

Minutes of a
Special Meeting of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
October 21, 2010

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Marc Strauss at 8:30 a.m. in the Board of Trustees room, 315 Altgeld Hall. Recording Secretary Sharon Banks-Wilkins conducted a roll call of Trustees. Members present were Trustees Robert Boey, John Butler, Cherilyn Murer, Barbara Giorgi Vella, Student Trustee Robert Sorsby and Chair Strauss. Trustee Sanchez joined the meeting in progress via telephone during Executive Session. Not present was Trustee Myron Siegel. Also present were Board Parliamentarian Kenneth Davidson and President John Peters. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board Parliamentarian Kenneth Davidson.

MEETING AGENDA APPROVAL

Trustee Boey made a motion to approve the meeting agenda. Trustee Butler seconded the motion. The motion was approved.

EXECUTIVE SESSION

Chair Strauss asked for a motion to close the public meeting to conduct an executive session to discuss the following subjects authorized by the Illinois Open Meetings Act: personnel matters as generally described under §2(c)(1) and (3) of the Open Meetings Act and property matters as generally described under §2(c)(5) and (6) of the Open Meetings Act. Trustee Murer so moved, seconded by Trustee Vella.

A roll call vote of the Trustees to recess to Executive Session was as follows:

Trustee Boey	Yes	Trustee Butler	Yes
Trustee Murer	Yes	Trustee Vella	Yes
Student Trustee Sorsby	Yes	Chair Strauss	Yes

The roll call vote of the Trustees to recess to Executive Session was unanimous.

BOARD OF TRUSTEES MEETING RECONVENED

Chair Strauss reconvened the public meeting of the Board of Trustees at approximately 10:15 a.m.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Before we begin, Chair Strauss said, I would like each of us to remember one of our students, Antinette Keller, who has been missing for one week. Please keep Toni, her family and friends in your thoughts and prayers.

We have two major initiatives on our agenda today that will help shape the future of NIU. The first is the approval of a resolution to allow the university to proceed with the issuance of bonds to complete the Living and Learning initiative we have been discussing throughout 2010. I am pleased with the progress that has been made on this initiative and believe the university needs to invest in our infrastructure in

order to cement our future. This second new major campus initiative will allow NIU to create the best possible environment for learning and success. Research proves that better student outcomes occur in integrated living and learning environments designed to foster student learning.

The second initiative for Board approval this morning is a long-awaited item that I know all faculty, staff and graduate students have a great interest in, approval of a salary and benefit stabilization program to be implemented in January 2011.

The Chair recognized the University Advisory Committee representatives: Dr. Alan Rosenbaum, Dr. Ferald Bryan, Dr. Kerry Freedman, Dr. Gregory Waas, Mr. Todd Latham and Mr. Jay Monteiro.

PUBLIC COMMENT

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

PRESIDENT'S REPORT NO. 72

Before we tackle our agenda items this morning, President Peters said, I want to personally thank this Board of Trustees for their support and commitment to NIU. Despite your busy schedules, you all put aside personal and professional demands to come together as a Board this morning in a special meeting to authorize the university to move forward on two major initiatives critical to NIU and to our faculty and staff.

Once again, I want to thank our students, faculty and staff, the greater DeKalb community, all of our law enforcement agency personnel, university, city, county, Sycamore and state for its outpouring of support as one of our own remains missing. It has been a trying week for everyone here at NIU and in the community. My heart goes out to the Keller family during this unimaginably difficult time for them. Toni Keller is never far from our thoughts. Barbara and I add our prayers to the many thousands of prayers that she is found safe. Also, I cannot let pass the opportunity to commend and to thank our professional and caring Student Affairs staff who have provided comfort for Toni's family, our students who made ribbons and have vigils going on, and the NIU community as a whole for what they have done over the past week. I want to say a word of thanks to our Media Relations and web based communication individuals, their team leaders and their teams in University Relations. They are the face of NIU with our media through our new and explosive web communications presence. Just like our students, Student Affairs and our University Police, they go above and beyond to serve NIU and its people. Once again, I am humbled and proud to serve as your president. We are truly a remarkable and a resilient university because of our people. I want to say that once again, we move forward, together, forward.

Agenda Item 7.a. – Bond Offering for Living and Learning Initiatives

As most of you know, NIU opened its last undergraduate residence hall more than 40 years ago, President Peters said. Our on-campus residential housing options are aging and in need of replacement or renovation to remain competitive. For at least five years, our university staff has been hard at work developing and seeking the support of and getting input from students on a comprehensive plan to flip most of our older residence halls to meet the changes in student residential housing expectations and the competition. The resolution before the Board this morning provides authority for the university to issue revenue bonds to address campuswide improvements to enhance our students' living and learning environment. Campus improvements under this bond authorization include improvements for campus recreation with enhanced intramural fields and facilities on the West Campus, including lighting enhancements for night games, enhancements to the Holmes Student Center that include an overhaul of the University Bookstore, significant upgrades and much-needed repairs to parking lots throughout campus, and deferred maintenance and improvements to existing residence hall facilities. Most of the Board members toured the residence halls this past summer and saw first-hand the importance and urgent need for renovation and/or replacement of our on-campus housing. I want to thank the Board for its support and investing the time to understand the issue, and to thank you for encouraging and urging us to move expeditiously to develop a comprehensive plan to take care of this issue. The opportunity to

pursue the use of revenue bonds is greatly enhanced and attractive because of the federal government's Build America Bond Program that allows universities to issue revenue bonds for improvements with the federal government commitment to pay up to 35 percent of the annual interest on the bonds throughout the life of those bonds. This new program at the federal level is part of the economic stimulus package Congress approved last year. We have a narrow window that ends December 31. So, right now we have a combination of federal subsidy for interest rates, plus low interest rates to bond. The cash flow mechanism to pay this is student room fees and other fees to capitalize this. There is no state money involved.

The renovation of Grant Tower C is already underway. Approximately 25 percent of the students who have enrolled at NIU since 1970 have lived in Grant Towers, and the buildings have hosted thousands of summer camps for people throughout northern Illinois. Despite such heavy use, the building has never undergone significant upgrades or repairs. The project will decrease the capacity of each of the four towers from 500 to 340 students due to the fact that the rooms will be larger, they will be ADA compliant, and there will be more single rooms. The size of each room will increase by about 30 percent. The community lavatories will be refitted with new fixtures and will be reconfigured to provide more privacy; the HVAC and electrical systems will be upgraded to meet increased power needs; and the roofs will be replaced. The project will also include a total overhaul of the common area connecting the towers, including the creation of a modern food court style dining area. Tower C is being renovated at a cost of \$16 million and will be open next fall. Total cost for Grant Towers will be \$16 million per tower plus the common area.

Gilbert Hall, which was originally opened in 1952 as a residence hall, was the premier residence hall on campus until 1995 when it was converted to office use. Reopening that facility as a residence hall will provide a new learning/living option in the heart of campus. With many students enrolled in courses in Barsema Hall and Engineering, we have a great number of students who take their courses on the east side of campus. This is a beautiful old building, and it has numerous issues that have to be addressed. It needs an elevator to be ADA compliant. The rooms will likely remain the same size, but will be refurbished and refinished, while the bathrooms will be modernized to allow for greater privacy. All HVAC plumbing, electrical will be modernized. Wireless connectivity will be integrated throughout the building. There will be a modern grab-and-go type dining facility that will be designed along the lines of a cybercafé, which is what the students like.

Also, Holmes Student Center, which opened in 1962, has been the hub of campus activity for 50 years. Today the building's infrastructure, mechanical and HVAC systems are long past their useful lifespan. Its roofs leak, there is poor accessibility for individuals with physical disabilities, most of the interior spaces have not been updated since the building opened. Funding from the bond sale will be used to address the majority if not all of those issues as well as to significantly remodel the University Bookstore.

Basic infrastructure improvements are planned for parking lots, road improvement upgrades and bike paths. Existing bike paths are going to be resurfaced and made safe, and some new paths will be added. As part of our sustainability effort, we want to encourage more bikes on campus in the next ten years. At least eight parking lots, most of which are student lots, are going to be resurfaced, repaired or replaced. Our parking structure, used by many of our commuter students, will be added to this list of infrastructure improvements. The main roadway on the West Campus as well as a portion of Kishwaukee Drive on the east side will receive needed improvements.

In addition, we want to put in a major, intramural sports complex near the convocation center and, since a survey of students showed that they want to have access past six o'clock, it will be lighted. A new lighted intramural complex probably could double or even triple the number of students who use it. Right now we have almost 6,000 students that participate in outdoor intramural and pick-up sports. The potential facilities include two softball/baseball fields, two football/rugby fields and two soccer/lacrosse fields, a few of which might have artificial surfaces. The complex might also include tournament quality sand volleyball courts. Other amenities include washrooms, a concession stand and viewing areas. This is going to be great for all the kids who come to campus in the summer for football, baseball, cheerleading, soccer and other camps, and will also help the local economy.

We have a good program, and we are asking the Board today to give us the authorization to float these bonds, the President said. Remember, this is a cash flow situation over 30 years. We will get revenue bonds, float the bonds and pay those bonds off through the revenue we receive from room fees, bookstore income, auxiliary income and student fees. So, as with major campus improvements in the past, Build America Bonds will be paid through a graduated increase in student bond revenue fees. Students living in residence halls will also pay a modest surcharge to support these bonds. The charges, which will begin appearing on student bills in Fiscal Year 2012, will be phased in over a four-year period with a cap of 12 credit hours. So, in 2012, students will pay \$2.50 per credit hour, and that fee will increase to \$3.50 per credit hour in 2013, \$4.75 per credit hour in 2014 and \$6.00 per credit hour in 2015 for up to no more than 12 credit hours. Since a significant portion of the renovation and refurbishing is occurring throughout the residence halls as a result of this bond issue, students living in residence halls will be charged a \$25 per semester surcharge in Fiscal Year 2012, \$30 per semester in 2013, \$40 per semester in 2014 and \$50 per semester in 2015, when it will cap. We do not take lightly the student fees, but this is the cash flow that will pay these bonds over the 30 year period. I believe that when students pay a fee, they should have a deliverable and be able see the result of that fee. These projects are staged in such a way that students who pay the fee will immediately begin to see intramural fields, better parking, Holmes Student Center improvements, better living conditions, etc. They will actually see where their fee went. I cannot thank enough the people in Student Affairs, Facilities and Planning, Eddie Williams and his financial people, and our bond people here today who for years have worked on this. With your encouragement, and input all along the way from the students, I bring before you a resolution that will permit us to enter into the financial arrangements to commence this project.

The Chair asked John Kite, President of the Residence Hall Association, and Erik Calmeyer, President of the Student Association, to address the Board on this project. Mr. Kite stated that he had been involved in this project from the beginning and had consulted with students on what they wanted from this project. Based on what we are getting in this project, what the fees are going to be and the support that we have had and are continuing to receive from students, he said, I completely and utterly support this project and hope that you will pass this resolution today because the benefits to the students are going to far outweigh the costs that would be incurred. I just want to echo Mr. Kite's comments, Mr. Calmeyer said. This is going to be a great project. It is going to provide many valuable additions to this university that students will receive a true benefit from, and we are definitely in support of this project.

This is an outstanding project, Trustee Murer commented, and it shows the stewardship of the Board if we pass this. This bond issue and the support of our residence halls, in particular, is a visual manifestation of our commitment to the future and our energy in terms of NIU being a leader in higher education in the state of Illinois and in the nation. This is a critical juncture and it is time for us to upgrade our facilities for our students. This is their environment, where they live four years plus, and it is a reflection of the Board's belief in the future and the support of that future for NIU.

In regard to this particular action before us, as well as the next action item on the agenda, Trustee Boey said, simply put, we are doing all of this to preserve the strength and protecting the future of NIU.

I want to take this time to thank Dr. Williams and his staff, as well as Dr. Hemphill, Student Trustee Sorsby said, for taking the time to sit down with me and explain all the details of the project. Most students like the whole aspect, the dynamics and the scope of the project. But what they really want to know is the financial aspect and what type of financial responsibility they will have. The fee structure that is proposed today will have a small incremental impact on the overall fee structure, and it will not make a substantial change in student fees. So, I am in full support of approval of this resolution.

It is prudent for the Board to move in this direction at this particular time. We are taking advantage of opportunities that in the past have not existed in the form that they exist today, Trustee Butler said. For example, the money saved through the issuance of the Build America Bonds will save us \$36 million due to current interest rates, an opportunity that we have not had in the past and will not have in the future. There also has been a tremendous amount of student involvement in this project. We have to do this in order to remain competitive and maintain the quality of education at this university.

I agree with everything that has been said this morning, Trustee Vella commented. I also want to echo my thanks to Dr. Peters, Vice President Eddie Williams and Vice President Brian Hemphill for all their

hard work in bringing this very creative and proactive project forward. I want to thank the students for all their hard work in participating with us and helping to solve this problem. It is a difficult financial time for us, but we are still involved in being proactive and finding solutions, and I commend the administration for that.

Chair Strauss requested a motion to approve the Bond Offering for Living and Learning Initiatives. Trustee Vella so moved, seconded by Trustee Murer. The Chair then asked for a roll call vote which was as follows:

Trustee Boey	Yes	Trustee Butler	Yes
Trustee Murer	Yes	Trustee Vella	Yes
Student Trustee Sorsby	Yes	Chair Strauss	Yes

The roll call vote of the Trustees was unanimous. The motion was approved.

Agenda Item 7.b. – Fiscal Year 2011 Salary Stabilization Authorization and Allocation Guidelines

Another bold initiative is the Fiscal Year 2011 Salary Stabilization Authorization and Allocation Guidelines, the President said. During my September 2 State of the University Address, I stated that insuring competitive salaries has always been and will remain my top priority. As all of you know, NIU has not been able to provide a general increment program since July 2008, and I am aware that this has created hardships on many of our faculty and staff. I have been particularly touched by the plight of many university employees who have been forced to pay out-of-pocket healthcare costs and await reimbursement because medical professionals, understandably, have grown weary of waiting for the State to meet its health insurance obligations for State employees. About 83 percent of our faculty have CIGNA coverage.

This salary and benefit stabilization plan, which, if approved, will provide an across-the-board increment to all university faculty, staff and graduate students effective January 1, 2011. We have worked diligently to structure this plan to provide as much assistance as possible to employees at the lower salary tiers. We have three tiers based on salary range. Someone earning below \$99,999, would receive a 2.5 percent across-the-board increase. That captures about 80-some percent of faculty and certain staff. The second tier range, \$100,000 to \$149,999, would receive a 2.0 percent across the board, and those at greater than \$150,000 would receive 1.75 percent. Utilizing this approach, 83 percent of all faculty and 84 percent of SPS staff will qualify for the maximum adjustment, as will virtually all salaried and hourly civil service employees. The plan also includes the set-aside of a small amount of funds to provide merit increases for our most productive and accomplished faculty. Those adjustments will be administered by college deans in consultation with the Provost. These allocation plans have been vetted with the appropriate university committees and employee groups.

Funding for this plan has been secured through internal reallocation of funds and savings. As I said in my State of the University, we have been planning for austerity and the State's financial problems, for several years. Those austerity measures included hiring freezes, watching our travel, scrubbing the expense side, and using technology where we can. No state funds will be utilized to provide this increment, we will be using our internal funds. This plan comes with the caveat that in the event of a catastrophic fiscal failure of the state, the Board of Trustees and I reserve the right to revisit the issue. While we do not anticipate this becoming an issue, given the precarious financial situation facing the state, we must be prudent and inform you of that remote possibility. I am optimistic and look forward to all of you receiving a little extra income in January to help with these increased costs you are having to bear.

I could not be more pleased to support this, Trustee Murer said. The tiered approach is reflective of the sensitivity that senior management and this Board have in regard to trying to reward those that are on the front line. For those individuals in the classroom everyday teaching our students and supporting staff, the highest increase will go to them. In the past we have taken an across the board approach, so this tiered approach is new and innovative. It is important that we continue to echo our support and appreciation to staff not only through word but through deed.

Trustee Boey stated that he fully endorsed this action. As I said before, he continued, in doing this, we are trying to preserve our strength and also to protect the future. At the same time, I thank and applaud Dr. Peters' leadership. It is our way of showing that it is you, the people, we care about more than anything else.

Chair Strauss asked for a motion to approve the Salary Stabilization Authorization and Allocation Guidelines. Trustee Murer so moved, seconded by Trustee Vella. Chair Strauss asked for a roll call vote on the motion, which was as follows:

Trustee Boey	Yes	Trustee Butler	Yes
Trustee Murer	Yes	Trustee Vella	Yes
Student Trustee Sorsby	Yes	Chair Strauss	Abstain

The motion was approved with a vote of five "Yes" and Chair Strauss "Abstaining."

Agenda Item 7.c. – Oracle/PeopleSoft Applications – Annual Maintenance Renewals

Finance and Facilities requests authorization for the renewal of annual maintenance fees associated with our PeopleSoft enterprise systems, President Peters said. This request represents a three percent increase over last year. The annual renewals on the contracts we have now will cap in 2013. Chair Strauss asked for a motion to approve the Oracle/PeopleSoft Applications Annual Maintenance Renewals. Trustee Vella so moved, seconded by Student Trustee Sorsby. The motion was approved.

Agenda Item 7.d. – Broadband Technology Opportunity - Northwest Project

NIU recently received a Broadband Technology Opportunity (BTOP) grant from the U.S. Department of Commerce, National Technology Information Agency, the President said. The grant includes approximately \$46 million in federal funds, \$14 million in State of Illinois matching funds and \$8 million from regional partners. That gives us a \$68 million opportunity to spread broadband to 500 sites throughout our nine county region, and it will be administered through regional agreements. Our request today is to enter into agreements with Black Hills RC&D, LaSalle County, the City of Rockford, an Environmental Service contract, and an equipment contract. It was noted that this was the most significant grant ever received by NIU. Chair Strauss asked for a motion to approve the Broadband Technology Opportunity Northwest Project. Trustee Vella so moved, seconded by Trustee Murer. The motion was approved.

Agenda Item 7.e. – NIU/Fermilab Neutron Cancer Therapy Agreement

The NIU/Fermilab Neutron Cancer Therapy Agreement is a pass-through, Dr. Peters remarked. Several years ago, NIU was asked to take over the neutron cancer therapy project at Fermilab. This is supported by federal grants and should not be confused with the proton therapy project. This request is to extend the contract with University Research Associates to manage the neutron cancer therapy clinic at Fermilab for the next two years beginning in December 2010. Chair Strauss asked for a motion to approve the NIU/Fermilab Neutron Cancer Therapy Agreement. Trustee Boey so moved, seconded by Trustee Butler. The motion was approved.

Agenda Item 7.f. – Student Recruitment Advertising

It is necessary to make a small adjustment of \$26,000 to our original approval for Morningstar Media Group Ltd. of Sycamore, the President said. Driving down any thoroughfare in Chicago, you see NIU billboards, and listening to the radio, you hear NIU advertisements, which is proving hugely beneficial to the university. Chair Strauss asked for a motion to approve the Student Recruitment Advertising adjustment. Trustee Murer so moved, seconded by Trustee Vella. The motion was approved.

Agenda Item 7.g. – Married Student Housing Demolition

Usually a housing demolition would not be a cause for celebration, President Peters said, but the sooner we remove the old married student housing, the quicker we are going be able to construct the new freshman residence hall. The cost of this will be imbedded and negotiated within the development

contract. Chair Strauss asked for a motion to approve the Married Student Housing demolition. Student Trustee Sorsby so moved, seconded by Trustee Vella. The motion was approved.

NEXT MEETING DATE

The Chair announced that the next regular meeting of the full Board of Trustees is scheduled for Thursday, December 2, 2010 on the main campus in DeKalb.

ADJOURNMENT

There being no Other Matters, Chair Strauss asked for a motion to adjourn. Trustee Vella so moved, seconded by Student Trustee Sorsby. The motion was approved. The meeting was adjourned at 10:57 a.m.

Respectfully submitted,

Sharon Banks-Wilkins
Recording Secretary