

Board of Trustees of Northeastern Illinois University

**Finance, Buildings and Grounds Committee Meeting Minutes**

February 2, 2022

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened via video conference on Wednesday, February 2, 2022. Trustee Sherry Eagle, Chair of the Committee, called the meeting to order at 8:30 a.m.

**Roll was called and the following Trustee committee members were present:** Carlos Azcoitia; Sherry Eagle; and Charlie Serrano

**Other Trustees present:** Javonti Mordican and Jonathan Stein

**Also present:** Gloria Gibson, President; G. A. Finch, University Counsel; Mary Pat Burns, Board Counsel; Karl Voigt, Assistant Secretary to the Board; vice presidents; staff; University community members, and vendors Kevin Szamlewski and Kelly Koenig, Daktronics, Inc.; Katie Conroy, Poblocki Sign Co.; Sarah Ware, Ware Realty Co.; and Matt Dobry, Geoff Euston, and Mike Nardini, CBRE.

Trustee Eagle recited the following statement: Governor Pritzker has continued in place his prior disaster proclamation in response to COVID-19, the most recent Proclamation being dated January 7, 2022, and, as a result, this meeting is being held by video conference.

We have posted notice of this meeting in accordance with the Open Meetings Act. The open portion of the meeting is being recorded and a transcript of the proceedings will be prepared and ultimately, after approval, will be made available to the public on the NEIU website.

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**Opportunity for Public Comment in Accordance with P.A. 91-0715**

Trustee Eagle announced the opportunity for public comment. There were no requests to speak.

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**Chair's and President's Comments**

In order to ensure there is a quorum to consider the recommendation regarding the purchase of real estate broker services, Trustee Eagle moved that the committee go out of the regular order of business to consider that item first. Trustee Serrano seconded the motion.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Azcoitia: Yes            Eagle: Yes            Serrano: Yes

The motion carried.

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**ITEMS FOR CONSIDERATION AND POSSIBLE FUTURE ACTION**

Purchases \$100,000 or Greater – Real Estate Brokerage Services

Manish Kumar, Vice President for Finance and Administration, introduced the request for approval of a five-year agreement with an optional five-year renewal with CBRE that includes a 5%

commission rate of the final ground lease amounts for broker services for both University-owned properties on W. Bryn Mawr Avenue, and at the El Centro location. CBRE would also serve as the University's owner's representative.

Trustee Serrano, seconded by Trustee Eagle Trustees moved to recommend that the University re-issue an RFP for real estate broker services for the Bryn Mawr property only, and that the Bryn Mawr RFP be reviewed by both the University's and Board's counsel, and that Trustees review it prior to posting it to the state's procurement bulletin.

Discussion: Representatives from CBRE and Ware Realty answered Trustees' questions about the overall project. Following a very lengthy discussion, Trustees ultimately decided to split the projects with Bryn Mawr taking precedence. The El Centro property development will proceed at a later time.

Roll was called and the vote was as follows:

Azcoitia: Yes            Eagle: Yes            Serrano: Yes

The motion carried. Trustee Azcoitia left the meeting at 9:49 a.m.

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## **ITEMS FOR INFORMATION**

### NEIU for You 2.0

Dr. Kimberley Buster-Williams reviewed the Spring 2022 goals for Enrollment Management. With additions to staff that are underway, the Fall 2022 goal is to enroll 400 first-time, full-time freshmen, 900 transfers, and 529 new graduate students. As of the Spring 2022 semester, 81% of first-time students admitted under the NEIU for You 1.0 initiative in Fall 2021 are registered for classes, and 88% of transfers admitted under the same initiative in Fall 2021 are registered for classes. The enrollment team is presently working on internal and external communications strategies and getting staff trained in the new CRM to ensure a successful Fall 2022 enrollment cycle.

### University Credit Rating

Manish Kumar reported that in December 2021 Moody's upgraded the University's credit rating by 3 notches, from B3 to Ba3. Driving factors for this credit quality upgrade were improved balance sheet and healthy improvement in financial ratios, as well as strengthened operating performance; the University maintained its low-direct debt and continues good expense management; the University has an established niche as an Hispanic Serving Institution (HSI) offering a variety of programs and having multiple Chicagoland locations; the University's various enrollment strategies, notably NEIU for You 2.0, and its investments in modern enrollment management systems; all senior leadership positions at the University are filled; and the continued, on-time, stable appropriation support from the State of Illinois. Drivers that will help the University's credit rating to continue to increase are the success of named enrollment strategies (NEIU for You) that result in increased enrollment; that the University continues to improve its demand metrics and increase matriculation; cultivate larger endowment increases to improve the University's financial flexibility; the University's continued sound debt service coverage; a liquid investment portfolio; and that the University continues to maintain low-direct debt and good expense management. Northeastern was the only state university in Illinois to receive this large of a credit rating upgrade.

### Second Quarter Budget to Actual

Mike Wenz, Executive Director of University Budgets, reported that through the second quarter of FY2022, the University is tracking below budgeted revenues and expenditures. Tuition revenues are less than budgeted due to enrollment declines in excess of forecasts. Expenses are less than budgeted across a number of budget categories, most notably personal services and contractual expenses. Tuition revenues and expenses are similar to their year-to-date levels from FY 2021.

The operating budget for FY2022 totals \$155,183,200. State support of \$35,566,900 for the University's unrestricted general operating budget, is 39.4 percent of the total, with estimated tuition revenue of \$51,472,200, or 57.1 percent of the general operating unrestricted budget. Other income sources make up \$3,188,700, or 3.5 percent, and this includes an anticipated \$2,788,700 in federal COVID-19 relief funding. Through the second quarter, the University has vouchered a total of \$29,289,467 against its state appropriations with \$26,791,512 received. During this same period, 80.8 percent of FY2022 planned tuition and income fund revenue was recorded, after adjusting for anticipated waivers and bad debt. The FY2022 budget was built against an anticipated 9.0 percent decline in student credit hours from FY2021 levels. Through Summer 2021 and Fall 2021, credit hour enrollment fell approximately 11 percent behind the previous year. Spring registrations are continuing, but are anticipated to fall short of the FY2021 forecast as well.

Through the second quarter, the University spent \$38,418,700 or 42.6 percent of the total \$90,227,800 general operating unrestricted preliminary budget. In FY2021, the University operated primarily remotely, and federal Covid-19 relief funding was leveraged to support operational changes related to the virtual environment. While the University has returned primarily to in-person work, expenditures continue to mirror those of the work-from-home period. Labor market conditions in the broader economy have created planned and unplanned vacancies that have delayed the University's return to full staffing levels, and allowed for expenditure adjustments to meet declining enrollments. This has kept expenses below projected levels and will allow the university to maintain expenses in line with revenues in the current fiscal year.

### Purchases of at least \$50,000 but less than \$100,000

Manish Kumar presented the latest list of purchases since the last committee meeting.

### Update on El Centro Signage

Manish Kumar reported on the University's latest efforts to mount a pylon sign and electronic message center at the El Centro location. At the October 25, 2021 Finance, Buildings and Grounds Committee meeting, Trustees were informed that a new QBS for El Centro signage only would be initiated. After significant discussion about El Centro signage at its November 9, 2020 Finance, Buildings and Grounds Committee meeting, the El Centro signage was ultimately incorporated into a proposed universal branding, wayfinding, and signage project for the entire University. At its August 23, 2021 Finance, Buildings and Grounds Committee meeting, the committee deferred approval of the University's proposed universal Branding, Wayfinding and Signage QBS, which included the El Centro signage, in favor of more information on the project. At its September 13, 2021 Finance, Buildings and Grounds Committee meeting, the committee rejected the universal signage program in favor of independent internal and external signage projects, and asked that the principal signage project begin with the El Centro location. A final attempt to obtain approval of the universal Branding, Wayfinding, and Signage QBS (sans El Centro signage) was failed at the October 15, 2021 Executive Committee meeting.

Today, Trustees reviewed the current proposed plan and schematics presented by Daktronics and Poblocki Sign Company, the winners of the most recent QBS for El Centro signage. Although this item was being presented for information, the proposal was again debated by Trustees. A lengthy discussion ensued about this project with the principal concerns being the sign is too small and the need to obtain a variance to enlarge it, the sign's visibility from the highway in all directions, the possibility for more than one sign, the overall height of the sign, the sign's placement needs to be rethought, and who would be charged with message programming. President Gibson directed the staff to work with Poblocki to identify any alternative placement options that do not diminish the effectiveness of the sign. The project will move forward soon thereafter.

#### Construction Update

Manish Kumar reported that the Capital Development Board (CDB) has awarded the Electric Cable Replacement Phase One project to Linear Electric. Construction is anticipated to begin in Spring 2022. CDB is finalizing the award for the Campus Roof Replacement project. 100% architectural and engineering construction bid documents for the Campus Entrance and Walkway Repairs project have been submitted by Primera to the CDB for review and approval. Delta Engineering, the architectural and engineering consultants for the Lech Walesa Hall HVAC Upgrades project have begun the design process. The CDB has awarded the architectural and engineering contract to Nest Builders, Inc. for the Bernard Brommel Hall HVAC Systems Upgrade project. The architectural and engineering orientation with Nest Builders has taken place and the CDB is working on the final contract for the project.

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#### **Old/New Business**

The next Finance, Buildings and Grounds Committee meeting is scheduled for March 22, 2022.

There was no further business.

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#### **Motion to Adjourn**

At 11:36 a.m. Trustee Serrano, seconded by Trustee Eagle moved to adjourn the meeting. The meeting was adjourned by acclamation.

Respectfully submitted,

Sherry Eagle, Chair of the Committee  
Karl Voigt, Assistant Board Secretary  
Approved February 10, 2022