

Board of Trustees of Northeastern Illinois University

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

May 18, 2020

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened via video conference on Thursday, May 18, 2020 at 9:02 a.m. Trustee George Vukotich, Chair of the Committee, called the meeting to order.

**Roll was called and the following Trustee Committee members answered present:** Carlos Azcoitia; Sherry Eagle; and George Vukotich

**Other Trustees present:** Jonathan Stein

**Others present:** Gloria Gibson, President; Mary Pat Burns, Board Counsel; Howard Zweig and Karl Camillucci from Taft, Stettinius & Hollister, LLP; Karl Voigt, Assistant Secretary to the Board; Vice Presidents; staff; and University Community Members

**Opportunity for Public Comment in Accordance with Public Act 91-0715**

Trustee Vukotich announced the Opportunity for Public Comment. There was 1 request to speak.

1. **Andrew Johnson** – Chair, Hollywood/North Park Neighborhood Association  
**Topic:** to urge the Board to address the status of the University's properties on Bryn Mawr Avenue between Kimball Avenue and Bernard Street.

President Gibson provided brief preliminary announcements. Dr. Gibson expressed her thanks and gratitude to the COVID-19 Task Force as their work to get the University prepared for re-entry continues. More information from this group will be forthcoming shortly. Dr. Gibson also expressed her thanks to everyone who has helped prepare the materials for today's meeting.

Associate Vice President, Ann McNabb, presented the Preliminary FY21 Operating Budget. Ms. McNabb provided a re-cap of the current year's appropriation request and provided an overview of three planning scenarios (optimistic; middle ground; and conservative) of preliminary budget figures for FY21 based on the Governor's proposed state budget and expected tuition revenues. A more detailed preliminary budget recommendation will be presented to the Board at its June board meeting following the state legislature's budget vote, but as of today, the University is planning against the conservative budget scenario. Trustees had a robust discussion about the preliminary budget and look forward to the June presentation. There was a recommendation to have a finance and administration representative attend the President's one-to-one meetings with Trustees leading up to the June board meeting.

Vice President for Finance and Administration (VPFA), Manish Kumar, presented the background and request for the purchase of financial advisor services. The University retains an ongoing financial services advisor to assist in financial matters related to capital planning and debt issuance, investment ratings, revenue bonds and/or certificates of participation reporting and strategizing future financing. The financial services advisor is an extension of the VPFA office and keeps the University abreast of any significant developments in higher education finance, and apprised of any potential opportunities. The firm has assisted the University in transitioning several new key staff members over the past few years.

The current financial services firm, Blue Rose Capital Advisors, has provided these services under their current contract approved by the Board since July 2014, with the final contract renewal expiring on June 30, 2020. In the RFP process, two proposals were received; Blue Rose Capital Advisors LLC and Stern Brothers & Company. Stern Brothers was disqualified because they did not include state required disclosures and conflict of interest documents.

Blue Rose proposed BEP participation at 20% percent through Mohanty Gargiulo LLC, a certified minority (Asian) and woman-owned business enterprise. Per the BEP utilization plan, Mohanty Gargiulo LLC will provide financial advisory services, swap advisory services, and reinvestment advisory services. The new contract is proposed to begin July 1, 2020 running through June 30, 2023 with a two-year renewal option.

Trustees requested more information about the expense of this item against other expenses in the preliminary budget in the run up to the coming board meeting. Trustee Stein, seconded by Trustee Eagle, moved to accept the preliminary approval of this purchase. The committee approved the recommendation of this item for full board approval by acclamation. None were opposed.

Vice President Kumar presented an update on the CARES Act relief funding awarded to Northeastern. The University will be distributing approximately \$2.8 million in relief funding to eligible students.

Vice President Kumar reported that the University's energy and water use during the pandemic closure have been comparatively lower to last year. Additionally, the absence of people on campus and locations has allowed for repairs and upgrades to proceed that are not accumulating typical contractor overtime expenses. The campus and its locations continue to go through the planned cleaning and disinfecting processes.

Chief Marketing and Communications Officer, Mike Dizon, presented an update on the University's marketing plans during the pandemic. The University continues its marketing and branding efforts already in progress. Digital advertising remains a strong and measurable outreach tool. The recent work done to distill and incorporate the University's personality into its brand has produced significant interest. Web conversion has increased this year over last by 111% for transfers, 195% for graduate students, and 106% for undergraduates. Outdoor advertising this year is being increased in the suburban market this summer and will begin as the state transitions back to normal life.

Executive Director of University Budgets, Mike Wenz, provided an overview of the University's 3<sup>rd</sup> quarter budget to actual. At this time, the University's spending is on track with expenses slightly less than 75% of budget as of March 31, 2020.

Vice President for Legal Affairs and General Counsel, Melissa Reardon Henry, introduced Howard Zweig and Karl Camillucci of the firm Taft, Stettinius & Hollister, LLP. Taft, Stettinius & Hollister provide guidance to the University on its public-private partnership with the Collegiate Housing Foundation, the bond-holder for The Nest. Trustees engaged in a robust discussion with Mr. Zweig about The Nest and how the University manages its relationship and other material options for the project. Mary Pat Burns will work with Melissa Reardon Henry and Mr. Zweig to prepare a formal presentation for an upcoming committee meeting.

Ann McNabb presented a report on the purchases in the last quarter of at least \$50,000 but less than \$99,999.99.

There was no old business. A new business item for the next meeting is a discussion about the University's real estate holdings. Trustees thanked the President and University staff for their continued efforts on behalf of the students.

There was no further business.

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**Adjourn**

At 11:48 a.m., Trustee Eagle, seconded by Trustee Azcoitia, moved to adjourn. The meeting was adjourned by acclamation.

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Respectfully submitted,

George Vukotich, Chair  
Karl Voigt, Assistant Board Secretary  
Approved June 11, 2020