

Board of Trustees of Northeastern Illinois University
Finance, Buildings and Grounds Committee Meeting Minutes
September 21, 2023

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Thursday, September 21, 2023 in the Student Union Alumni Hall South located at 5500 N. St. Louis Avenue, Chicago, IL. J. Todd Phillips, Chair of the Committee, called the meeting to order at 9:02 a.m.

Roll was called and the following Trustee committee members were present: Anna Meresidis; J. Todd Phillips; and Paula Wolff

Other Trustees present: José Rico, by video conference

Also present: Katrina Bell-Jordan, Interim President; G. A. Finch, University Counsel; Karl Voigt, Assistant Secretary to the Board; vice presidents; students; faculty; staff; and university community members

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

Trustee Phillips announced the opportunity for public comment. 3 registrations were received in advance.

1. **Ymelda Robles**, as representing AFSCME Local 1989
Topic: comments in support of approving the AFSCME contract
2. **Rosetta Cash**, as representing AFSCME Local 1989
Topic: seeking Board approval for the one-year extension of the AFSCME Local 1989 bargaining agreement
3. **Pat Ruch**, as representing College of Arts and Sciences
Topic: ADA issues in the Bernard Brommel Hall building that limits bathroom use

ITEMS FOR CONSIDERATION AND POSSIBLE FUTURE ACTION

Action Item: FY24 Final Operating Budget

The University is requesting an operating budget of \$85,300,000 for Fiscal Year 2024. This represents an increase of 1.6 percent from FY2023, due primarily to stabilizing operations and the Board's decision to support the operating budget for FY2024. The FY2024 budget is based on a 1.35 percent decline in projected tuition revenue and a 7.0 percent increase in the State appropriation. The final operating budget presented in this request is significantly similar to the FY2024 Preliminary Operating Budget presented to the Executive Committee on May 31, 2023. The enrollment outcomes for the Summer and Fall semesters were sufficiently close to projections that there is no need to revise the projected credit hours or the resulting net tuition revenue for FY2024.

Trustee Wolff, seconded by Trustee Meresidis, moved to recommend approval of the FY24 Operating Budget as presented.

Discussion: Trustees thanked VP Kumar for his cash management and stewardship of the University's investments. Trustee Wolff asked for a cash flow analysis throughout the year to see how it's tracking to the budget. Trustees received an explanation of the proposed University's expenses and asked clarifying questions.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Action Item: FY25 Tuition and Fees Recommendations

Beginning with the Fall 2025 semester, the University is recommending the following increases:

- 3.0% for the undergraduate per credit hour tuition rate, from \$430.95 to \$443.88.
 - This is an increase of \$12.93/credit hour or \$310.28 for 24 credit hours.
- 5.0% for the graduate per credit hour tuition rate, from \$462.53 to \$486.71
 - This is an increase of \$23.18/credit hour or \$620.57 for 24 credit hours.
- 5.0% for the consolidated mandatory fees.
 - This is an increase of \$4.25/credit hour or \$102 for 24 credit hours.

After considerable discussion, Trustees asked to defer the items related to tuition increases and fee increases for approval at the November Board meeting in order to gather additional information.

Action Item: FY25 Operating and Capital Budgets Request

The University Unrestricted Operating Budget request for FY2025 totals \$92,423,000, an increase of 7,723,000, or 9.1% percent, above the FY2024 Unrestricted Operating Budget. The FY2025 Unrestricted Operating Budget request includes salary and cost increases totaling \$5,658,000, and requests of \$2,065,000 for priority strategic planning initiatives.

Trustee Wolff, seconded by Trustee Meresidis, moved to approve the FY25 Preliminary Operating and Campital Budgets Request as presented.

Discussion: Trustees engaged in discussion about the procedurals aspects of this kind of budget instrument.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Action Item: NEIU for You 3.0 Renewal and Expansion to include Veteran and Transfer Students

The NEIU for You scholarship will provide a top-off award to the eligible students. The financial impact of these incentives will depend on the type of student applying and enrolling, their net financial need, and eligibility for state and federal programs. The University is requesting that the Board continue to fund the established Strategic Enrollment Fund for the following purposes:

- Additional marketing campaign to complement outreach to new markets.
 - Year 1: \$500,000
 - Year 2: \$550,000
- Scholarship support to create a two-year bridge funding program and to eventually institutionalize this program if it is successful.
 - Year 1: \$1,063,000
 - Year 2: \$1,620,500

The scholarship portion of this investment will be recoverable at least in part with enrollment growth, and with large enough increases in enrollment can create a sustainable long-term program.

Trustee Meresidis, seconded by Trustee Wolff, moved to approve the request and expansion of the NEIU for You program 3.0 as presented.

Discussion: there was general discussion along with questions about the program and funding.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Action Item: Consideration and Possible Action on A Change Order to the Technolutions Contract to Purchase Text Credits

The University is requesting Board approval to add \$221,000.00 to the Technolutions, Inc. contract amount. Credits of \$86,000 will be added to the original contract term through February 14, 2024. Credits of \$135,000 will be added to the three-year renewal term February 15, 2024 through February 14, 2027 (\$45,000/year). The University plans to funnel communications through the CRM, rather than utilizing multiple vendors. There are several benefits to sending communications out through Technolutions as opposed to using multiple vendors:

- Pay-as-you-go text message is more cost effective
- Print and postcard vendors charge administrative and service fees on top of print and postage, and Technolutions provides services at cost. Technolutions charges less per card.
- NEIU's communication specialists can create postcard proofs and send a mailing in a matter of minutes, avoiding days of back-and-forth with the several vendors.

Technolutions connects all postcard mailings and text messages sent to a prospective student's contact record in the CRM, providing better data collection, analysis, and reporting.

Trustee Wolff, seconded by Trustee Meresidis, moved to approve the change order to the Technolutions contract purchase text credits.

Discussion: Trustees asked clarifying questions about the item.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Action Item: NEIU Resolution to Remove Facilities from the University's System

On July 12, 1973, did duly adopt a resolution providing for the issuance of revenue bonds and the creation of the Northeastern Illinois University, University Facilities System. Pursuant to Section 13(A) of the Bond Resolution, the Board is authorized to convert System facilities to non-income use for administrative, academic or other purposes and remove them from the System upon a determination by the Board that such facilities are not suitable for the use and occupancy thereof for which the same were initially acquired.

The Board is being asked to determine that the portion of the Parking Facilities used as office space for parking enforcement staff is not suitable for use and occupancy for the purpose for which it was originally acquired, and such portion of the Parking Facilities is hereby converted to use for academic purposes and removed from the System.

Trustee Wolff, seconded by Trustee Meresidis, moved to approve the resolution in support of removal of the parking facilities offices from the University’s facilities system and be converted to use for academic purposes.

Discussion: Trustees received clarification on this process.

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

ITEMS FOR INFORMATION

Information Item: FY23 4th Quarter Budget to Actual

The operating budget for FY2023 totals \$143,219,300. Of that total, \$83,940,000 is the University’s unrestricted general operating budget supported by State appropriation and student tuition. In addition, the University’s restricted funds budget amount of \$59,279,300 is supported by student fee programs, auxiliary services, grants, and contracts. The FY2023 budget includes State support of \$37,345,300 for the University’s unrestricted general operating budget, or 44.5 percent of that budget. Through the fourth quarter, the University has vouchered a total of \$37,345,300 against the appropriation, all of which has been received. Through the fourth quarter, 102% percent of FY2023 planned tuition and income fund revenue was recorded, after adjusting for anticipated waivers and bad debt. 105.8% of budgeted revenue from other sources was also recorded.

Through the fourth quarter, the University spent \$81,027,910 or 96.5 percent of the total \$83,940,000 general operating unrestricted preliminary budget. Once all personnel expenses that have been paid have been recorded, this is anticipated to grow to \$83,416,124 or 99.4% of the total general operating budget. Labor market conditions continue to create unplanned vacancies that have delayed the University’s return to full staffing levels. To better align spending and budget for personnel expenses, the University incorporated salary salvage into the budgeting process. During FY23, the University captured \$2.3 million in lapsed salary budgets into the overall operating budget, allowing for distribution of those budget dollars across the University. Spending in non-personnel categories is currently at \$16.2 million for FY2023 or approximately 93.3% of the current budget. This represents a \$1.13 million increase over FY2022 spending levels. This may increase to \$16.6 million once known encumbrances and anticipated changes due to the recording of benefits are included in the final totals.

Information Item: Purchases of at Least \$50,000 but Less Than \$100,000

The University reported the following expenses of at least \$50,000 but less than \$100,000 made since the last report:

VENDOR	DESCRIPTION	PURCHASE ORDER AMOUNT
Disaster Restoration Solutions, Inc. d/b/a 1 st Choice Solutions (BEP)*	Restoration of FA219	\$55,475.85

Ellucian Company, LP. (Non-BEP)	Managed Services and Support – Banner	\$90,000.00
Fooda, Inc. (Non-BEP)	Cafeteria Food Service	\$72,000.00
Jackson Lewis, PC (Non-BEP)	Legal Services	\$50,000.00

Information Item: Emergency Purchase of Equipment for FA219

On February 20, 2023, Northeastern Illinois University experienced a fire in the woodshop located on the second floor of its Fine Arts Building (FA 219) due to a faulty table saw. The total property damage and cost of restoration resulting from the fire significantly exceeds the University's deductible of \$50,000, thus an insurance claim was filed. On July 27, 2023, Facilities Management selected Demco as the preferred vendor for the replacement and installation of the dust collector vacuum system as they offered the lowest bid and had recently installed another dust collector system on our campus, successfully. On August 16, 2023, the work to replace the dust collector vacuum system began and is expected to last twelve weeks. The entire amount will be fully reimbursed by the insurance carrier.

Motion to Convene in Closed Session

At 11:46 a.m. Trustee Wolff, seconded by Trustee Meresidis, moved to convene in Closed Session pursuant to Section 2(c)2 of Illinois Open Meetings Act to discuss collective bargaining matters.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried. The audience was asked to leave the room.

Motion to Reconvene in Open Session

At 12:06 p.m. Trustee Wolff, seconded by Trustee Meresidis, moved to reconvene in Open Session. The motion carried by acclamation.

ITEM FOR CONSIDERATION AND POSSIBLE ACTION

Action Item: Consideration and Possible Action on the Contract Between the University and the American Federation of State, County, and Municipal Employees (AFSCME) Local 1989

Trustee Wolff, seconded by Trustee Meresidis, moved to approve the AFSCME Local 1989 contract extension through June 3, 2024.

Discussion: there was no discussion

Roll was called and the vote was as follows:

Meresidis: Yes Phillips: Yes Wolff: Yes

The motion carried.

Old / New Business

Trustee Phillips asked if there was any old or new business to discuss. Hearing none, there was no further business.

Motion to Adjourn

At 12:10 p.m. Trustee Wolff, seconded by Trustee Meresidis, moved to adjourn. The motion carried by acclamation.

Respectfully submitted,

J. Todd Phillips, Committee Chair
Karl Voigt, Assistant Board Secretary
Approved November 16, 2023