meeting.

A question followed regarding future COVID relief fund expectations from Trustee Gayles, and VPCFO Chinniah affirmed NIU has not yet exhausted the full amount and anticipates access through at least the end of this fiscal year. Additional conversation continued expressing gratitude from Committee Chair Barsema and Trustee Herrero for VPCFO Chinniah and her team for the quarterly reporting, and for leadership and the campus community for fiscal management and tough decisions throughout the pandemic. Appreciation for transparency was emphasized as it shows a clear picture of the university's financial position. VPCFO Chinniah and President Freeman concluded comments thanking their teams and affirming NIU's commitment to transparency, and thanking the Board for their continued confidence in leadership.

UNIVERSITY RECOMMENDATIONS

Committee Chair Barsema asked VPCFO Chinniah to present the University Recommendations.

VPCFO Chinniah presented Agenda Item 8.a. Fiscal Year 2023 Budget Request

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

Conversation followed about the figure, and it was confirmed the request signifies the true need of NIU and no longer reflects prior years' changes to state funding.

The motion was approved.

VPCFO Chinniah presented Agenda Item 8.b. Fiscal Year 2023 IBHE Capital Budget Request

VPCFO Chinniah invited John Heckmann, Associate Vice President for Facilities Management and Campus Services (AVP) to the podium to summarize the request before opening discussion.

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

AVP Heckmann provided the summary. Trustee Gayles opened up conversation with a review of Business Enterprise Program (BEP) commitments. AVP Heckmann provided some preliminary data and affirmed every contract action that this is executed follows the BEP guidelines and there is every effort to execute to that goal with each opportunity for projects and professional services.

Additional conversation ensued around the Northern Illinois Center for Community Sustainability (NICCS) building, as it is not on the list, and how its funding will be administered. There was also minimal discussion around comparison of NIU's critical projects with other state institutions.

More conversation followed as Trustee Butler asked about release of Capital Development Board (CDB) funds and the overall project's progression, to which AVP Heckmann provided a status update.

Discussion concluded with additional comments around the CDB's process for BEP participation. AVP Heckmann and Trustee Gayles discussed how NIU and the CDB have different procurement responsibilities, though both have BEP requirements.

The motion was approved.

VPCFO Chinniah presented Agenda Item 8.c. EAB Undergraduate Recruitment Services

Committee Chair Barsema asked for a motion to approve item 8.c. Committee Vice Chair Pritchard so moved, and Trustee Butler seconded. The motion was approved.

VPCFO Chinniah presented Agenda Item 8.d. On- and Off-Campus Unarmed Security Patrol

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

Conversation followed regarding responsibility for training the unarmed patrol officers, with responses lead by Chief Darren Mitchell. Committee Vice Chair Pritchard and Chief Mitchell also discussed the justification for additional security and the quantity of new help.

Additional conversation followed regarding responsibilities for the security officers, patrolling methods, and the City of DeKalb's level of involvement or awareness. Trustees and Chief Mitchell also discussed communication procedures between the different agencies, liability assumption, and operating hours.

Trustee Herrero opened conversation around racial bias training. Chief Mitchell responded to the training request, and President Freeman provided additional information around bias reporting.

Discussion concluded with uniform guidelines and working conditions for the security staff. Trustee Gayles commended President Freeman on the great work on this.

The motion was approved.

VPCFO Chinniah presented Agenda Item 8.e. Bowl Game Participation Expense

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

Minimal conversation occurred around NIU serving as a pass-through for funds and how funds are recovered. Deputy Athletic Director John Cheney also provided information around funding for the Mid-American Conference (MAC) Championship game.

The motion was approved.

UNIVERSITY REPORTS

Committee Chair Barsema asked VPCFO Chinniah to present the University Reports.

VPCFO Chinniah stated there are three informational items:

Information Item 9.a. – Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period July 1, 2021 to September 30, 2021

Information Item 9.b. – Fiscal Year 2021 Clery Report Update

Information Item 9.c. – Fiscal Year 2021 Annual Report of Transactions Involving Real Property

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 today include comprehensive written updates and are submitted in accordance with board regulations. No specific presentations are planned. VPCFO Chinniah stated she was happy to answer any questions.

Trustee Gayles asked if NIU could also provide the amount of money that has been allocated to BEP participation and if NIU could identify the vendor, though timing is a recognized issue. VPCFO Chinniah noted that the request has been heard in the past, but the timing challenges remain the inhibitor to being immediately responsive to those requests.

OTHER MATTERS

There were no other matters.

NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be February 10, 2022.

ADJOURNMENT

Committee Chair Barsema asked for a motion to adjourn. Committee Vice Chair Pritchard so moved, and Trustee Herrero 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: Yes

Committee Vice Chair Bob Pritchard: Yes

Trustee Jacob Sommer: Yes

Committee Chair Dennis Barsema: Yes

Board Chair Eric Wasowicz: Yes

The motion was approved.

The meeting adjourned at 1:05 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.