AGENDA

NIU Board of Trustees
FINANCE, AUDIT, COMPLIANCE, FACILITIES AND OPERATIONS COMMITTEE
10:15 a.m. – Thursday – May 10, 2018
Board of Trustees Room
315 Altgeld Hall

1. Call to Order and Roll Call
2. Verification of Quorum and Appropriate Notification of Public Meeting
3. Meeting Agenda Approval .......................................................... Action ................................i
4. Review and Approval of Minutes of February 15, 2018 .................................................. Action ........1
5. Chair’s Comments/Announcements
6. Public Comment*
7. University Financial Update
   a. Quarterly Financial Summary ......................................................... Information ........11
   b. Fiscal Year 2019 Internal Budget ................................................. Information ........13
8. University Recommendations
   a. Mass Transportation Inter-Governmental Agreement Approval ...................... Action ........18
   b. Fiscal Year 2019 Campus Busing System Contract Extension ......................... Action ........20
   c. Fiscal Year 2019 Intercollegiate Athletics Secondary Student Health Insurance Contract Renewal ............................................................... Action ........21
   d. Fiscal Year 2019 Intercollegiate Athletics Air Charter Services for Football Team .... Action ........22
   e. Fiscal Year 2019-2021 DoIT Renewal of Onbase Software Maintenance .......... Action ........23
   f. Fiscal Year 2019-2021 DoIT Blackboard Software License .............................. Action ........24
   g. DoIT Network Access and Security Refresh and Upgrade .................................. Action ........25
   h. DoIT Wireless Network Expansion and Upgrade – Phase 2 ............................ Action ........26
   i. Fiscal Year 2019 NIU Foundation Professional Services Contract ....................... Action ........27
   a. Holmes Student Center Bookstore Agreement ....................................... Information ........28
b. Facilities Update................................................................. Information.......29

c. Semi-Annual Progress Report of Active Capital Projects ....................... Information.......30

d. Periodic Report on Investments ................................................ Information.......37

e. Quarterly Summary Report of Transactions in Excess of $100,000 ............... Information.......40

10. Other Matters

11. Next Meeting Date

12. Adjournment

*Individuals wishing to make an appearance before the Board should consult the Bylaws of the Board of Trustees of Northern Illinois University, Article II, Section 4 – Appearances before the Board. Appearance request forms will be available in the Board Room the day of the meeting. For more information contact Kathleen Carey, (kjahns@niu.edu) Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-753-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Kathleen Carey at (815)753-1273, as soon as possible.
CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:43 a.m. by Committee Chair Tim Struthers in the Board of Trustees Room, 315 Altgeld Hall. Recording Secretary Vicky Rippberger conducted a roll call. Members present were Trustees Dennis Barsema, John Butler, Giuseppe LaGioia, Eric Wasowicz, Board Chair Wheeler Coleman, and Committee Chair Tim Struthers. Members absent were Trustees Robert Boey and Veronica Herrero. Also present were Acting President Lisa Freeman, Committee Liaison Sarah McGill, Acting Executive Vice President and Provost Chris McCord, Deputy General Counsel Greg Brady, and Board Liaison Matt Streb.

VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

General Counsel Greg Brady indicated the appropriate notification of the meeting was provided pursuant to the Illinois Open Meetings Act. Mr. Brady also advised that a quorum was present.

MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Trustee Eric Wasowicz; seconded by Trustee Giuseppe LaGioia. All were in favor. The motion carried.

REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the November 16, 2017 meeting was made by Trustee Eric Wasowicz; seconded by Trustee Giuseppe LaGioia. All were in favor. None were opposed. The motion carried.

A motion to approve the minutes of the December 7, 2017 meeting was made by Trustee Eric Wasowicz; seconded by Trustee Wheeler Coleman. All were in favor. None were opposed. The motion carried.

CHAIR’S COMMENTS/ANNOUNCEMENTS

Chair Struthers commented that the overwhelming focus of this committee is to enhance our financial reporting in an effort to have a very clear line of sight of our operations and our status; to have good data and good information, so we make good decisions that will lead to good audits and good operations, all while being very transparent.

There were no comments from University Council Representatives.

PUBLIC COMMENT

There was on request for public comment.

Misty Haji-Sheikh addressed the Board with concern over the December meeting stating she was disappointed in the way her attorney had been treated. She also addressed concerns about Open Meetings Act training.

Mr. Brady responded to specific comments regarding capacity for seating for today’s meeting stating we had an overflow room that was electronically wired, and the university is in compliance with the Open Meetings Act.
Chair Struthers welcomed Vice President and CFO, Sarah McGill, to her first Finance, Audit, Compliance, Facilities and Operations Committee Meeting.

**UNIVERSITY RECOMMENDATIONS/REPORTS**

**Action Item 7.a. – FY19 Student Health Insurance**

Sarah McGill explained that the University provides group health insurance funded solely by student health insurance fees paid by students and that the action requested is renewal option two of five.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee John Butler; seconded by Trustee Dennis Barsema.

A discussion ensued regarding the cost of our health insurance compared to other state universities. Andrew Digaty, Director for Health Services, indicated that he and others have had informal discussions with colleagues from other universities, however, the decision is local. Acting President Freeman added that she raised this topic with other Presidents and Chancellors in the IBHE staff meeting, suggesting that there might be a consortia approach for this and perhaps others items. The opinions varied, but NIU has asked the Board of Higher Education for help with this. Further discussion centered around the $8M recommendation versus the actual $3M amount paid to the provider in FY18. It was pointed out that this is a pass-through expense and the amount spent will be limited to the amount received.

All were in favor. None were opposed. The motion carried.

**Action Item 7.b. – FY19 International Programs Division Expenditures**

Sarah McGill indicated that Northern Illinois University’s International Programs Division is provided an annual authorization for expenditures for foreign study programs. These expenditures are made from payments received from students enrolled in these programs. It was noted that these expenditures never exceed the revenues.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee Eric Wasowicz.

A question was posed regarding the amount spent in FY18; the answer was $1.4M.

All were in favor. None were opposed. The motion carried.

**Action Item 7.c. – FY19 DoIT – Integrated Media Technologies Campus Copier Program**

Sarah McGill explained the need for renewal of an open order for the campus copier program, which consists of approximately 405 copiers whose annual volume of copies is estimated at 12 million. This program
includes all equipment, toner, and maintenance. This is the sixth year of nine, one-year renewal options.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee Eric Wasowicz.

A question about the benefit/cost savings of the new printer process on campus was raised. Brett Coryell, AVP for the Division of Information Technology and CIO, explained that the savings has been a little over $1M per year. This is due to more people using the Anywhere Print Program allowing for renegotiated, lower rates as well as decrease in the amount of individual printers requiring toner. Although there was resistance in the beginning, the overall program has been an acceptable success. A comment was made regarding the length of the term. Mr. Coryell indicated that was being looked into.

All were in favor. None were opposed. The motion carried.

**Action Item 7.d. – FY19 DoIT Integrated Media Technologies Printing Paper Open Order Contract Renewal**

Sarah McGill explained the need for renewal of an open order for various printing papers, envelopes, and supplies. This is the fourth year of nine, one-year renewal options.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Dennis Barsema.

A question was asked about the offset of reduced printing of digital storage capacity being a meaningful expense. Brett Coryell indicated there was no concern as most individual storage on campus is migrating to OneDrive, and there is no additional cost for OneDrive inside the Office 365 Suite.

Further discussion was had on whether the campus copier program met or exceeded our expectations. Brett Coryell explained that the original goal was to reduce campus printers by 50% to save $500,000 per year. We reduced by more than 50% and also reduced our print behavior by 40-45% when our expectation was 30%. So, we exceeded both targets.

All were in favor. None were opposed. The motion carried.

**Action Item 7.e. – FY19 DoIT Infrastructure Applications Microsoft Enrollment Contract Renewal**

Sarah McGill explained the need for renewal of Microsoft Enrollment for Education Solutions software for resale. This is the fifth year of nine, one-year renewal options.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse
this request and ask that the President forward it by means of the President’s report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee John Butler; seconded by Trustee Dennis Barsema.

All were in favor. None were opposed. The motion carried.

**Action Item 7.f. – WiFi Network Expansion**

Sarah McGill indicated that Northern Illinois University provides data network connectivity to students, faculty, and staff through both wired and wireless access points on campus. In an ongoing effort to improve internet access, an expansion of access points is required.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request to proceed with a project that includes work orders, all necessary contracts with consultants, contractors, and suppliers as necessary to complete the work and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its special meeting on February 15, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A conversation ensued beginning with a question about what percentage of the University had WiFi access. Brett Coryell explained that it was somewhere between one-third to one-half. He further explained that the WiFi funding was incomplete; daily operations were handled but equipment refresh was not, until recently. There is now a plan in place that will triple the number of access points and ready NIU for the next generation over the next seven years using the existing funding. The plan is to use the current vendor, Cisco, and use our own installers. This expansion is roughly an eighth of NIU’s total annual cost for WiFi, and this would now be the new normal to refresh this amount every six months or so. This expansion is the beginning of a sustainable WiFi model.

All were in favor. None were opposed. The motion carried.

**Action Item 7.g. – Convocation Center-Update Nelson Suite**

Sarah McGill explained that the NIU Foundation received a significant donor gift directed to Intercollegiate Athletics for the update and renovation of the Nelson Suite located in the Convocation Center.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance Audit Compliance Facilities and Operations Committee endorse this request to proceed with a project that includes work orders, all necessary contracts with consultants, contractors, and suppliers as necessary to complete the work and ask that the President forward it by means of the President’s report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A discussion ensued verifying that this is just a pass-through. A donor brought this issue forward, and this project will not exceed the amount stated.

All were in favor. None were opposed. The motion carried.
Action Item 7.h. – Convocation Center-Replace Video Board/Scoreboard

Sarah McGill indicated the need to replace the video board/scoreboard in the Convocation Center as they are original components from the construction of the center in 2002 and have exceeded their expected life.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request to proceed with a project that includes work orders, all necessary contracts with consultants, contractors, and suppliers as necessary to complete the work and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Dennis Barsema; seconded by Trustee Eric Wasowicz.

A question was raised regarding the funding – auxiliary reserves and department funds, and what exactly are department funds. The distinction just means that it has to flow through the unit as an expense, and that’s how the departments funds are accessed, but the funding, technically speaking, will come from auxiliary reserves. Further conversation ensued related to the priority of this project. Due to the number of events held at the Convocation Center, it was felt that it’s essential to ensure everything is in working order. Clarification was also provided that although this is a five-year lease, it is basically just enabling NIU to spread the payment over five years; there is no buy out at the end of the lease, and it will be owned at the end of five years.

All were in favor. None were opposed. The motion carried.

Action Item 7.i. – FY19 Master Agreement Facility Contract Renewal

Sarah McGill explained that master agreements for labor and materials supporting facility repairs/improvements are required to be established or renewed for FY19 for various contractors. The amounts presented are ‘not-to-exceed’ limits, and work will be requested on an as-needed basis.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Dennis Barsema; seconded by Trustee Eric Wasowicz.

A discussion ensued and clarification was provided regarding the process if any of the vendors’ work would exceed the amount specified for that vendor. John Heckmann, Associate Vice President for Facilities Management and Campus Services, further explained that the goal is to set up some prearranged contracts with various firms so on smaller projects the opportunity exists to easily engage a particular vendor that would offer the better price and value. A question was asked about why the amount increased from $9M for FY18 to $13M for FY19. Mr. Heckmann indicated that it is speculation in an effort to understand what our volume of work is or should be as well as the hope of increase funding from the state. There was question by committee members as to why they were seeing this as this was not an item they had seen in the past. Mr. Heckmann explained that this is just a contract mechanism, not an approval to spend this amount. By doing this, projects that are under $250,000 can be handled quickly, but if they are over $250,000, Board approval will be sought. Trustee Coleman inquired about minority companies on the list and encouraging comments were made by others to take a look into this. Ms McGill will follow up.
A roll call vote was taken. Trustees Barsema, LaGioia, Wasowicz, Coleman all voted yes. Trustee Butler and Chair Struthers abstained. Trustees Boey and Herrero were absent.

The motion carried.

**Action Item 7.j. – FY19 Transportation Services Motor Fuels**

Sarah McGill indicated the need for various fuel types to support campus vehicles and equipment operations in FY19.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee Giuseppe LaGioia.

A discussion ensued about being more green. There is a charging station pilot on campus in the garage that anyone can use, but they have to pay for their electricity.

All were in favor. None were opposed. The motion carried.

**Action Item 7.k. – FY19 Materials Management Commodities Open Orders**

Sarah McGill explained the need for an open order to purchase commodities for janitorial, office, computer, and printer supplies.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee Dennis Barsema.

All were in favor. None were opposed. The motion carried.

**Action Item 7.l. – FY19 Campus Mail Services and Integrated Media Technologies-Postage**

Sarah McGill explained the need to purchase postage for campus mailing needs.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A question was posed as to our postage history. There is definitely a downward trend.
All were in favor. None were opposed. The motion carried.

**Action Item 7.m. – FY19-20 Solid Waste Removal and Recycling Services**

Sarah McGill explained that the existing contract for refuse and recycling expires June 30, 2018, and a new solicitation will be advertised. It will be for a two-year performance period followed by three, one-year renewals.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A motion was made by Trustee Eric Wasowicz; seconded by Trustee John Butler.

A brief discussion ensued as to why the increase. This amount provides a buffer because the actual proposal amount is unknown, but it will not exceed $500,000 per year for the first two years. Further comments were made about the efforts to support recycling around campus.

All were in favor. None were opposed. The motion carried.

**Action Item 7.n. – Appointment of Board Treasurer**

Sarah McGill explained the requirement by NIU Law that the Board of Trustees designate a member of the staff of NIU as treasurer to serve the Board and they shall furnish a bond in an amount satisfactory to the Board.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends, in accordance with the Northern Illinois University Law and the Board of Trustees *Bylaws*, that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request to appoint Sarah McGill as Treasurer for the Board of Trustees, effective February 15, 2018, provided that Ms. McGill furnishes a fidelity bond to the Board in the amount of $500,000 to be secured by the State of Illinois Department of Central Management Services and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its special meeting on February 15, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee John Butler.

Greg Brady asked for an amendment to the language to say that the University will furnish the fidelity bond that is required by the law and mentioned here.

A question was asked about how the bond amount was decided to be $500,000. This has been the traditional amount which mirrors what the law requires for the State’s treasurer. The motion was amended to read, “...provided that the University will furnish a fidelity bond in the amount of $500,000...”.

A motion to approve the amended language was made by Trustee John Butler; seconded by Trustee Eric Wasowicz.

All were in favor. None were opposed. The motion carried.
**Action Item 7.o. – Treasury Operations – Signatory Authorization**

Sarah McGill indicated that the Treasurer of the Board of Trustees (the Vice President of Administration and Finance), the Associate Vice President of Finance and Budget, the University Controller, and the Director of Treasury Operations are being submitted as authorized signatories for all Treasury Operations. This designation is consistent with prior authorizations.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its special meeting on February 15, 2018.

A motion was made by Trustee Wheeler Coleman; seconded by Trustee John Butler.

A discussion ensued to make sure the process was not being changed. This change was simply to add the Vice President of Administration and Finance as an authorized signatory.

All were in favor. None were opposed. The motion carried.

**Action Item 7.p. – Commercial Card Services**

Sarah McGill explained the need to enter into an agreement to utilize a commercial card program administered by JP Morgan Chase and Company to support the University’s P-Card program. This would provide for an increase in the annual rebate.

Ms. McGill read the following recommendation for consideration by the committee:

The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on March 8, 2018.

A discussion ensued as to why this request was coming before the Board. Since JP Morgan Chase and Company is an actual vendor, and we will be paying them approximately $500,000 annually, Board approval is required. The primary justification would be to take advantage of the IPHEC relationship, understanding that the rebate to the institution will grow over time, given the current pricing associated with JP Morgan Chase. That’s the primary objective.

Trustee Butler commented on the number of new things that the Board is seeing at the meeting and was wondering if there was fruition of some compliance and procurement reform efforts seen by bringing these items before the Board. Acting President Freeman responded by commenting about making the University as transparent, ethical, and accountable as possible, to be good stewards of the public funds and honest with the public about how they’re being invested. This is what has influences some of the items presented today.

All were in favor. None were opposed. The motion carried.

Sarah McGill began presentation of the information items stating that the committee was provided written updates of items B and D. There were no questions or comments. Commencement began of the presentations.
Information Item 8.a. – Quarterly Financial Summary

Information Item 8.b. – Quarterly Summary Report of Transactions in Excess of $100,000

Information Item 8.c. – Periodic Report on Investments

Information Item 8.d. – Investment and Cash Management Policy

Information Item 8.e. – Clery Report

NIU Police Chief Tom Phillips presented the Annual Security Report, which covered a three-year period, 2014-2016, and addressed crimes against person, crimes against property, some Violence Against Women Act reported offences, and weapons and drug offences within the Clery Geography.

A question was asked about the correlation between the offenses; if one type of crime decreases, will another type decrease? Perhaps if alcohol and drug charges decreased, sexual assault and domestic battery could also decrease. Also, the term “referral,” which was used in the presentation was explained to be when a student is referred to Student Conduct; not necessarily arrested. If they’re not affiliated with the University, often they are given a citation. It was pointed out that the Clery Report is a report of offenses, not arrests. Further explanation was provided about the areas that are included in the report versus areas that are patrolled but not reported on.

Information Item 8.f. – Facilities Update

John Heckmann presented an update on facilities activities which included an update of the Stevens Building project, which will be completed late Spring/early Summer. He also provided an update on the Holmes Student Center. Construction efforts are set to begin at the end of this semester. As things are relocated, some of the functions of the bookstore will move up to the first floor. The Founders Café, which will offer alternative dining when the Holmes Student Center is not available, is planned to open late March/early April. Other major and minor projects and repairs were also presented.

Brief comments were made by Chair Struthers relative to the assets of the University and the amount that should be put back into maintaining them, which would be between 10 and 20 million dollars. It is important that, as financial statements are presented, it is realized that an expense item that may be small is deferment which would usually cost more down the road.

OTHER MATTERS

No other matters were discussed.

NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be May 10, 2018.
ADJOURNMENT

A motion was made to adjourn by Trustee Dennis Barsema; seconded by Trustee Wheeler Coleman. The motion carried.

Meeting adjourned at 12:27 p.m.

Respectfully submitted,

Vicky Rippberger
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.
QUARTERLY FINANCIAL SUMMARY – FY18 THIRD QUARTER
AS OF MARCH 31, 2018

Background Information: In an effort to provide more frequent information regarding the University’s financial position, the University has prepared the third quarter financial summary to the Board of Trustees.

Year-To-Date Financial Results:

Revenue Components – There are modest unfavorable variances to budget in Tuition & Fees and Rental & Room Income, caused by the mix and level of student enrollment. There is a favorable variance in the State of Illinois Appropriation, which is completely driven by the timing of reimbursements received from the State. The full year State Appropriation of $82M is expected to be received over the course of the fiscal year. Capital Reserve Contributions and Other Transfers reflect an unfavorable variance due to the practice of pro-rating the annual budget throughout the year. At the end of the year, a one-time transfer is made to credit the appropriate reserve accounts.

Expense Components – The University has maintained an aggressive stance on expense control throughout FY18. Tighter controls and evaluation of purchases through a mission critical filter has led to favorable variances in Personnel Services and Contractual expense. Capitals Repairs is also favorable and is attributable to timing and should normalize over a twelve-month period.

Net Revenue – YTD results suggest a favorable variance to Budget.

Prior Year Financial Results:

Revenue Components – A decline in enrollment continues to impact Tuition & Fees and Rental & Room Income. The State of Illinois appropriation is favorable to prior year. However, this is based entirely on the timing of the prior year funding.

Expense Components – Current projections suggest improvement in year-over-year operating expenses by approximately $15.4M. Favorable variances are noted in Personnel Services, Equipment & Library Materials and Capital Repairs. These results demonstrate management’s ongoing leadership in developing strategies that will effectively control expenses and contribute to long term financial sustainability.

Net Revenue – Prior year comparison highlights the progress made in adjusting University operations to current revenue streams.

Future Outlook (FY18):

NIU has developed strategies that will effectively mitigate against revenue shortfalls and known variances to operating expense planning assumptions. Collectively these actions have contributed to a revised FY18 spending plan that maintains the University’s commitment to be academically responsive and ensures fiscal responsibility through a balanced operating budget. In the aggregate, the financial projections suggest sufficient cash flow to manage through FY18, and a modest growth in unrestricted operating cash is projected. This is crucial to managing the volatility of reimbursements from the State of Illinois.

Following is a financial summary of the University’s operations as of the end of March FY18 and a comparison perspective to March of FY17.
## Northern Illinois University

### as of March 31, 2018

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<th><strong>Current Year FY18</strong></th>
<th><strong>Prior Year</strong></th>
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<tbody>
<tr>
<td></td>
<td><strong>Third Quarter</strong></td>
<td><strong>Full Year Projection</strong></td>
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<td></td>
<td><strong>YTD Actuals</strong></td>
<td><strong>Budget</strong></td>
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<tr>
<td><strong>Revenue</strong></td>
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<tr>
<td>Tuition &amp; Student Fees</td>
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<td>Gifts, Grants, &amp; Contracts</td>
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<td>Other Fees and Fines</td>
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<td>Sales</td>
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<td>Rental &amp; Room Income</td>
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<td>Gate Receipts &amp; Commissions</td>
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<td>Miscellaneous &amp; Investment Income</td>
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<td>$63,515</td>
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<td>State of Illinois</td>
<td>$221,646</td>
<td>$21,528</td>
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<tr>
<td>Capital Reserve Contributions &amp; Other Transfers</td>
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<td>$3,134</td>
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<tr>
<td>Total Revenue &amp; Transfers</td>
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<td>$358,527</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>Cost of Goods Sold</td>
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<td>Personnel Services</td>
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<td>Automotive</td>
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<td>Scholarships</td>
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<td>Telecommunications</td>
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<tr>
<td>Equipment &amp; Library Materials</td>
<td>$4,827</td>
<td>$6,907</td>
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<td>Capital Repairs, Debt Service &amp; All Other</td>
<td>$9,019</td>
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<tr>
<td><strong>Total Expenses</strong></td>
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<tr>
<td><strong>Net Revenue</strong></td>
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<td>$36,826</td>
</tr>
</tbody>
</table>
FISCAL YEAR 2019 INTERNAL BUDGET

Background Information: Annually, the University seeks the Board’s approval of the internal budget for the current fiscal year. Herein, the FY19 budget is presented in a preliminary format in advance of a confirmed State appropriation. The final budget recommendation will be brought to the Board for approval once the University has received an enacted appropriation from the State; in most previous years, this has occurred in early June.

NIU’s FY19 budget development process deliberately solicited input from the University community to inform this recommendation to the Board. This feedback has guided the difficult choices and critical decisions made to construct the FY19 internal budget in the context of the declining revenue expected to result from reduced state appropriations and declining enrollment. The University continues to work to diversify revenues, reduce expenses and close the remaining budget gap through prioritization, deferment and collaboration.
The University submits for review a preliminary FY19 operating budget. At this time, the University projects a $5.1 million gap between projected revenues and expenses in FY19. The gap is attributed to increased costs of debt servicing in support of housing and dining facilities, decreased revenue related to expected changes in enrollment, and a commitment of University funds to capital projects, deferred maintenance, and the FY18 salary increment program. Consistent patterns of revenue and expenses are anticipated over the next few years given current class sizes and the backlog of deferred maintenance.

## Comments

### Table 1

<table>
<thead>
<tr>
<th>FY19 INTERNAL BUDGET SUMMARY BY LINE ITEM</th>
<th>FY16 Actuals</th>
<th>FY17 Actuals</th>
<th>FY18 Projected Actuals</th>
<th>FY19 Proposed Budget</th>
<th>Variance FY19-FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOURCES OF OPERATING REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Student Fees</td>
<td>$198,025</td>
<td>$190,978</td>
<td>$178,721</td>
<td>$178,307</td>
<td>$(415)</td>
</tr>
<tr>
<td>Gifts, Grants, &amp; Contracts</td>
<td>59,134</td>
<td>58,812</td>
<td>59,528</td>
<td>68,321</td>
<td>8,793</td>
</tr>
<tr>
<td>Other Fees and Fines</td>
<td>8,915</td>
<td>8,126</td>
<td>7,707</td>
<td>8,564</td>
<td>856</td>
</tr>
<tr>
<td>Sales</td>
<td>39,640</td>
<td>38,349</td>
<td>36,402</td>
<td>32,654</td>
<td>(3,748)</td>
</tr>
<tr>
<td>Rental &amp; Room Income</td>
<td>34,628</td>
<td>31,479</td>
<td>30,786</td>
<td>32,541</td>
<td>1,755</td>
</tr>
<tr>
<td>Gate Receipts &amp; Commissions</td>
<td>4,309</td>
<td>3,025</td>
<td>2,819</td>
<td>4,494</td>
<td>1,675</td>
</tr>
<tr>
<td>Miscellaneous &amp; Investment Income</td>
<td>10,167</td>
<td>8,799</td>
<td>10,449</td>
<td>10,109</td>
<td>(341)</td>
</tr>
<tr>
<td>State of Illinois</td>
<td>26,424</td>
<td>48,316</td>
<td>82,020</td>
<td>82,020</td>
<td>-</td>
</tr>
<tr>
<td>Capital Reserve Contributions &amp; Other Transfers</td>
<td>(9,937)</td>
<td>(6,308)</td>
<td>4,090</td>
<td>3,248</td>
<td>(842)</td>
</tr>
<tr>
<td><strong>TOTAL, OPERATING REVENUES</strong></td>
<td>$371,305</td>
<td>$381,576</td>
<td>$412,522</td>
<td>$420,257</td>
<td>$7,735</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES BY LINE ITEM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>$9,164</td>
<td>$9,173</td>
<td>$7,657</td>
<td>$5,910</td>
<td>$(1,748)</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>219,240</td>
<td>216,708</td>
<td>221,075</td>
<td>215,193</td>
<td>$(5,882)</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>81,481</td>
<td>76,096</td>
<td>76,668</td>
<td>87,581</td>
<td>10,913</td>
</tr>
<tr>
<td>Commodities</td>
<td>7,263</td>
<td>6,332</td>
<td>5,525</td>
<td>7,468</td>
<td>1,943</td>
</tr>
<tr>
<td>Travel</td>
<td>4,255</td>
<td>4,243</td>
<td>4,229</td>
<td>5,555</td>
<td>1,325</td>
</tr>
<tr>
<td>Automotive</td>
<td>1,240</td>
<td>1,206</td>
<td>1,069</td>
<td>1,264</td>
<td>195</td>
</tr>
<tr>
<td>Scholarships</td>
<td>53,722</td>
<td>47,953</td>
<td>56,413</td>
<td>58,066</td>
<td>1,653</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>1,764</td>
<td>246</td>
<td>327</td>
<td>680</td>
<td>353</td>
</tr>
<tr>
<td>Equipment &amp; Library Books</td>
<td>6,689</td>
<td>6,044</td>
<td>7,623</td>
<td>9,935</td>
<td>2,312</td>
</tr>
<tr>
<td>Capital Repairs, Debt Service &amp; All Other</td>
<td>31,022</td>
<td>13,319</td>
<td>29,190</td>
<td>33,754</td>
<td>4,564</td>
</tr>
<tr>
<td><strong>TOTAL, OPERATING EXPENSES</strong></td>
<td>$415,839</td>
<td>$381,319</td>
<td>$409,777</td>
<td>$425,405</td>
<td>$15,629</td>
</tr>
<tr>
<td><strong>NET INCOME/(LOSS)</strong></td>
<td>$(44,535)</td>
<td>$(257)</td>
<td>$(2,745)</td>
<td>$(5,148)</td>
<td>$(7,893)</td>
</tr>
</tbody>
</table>
The FY19 operating budget includes several noteworthy characteristics:

- Projects a level of funding for State appropriations and MAP funding consistent with funding received in FY18;
- Projects new student enrollment for FY19 equal to that in FY18 and a decline in continuing student enrollment of 450 students, based on steady re-enrollment rates; the decline in continuing student enrollment is partially offset by new online and off-campus program offerings;
- Provides University funds to capital projects and deferred maintenance; and
- Provides additional funding associated with increased costs of debt servicing in support of housing and dining facilities.

During the FY19 budget development process, in anticipation of a budget gap approaching $21M, divisions were asked to identify opportunities for increasing revenue and decreasing expenses. A specific adjustment for each division was recommended after consideration of the unit’s proposed actions and future plans, as well as the University’s mission and strategic priorities. Targeted contributions fell into three tiers. Divisions charged with 8 percent or greater contribution to the budget gap include Administration and Finance, Athletics, Human Resource Services, Information Technology, University Advancement, and Student Affairs. Those assigned a 6.5% contribution to the budget gap include Academic Affairs; Outreach, Engagement & Regional Development; and Research and Innovation Partnerships. Divisions assigned a low contribution to the budget gap include Enrollment Management, Marketing & Communication and University Administrative Services. These lower allocations were made to protect vital functions such as student recruitment and University safety and security.

Detailed Information on the FY 2019 Proposed University Budget (Preliminary)

Revenues

1. **Tuition and Fees:** All tuition, including differential tuition, course and materials fees, athletics fees, bus fees, and health service fees.

2. **Gifts, Grants, & Contracts:** Includes on-campus scholarships, research grants and associated indirect cost pools, Pell grants, and sub-contract fees for research. Financial aid and grants are anticipating an increase of approximately $5M in FY19.

3. **Other Fees and Fines:** Includes parking, residential living-learning community fees, parking fines, transcript and commencement fees.

4. **Sales:** Includes board plan and retail food sales, concessions sales, advertising/sponsorship, sales of services to off-campus entities (including, but not limited to: catering, child care, conference services). Decrease in sales expected for FY19 is a result of portions of the Holmes Student Center going offline in support of renovations to the facility.

5. **Rental & Room Income:** Includes room fees for residential students, rental of on-campus and off-campus meeting and conference space, hotel revenues and Northern View apartment revenues. Increase expected in FY19 is a result of increased revenue from additional conferences and events.
6. **Gate Receipts & Commissions:** Includes athletic ticket sales, performing arts ticket sales, commissions and concert/event revenues from the Convocation Center. Increase in FY19 due to anticipated higher athletic ticket sales and event revenue at the Convocation Center.

7. **Miscellaneous & Investment Income:** Includes athletics’ game guarantees, NIU share of conference tournament revenues, rental of facilities, interest income from investments, gains and losses on disposals of fixed assets.

8. **State of Illinois:** Represents the annual state appropriation to public universities.

9. **Capital Reserve Contributions & Other Transfers:** Includes year-end transfers to mandated reserves in the auxiliary facilities system.

**Expenses**

10. **Cost of Goods Sold:** Includes the cost of all items purchased for resale on campus such as food for dining units, parts and supplies to be charged out through the campus work order system, as well as paper for pay-to-print copiers and printers. Decrease due to contractual decreases in price anticipated for FY19.

11. **Personnel Services:** Includes all salaries paid to faculty, supportive professional staff, civil service, graduate assistants, extra help and student employees. Also includes required payments for Medicare and employee health insurance. Decrease due to an increased amount of expected retirements.

12. **Contractual Services:** Includes annual software support, subscriptions, conference registrations, non-employee travel reimbursements, service contracts, repairs & maintenance, grounds, building service work charges, speaking fees, and other arrangements with outside contractors to perform services for the University. Increase due to renovation improvements at the Holmes Student Center and various deferred repairs and maintenance projects.

13. **Travel:** Includes airfare, hotel rooms, mileage, meals (all up to limits set by the state and the University), and ancillary expenses for employees to travel to-and-from campus on official University business.

14. **Automotive:** Includes the cost to rent cars, vans, and busses from the University transportation department.

15. **Scholarships:** Includes scholarships awarded, including Pell Grant funds disbursed (which, when netted against Pell Grant funds received, results in zero effect on the University’s cash position). Increase due to the anticipated $5M increase in financial aid and grants for FY19.

16. **Telecommunications:** Includes the cost of providing phone, internet, and other digital services to the University.

17. **Equipment & Library Materials:** Includes the cost of all items over $100 with an estimated useful life of two years or more, as well as library books, journal subscriptions, manuscripts, films, music, and video materials.
18. **Capital Repairs, Debt Service & Other:** Includes the cost of centralized capital repair funds, debt service payment on bonds, certificates of participation and performance contracts. Also includes refunds issued for on-campus external programming and other expenses not classified elsewhere. Increase due to higher debt service costs anticipated in FY19 as well as an increase in capital repairs.

**Efforts to Finalize the FY 2019 Budget**

Now through June, efforts will continue to balance and finalize the budget. Specifically, the following will influence the final FY19 operating budget brought to the Board for approval:

- Final amount of State appropriation;
- Updated enrollment projections;
- Fundraising support from the Foundation; and
- Potential funding from the state in support of capital projects/deferred maintenance.
Agenda Item 8.a. 
May 10, 2018

MASS TRANSPORTATION
INTER-GOVERNMENTAL AGREEMENT APPROVAL

Summary: Northern Illinois University, as a member of the DeKalb-Sycamore Area Transportation Study (DSATS) planning organization, has been participating in the development of a strategy to transform mass transportation support for the community. Stemming from a recommendation identified in the most recent DSATS Transportation Development Plan, the University’s and local community’s mass transit needs would be best provided under a consolidated operation with the City of DeKalb. To facilitate this arrangement, an inter-governmental agreement between the University and the City of DeKalb is required.

Background: The 2017-2022 DeKalb Region Transit Development Plan (TDP) is a long term planning document developed through the analysis of current mass transit operations provided by both the University and the City of DeKalb. Improvement recommendations were developed by the planning effort to address efficiency, quality, and options for expanding services. A significant recommendation was the concept of utilizing the City of DeKalb to provide mass transit services for the University. A major advantage of this approach would allow for leveraging federal and state grant funding intended to support municipal mass transit operations. These grants require a certain amount of matching funds in order to utilize the funding. Currently, the community is not able to utilize the full amount of grant funding available without incorporating the University bus requirements and financial contribution for the matching funds.

A consolidated operation under the City of DeKalb would provide a streamlined method of leveraging available grant funding and provide the financial capacity to incorporate bus service improvements that previously were not financially feasible by the community alone.

The inter-governmental agreement with the City of DeKalb will provide the mechanism for the University to provide an appropriate financial contribution to fully leverage the grant funding available to the community. In return, the City of DeKalb will provide the specified bus services of interest to the University. While details of the agreement are still in development, features of the agreement are being modeled after examples from other college town communities and will include major objectives like:

- Bus services minimally conforming to routes currently in operation with the potential for expanded services as grant/match funding allows.
- Fare-free rides for students and University faculty/staff.
- Continued Student Association and University representation in the governance of the mass transit planning and operations oversight.
- Continued University branding opportunity with the buses.
- Multi-year financial planning to ensure sustained bus operations.

The execution of the inter-governmental agreement is anticipated to be completed with the City of DeKalb by August 2018 to support the City’s solicitation process for a new contract for mass transit operations planned to begin January 2019. The University’s financial share is expected to fluctuate from year to year based on available grant funding and the potential for supporting expanded services of interest to the University. The University’s current expenses for bus services is approximately $4M annually. Authority not to exceed $3M annually is requested based on current projections for the University’s possible share of costs and grant benefits. The term of the agreement is anticipated to not exceed ten (10) years.
**Funding:** Institutional – Local Funds $3,000,000 annually

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.
FISCAL YEAR 2019 CAMPUS BUSING SYSTEM CONTRACT EXTENSION

Summary: The University has been developing a plan with the City of DeKalb to integrate mass transportation bus services to better serve both the University population and the community. The main element of this plan is the creation of a new bus service contract under the City of DeKalb which is projected to start operations January 2019. To align with this timeline, the University’s contract for bus services must be extended six months from the current contract end date of June 30, 2018 to December 31, 2018.

Background: The strategy to consolidate mass transit bus operations with the City of DeKalb has been an initiative under development through the University’s participation in the DeKalb-Sycamore Area Transportation Study planning organization. The new approach will allow for improved coordination of bus services for both the University and community, as well as provide the ability to leverage additional federal and state grant funding for expanded services.

The University’s current contract for mass transit bus services is funded by the Student Bus Fee. The expenditure authority requested is a not-to-exceed amount based on anticipated, pre-determined bus services and some capacity for ad hoc requirements. The intent to award this contract as a sole source will be advertised in the Illinois Procurement Bulletin.

Funding: Institutional – Local Funds, 41 CO56700

Transdev Services, Inc. – Lombard, IL ........................................ $2,300,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.

Amount Approved for FY18: $4,185,000
FISCAL YEAR 2019 INTERCOLLEGiate ATHLETICS SECONDARY STUDENT HEALTH INSURANCE CONTRACT RENEWAL

Summary: NIU Intercollegiate Athletics requires annual secondary health insurance to meet the needs for insurance coverage for accident claims for student athletes for athletically related illnesses and injuries. The secondary insurance is required in addition to coverage that the student athletes may have through their own primary insurance. The secondary insurance product being purchased has been designed uniquely and specifically for NCAA members with the Master Policy form negotiated on behalf of the schools in accordance with NCAA regulations.

Background: This FY19 approval amount is for the NCAA Group Basic Accident Medical Program Insurance Plan, administrative fees, and aggregate deductible claims coverage for a two-year benefit period per student-athlete accident, available exclusively through Relations Insurance Services (formerly Ascension Benefits & Insurance Solutions)/Mutual of Omaha as agent and claims administrator. This renewal is year five of nine, one-year renewal options to be determined annually, based on a Request for Proposal opened on July 16, 2013. The renewal award will be advertised in the Illinois Procurement Bulletin.

Funding: Institutional – Local Funds, 41 TD56477

Relations Insurance Services/Mutual of Omaha – Salt Lake City, UT ...............$ 315,000
(formerly Ascension Benefits & Insurance Solutions)

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.

Amount Approved for FY18: $315,000
FISCAL YEAR 2019 INTERCOLLEGIAL ATHLETICS
AIR CHARTER SERVICES FOR FOOTBALL TEAM

Summary: Intercollegiate Athletics requests permission to purchase air travel services for the NIU Football Team. The team will fly out of Rockford, IL, for games at: Florida State University, Tallahassee, Florida, September 22; Brigham Young University, Provo, Utah, October 27; University of Akron, Akron, OH, November 1. A Request for Proposal will be developed and advertised the Illinois Procurement Bulletin. The RFP will include potential renewal options.

Funding: Institutional – Local Funds, 41 TD56481

Vendor to be determined.......................................................... $ 400,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.

Amount Approved for FY18: $500,000
FISCAL YEAR 2019-2021 DIVISION OF INFORMATION TECHNOLOGY
RENEWAL OF ONBASE SOFTWARE MAINTENANCE

Summary: The Division of Information Technology (DoIT) requests permission to renew a contract for Hyland (OnBase) Software Licensing, Support, and Maintenance Services for one year with two additional one-year renewal options. The maintenance services will provide for continued use and future growth of the OnBase workflow and imaging technology at NIU. The three, one-year renewals will achieve a $31,677 savings over the term of the contract as compared to the vendor’s single-year pricing. The approval amount covers the period July 1, 2018 - June 30, 2021.

Background: The OnBase application increases efficiency and reduces costs by helping to eliminate cumbersome and slow paper-based processing, replacing it with electronic documents and workflow that significantly reduces processing times and allows for a better allocation of resources. OnBase serves NIU by providing for enterprise content management, case management and business process management, document capture, and enterprise application integration. It is available for use by all NIU students, faculty, and staff and is used by close to 25 individual departments across the University. DoIT is focused on expanding the use of OnBase for document and workflow processing at NIU. OnBase maintenance and support services from Hyland Software allow the University to continue providing support; it enhances our current implementation and allows for expansion of the enterprise document imaging and scanning services offered to the entire University. The intent to award this contract as a sole source will be advertised in the Illinois Procurement Bulletin.

Funding: Appropriated/Income Funds, 02 UB34018

Hyland Software – Westlake, OH ........................................... $431,000

FY19 – 139,295
FY20 – 143,474
FY21 – 147,778

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.

Amount Approved for FY18: $142,000 (one-year amount)
FISCAL YEAR 2019-2021 DIVISION OF INFORMATION TECHNOLOGY
BLACKBOARD SOFTWARE LICENSE

Summary: The Division of Information Technology requests permission to purchase the Blackboard, Inc. Learn Suite (Learn, Community System, Content System, and Collaborate) for a three-year term (8/9/2018 – 8/8/2021).

The Blackboard Learn Platform is a virtual learning environment and course management system that allows distribution and receipt of class material by faculty and students, delivery of tests and surveys, capturing and reporting of grades, participation in synchronous and asynchronous discussions, and many other course-related activities. The Blackboard mobile apps enable access to NIU's Blackboard Learn system through mobile devices.

Background: Blackboard is used campus-wide at NIU and is the primary tool used to deliver course content and manage courses online. This software has become a critical enterprise system to NIU's faculty, staff, and students. Blackboard is used by over 1,500 faculty and teaching staff and by nearly every NIU student taking traditional on-campus classes, blended, and/or online classes. As of May 2018, Blackboard Learn was migrated to Blackboard’s Software-as-a-Service (SaaS) cloud offering, and this request includes the SaaS hosting solution.

The three-year agreement locks in pricing for the entire three-year period. The intent to award this contract as a sole source will be advertised in the Illinois Procurement Bulletin.

Funding: Appropriated/Income Funds 02-UB34014

Blackboard, Inc. – Washington, DC ........................................ $1,036,294

FY19: $342,000
FY20: $345,420
FY21: $348,874

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.

Amount Approved for FY18: $355,000
DIVISION OF INFORMATION TECHNOLOGY  
NETWORK ACCESS AND SECURITY REFRESH AND UPGRADE

**Summary:** The Division of Information Technology (DoIT) requests permission to purchase Cisco network and security equipment to modernize NIU’s enterprise campus network. The DoIT refresh and upgrade project consists of a two-pronged approach to position NIU to respond to today’s needs and future requirements. The two components of the plan are network access layer refresh and third generation security appliances with advanced capabilities coupled with the ability to automate tasks and collect and report on network performance and user analytics.

**Background:** To provide a robust, dependable, and stable network, the University’s access layer building switches need to be vendor-supported and be able to provide the necessary features as we continue to add additional services to the network. Currently, NIU has a number of access layer switches that have been in service for more than ten years and cannot support the features that are required for the network and are beyond vendor support.

Network security continues to be an essential part of DoIT’s responsibility. The second portion of this project will upgrade and install state-of-the-art Cisco security appliances. The new configuration consolidates the current security architecture and provides faster, more extensive, and cutting-edge technology in a fully redundant design. DoIT will also implement an industry-standard guest wireless experience, which will require the guest user to provide verification information to gain access to the guest network – an improvement in the University’s security posture.

DoIT plans to use Dell EMC as the financing agent for this purchase.

The University will be entering into a three-year lease agreement with annual payments of approximately $537k. Approximately $60,000 will go towards funding power upgrades in the building access layer switch rooms done through the NIU Physical Plant.

**Funding:** Institutional – Local Funds  $1,670,000

*CDW Government, LLC, Vernon Hills, IL* .......................... $1,670,000

**Recommendation:** The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.
DIVISION OF INFORMATION TECHNOLOGY
WIRELESS NETWORK EXPANSION AND UPGRADE – PHASE 2

Summary: Northern Illinois University provides data network connectivity to students, faculty, and staff both wired and wireless (Wi-Fi) access points on campus. Phase-2 is the second year of a multi-year effort to improve the provision of mobile Wi-Fi access to the University community. Expansion of approximately 650 Wi-Fi access points on campus is required to ensure complete coverage and data capacity for the following buildings:

- Anderson Hall
- Art Building
- Cole Hall
- Davis Hall
- Faraday West
- Graham Hall
- Montgomery Hall
- Naperville Outreach Center
- Still Gym
- Still Hall
- Watson Hall

Background: To determine where these new Wi-Fi Access Points will be optimally installed on campus, a plan has been developed by the Division of Information Technology and reviewed by the IT Steering Committee and through consultation with College/Department IT managers. A seven-year plan has been designed to systematically expand the Wi-Fi coverage and capacity to most areas of campus. The total estimated WiFi expansion project costs to be implemented over approximately seven years is $3M.

Funding: Institutional – Local Funds  $425,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities, and Operations Committee endorse this request and ask that the President forward it using the President's Report to the Board of Trustees for approval at its meeting on June 14, 2018.
Agenda Item 8.i.  
May 10, 2018

Action

FISCAL YEAR 2019 NIU FOUNDATION PROFESSIONAL SERVICES CONTRACT

Summary: The Northern Illinois University Foundation, an independent organization, operates to support the mission of Northern Illinois University through fundraising, asset management, and related support activities. Among such activities, the Foundation coordinates and manages cultivation, solicitation, acknowledgment, and receipting of all gifts; administrates, invests, and disburses funds; maintains all constituent records; manages and coordinates communications with constituents; and performs alumni relations activities. The FY19 contract amount assessed is $743,600, which covers full salaries and includes increments, benefits, and other expenses for designated employees as well as a portion of programmatic services in accordance with contract obligations.

Background: The University and the Foundation annually enter into a contract which serves to outline the fundraising services and activities to be provided by the Foundation on behalf of the University each year. This contractual agreement is in accordance with the Legislative Audit Commission Guidelines. The increase of $113,548 is a result of two support staff being added to the contract ($88,145), salary increases from the approved November 2017 increments for designated employees in the contracts, and other expenses for designated employees ($25,403). In previous years, designated employees were listed as a percentage of effort. Those designated employees are now fully listed to the Foundation. As such, the gap portion of salaries were moved to the contract.

Funding: Appropriated/Income Funds

Northern Illinois University Foundation – DeKalb, IL ................. $ 743,600

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President’s Report to the Board of Trustees for approval at its meeting on June 14, 2018.

Amount Approved for FY18: $630,052
HOLMES STUDENT CENTER (HSC)
BOOKSTORE AGREEMENT

**Summary:** Northern Illinois University undertook a process to reevaluate the delivery of course materials, spirit gear, and other products for the campus population. Given challenges with the changing textbook industry, the increasing need for affordable and flexible course materials for students, along with actions to revitalize the student center of campus, proposals were solicited to provide optimal bookstore services that meet the needs of our students and community with an efficient and cost-effective service delivery model. Through this process one vendor stood out with a strong proposal featuring significant benefits such as an enhanced faculty textbook selection process, greater access to e-book options, student options for course material affordability, and financial returns for the University. After evaluating this proposal in comparison to current bookstore operations, it was considered in the University’s best interest to transition to a vendor-run operation. NIU issued a letter of Intent/Interim Agreement with Follett Higher Education Group Inc. on April 3, 2018. Efforts are underway to finalize the contract, and once it is fully executed, Follett will begin managing bookstore operations with the transition to the temporary location during the HSC renovation period.

**Background:** Working under Illinois procurement procedures, an Invitation for Proposals (IFP) was issued in July 2017 with four proposals received in December 2017. The proposals were evaluated by a cross functional team, including students, faculty, and staff on both technical and financial merits to determine the best concept for proceeding with detailed negotiations for a final multi-year agreement.

Features of the top scoring proposal from Follett Higher Education Group, Inc. demonstrated enhanced value to the University including an interactive course material selection process for faculty providing awareness for how materials are used by other universities and options for affordability considerations. The proposal also includes an on-line ordering process to allow students a full range of possible choices for course materials between new, used, rental, and digital options.

The financial component of the Follett proposal included a scaled return to the University based on sale levels achieved by the operation. This rate of return was determined to be within the competitive range anticipated based on industry market analysis. Additionally, the proposal included various financial incentives such as outfitting both the temporary and final store locations and an annual textbook scholarship. The concession agreement with Follett will consist of an initial seven (7) year commitment to allow for a return on investments. The agreement includes one optional extension for three (3) years for a total potential term of ten (10) years.

By leveraging Follett’s financial commitment for the design and construction of the bookstore, the University will be able to reallocate budgeted funding for other improvements helping to revitalize the image of the Holmes Student Center ground floor. The final store layout and design will be cohesive with the overall renovation plan. Initial efforts by this company will begin with the temporary store set-up and operation during the construction period.

A presentation regarding the agreement with Follett, along with other initiatives to increase NIU’s operational and financial strength will be facilitated at the meeting.
Agenda Item 9.b.
May 10, 2018

FACILITIES UPDATE

Briefing presented at the meeting.
SEMI-ANNUAL PROGRESS REPORT OF ACTIVE CAPITAL PROJECTS
WITH A BUDGET OVER $100,000

All projects listed herein were previously approved by the Board of Trustees or the President and are currently in process. The Authorization Date is identified for all NIU-funded projects; the fiscal year is identified for all CDB-funded projects. Status reports are provided on any project, regardless of initiation date, until all work has been completed and all payments have been made.

CAPITAL DEVELOPMENT BOARD PROJECTS

I. Projects in the Planning Phase

N/A

II. Projects in the Design Phase

N/A

III. Projects in the Construction Phase

A. Remodeling and Rehabilitation

1. Stevens Building – Addition & Renovation

   Total Project Budget: $37,300,135 (estimated)
   Source of Funding: FY2010 – CDB Amended FY2017
                      FY2017 – NIU Appropriated Funds
   Architect/Engineer: PSA Dewberry/BCA - Elgin

   Status: Construction work at the site is now approximately 99% complete. The project was substantially complete in late April 2018. Systems training and punch list work is in process. The University is in process of procuring the furnishings, fixtures, and equipment for the building. The building will be back in full academic use beginning Fall semester 2018.

NORTHERN ILLINOIS UNIVERSITY PROJECTS

I. Projects in the Planning Phase

A. Remodeling and Rehabilitation

1. Holmes Student Center / Neptune Complex Redevelopment Plans

   Total Project Budget: $1,500,000
   Source of Funding: Bond Series 2010 Project
   Authorization Date: June 2014
   Architect/Engineer: Dewberry - Peoria (Holmes)
                      Design Organization – Chicago (Neptune)

   Status: Master planning work has been completed for both Holmes Student Center and Neptune Complex. Final payments for the planning work are in process.
2. Stevenson and Grant Residence Halls - Building Envelope Repairs
   Total Project Budget: $525,000
   Source of Funding: Institutional - Auxiliary Reserves
   Authorization Date: December 2016
   Architect/Engineer: TBD

   Status: An assessment of the existing building envelope systems (exterior walls) which include precast concrete, aluminum curtain wall and masonry wall systems will provide a reliable cost estimate and detailed specifications for repair. The University is preparing to contract with a qualified Architectural/Engineering firm to provide the assessment and design.

3. Holmes Student Center Hotel Tower - Building Envelope Repairs
   Total Project Budget: $250,000
   Source of Funding: Institutional - Auxiliary Reserves
   Authorization Date: December 2016
   Architect/Engineer: TBD

   Status: An assessment of the existing building envelope systems (exterior walls) which include aluminum curtain wall and masonry wall systems will provide a reliable cost estimate and detailed specifications for repair. The University is preparing to contract with a qualified Architectural/Engineering firm to provide the assessment and design.

B. Site and Utilities

1. DeKalb Campus – East and West Heating Plant Boiler Assessment
   Total Project Budget: $134,000
   Source of Funding: Institutional - Auxiliary Reserves
   Authorization Date: March 2016
   Architect/Engineer: Wills Burke Kelsey - Elgin
                     Stanley Consultants - Chicago

   Status: The A/E has completed the investigation, assessment, and provided the final report. Final payments to the A/E for the assessment have been made. Future reports of this project will be included in “Projects in the Design Phase” section of this report.

II. Projects in the Design Phase

A. Remodeling and Rehabilitation

1. Stevenson Towers A & D – Roof Replacement
   Total Project Budget: $625,000
   Source of Funding: Institutional – Auxiliary Reserves
   Authorization Date: March 2016
   Architect/Engineer: Arcon Associates - Lombard

   Status: Project design will be begin as schedules allow. Construction work will be planned and scheduled to take advantage of semester breaks and summer schedules.

2. Holmes Student Center - Phase I Redevelopment
   Total Project Budget: $20,000,000
   Source of Funding: Bond Series 2010 Project
   Authorization Date: June 2016
   Architect/Engineer: Dewberry - Peoria
Status: The A/E is preparing construction documents which are planned to be issued for bidding in June. The University is working on contracts for the environmental remediation work scheduled to begin in June. The University will provide regular updates to the Board. Future reports of this project will be included in “Projects in the Construction Phase” section of this report.

3. Stevenson Towers B & C – Roof Replacement
Total Project Budget: $625,000
Source of Funding: Institutional – Auxiliary Reserves
Authorization Date: September 2016
Architect/Engineer: Arcon Associates - Lombard

Status: Project design will be begin as schedules allow. Construction work will be planned and scheduled to take advantage of semester breaks and summer schedules.

4. Founders Library – Discover Financial Services Renovation
Total Project Budget: $1,000,000 (est.)
Source of Funding: Lessee Improvement
Authorization Date: December 2017
Architect/Engineer: Gensler - Chicago

Status: Lease renovation/improvement agreement for the space was completed in March. Design work has begun with completion anticipated by mid-summer. Construction work is scheduled to complete before Fall semester.

5. Convocation Center – Update Nelson Suite
Total Project Budget: $275,000
Source of Funding: Foundation – Local Funds
Authorization Date: March 2018
Architect/Engineer: Populus - Kansas City, Missouri

Status: Design work and donor review was completed in March. Work will be scheduled when feasible and will take advantage of semester breaks and event schedules.

6. Convocation Center – Replace Video Board/Scoreboard
Total Project Budget: $1,270,000
Source of Funding: Institutional – Auxiliary Reserves
Institutional – Local Funds
Authorization Date: March 2018
Architect/Engineer: NIU A&E Services & Intercollegiate Athletics

Status: Design work will be completed in March. Work will be scheduled when feasible and will be scheduled to take advantage of semester breaks and breaks in Convocation Center events to minimize disruptions.

B. Site and Utilities

1. Naperville Parking Lot Reconstruction – Phase II
Total Project Budget: $1,215,000
Source of Funding: Local Funds - NIU Naperville Operations
Authorization Date: September 2015
**Status:** Phase II Design Work has been temporarily delayed due to cash flow concerns. Once the overall University budget is stabilized, the engineering design work is expected to be completed in 6 months.

2. **DeKalb Campus – Lucinda Avenue Realignment**

   **Total Project Budget:** $440,000
   **Source of Funding:**
   - Bond series 2010 Funds - $222,285
   - Federal Highway Grant Funds - $217,715
   **Authorization Date:** March 2016
   **Architect/Engineer:** TBD

   **Status:** Upon further discussion and review with the Board, the University will not pursue this project. This will be the final report on this project. It will be removed from the project progress report.

III. Projects in the Construction Phase

A. **Remodeling and Rehabilitation**

1. **DeKalb Campus – Campus Alerting System Phase IV**

   **Total Project Budget:** $1,250,000
   **Source of Funding:** Appropriated Funds
   **Authorization Date:** March 2013
   **Architect/Engineer:** NIU A&E Services

   **Status:** This project encompasses the final phase of the campus alert system. The work is approximately 70% complete. The construction work will be planned and scheduled to take advantage of semester breaks, weekends, and summer schedules. Project has been temporarily delayed due to cash flow considerations. Once the overall University budget is stabilized, the project is expected to be completed in 18 months.

2. **Montgomery & Psych/Computer Science – Animal Facilities Renovation**

   **Total Project Budget:** $3,476,535 (estimated)
   **Source of Funding:**
   - Institutional – Local Funds
   - Performance Contract Phase 11A - Financed
   **Authorization Date:** September 2014
   **Architect/Engineer:** NIU A/E Services

   **Status:** Work is complete. Final payments have been made. The HVAC contractor is working with the University to correct and complete warranty work on the new HVAC equipment. This will be the final report on this project.

3. **Neptune Residential Complex – Emergency Repair of Water Main Break**

   **Total Project Budget:** $249,000
   **Source of Funding:** Institutional – Auxiliary Reserves
   **Authorization Date:** December 2016
   **Architect/Engineer:** NIU Physical Plant - A/E Services

   **Status:** All work is complete. Final payments have been made and the insurance reimbursement has been received. This will be the final report on this project.
4. **Swen Parson – College of Law – Accreditation Updates**
   - **Total Project Budget:** $120,000
   - **Source of Funding:** Appropriated – Income Funds
   - **Authorization Date:** February 2017
   - **Architect/Engineer:** NIU Physical Plant - A/E Services

   **Status:** All work is complete. Final payments have been made. This will be the final report on this project.

5. **Neptune Complex Upgrade**
   - **Total Project Budget:** $5,400,000
   - **Source of Funding:** Bond Series 2010 Project
   - **Authorization Date:** March 2017
   - **Architect/Engineer:** Cordogan Clark - Aurora
   - NIU A/E Services

   **Status:** Flooring, lighting, painting, mechanical repairs, and dining room updates in Neptune West, Neptune Central Dining Room, and Neptune North were completed during the summer break of 2017. Remaining renovation improvements are being assessed and prioritized in accordance with the remaining project funds and break periods.

6. **Campus Residence Halls – Annual Dorm Room Repairs**
   - **Total Project Budget:** $232,000 (estimated)
   - **Source of Funding:** Institutional – Auxiliary Reserves
   - **Authorization Date:** May 2017
   - **Architect/Engineer:** NIU Physical Plant

   **Status:** Work is complete. Final payments have been made. This will be the final report on this project.

7. **Founders Library – Café Renovation**
   - **Total Project Budget:** $467,500
   - **Source of Funding:** Institutional – Auxiliary Operating Funds
   - **Authorization Date:** October 2017
   - **Architect/Engineer:** NIU A/E Services

   **Status:** Work was scheduled during Spring break to minimize the disruption to the Library. All work is now complete. The new café opened April 10th.

8. **Residence Halls – FY18 Rotation Painting**
   - **Total Project Budget:** $220,500
   - **Source of Funding:** Institutional – Auxiliary Reserves
   - **Authorization Date:** February 2018
   - **Architect/Engineer:** NIU Physical Plant

   **Status:** Work will be scheduled to take advantage of semester breaks to minimize disruptions. The work is approximately 50% complete. The work will continue with completion anticipated in May 2018.

9. **Lincoln Hall – Salvage Equipment from Building**
   - **Total Project Budget:** $107,600
   - **Source of Funding:** Institutional – Auxiliary Reserves
   - **Authorization Date:** March 2018
   - **Architect/Engineer:** NIU Physical Plant
**Status:** Work was scheduled to take advantage of cold winter temperatures. The work is complete. Final payments to the contractors are in process.

**10. Lorado Taft Campus – Repair Roofs on Four Buildings**

<table>
<thead>
<tr>
<th>Total Project Budget:</th>
<th>$120,150</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funding:</td>
<td>Institutional – Local Funds</td>
</tr>
<tr>
<td>Authorization Date:</td>
<td>March 2018</td>
</tr>
<tr>
<td>Architect/Engineer:</td>
<td>NIU Physical Plant</td>
</tr>
</tbody>
</table>

**Status:** Work will be scheduled to take advantage of summer weather and semester break.

**B. Site and Utilities**

**1. Parking Structure - Reconstruct Four Exit Stairs**

<table>
<thead>
<tr>
<th>Total Project Budget:</th>
<th>$1,200,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funding:</td>
<td>Bond Series 2010 Project</td>
</tr>
<tr>
<td>Authorization Date:</td>
<td>June 2011 (confirmed March 2014)</td>
</tr>
<tr>
<td>Architect/Engineer:</td>
<td>NIU A&amp;E Services</td>
</tr>
</tbody>
</table>

**Status:** All work is complete. Final payments have been made. This will be the final report on this project.

**2. DeKalb Campus – Electrical Infrastructure Replacement Phase II**

<table>
<thead>
<tr>
<th>Total Project Budget:</th>
<th>$2,580,000 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funding:</td>
<td>Bond Series 2010 Project</td>
</tr>
<tr>
<td>Authorization Date:</td>
<td>March 2013</td>
</tr>
<tr>
<td>Architect/Engineer:</td>
<td>NIU A&amp;E Services</td>
</tr>
</tbody>
</table>

**Status:** Construction started in Fall 2013 and is approximately 95% complete. A consulting engineer is completing a critical survey of the existing electrical service at each building. This work will continue to be scheduled to take advantage of semester breaks and as schedules allow.

**3. DeKalb Campus - Electrical Infrastructure Replacement Phase III**

<table>
<thead>
<tr>
<th>Total Project Budget:</th>
<th>$2,550,000 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funding:</td>
<td>Appropriated Funds – Administrative Support</td>
</tr>
<tr>
<td>Authorization Date:</td>
<td>March 2014</td>
</tr>
<tr>
<td>Architect/Engineer:</td>
<td>NIU A&amp;E Services</td>
</tr>
</tbody>
</table>

**Status:** Construction work began in late 2014 and is approximately 29% complete. Work has been temporarily delayed due to cash flow concerns. Once the overall University budget is stabilized, the project is expected to be completed in 24 months.

**4. Lucinda Avenue Extension**

<table>
<thead>
<tr>
<th>Total Project Budget:</th>
<th>$4,500,000 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funding:</td>
<td>Bond Series 2010 (amended)</td>
</tr>
<tr>
<td>Authorization Date:</td>
<td>March 2014 (amended June 2014)</td>
</tr>
<tr>
<td>Architect/Engineer:</td>
<td>Knight E/A, Inc. - Chicago</td>
</tr>
</tbody>
</table>

**Status:** All work is complete. Final payments have been made. This will be the final report on this project.
5. DeKalb Campus – Steam Tunnel – Supports and Stanchion Repairs
   Total Project Budget: $105,900
   Source of Funding: Institutional - Auxiliary Reserves
   Authorization Date: May 2017
   Architect/Engineer: NIU Heating Plant

   Status: Work is approximately 90% complete. For safety, activities are only scheduled during times that the main steam is shut down and work crews available.

6. East Heating Plant – Summer Boiler and Steam Equipment Repairs
   Total Project Budget: $117,500
   Source of Funding: Appropriated – Income Funds
   Authorization Date: May 2017
   Architect/Engineer: NIU Heating Plant

   Status: All work is complete; the east steam plant was back in service in October for the winter heating season. Final payments have been made. This will be the final report on this project.

7. DeKalb Campus – Electrical Distribution & Steam Tunnel Emergency Repairs
   Total Project Budget: $249,000 (estimated)
   Source of Funding: Appropriated – Income Funds
   Authorization Date: August 2017
   Architect/Engineer: NIU A&E Services

   Status: Work to repair the damaged main electrical feed for LaTourette and Faraday is completed. Remaining tunnel repairs are scheduled during times that the main steam is shut down. Reimbursement for this repair cost is expected from insurance claims.

8. DeKalb Campus – Parking Lot Repairs
   Total Project Budget: $124,800
   Source of Funding: Institutional - Auxiliary Reserves
   Authorization Date: August 2017
   Architect/Engineer: NIU A&E Services

   Status: Work to repair potholes in the Visitors Parking Lot and resurface Lot D and Lot 18 next to Neptune Complex was completed prior to move-in day. Final payments are in process.
PERIODIC REPORT ON INVESTMENTS
FOR PERIOD JULY 1, 2017 THROUGH MARCH 31, 2018

In accordance with the approved University Investment and Cash Management policy, this report on investments is submitted at the end of each calendar quarter to the Board of Trustees. The following schedules are included with this report:

- Cash and Investment Holdings Summary as of March 31, 2018
- Investment Earnings by Type and Duration for the quarter ended March 31, 2018

**Current Performance:** The *Cash and Investment Holdings Summary* is a snapshot of funds held at a specific point in time. At March 31, 2018, NIU’s holdings total nearly $207 million, which is up $33 million from December 31, 2017 and $63 million from the same time last year. This increase is largely due to the receipt of State appropriations this fiscal year and the reduction in University spending over the past two years.

The *Investment Earnings by Type and Duration* report shows interest income for the third quarter and rates of return for the current and prior three quarters. This report includes the University’s invested cash, cash equivalents, and fixed income securities. The annualized rates of return are calculated using interest earnings and average daily balances. The University’s combined average annualized rates of return at March 31, 2018 was 1.32%. As anticipated, the portfolio yield has steadily increased each quarter over the past year.

**Performance Outlook:** In March 2018, the Federal Reserve raised its interest rate from 1.5% to 1.75%, and it is expected this rate will increase two more times during 2018. When the federal funds rate increases, usually yields on newly offered government securities such as Treasury notes will also increase. Due to an environment of higher interest rates and a portfolio size resembling pre-budget impasse levels, it is anticipated the University’s portfolio performance will continue to improve.

Historically, cash and investment balances decline during the fourth quarter and remain at their lowest level during the summer months. However, it is anticipated balances will be higher at the end of this fiscal year compared to fiscal year 2017 due to the timing of State payments and the University’s cash management strategies.
### NORTHERN ILLINOIS UNIVERSITY
#### CASH and INVESTMENT HOLDINGS SUMMARY

March 31, 2018

For Fiscal Year 2018

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Purch Price/ Book Value</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Federal Agency Notes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$43,008,257 $43,005,603</td>
<td>$42,910,189</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$66,519,319 $53,793</td>
<td>$66,519,319</td>
</tr>
<tr>
<td>*Interest Bearing Cash Accounts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$66,515,319 $53,793</td>
<td>$66,515,319</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$66,519,319 $53,793</td>
<td>$66,519,319</td>
</tr>
<tr>
<td>*Money Markets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$56,049,404 $19,203,754</td>
<td>$56,049,404</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$56,049,404 $19,203,754</td>
<td>$56,049,404</td>
</tr>
<tr>
<td>US Treasury Notes/Bills:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$16,961,064 $4,499,264</td>
<td>$16,855,667</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$16,943,892 $4,500,864</td>
<td>$16,855,667</td>
</tr>
<tr>
<td>TOTAL INVESTMENT HOLDINGS</td>
<td>$206,290,855</td>
<td>$206,085,718</td>
</tr>
<tr>
<td>Non-interest Bearing Cash</td>
<td>$372,738</td>
<td>$372,738</td>
</tr>
<tr>
<td>TOTAL CASH &amp; INVESTMENT HOLDINGS</td>
<td>$206,663,593</td>
<td>$206,458,456</td>
</tr>
<tr>
<td>TOTAL CASH &amp; INVESTMENT HOLDINGS @ 03/31/2017</td>
<td>$143,176,517</td>
<td>$142,990,589</td>
</tr>
</tbody>
</table>

**Market Value by Investment Type**

- Federal Agency Notes: 20.82%
- Interest Bearing Cash: 32.30%
- Money Markets: 36.52%
- US Treasury Notes/Bills: 10.36%
- Non-interest Bearing Cash: 10.00%

* Amounts per Bank and Investment Statements
** Purchase price, net of accumulated amortization of premiums and discounts
*** Estimated price for which an investment would sell in the marketplace

Assets reported in the INVESTMENT HOLDINGS SUMMARY comply with the Illinois Public Funds Investment Act (30 ILCS 235) and the NIU Investment and Cash Management Policy.
### NORTHERN ILLINOIS UNIVERSITY

**INVESTMENT EARNINGS BY TYPE AND DURATION**

For Fiscal Year 2018

January 1, 2018 - March 31, 2018

<table>
<thead>
<tr>
<th>March 31 Ending Balance</th>
<th>Average Daily Investment Balance</th>
<th>Percent of Portfolio Earned</th>
<th>3rd Qtr</th>
<th>2nd Qtr</th>
<th>1st Qtr</th>
<th>4th Qtr</th>
<th>Annualized Rates of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-Term Investment Accounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illinois Funds</td>
<td>$56,049,404</td>
<td>$72,462,893</td>
<td>35.74%</td>
<td>$247,569</td>
<td>1.386%</td>
<td>1.120%</td>
<td>1.020%</td>
</tr>
<tr>
<td>Investment Accounts - Financial Institutions</td>
<td>$66,515,319</td>
<td>$56,569,603</td>
<td>27.89%</td>
<td>$200,441</td>
<td>1.437%</td>
<td>1.159%</td>
<td>1.072%</td>
</tr>
<tr>
<td>Investment Accounts - Project Funds</td>
<td>$19,257,547</td>
<td>$18,656,597</td>
<td>9.20%</td>
<td>$38,727</td>
<td>0.842%</td>
<td>0.452%</td>
<td>0.571%</td>
</tr>
<tr>
<td><strong>ST Investment Accounts Total</strong></td>
<td><strong>$141,822,270</strong></td>
<td><strong>$147,689,093</strong></td>
<td><strong>72.83%</strong></td>
<td><strong>$486,737</strong></td>
<td><strong>1.337%</strong></td>
<td><strong>1.060%</strong></td>
<td><strong>0.996%</strong></td>
</tr>
<tr>
<td><strong>Fixed Income Securities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$59,969,321</td>
<td>$49,754,026</td>
<td>24.53%</td>
<td>$159,254</td>
<td>1.280%</td>
<td>1.057%</td>
<td>0.945%</td>
</tr>
<tr>
<td>Project Funds</td>
<td>$4,499,264</td>
<td>$5,359,569</td>
<td>2.64%</td>
<td>$13,969</td>
<td>1.057%</td>
<td>1.024%</td>
<td>1.007%</td>
</tr>
<tr>
<td><strong>Fixed Income Securities Total</strong></td>
<td><strong>$64,468,585</strong></td>
<td><strong>$55,113,595</strong></td>
<td><strong>27.18%</strong></td>
<td><strong>$173,223</strong></td>
<td><strong>1.257%</strong></td>
<td><strong>1.051%</strong></td>
<td><strong>0.965%</strong></td>
</tr>
<tr>
<td>Non-interest Bearing Cash</td>
<td>$372,738</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>COMBINED TOTAL</strong></td>
<td><strong>$206,663,593</strong></td>
<td><strong>$202,802,688</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$659,960</strong></td>
<td><strong>1.32%</strong></td>
<td><strong>1.06%</strong></td>
<td><strong>0.98%</strong></td>
</tr>
</tbody>
</table>
Agenda Item 9.e.
May 10, 2018

QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF $100,000
FOR THE PERIOD JANUARY 1, 2018 TO MARCH 31, 2018

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>No. of Transactions</th>
<th>Appropriated</th>
<th>Non-A appropriated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $100,000</td>
<td>7</td>
<td>$0.00</td>
<td>$1,227,150</td>
<td>$1,227,150</td>
</tr>
</tbody>
</table>

TRANSACTIONS DETAIL:

Purchases:

1. The Division of Information Technology requested permission to purchase equipment to install Cisco wireless access points throughout campus as part of the multi-year project to enable the entire campus with Wi-fi capabilities. This order is exempt from posting on the Illinois Procurement Code because the vendor is a pre-approved IPHEC vendor. (CDW-G, Vernon Hills, IL) $248,900

2. The Division of Information Technology requested permission to issue an order for networking equipment needed for the Enterprise Network Refresh project. This purchase enables DoIT to start the upgrade of the network switching hardware in the second half of Fiscal Year 2018. This order is exempt from posting on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. (CDW, Vernon Hills, IL) $245,000

3. The Office of General Counsel requested permission to issue an order for outside legal services for naming rights process development. This vendor was selected as the result of RFP #bjm041013 and that award has been published on the Illinois Procurement Bulletin. (Mayer Brown LLP, Chicago, IL) $110,000

4. Intercollegiate Athletics requested permission to issue an order for Mid American Conference 2017-2018 officials’ payments for men’s and women’s basketball. Per the conference operating code, payments for men’s and women’s basketball officials will be paid by the league office and invoiced. The intent to renew this contract as a sole source will be advertised in the Illinois Procurement Bulletin. (Mid American Conference, Cleveland, OH) $175,000
### Capital Improvement Projects:

1. There are numerous residential and dining items and equipment in Lincoln Hall that can be reused in other residential buildings on campus. A cost benefit analysis for salvaging the equipment shows a 120% return by salvaging an estimated $238,000 versus the estimated labor cost to remove the equipment of $107,600. The cost of purchasing this equipment new, is estimated to be $612,500. Given the deteriorated status of the residential hall the opportunity and benefit to salvage this equipment will rapidly decline if not executed at this time.

   The items and equipment will be removed by a combination of outside contractor and in-house workforce under the coordination of a NIU project manager. The equipment will be cleaned and stored on campus for future reuse.

2. Areas in Grant Towers C and D require touch up painting as part of a regular maintenance program to keep the building and facilities in good condition. In addition, completion of Stevenson Towers C and D, started in FY17, will be included in FY18 Rotation Painting. Rotation painting will include those areas that are in the poorest condition.

   Work will be completed with our in-house workforce under the coordination of a NIU project manager. Existing surfaces will be cleaned and properly prepared prior to painting. Preparation will include the removal of chipping paint as well as patching and sanding. Where appropriate, masons will repair damaged areas of wall surfaces prior to painting.

3. A roofing assessment of the 14 buildings at Lorado Taft Field Campus was completed in 2017. The assessment identified four buildings with roofs in poor condition. In order to prevent further damage to the roof deck and interiors of these buildings repairs are required.

   The work will be completed by a combination of an outside contractor and in-house workforce under the coordination of a NIU project manager.

* Appropriated/Income Funds

<table>
<thead>
<tr>
<th>Capital Improvement Projects:</th>
<th>107,600</th>
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<tbody>
<tr>
<td>1. There are numerous...</td>
<td>238,000</td>
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<td>2. Areas in Grant Towers...</td>
<td>220,500</td>
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<tr>
<td>3. A roofing assessment...</td>
<td>120,150</td>
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